



CANADA

House of Commons Debates

VOLUME 135 • NUMBER 017 • 1st SESSION • 36th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, October 21, 1997

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

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HOUSE OF COMMONS

Tuesday, October 21, 1997

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

REFERENDUM ACT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.) moved for leave to introduce Bill C-250, an act to amend the Referendum Act.

She said: Mr. Speaker, it is a pleasure to reintroduce a private member's bill that I introduced in the last Parliament. It amends the Referendum Act of Canada. Its purpose is to allow the people of Canada to actually do what democracy allows them to do and that is to rule.

In my view more mechanisms are needed for the people of Canada to have a direct say in the decisions which are made that affect their future. This referendum bill sets out a mechanism that allows the people of the country to play a larger and more specific role in the legislative process.

I look forward to debate on this bill and perhaps to it being passed by the House.

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

* * *

CRIMINAL CODE

Ms. Albina Guarnieri (Mississauga East, Lib.) moved for leave to introduce Bill C-251, an act to amend the Criminal Code and the Corrections and Conditional Release Act (cumulative sentences).

She said: Mr. Speaker, I stand yet again for the victims of multiple murderers and other serial predators to introduce for the third time a bill to end volume discounts for rapists and murderers.

• (1010)

Most acutely, over the past few months, Canadians have witnessed in justified disgust how Canada's courts automatically absolve murderers and rapists of all but their first offence through the very legal obscenity of concurrent sentencing.

I would like to thank the member for Lambton—Kent—Middlesex for seconding this bill and for joining the members of the House who place the rights of victims and the protection of law-abiding citizens ahead of the interests of our most vocal predator protection industry.

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

* * *

PETITIONS

IMPAIRED DRIVING

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, in accordance with Standing Order 36, I would like to present a couple of petitions on behalf of the people in Medley and Edmonton, Alberta.

The petitioners state that there are profound inadequacies in the sentencing practices concerning individuals convicted of impaired driving charges. They think that Canada must embrace a philosophy of zero tolerance toward individuals who drive while impaired by alcohol or drugs.

Therefore, the petitioners pray and request that Parliament proceed immediately with amendments to the Criminal Code that will ensure that the sentence given to anyone convicted of driving while impaired or causing injury or death while impaired reflects both the severity of the crime and zero tolerance by Canada toward this crime. The sooner we act on that the better.

CRIMINAL CODE

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I have another enormous petition which conforms to Standing Order 36. It is signed by literally thousands of residents in the Edmonton, Sherwood Park, northern Alberta area and by many other people across Canada who are talking about the dreadful murder of Susan Klassen of Yukon.

This petition comes from her sister, Brenda MacDonald, in my constituency and from deeply concerned citizens. They believe that the provocation defence as it is currently used in femicide and wife

Routine Proceedings

slaughter cases inappropriately and unjustly changes the focus of the criminal trial from the behaviour of the accused to the behaviour of the victim who, from then on, is identified as the one responsible for the accused violence. It is shameful and it is not right.

More specifically, it is not consistent with the constitutional rights of women, including their right to equal protection and benefit of the law and the right to life, liberty and security.

Thousands of people pray that the defence of provocation be dealt with in the Criminal Code just as soon as possible. I urge the justice minister to do that.

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):

Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition this morning from many constituents of Regina—Lumsden—Lake Centre and other parts of Saskatchewan.

The petitioners are very concerned about the pricing of gasoline in this country. They feel that the price of gasoline is set by all companies in an unjustified manner. They believe that since energy is a key component and the most fundamental component of our economy, there should be some control of its pricing.

They call on Parliament to set up an energy price review commission to keep gasoline pricing and other energy products in check.

NATIONAL UNITY

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, it is a pleasure to present this petition which is a joint effort between Canadians from the province of Quebec and Canadians from across Alberta, my own province.

This group of people are very concerned about the unity of our country. They ask Parliament and the Prime Minister of Canada to confirm that Canada is indivisible and that the boundaries of Canada may be modified only by a pre-vote of all Canadian citizens or through an amending formula stipulated in the Canadian Constitution.

I hope the Prime Minister is watching and will pay attention to the prayer of these petitioners.

AGE OF CONSENT

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, these petitions were originally sent to Sharon Hayes, the former member from the riding of Port Moody—Coquitlam.

• (1015)

It is my honour and privilege to present them on her behalf. There are some 500 signatures from her riding, another thousand from the lower mainland and several hundred from the prairie provinces. It has to deal with the issue of age of consent.

These petitioners ask Parliament to consider changing the age of consent from 14 to 16, which could assist in the prosecution of adults who buy sex from young people because the adult could then be charged with sexual assault. It would not be necessary to prove some of the other things that are necessary under the current Criminal Code.

The efforts of these people to try to make the streets safer for young people and to try to make it difficult for predators to prey on young kids are a laudable effort. I support their goal.

It is interesting that many of the people who signed their names here are teenagers who feel that the current law needs to be changed.

NATIONAL UNITY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from some hundreds of Canadians who pray that the prime minister and the Parliament of Canada declare and confirm immediately that Canada is indivisible and that the boundaries of Canada, its provinces, territories and territorial waters may be modified only by a free vote of all Canadian citizens or through the amending formula as stipulated in the Canadian Constitution.

HUMAN RIGHTS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from 200 residents of the region of Peterborough who draw the attention of the House to the fact that women in Ontario can now appear legally in public bare breasted.

Therefore these petitioners request that Parliament review and amend the charter of rights and freedoms and/or the Criminal Code of Canada to include this practice as being illegal, except in special circumstances such as breast feeding.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[English]

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, I rise on a point of order. I ask that you seek unanimous consent to revert to the introduction of private bills.

I would like to apologize to the House. I was to introduce a bill today but I was delayed at the session on parliamentary reform in West Block.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

* * *

CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Ind.) moved for leave to introduce Bill C-252, an act to amend the Criminal Code (judicial review).

He said: Mr. Speaker, this is the third time I am introducing this bill in the House. This bill would repeal section 745 of the Criminal Code, and in the result all those convicted of murder would have to serve a minimum of 25 years in prison before having the opportunity to seek parole.

In the last House this bill passed at second reading and it went to committee. I would hope that in this Parliament, the 36th Parliament, we will have the opportunity to have this bill debated again and ultimately passed by this House because that is the will of the people of Canada.

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

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I rise on a point of order. In view of the fact that this House had previously passed this bill in the 35th Parliament, and also in light of what we managed to do here for the hon. member opposite who had the proceeds of crime bill where we passed it by unanimous consent, I might ask for unanimous consent of the House to deem the hon. member's bill to have passed all stages and be referred to the Senate.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

The Deputy Speaker: There is no consent.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise on a point of order. I would like to make a motion similar to that or ask for consent of the House.

• (1020)

Rather than the previous motion which was to pass all stages and refer to the Senate, in light of what was approved in the last Parliament and with broad consent in Canadian society, I wonder if we could have the bill from the member from York South—Weston referred to committee for study immediately rather than go through the private member's process.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

The Deputy Speaker: There is no consent.

Supply

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—UNEMPLOYMENT

Ms. Alexa McDonough (Halifax, NDP) moved:

That this House condemns the Government's use of high unemployment to meet targets on the deficit and inflation, its refusal to set targets and timetables for reducing unemployment, its failure to make adequate investments in health care, education, training, culture and the environment, and its pursuit of a monetary policy obsessed with future inflation and blind to the immediate human tragedy of 1.4 million unemployed Canadians.

She said: Mr. Speaker, I am pleased to have an opportunity to enter this debate on the first NDP opposition day not just of this parliamentary session but the first NDP opposition day in four years since the New Democratic Party was re-established as an official party in the Parliament of Canada.

The motion has been read into the record. A short version of the motion is simply that this house condemns the government for its failure to make jobs the number one priority, to make jobs the real priority of its economic policy.

The essence of the argument is quite simple. It is quite straightforward. It will not be the first time that members have heard me say this and it will not be the last time they will hear New Democrat members of this Parliament say it.

If the government can set and meet targets to reduce inflation, to reduce the deficit, then the government can set and meet targets to reduce unemployment. It is such a straightforward argument that it is of increasing concern and an increasing puzzle to Canadians why the federal government just does not get it.

For 84 consecutive months unemployment in Canada has been at or above 9%. Yet a couple of weeks ago when inflation reached 1.8% the government decided that this called for decisive action. The government rushed to support the Bank of Canada in its decision to hike interest rates to prevent the boom and bust effect of economic growth.

One Canadian said something to me which I think expressed the sentiment of a lot of Canadians: "Doesn't the federal government get it that for a lot of people in this country the economy has been a bust-bust economy for a good many years?" They do not recognize any signs at all or any threat of a boom and bust economy.

Canadians are asking themselves if the government feels compelled to act decisively when inflation reaches 1.8%, what level would unemployment have to reach before the government would finally act decisively on the unemployment crisis? With inflation

Supply

at 1.8% and unemployment above 9% it does not take an accountant or a statistician to see which is the bigger problem.

Last week the Minister of Finance took time out from his hectic schedule of meetings with the business community to tell Canadians that the books are in the best financial shape they have been in in 26 years and that Canadians should be grateful. The Halifax *Herald*, the daily newspaper in my city, said it all in the headlines: "The books are fine", says Martin, but the real question is whether the lives of Canadians are fine". If we look at the Liberal rhetoric and set it aside and look at the actual Liberal record, it is a very different picture.

• (1025)

Since the beginning of this decade 320,000 more Canadians are unemployed. The average family income has dropped by \$3,000 and 52,000 more Canadians every year are declaring bankruptcy, and child poverty increased by 25%. That is not only a national disgrace, it is a national tragedy.

While the minister's friends at the BCNI applaud his slavish devotion to deinvesting in health care and education, he is not winning applause from Canadians who are battered and bruised by the single minded obsession with inflation, or from Canadians who are enduring the pain of the reduction of health care services, or from Canadians whose access to education is being blocked because of the government's withdrawal of support to education funding.

It is perverse that this government continues to use high unemployment as a deliberate strategy as a specific means to meet its targets on deficit and inflation.

The government's policy of choking off economic growth, which is why the Minister of Finance says we need to hike interest rates, is surely madness and shortsighted.

It is time once again to reinvest in our important health and education programs which after all are the key to a highly productive economy and a healthy workforce. It also is one of the most important, most efficient, most effective ways we can produce jobs.

There is no shortage of ideas on how we can produce jobs in this country. There is a severe absence of the political will to make jobs the number one priority, which Canadians desperately need this government to finally do.

What would be wrong with working together with the managers of worker pension plans to invest in environmental retrofit of both public and private buildings? The energy savings that would be effected would repay the loans from such a pension fund, enjoying a fair return to the fund. The use of fossil fuels would be reduced to protect our environment.

What would be wrong with eliminating the GST from a selection of essentials and increasing the tax credit? Such tax relief of just over \$1 billion would result in the creation of 19,000 jobs, a far more effective way to achieve jobs than any proposal that has come from either the Reform Party or the Conservative Party.

What would be wrong with requiring banks to reinvest a reasonable share of their deposits in the communities where they originated? More investment in our communities means more small and medium size businesses and more jobs for unemployed Canadians.

What would be wrong with a community reinvestment act similar to that in the United States which could create as many as 60,000 jobs a year without the government's having to spend one red cent of public money?

What would be wrong with the government's recommitting itself to support social housing, co-op and non-profit housing?

We heard the Minister of Finance say last week in his statement to the finance committee that there are some things the government can and must do. Surely addressing the need for Housing when it is particularly job intensive is one thing the government must and can do.

• (1030)

Mr. Speaker, I want to share my time with my colleague from Qu'Appelle so I will wrap up at this point in this very important debate by referring to a forum that took place in my riding last week. It was sponsored by students at Saint Mary's University in consultation with students from throughout the Halifax metropolitan area. The forum's theme was "you have the power to make the difference, now use it".

It is extremely gratifying that more and more students, more and more young people and their families, more of the 1.4 million unemployed Canadians, more of those who are underemployed, and there are more underemployed than unemployed, that all of these Canadians increasingly are understanding that they do have the power to make a difference and they are going to use it. We look forward to working in collaboration and in consultation with them to ensure that we make a difference in forcing this government to finally make jobs the number one priority in its economic policies.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I would like to ask the leader of the NDP a question which has been raised to me by my constituents from time to time. I have not been able to confirm the accuracy of the claim and it would be helpful to have this put into the record.

Numerous constituents have contacted me over the last year or so to say they have heard reports that it is easy for the hon. member to be a socialist because she inherited a significant amount of money, that she is actually quite wealthy and it is very easy for her to go around the country saying all these wonderful things about

how the government should spend more money when she does not have to worry about anything herself.

I would like to ask her a couple of questions. Is it true that she indeed is quite wealthy? If she is, why does she not spend some of her own money as she suggested the banks should do to create jobs and relieve poverty?

Ms. Alexa McDonough: Mr. Speaker, I find the member's question truly astounding. I have to say that it is precisely that kind of cheap politics that erodes public confidence in politics these days.

It is very tempting to say to the member that it is not his business to know what the personal circumstances are of individual members of Parliament. Let me take the opportunity since that member has had the audacity and frankly the ignorance to stand up in this House to ask that question to make it clear that it is not his business.

It is a matter of public record that when my father died four years ago after a desperate struggle with Alzheimer's I did not inherit one single cent. I did not inherit any money because my father believed in a country that is not based on herited wealth. He believed that we should have a fair tax system in this country that redistributes wealth in a way that would enable, in fact require, the Government of Canada to invest in health care for all, not just for the privileged, to invest in education for all, not just for those who can pay high tuition fees, to invest in jobs for all, not just for those who happen to come into their jobs through nepotism or patronage or through being well connected with the corporate elite.

I make not one single apology for my father's success as a businessman in this country who was absolutely committed to working in effective partnerships between the public and the private sectors. Nor do I make one single apology for the fact that my father struggled and worked throughout his lifetime to try to advance a social democratic Canada and the policies for which we continue to struggle in this Parliament.

• (1035)

I am happy to address any sensible, reasonable question this member or any other member may want to ask, but I hope that this is not an indication of the small mindedness, the petty mindedness of that member or his party and an indication of what we can look forward to in this Parliament.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I also would like to remark that I found the type of questioning which was directed to the leader of the New Democratic Party to be rather disgusting in a place which frankly should be above that kind of personal attack.

Supply

I would find myself not agreeing in many instances with the hon. leader of the New Democratic Party but I at least respect the legacy of the New Democrats having come from a labour family. My father was the national director of the United Steelworkers of America for 20-some years. I know the dedication and hard work which were put into developing social policies.

We should give credit where it is due. The New Democrats can indeed take some credit for some of the social programs which exist in this country, not the least of which is medicare.

Having said that, I would ask the leader of the New Democratic Party to explain to this House how that party's policies will work for Canada. We have seen what happened in the province of Ontario from 1990 to 1995. We have seen the devastation that occurred as a result of some of those policies which may have seemed good on paper but in reality did not stand the test of good government.

I would ask the member to respond.

The Deputy Speaker: The hon. member for Halifax for a brief reply.

Ms. Alexa McDonough: Mr. Speaker, it is very hard to give a brief reply to a question which asks me to analyse the five year record of the Government of Ontario under the New Democratic Party. Let me say briefly two things.

One is that some of the difficulties which the New Democratic Party encountered in its five years in office in Ontario had to do with the financial chaos and some of the failed policies which it inherited from the Liberal government which preceded it.

Second, it has to be recognized that as a result of the free trade deal into which the government plunged us with the Liberals giving their endorsement having initially said that it should be renegotiated, the province of Ontario suffered the largest job loss of any government in the history of this country in a short period of time. That of course had immense implications for a government trying to deal with that situation in the midst of a recession, at the same time that the federal Conservative government, followed and accelerated by the Liberal government, was offloading and downloading federal responsibilities left, right and centre.

Yes it is true that Ontario was reeling. The tragedy that we see today is the hardship which was created by the current Conservative government. It effectively has been a partner in crime with the federal government in its continued offloading and downloading of costs and services to the municipalities and on to the backs of individuals.

Supply

There is no short answer to this question, but I look forward to many weeks and months of debating the real issues which underlie the effectiveness or ineffectiveness of the federal and provincial governments in this country.

Mr. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, the most important challenge facing us today in this country is putting Canadians back to work, putting Canada back to work. We now have 1.4 million Canadians who are unemployed, 1.6 million Canadians who are underemployed or who have just dropped out of the workforce and millions more on welfare across this country. Officially 9% of the Canadian population is unemployed. Our challenge is to figure out ways to put these people back to work.

I will say at the outset that I am an optimist. We have an opportunity now. We have turned the corner in terms of the fiscal crisis in the country. We can now turn our energies and resources toward setting goals and targets to put the Canadian people back to work and to build a strong and robust economy to make this country the greatest country in the new millennium. This is the challenge and that is what we have to do.

• (1040)

It is a sad commentary in our country when we have more food banks than we have McDonalds, when we have people who are living on welfare, in poverty and without decent housing. Farmers are going bankrupt. Students are dropping out of universities because they cannot afford the tuition fees. It is a sad commentary when we come from the wealthiest country in the world yet so many of our people do not have an opportunity to do what they want in life, to have a decent job, a decent trade and a decent skill in order to raise their families. This is a national disgrace.

We should have the same determination and zeal to fight the war on unemployment and to set targets and goals as this country has had on the war on the deficit and setting targets and goals over the last five or six years. This makes sense.

I disagreed with many of the ways the government tackled the fight on the deficit. I disagreed with many of the provinces in the way they fought the deficit. But at least there was a plan, there was a goal and a timetable. Now we should do the same thing when it comes to fighting for jobs in the country and for putting the Canadian people back to work.

Mr. Blair has targets and timetables in terms of youth unemployment in Great Britain. The same thing is being done in other countries around the world, so why can we not do that in this country? I am afraid now that the finance minister has wrestled the so-called inflation demon to the ground he is going to allow interest rates to rise and slow down the economy and add to more unemployment in the country.

When we look at what happened in the past, it was not government programs that caused the debt in this country, it was the interest rates. A couple of years ago a study by Statistics Canada showed that 50% of the debt was caused by high interest rates. Only 6% of the debt was caused by government programs. The other 44% was caused by tax expenditures and tax loopholes and the failure to have a fair tax system in Canada.

It worries me when I see stories in the paper about the possibility of interest rates rising once again. We have this great inflation demon raising its head again. Inflation is 1.8%. With inflation at 1.8% and 9% of our people unemployed and the Canadian dollar sitting at about 73¢ American, why is the government now concerned about fighting inflation?

What the government is going to do is cool down the economy. It has already raised interest rates twice this year. In all likelihood it is going to increase interest rates again in the next few days, certainly within the next week or two. When it does, the banks increase their lending rates to small business, homeowners and farmers and the whole economy slows down. People lose their jobs, people are laid off and the wage fare is once again going to remain flat and stagnant in the months and years ahead.

The challenge is to get out and do whatever we can as a nation to put our people back to work. To make sure, the Minister of Finance in his talks with Mr. Thiessen, the governor of the Bank of Canada, should say that a 1.8% inflation rate is not too high, it is not too dangerous and it will not hurt the economy. Instead let us keep interest rates in the country low so we can stimulate the economy and put Canadian people back to work. This is extremely important.

I want to look at the negative part in the manner in which the government fought the debt and deficit. Only 6% of the deficit is caused by the government's programs. About one-half of the 6% was spent on social programs. Because of the cutbacks of billions of dollars we have many needless victims of the war on the deficit. I think of the people who go to the food banks, those living in poverty. There are the cutbacks in the health care system, the line-ups in the emergency rooms, people waiting to get into hospitals and the cutbacks in transfers to the provinces for health, education and social programs. There is tremendous poverty and third world like conditions on many of our First Nations reserves and in the inner cities.

• (1045)

These are the victims of the war of the Minister of Finance on the deficit. It did not have to happen. The natural growth in the economy because of the drop in interest rates in the last few years would have been enough to bring down the deficit within the targets the Minister of Finance set two or three years ago. He did not have to leave a carnage of victims across the country.

Supply

Once again I warn the government that if it listens to the Governor of the Bank of Canada and the Minister of Finance we will be back in the same old vicious cycle of higher interest rates, fewer jobs, flat wages and people suffering because of the monetary and fiscal policies of the government across the way.

Instead we need more money spent on health and education. We have to restore at the minimum the funding that was there two or three years ago before the beginning of the cutbacks. We have to restore transfers to the provinces in these important areas. We also need a sensible targeted tax cut.

We are suggesting dropping the GST entirely on some essential goods in Canada such as children's clothing and books and increasing the tax credit for low income people, an expenditure that would cost about \$1.2 billion which would not only be a relief to people who need it the most but would create jobs in terms of stimulating the economy. These are some of the things that need to be done.

I will be introducing a motion very shortly in the House to establish a community reinvestment act, an act that is very similar to what we see in the United States. It would require banks and financial institutions to invest a certain proportion of the money they take out of a community back into the community. That is a way of creating jobs. More important, it is one way of trying to rectify some regional inequities in Canada.

Today we have a recovery, so they say, but the recovery is very unequal. The recovery is primarily in four or five regions of the country: Alberta, southern Ontario and two or three other regions. In much of the country there is no recovery. In much of the country there is still a great recession. In much of the country people are still going hungry and there is still poverty.

One way of trying to redistribute income and opportunities a bit is to have a community reinvestment act where banks and financial institutions have to invest a certain amount of the money in deposits they receive from a community back into the community. Those are some things that can be done.

We have a great opportunity. We have turned the page. We have a new parliament that is much more balanced than the parliament we had in the last three or four years, a parliament that can be much more progressive. The government must change its ways and get off that neo-conservative agenda of the Margaret Thatchers and the Ronald Reagans it has been following in the last four years.

The government has to stop listening to the Reform Party which wants to make it more conservative than Conservatives and start listening to the people who want a good, progressive government which gets involved and shows some leadership from coast to coast.

Canadians want a strong government that tries to correct inequities. They want a strong government that supports social programs

and social spending. They want a strong government that once again will show some leadership in making the number one issue in the country the creation of jobs by setting targets and timetables; by keeping down interest rates; by having targeted tax cuts; by investing in people, health, education and social services; and by investing in research and development. Then we will build a strong and competitive economy and make Canada the best country in the 21st century.

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Mr. Speaker, I have a series of questions for my colleague.

First, with respect to the additional spending he mentioned in certain areas that obviously could use that kind of assistance, does he have any indication of the costs involved? He mentioned a number of proposals.

Second, with regard to reductions in certain tax measures, how much would that cost the federal treasury? If we were to look at both the expenditure levels and the dollars lost in terms of the adjustments to some programs that he suggested, could he put them in the current framework of the deficit and the debt?

• (1050)

I also have two very brief questions with respect to his intention to have banks invest some of their profits. Has he, his party or anyone else done an analysis of how much money is involved, what it would produce in actual tangible results and what impacts there might be on the operations of banks?

For example, might they need to or feel they need to do something in terms of reduction of employees?

I have a final question. Are there lessons to be learned from the New Democratic governments in power today? I do not say that facetiously or tongue in cheek. For example, in British Columbia and Saskatchewan, unless I am badly informed and I do not think that is the case, there are opportunities in terms of some proposals made by my colleague that have not been followed up.

Perhaps he would answer those questions.

Mr. Lorne Nystrom: Mr. Speaker, I will take these questions very briefly in reverse order.

What can we learn from the NDP government in Saskatchewan? Indeed we can learn from most governments across the country. In Saskatchewan, in particular, when the cutbacks came from the federal government in health and education, the provincial government backfilled those cutbacks so that spending was at least stable in those areas.

Spending has not increased in constant dollars or in real dollars because inflation has gone up. We still have a problem in that province in terms of spending on health and education, but that

Supply

problem is not as severe as elsewhere because the Saskatchewan government backfilled the lost federal dollars.

The same thing happened when it came to some cutbacks in areas involving Indian and Metis people. Again the provincial government tried to backfill some of it.

As a consequence, along with Alberta we have the lowest unemployment rate anywhere in the country. It is under 6% and it has been consistently under 6% for a long time. That is better than my hon. friend's province of Manitoba which has a similar economy. One reason for it is investment in social programs.

Recently Saskatchewan is the first province in the country to balance its budget. That happened three or four years ago. There have now been four successive surpluses in the province and a commitment by the province to spend a third of a surplus on new spending for health and education, about a third on tax cuts and a third to pay down the accumulated debt.

We can learn from the Government of Saskatchewan that investing in social programs is a good idea for helping the people and for creating jobs. That is a legacy of the Saskatchewan CCF and NDP with Tommy Douglas, Woodrow Lloyd and Allan Blakeney. I know the member in a previous incarnation was very proud of some of those programs in terms of the ideas he promoted in the province of Manitoba, and I hope he still is.

Now I will go to the banks. I am not talking about an act that would force banks to invest a proportion of their profits in communities but an act that would force banks to invest a certain percentage of their deposits in the community where its deposits were drawn from. We would tailor it after what exists in the United States. Economists who have looked at say that it would create about 60,000 new jobs.

I will make one final point. Just reinvesting money again into health and education to bring us up to the levels of the federal government before the cutbacks would cost about \$7 billion. That would be a very positive thing for the government to do.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, in rising to comment on the motion of the fourth party today, let me remind Canadians about what we have been able to accomplish.

When the government took office we had a deficit of \$42 billion. In just three short years we were able with the support of Canadians to bring that deficit down to \$8.9 billion.

• (1055)

During that period we have seen our national debt peak at \$583 billion. In the last year we have been able to pay that down by \$11

billion. This is not an abstract exercise in dealing with the deficit and debt. We have seen very practical results.

As a result of our prudent fiscal management, monetary and fiscal policy since we first took office, we have seen interest rates fall by a full five percentage points. From two percentage points over the American rate to below short, medium and long term U.S. interest rates.

A couple of weeks ago when interest rates went up only 25 basis points, mortgage rates continued to fall, showing that these policies are working.

The hon member for Qu'Appelle said that high interest rates cost us jobs. How does he think we got the low interest rates which are starting to produce jobs? It is because we have been responsible fiscal and monetary managers.

We have also seen the pay-off in terms of low interest rates and growth of our economy. Our economy is now growing by OECD and IMF estimates over the next few years at the rate of 3.7%. This is the highest of G-7 countries. In the second quarter of this year we saw how our economy grew at an annual rate of 4.9 per cent. This is the way that we are going about the important task of creating jobs.

No one in the House on any side, I would venture to say, does not realize that probably the most difficult thing we as members of Parliament go through as individuals is seeing qualified people who want to work and have the capacity to contribute not being employed to the full extent of their capacities. If any one of us had a wish, I am sure we would all agree it would be to ensure that every Canadian had a job commensurate with their abilities and capacities. How do we do that?

We are seeing the results of our prudent management of the economy now paying huge dividends. When we took office there was 11.4% unemployment. It has come down to 9%. We know that is not good enough but in the private sector in Canada, which is the only place where jobs will be created, we have created 1.1 million new jobs. This is an extraordinary record of accomplishment.

In the first nine months of this year we have created 279,000 new jobs. Estimates are that over the next two years we will be creating them at the rate of at least 300,000 new jobs a year. This is the pay-off for what we have introduced.

I am very sympathetic to NDPers when they talk about the need for jobs. They are telling us that we have to set targets. Did either of their two speakers today tell us what the targets should be? No. Here is how they told us they would achieve them. Let me go through them.

Supply

They said that labour sponsored venture capital funds should be forced by the federal government to do retrofits. They cannot do retrofits. Are they talking about increased tax incentives for these funds?

They talked about further tax cuts. I will just go through the list the first two speakers put before us. At the same time they called for increased spending on health care, education, training, culture, environment, child poverty and housing, as well as a major expenditure program on the GST tax break. They were talking about eight new expenditure programs.

They also said "Let inflation go, just let it go. We do not have to worry about inflation". The actions taken to date do not have an effect on monetary policy until a year to a year and a half down the road.

• (1100)

The member for Qu'Appelle said that high interest rates cost us jobs. How do we get high interest rates? By allowing inflation to go amok. It was when interest rates were at 22% that inflation was in the double digits.

We are never going to allow Canada to go that way again. We are going to keep interest rates low by managing the economy sensibly. Members of the NDP have come out—we will see the details of it later—with a program they think will create jobs, 60,000 they say. The community reinvestment act, which they are going to enact in Canada, will require funds taken as deposits in a community to be reinvested at least to a certain extent in that community.

We have looked at this. Do members know who the net losers would be? They would be the Atlantic provinces and a couple of the prairie provinces because they are now the net beneficiaries of the lending of our banks.

More money is lent to these poorer areas of Canada than is taken from these provinces in deposits. If that is the type of policy that they are advocating for Canada, either their research is wrong or they are on a totally wrong track in trying to give hope to the areas of Canada that most need it.

We are not unmindful of the need to keep fighting to get unemployment down. We are particularly concerned about youth unemployment, which is almost double the rate of unemployment in other areas of the economy. That is why we introduced the federal public sector youth internship program. That is why we have brought in the youth employment strategy which involves summer placements, international internships and science and technology internships.

I am particularly proud of the 6,000 jobs that have been created for the First Nations and Inuit peoples through the internship program that has been provided there.

Yes, regrettably in our quest to deal with the tremendous deficit and debt problem, unfortunately we have had to make cuts in transfers to the provinces, cuts in health care, which when analysed in total, including tax points that have been transferred and cash transfers, is an overall cut at its maximum of \$3 billion.

If half of that was allocated to health care, it would be less than 3% of the total health care budget in Canada. We do not like to have to do that but we did have to cut. Our cuts to the provinces were at the level of 8%, whereas cuts to program spending were in the order of 13%.

At the same time, needs have been recognized and increased funds have been allocated in the 1997 budget for health care, \$150 million for better approaches to providing health care, \$50 million for the health care information system and \$100 million for children's health initiatives.

We are very mindful of the fact that education is the key to future prosperity. That is why we have taken recent measures. On Canada student loans, which have a 30-month grace period, the limit has been doubled to \$4,000 for registered educational savings plans. We have increased the amount that is deductible for student tuition fees and tuition credits are up. We are conscious of how that has to be done.

We are criticized by the NDP in terms of culture. Yes, our cultural industries are key, not only a major player in the economy, employing almost 900,000 Canadian, but also in defining who we are as a people.

That is why new moneys are allocated, \$25 million a year, to the Canada Council starting next year, with another \$10 million to it to help us honour the millennium.

• (1105)

One of our most important initiatives in health care, education and the cultural sector was to recognize that as governments have to cut back, perhaps the private sector could contribute more. That is why in so many areas tax incentives have been enhanced, to allow the private sector to help contribute in these areas.

We are going to continue our responsible course. We are not going to inflate ourselves into joblessness and high interest rates. Our path is working. Let us stay the course. Let us finish the job.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, it was with interest that I listened to members from the New Democratic Party as they alluded to my home province of Saskatchewan. The success of those in Saskatchewan in achieving some of their goals in recent years is because they adopted a policy that was not unlike the NDP policy with the premier there, but they followed a more conservative policy.

Supply

Last weekend when I returned home—this hits both the opposition and the NDP—an 80-year old lady who is very close to me fell and broke her hip and her shoulder. She had just finished waiting six days, not six hours, in agony to get a post-operative bed. I would like to inform the members to my left that these are some of the horror stories in Saskatchewan at the present time. I know there is restructuring and I know they are trying to make amends, but do not ever let it be known that all is well in the province that initiated medicare because it certainly is not.

Every day horror stories cross my desk from my constituency and beyond. Which province probably has the longest waiting list for hip surgeries? Saskatchewan. Which province has cut more beds per capita than any other province? Saskatchewan. Which province at the present time has the longest waiting list for access to an MRI machine? Saskatchewan.

Let it be made known that in order to get to the point they are at today with the cuts from this government, all is not well in the socialist medicare system of Saskatchewan. As the result of the delays for MRI machines, people are now going to North Dakota where they can get an MRI diagnosis within two days once they apply.

The following statistics just came in. The trans-Canada highway in Saskatchewan is a national disgrace and some of the blame has to be borne there. There is no question about that with the robbery of the excise tax and Saskatchewan getting about 4%. Hon. members know that when they put 50 litres of gas in their gas tanks, \$5 goes to the federal government through its excise tax, and about 40¢, that is all, is returned to Saskatchewan.

While the provincial government has been a little better, the eastern and western sections of the trans-Canada highway that runs through Saskatchewan are presently untwinned. Already this year that highway has claimed seven lives unnecessarily. That same small stretch of untwinned highway has claimed 38 serious accidents. Do not tell us about all of the glories, about what is happening across Canada. In Saskatchewan alone these are the facts and no one can get around it.

I listened with interest to this speech because we do not hear much in the House about my province. I will leave that with hon. members. While I congratulate them for some of things that are being done, let us not deceive the people that all is well in socialist Saskatchewan.

• (1110)

The Deputy Speaker: The Minister of State for International Financial Institutions has the opportunity to respond to the remarks just made, although I must say that the Chair is having some difficulty determining the relevance of the comments to the speech of the hon. minister. The minister has one minute to respond.

Mr. Lorne Nystrom: With respect, Mr. Speaker, I want you to check the record. He said that I was trying to deceive the people of Saskatchewan or the people of this country. I am not sure if that is parliamentary. It is a very polite word for lying. I wonder if you would check the record, Mr. Speaker—

The Deputy Speaker: The hon. member may wish to, but I do not think I heard him saying anything which was contrary to the rules. I do not think “trying to deceive” is unparliamentary.

Hon. Jim Peterson: Mr. Speaker, we have heard an eloquent plea on behalf of our health care system which is dear to every Canadian. It is the one program we have that is universal.

In spite of the difficulties we have faced, last year we increased by \$1.5 billion the cash floor for transfers under the CHST going to health care. We have ensured that over the next five years an additional \$6 billion will go into this area of provincial jurisdiction.

The principles of the Canada Health Act are very important to Canadians. That is why we are not going to sacrifice, as the Reform Party would have us do, the five essential principles of the Canada Health Act. We will defend those principles in every way possible. Canadians do not have to worry about that. We are not a Reform government.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I am pleased to rise today to speak on the NDP opposition motion which is before the House.

I was pleased to hear the hon. leader of the NDP clarify the question which I asked on behalf of my constituents. I realize that a number of members of the House were a bit upset by the question. The leader herself seemed a bit agitated. However, I make no apology for asking the question on behalf of my constituents.

I am a great believer in not putting up with rumours that go around. I would rather go to the source and ask for actual information. That is what I did today.

I am pleased that the member had a chance to put something on the record. It means that I can mail out that *Hansard* to those constituents and that will put an end to the matter. I thank her very much for doing that.

Ms. Elinor Caplan: Why don't you apologize?

Mr. Ted White: I hear a member opposite saying that I should apologize. I will never apologize for asking questions in the House on behalf of my constituents. Let me make that very clear. If we turn this place into a politically correct place where we cannot ask questions on behalf of our constituents, then we cannot represent them. I express in the House opinions from all sides of the spectrum. Those who were here in the last Parliament will know that. Mostly I speak to Reform policy, but there were many occasions on which I brought forward points of view from my

Supply

constituents which disagreed with Reform policy. I see that as my duty.

To get on to the matter at hand, I was happy to hear that the hon. leader of the NDP was pleased with her father's contribution. By being a successful business person he was able to support the political philosophy of which he was in favour.

It reminded me of another famous socialist from a different country, the Hon. David Lange, who was prime minister of New Zealand. I had the good fortune to meet with him for about two hours in 1995. He told me about the terrible problems he went through in 1983 when New Zealand was on the verge of bankruptcy and the awful decisions he had to make as a Labour Party prime minister, which is equivalent to the NDP.

He told me that he had come to recognize that you cannot have good social programs unless you have a vibrant private sector. I believe that relates very well to what the leader of the NDP said when she said that by her father having a successful business he was able to contribute to the goals of his political philosophy.

• (1115)

I think that is something that we really need to remember here. If we treat business as the enemy in trying to achieve the things that the NDP are trying to achieve, then we are really not going to get any progress down that road at all.

Reform unfortunately is not in a position to support the motion as it is written because we really feel it is illogical. It mixes the cause and effect and really contains a lot of erroneous assumptions that do not tie together.

For example, the motion suggests that measures to bring government spending under control lead to high unemployment. I would venture to say that the evidence throughout the world is exactly the opposite.

If we look, for example, close to home at the Klein government in Alberta, by reducing government spending dramatically, running surpluses and reducing taxes, the unemployment levels in Alberta have plunged. It is the place in Canada right now that is generating a huge number of jobs and the economy there is really barrelling along.

We can look at the Harris government of Ontario and see similar sorts of things beginning to happen now. The Harris government was preceded by an NDP government which followed the sorts of policies that are being proposed by the NDP where this tax and spend philosophy actually kills jobs. It creates unemployment.

We can look to the United States where any of the states that have cut taxes and reduced government spending have created jobs. In New Zealand, where I am originally from, the unemployment

level there now is below 5%. Yet the government is only one-third of the size it was in 1983.

The evidence is overwhelmingly opposite to what is being proposed by the NDP in the motion.

I did mention the NDP government in Ontario. In 1990 it tried to spend its way out of the 1990 recession. All it did was bring the province to the edge of bankruptcy.

We see the same problems happening in B.C. where the NDP government there was the beneficiary of enormous amounts of inflowing foreign investment for a few years and it disguised its inability to get control of the spending, but now those pigeons are coming home to roost and we are starting to get into a much more difficult situation in B.C.

Also, if government spending on job creation could create jobs, we already have a \$600 billion debt in Canada, enormous deficits that have been run up starting with the Liberal government in the late seventies; enormous debt that has been incurred in the lifetime of the average 20-year old who is out working right now. With that huge terrible debt of \$600 billion, if government spending created jobs we would all have three by now because that is an enormous amount of money.

What we see is that the government pours money into programs that create short term temporary jobs that really go nowhere such as heavy water plants that produce a product for which there is no market, grants and subsidies to steel mills or coal mines that cannot market competitive products, airports which are beautiful facilities that have no flights coming in.

There is a famous company in my area of the country. Ballard Technologies, which everyone is in love with at the moment, has received huge infusions of government money. It is disguising what the truth is about fuel cells. Nobody ever asks where the hydrogen comes from to run all these fuel cells. When we ask that question we discover it comes from the decomposition of natural gas, from fractional distillation of air, from hydrolysis or some other process that uses enormous amounts of energy to create the hydrogen in the first place. It is very convenient to ignore the fact that pollution is being created somewhere else to make all this hydrogen to run a fuel cell so that somebody can say this is a nice little non-polluting fuel cell. It is only half the story.

If we really look at the whole process we find that it is completely uneconomical. It is cheaper, more efficient and cleaner to run a bus on a natural gas engine than it is to generate hydrogen somewhere and run it on a fuel cell.

Yet no one asks the question. The government blindly runs in huge grants to this company, ploughing money into it, buoying up its reputation. Now its shares have shot up to something \$85 a week or two ago and yet I still do not think people are asking the right questions before they put government money into a company that

Supply

has never made a profit and has no hope of doing so for a long time, maybe never.

• (1120)

These are the sorts of ways the government wastes money, claiming to create jobs when all it is doing is giving certain companies unfair advantages in the marketplace and moving jobs from one place to another.

Another flaw in the motion is that it trivializes the negative consequences of the monetary policy we have with regard to inflation. It was not long ago that Canadians were facing mortgage interest rates of 16% or more because we had run up such huge government debt. In 1993 when the Reform party was trying to get governments to start controlling their spending, and we should take a lot of credit for moving the Liberal government in that direction, 80% of the new money we were borrowing was coming from overseas. Those lenders were demanding high interest rates because of the huge debt that had been built up by the government.

You can't have your cake and eat it too. You have to get to a low inflation and low interest rates by controlling government spending. It ends up creating jobs.

A couple of speakers from the NDP mentioned that banks should be forced to plough more money into the community. Credit unions in British Columbia do exactly that and I assume that credit unions in other parts of the country would do the same thing. Surely we do not need to change the rules. We just need to encourage people to switch from a bank to a credit union. I think the credit unions are already trying to do that. Instead of having more government interference, we should let the marketplace make that change.

I have a huge amount of material here on health care and things we could do to create new jobs. For example, the U.K., New Zealand and Sweden have all allowed some choice in health care. They have managed to increase the number of jobs in health care tremendously. We could certainly benefit from the experiences of those countries.

I realize my time has expired. It is unfortunate that we do not have more time to spend on this. I look forward to perhaps being part of questions and comments later in the day.

Mr. Lorne Nystrom (Qu'Appelle, NDP): I think the member is having his cake and eating it as well. A few moments ago the Reform party member for Souris—Moose Mountain got up. He is a former Conservative MLA in Saskatchewan under the administration of premier Grant Devine which, according to one of his former speech writers, was the most corrupt government in the history of this country.

The member for Souris—Moose Mountain was complaining about the lack of money going into health care and highways. The

Devine government in its nine short years ran up the biggest per capita deficit of any provincial government in this country and the second largest per capita debt, second only to Newfoundland, of any government in this country.

The Devine government was a soulmate of the Reform party. It spoke one way before an election about fiscal responsibility and after the election was the most irresponsible spender in the history of this country, almost bankrupting my province. That is one reason why we do not have the flexibility today we would want to have in terms of the programs the people of the province require.

I ask the member how he can get up in this House and talk about fiscal responsibility when his soulmate in Saskatchewan, Grant Devine, leader of the most corrupt government in the history of this country, was the biggest spender we have ever seen in terms of driving up the debt and deficit and burdening the people for generations to come. That is sheer hypocrisy.

Mr. Ted White: Mr. Speaker, I thank the member for his question.

The Devine government made promises about fiscal responsibility and when it became government it was irresponsible. We saw the same thing happen with the Mulroney government. There is no doubt that these traditional old line governments like we have on the Liberal side of the House make these promises and they feel quite happy to break them.

That is the reason the Reform party is here. In 1983 when westerners voted for the Mulroney government it made a promise that it would get the deficit and spending under control. The Tories promised us they would do it and they did not. They got into government. They lost their nerve and went on the usual tax and spend. Liberal-Tory, same old story. They were all the same. That is one of the reasons the Reform party came into being. We were the ones who made it fashionable to get government spending under control.

Nobody can deny that in 1988 and 1993 in the election campaign material we had information on digging the debt hole, everything was focused on making governments become responsible. Reform needs to take all the credit for what has happened from coast to coast across this country.

• (1125)

I hear the Liberal members across praising what the government has achieved. Those same members a decade ago were saying exactly the opposite. We have managed to convince everybody in this country, every level of government, that we cannot have good social programs, prosperity, good employment levels and low taxes unless we have government spending under control.

Supply

We will say one thing for the Liberals. It is well known that they always follow the trend and Reform managed to push them into some fiscal responsibility.

In answer to the member, like him, I condemn the Devine government for what it did. I condemn the Mulroney government for what it did and that is why Reform came into being.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, it will come as no great surprise to you that I will be voting against the motion of the members opposite.

The issue here is the setting of realistic deficit targets, realistic debt targets and then going on to set employment targets. When one has revenue coming in one knows what the revenues are. When one knows one's expenses one knows how to set realistic targets. That in my view is the central thesis of the fatal flaw of the NDP's position, namely that to set an unemployment target is simply an exercise in futility and something with which the government cannot possibly cope.

I ask the members opposite how, without entering into massive deficit spending, increasing debt and entering into programs that are utterly useless, will they be able to set realistic targets and achieve that.

Mr. Ted White: Mr. Speaker, I am not sure if the member thought he was asking a question of the NDP, but it was my speaking time and my chance to respond.

I agree with him that the NDP fatal flaw is that it thinks that we have to increase spending by massive amounts to create jobs when all the evidence is that type of spending does not create long term jobs. It creates unemployment instead.

I agree with the member's observation that massive spending is not the way to prosperity or to lower unemployment levels. On the other hand, I see no harm and I think Reform sees no harm in setting a general wish to move the unemployment levels down, not a specific target I agree. We cannot pick a number out of the air like 3% but we want to move it down. We have seen other jurisdictions get below 4% and 5% where they have these low tax, low deficit or surplus regimes and we should be aiming for the same sorts of achievements.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am very pleased to speak today on this motion by the New Democratic Party.

While not agreeing with all of its details, this is nevertheless a motion which points out that the battle of the deficit, in which the government is proudly proclaiming great victories, has been won at the expense of the workers, the employers, all those who have paid

into the employment insurance fund and who have generated the surpluses we have today.

Today, the surplus is \$12 billion. In the NDP motion, when they refer to the imbalance between the battle against the deficit and the way the unemployment issue is being addressed, I feel a clear message is indeed being sent to the government, that it must readjust its sights and correct the way it is expending its energies, whether the energy it is focussing on unemployment is sufficient, and whether it is taking the right approach. I believe, in this connection, this will be a worthwhile motion.

It is also important to see that the battle of the deficit, as the motion states, has been waged by cutting transfer payments. In this connection, when the NDP states that it condemns the federal government for:

—its failure to make adequate investments in health care, education, training, culture and the environment—

it is obvious that the federal government has no jurisdiction *per se* in the majority of these sectors.

• (1130)

So, in the view of the New Democratic Party, the federal government should perhaps bypass the provinces to invest in these areas, a bit like the Liberals tend to want to do now that they have financial manoeuvring room.

However, the solution is much more to open the tap and allow transfer payments to find an adequate level of equilibrium. On this subject, they might say: "You sovereignists are always going to oppose the federal government's investing money in the provinces, because you want to withdraw". However, the effect of the cuts in transfer payments is not felt just in Quebec. The same situation is also hurting Ontario, given all the changes in the health and education sectors. As we can see these days, there is even the threat of general strike of Ontario teachers. The same sort of criticism has been made by the other provincial premiers.

Thus, as far as the motion is concerned, we can agree with the fact that, when there are budget surpluses, the federal government's secret for remaining in control of its budget is to ensure that the additional money that could be invested in these areas is invested through transfer payments, that is, the provinces should be given the necessary sums the equalization system may generate and allowed to manage them and use them as they see fit, since they are the experts in these various sectors.

The third sector contributing to the deficit is the cuts in the federal bureaucracy. However, as luck would have it, this is the sector where objectives were not met. Contributions by employers, employees and the unemployed to the employment insurance fund exceeded the objective. They were asked for more, and more was contributed than was asked for initially. In the matter of transfer payments, screws were tightened to the hilt, and the provinces were

Supply

forced to live with the constraints. However as far as the contribution by the federal government machinery is concerned, the objectives were not met.

I think, in fact, a deeper look is needed, and I think the government's current prebudget consultations will reveal that people want tighter management in direct government program expenditures. For too long the bureaucracy in the national capital region, that is to say the Ottawa area, has been growing, somewhat at the expense of other regions in Canada, and I think that no one in Canada or around here wants this model to spread. Efforts will have to be made to ensure that, thanks to the room for maneuver being created, the money will be used in federal areas of jurisdiction or, through transfer payments, that the provinces have the necessary room to maneuver, fiscally speaking.

The NDP motion also deals with a very important issue: the economic choice that always has to be made between inflation and unemployment. Whether we like it or not, a balance has to be struck there and, looking back on the past as an indication of what might lie ahead, the Bank of Canada's tight money policy in recent years has slowed down the economy, leading to the economic crisis of the early 1990s under the Conservatives. Even now, we must ensure that the government will maintain a positive attitude.

For instance, how high can the rate of inflation be allowed to rise so that, on the other hand, the rate of unemployment can be reduced to a more reasonable level? The current rate of unemployment in Canada is not acceptable. The effects of the squandering of human resources will be felt for decades because the 20, 30 or 40-year olds whose jobs do not match their skills today are not gaining the experience required to contribute to society adequately in the future and build an interesting future for themselves.

There are several unanswered questions which, I think, should be brought to the attention of the government and it would certainly be in the interest of the government to decide whether to change course or to stay the course. The Speech from the Throne was rather significant in this respect.

• (1135)

The first thing the Liberals did when they realized they would have some room to maneuver was to pour money into projects that are in areas under provincial jurisdiction. This is what I call not learning from past mistakes. The government cannot see that it is once again setting in motion the same big machine that generated the deficits of the nineties and that formed the basis of the Trudeau government's philosophy, which was to try to get involved in every sector, because the federal government was the one that could find solutions for people. However, we came to realize that this philosophy did not work at all.

In our debates, we can do a critical review of the past—I think it is important to do so—but we must also learn for the future. It is true that if we have budget surpluses, we will have to ensure that we slowly reduce the debt, that we allow the pressure on interest rates to remain low and even to diminish, so that economic activity can regain momentum.

However, we should also think about rewarding those who helped reduce the deficit. For example, since those who contribute to the employment insurance fund generated a \$12 billion surplus and since nowadays 30% to 35% of those who contribute are eligible for benefits, compared to 60% in the early nineties, this so-called employment insurance program, which in fact is meant to provide an income for those who are between jobs, no longer meets its objectives, because the government applied too much pressure to ensure that the surplus of that fund went to reduce the national deficit.

Since employers and employees made a tremendous effort, it would now be in order to reduce employment insurance contributions. It would also be important to improve the living conditions both of seasonal workers and of new arrivals on the job market. Right now, it is discouraging for young people, particularly in seasonal sectors, to be required to work 910 hours, the equivalent of 26 35-hour weeks, to be eligible. The risk is that the young person will ultimately be unable to accumulate enough hours to qualify for employment insurance. He will have paid premiums, but will not be entitled to reimbursement, which is completely unacceptable.

In order to compensate those who have helped to lower the deficit, the federal government must, over the coming years, stick to the areas over which it has jurisdiction, managing them as well as it can and not opting for certain measures just because of their possible impact on a future election. When it comes to the areas of health and education, the provinces are the experts. The government's contribution must take the form of transfer payments.

In this sense, the government will have to learn from the past so that, in five or ten years, we do not find ourselves back in a debate like the one we have been mired in for the past five years, with those members of our society who were not the most well off having to play a disproportionately large role in lowering the deficit.

I hope that the government is listening to this motion.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, thank you for recognizing me so quickly.

I am pleased to put a question to my distinguished colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, since his riding is similar in every respect to that of Frontenac—Mégantic.

Supply

I would like to tell him about an encounter I had last week in my riding. Last week was a week set aside for members who wanted to touch base with people in their ridings. That is what I did during the seven days available to us to meet with our constituents.

In Lac-Mégantic, at the Sears store, I met a saleswoman who told me a rather sad tale about her daughter. Her daughter had left university and worked hard to find a job. Unfortunately, three weeks ago, she received notice that she was being let go.

• (1140)

Naturally, because she had to live, she left home. She had to pay for rent and for food. She had to make payments on her furniture and her television. She had to pay for cable, the telephone and so on. So she went to the employment insurance office. The good Government of Canada had played with the terms so it is no longer unemployment insurance, but employment insurance. As she was short some ten hours in order to be eligible, she will have to turn to social assistance.

When the government says that the rate of unemployment has dropped since it came to power on October 25, 1993, it is not telling the truth, it is playing with the figures. Accordingly, when a person is not actually receiving employment insurance or actively looking for a job but living off social assistance, they are not counted. The same head cannot be counted twice. You can only count one person once.

I would ask my distinguished colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, since I managed to remember the very complex name of his riding, to tell us whether I am mistaken or whether I am right and whether in his riding, which is identical to Frontenac—Mégantic, unfortunate situations like the one I described keep occurring.

Mr. Paul Crête: Mr. Speaker, I am grateful for the question from my colleague from Frontenac—Mégantic. In fact, his is a clear example of the unacceptable disparity.

Prior to the employment insurance reform, a person entering the labour market for the first time worked 15 hours a week for 20 weeks for a total of 300 hours of work and could then receive benefits. Now the requirement is 910 hours. The difference between the two is 610 hours. That means that the number of hours required for eligibility has been increased by 600%.

You gave a specific example. The young person you were speaking about will have made contributions but will never be entitled to them. At the end of the year, the counter returns to zero, and so hours worked in the first year do not count in the second year. This is one example of an area in which the Government of Canada ought to show some humanity and ought to remedy the situation, ought to ensure that we have in this House, as soon as possible, a bill to change the unacceptable aspects of employment insurance reform. We are not saying that the reform should be done away with completely, just that errors need to be corrected.

In his address, the hon. member made me think of my meeting yesterday with some women who are involved in community kitchens, who prepare meals together because they have very limited means. That was the reason they set the kitchens up. Now they are faced with a situation where the regional health authority, which sets the budgets, is being forced to make cuts, thus obliging them to regroup and adopt a less efficient way of operating. When it comes down to the bottom line, the fundamental cause of this situation is that each of the organizations, each of the regional health authorities in Quebec, gets its budget from the Government of Quebec. Part of that Quebec budget comes from federal transfer payments.

It is not easy for someone on welfare, someone trying to get off welfare, to see all these long term effects happening, and to realize that they originate far away from them. I think, however, that it is important to know this, and it is important to be able to judge what actions the government will be taking in future years, whether a very significant portion of the \$42 billion that have been cut in transfer to the provinces since the early 1990s will be reinstated.

[English]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am certainly pleased to speak on this issue.

I have a unique perspective from most members in this House in that I served here for five years from 1988 to 1993. I was defeated in 1993 and was resurrected again in 1997. It is kind of like a time machine. I was out for four years but all of a sudden I have been thrown right back in.

I have a perspective where I can see the effect of the changes perhaps more dramatically than others. Others who have served here have seen the incremental changes resulting from the government policies over the years. I see a dramatic change. I see a very dramatic change in almost every social program, every issue that deals with people who need the most help, every area that needs the most help.

• (1145)

It has impressed me a great deal that even in our jobs as members of Parliament we are much more active and much busier trying to help people through the system. When I was here before, people who had reasonable requests received reasonable reception and it took a reasonable time to get through the system. Now it seems to take forever to get through anything, whether it is employment insurance, job training, health care, education, or any aspect.

It is interesting that a few minutes ago the hon. minister for foreign trade said in his speech that we made these cuts and we made these changes with the support of Canadians. He said that Atlantic Canada was one of the cheap beneficiaries of these policy changes. We ran out of time but I wanted to ask him if Canadians

Supply

supported him, how could he possibly interpret what happened in Nova Scotia as support.

In May there were 11 MPs in Nova Scotia and every single one was a Liberal. In the 1997 election every single Liberal member of Parliament was defeated. I do not know how that is interpreted as support but I am sure the hon. minister could come up with an interpretation that 100% defeat is support. I am not sure how to do it but I am sure he can do it. As he spoke I thought he must have the map turned upside down because certainly the people in Atlantic Canada sent a strong message that we do not support the cuts to all the social programs and all the things that help the people most in need.

All social aspects were hit. My area has one of the highest unemployment rates in Nova Scotia. Our unemployment rate falls between 15% and 40%. There is no program. There is no strategy. There is no job training of any consistency to help people. This coincides with and certainly supports the NDP motion in that regard.

It is not only unemployment but there are cuts to health care. Our health care system is in chaos. Doctors are leaving faster than we can replace them. We have band-aid solutions. We kind of bribe doctors to come in and set up in our area but it is just a band-aid solution and the problem again is cuts to our social fabric and the social programs. It seems to me to be totally contradictory to the Liberal philosophy of helping people which was always there but seems to have completely disappeared.

In education the government has come up with this new idea of public-private partnerships to build and replace schools that are now dilapidated and deteriorated beyond repair and really need to be replaced. They have started a few of these public-private projects to try to save money to keep the province and the feds from borrowing money because the transfers to the province were reduced. All of a sudden they are packing up. They are not working. There are all kinds of problems with them. They have bypassed the tendering system. There is patronage and favouritism. There is false economy wherein the government may save borrowing a few million dollars but the obligation to the people of Nova Scotia is incredible.

On the issue of highways, my area has one of the most dangerous highways in Canada. Forty people have died on that highway. It is in drastic need of replacement so the government says "Well, we do not want to replace that dangerous highway. We will propose a toll highway". Even in a report submitted by a group of lawyers who worked on this project they say "One is immediately struck with the realization that this region of Nova Scotia is not one which should be conducive to a successful toll road. Highway 104 is anticipated to handle only 6,000 vehicles a day in a rural and

economically challenged region of the country." In effect they say that it should not be a toll road, that the government should pay for it.

It then goes on to say that if we can control the tolls totally and put them up whenever we want to, if we can direct traffic, prevent people from taking other roads and force them to take this toll road, we may be able to make this economically depressed region of Nova Scotia work. It says that if we can relax construction standards, make narrower asphalt, no shoulders and all these sorts of things, maybe we can ram it through and maybe it will work. Well, I do not think it is going to work.

I believe it is false economy. In order to save \$60 million on that road the government is obligating the people of Nova Scotia and Newfoundland to 30 years of paying tolls that will total \$538 million. They are going to cause the people of Nova Scotia and Newfoundland to spend \$538 million while pretending that it will save \$60 million. It will create an interprovincial trade barrier. It is in every way just false economy to obligate the people to spend \$538 million to save \$60 million.

• (1150)

In my region all employment is done by small business. There are no large employers, no giant international corporations. It is all done by small business. The overcharge on employment insurance is costing jobs. There is also the fact that there is no money being put into retraining, nor is there any consistent policy which would help to address the tremendous unemployment problem. In certain pockets of my riding as I said before it is as high as 40%.

Basically the small business employers in my riding are being fined by being overcharged on employment insurance premiums. There is still no plan, no consistent retraining programs and no strategy.

As I said before, I was away for four years and now I have come back. The thing that hits me the hardest is what is happening to our Canada pension plan and to the people who need disability benefits. When I left, if a doctor said a person was disabled, within a reasonable length of time if the person qualified for CPP disability, if they had paid the premiums, they could get disability benefits. Now I do not know how disabled a person has to be to get disability insurance. It is incredible. I have a couple of examples which reflect on the impact the policy changes have on the people who need help the most.

Mrs. Marjorie Newman of Oxford Junction, Nova Scotia applied for Canada pension disability benefits in March 1995. Through 1996 and all the way through 1997 she has been stalled and given excuses. There have been all sorts of delays. Now she is told that she will not have a hearing until late 1998. She applied in March 1995. We cannot imagine the stress on this poor woman. We

Supply

cannot imagine the frustration and the fear which this lady has. This just should not be.

The doctor's report said "Marjorie Newman is totally disabled and unable to work". Mrs. Newman is clearly disabled and unable to work at any job and it puzzles me how her application for Canada pension disability has been refused. It started in 1995 and now she is looking at late 1998.

Here is another example which I find shocking. I do not understand how people can be expected to pay into the Canada pension plan and then have this happen. This case concerns Archie Black. He lives in a place called Shenimecas in my riding. I have known him all my life. He comes from a long line of dedicated, hard working people. He can no longer work. He wants to work. His doctor said "Mr. Black is completely disabled from any form of employment".

He applied in September 1994 for Canada pension disability. Through 1995, 1996 and 1997 they kept asking him for more information. We cannot imagine the mental anguish and stress which have been placed on this man. Now he is fearful of losing his home. I do not understand how this can be allowed to happen. A disabled person has to wait three or even four years for an answer as to whether they qualify for Canada pension disability benefits.

It is incredible. All of these things indicate the philosophy of the Liberal government. It does not matter whether it is unemployment, education, health care, the Canada pension plan or even killer highways. The present Liberal approach hits the poorest regions the hardest and it hits the people who need help the most the hardest.

I will support this motion today because it reflects on the overall policy of the government. I agree with deficit reduction, but I do not agree that it should be achieved on the backs of the people who cannot help themselves and who need help the most.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I listened with great interest to the hon. member for Cumberland—Colchester. It seems to me that the government has turned the corner with respect to what it has done over the past number of years in getting its fiscal house in order.

I would simply ask him to consider the evidence. Low interest rates and accelerating job opportunities. Housing starts and resales are up. Business investment is surging. Consumers are spending again and growth is taking off. Yes, while there have been sacrifices, we have now turned the corner and are on our way to an economic renewal which we have not seen since the 1950s and 1960s.

Will the hon. member agree that it was his government between 1984 and 1993 which caused the mess that our government has now had to clean up?

Mr. Bill Casey: Mr. Speaker, on the contrary, I often think that in the Liberal caucus there must be a great big picture of Brian Mulroney. They must all come in and worship at the altar of Brian Mulroney every day because he is the one that brought in free trade which has allowed our economy to expand. It was Brian Mulroney's government that brought in free trade which the Liberals opposed vehemently all night and all day for a long time in this House. However as soon as they were in, not only did they embrace it but they enhanced it and expanded it.

• (1155)

It is the same with the GST. The Liberals opposed the GST hour after hour in this House. They vilified Brian Mulroney and his government for bringing in the GST but as soon as they were in, what did they do? They embraced it again and in our part of the country they enhanced it. They talked the provinces into turning the provincial sales tax into GST as well. Not only did the Liberals follow what Brian Mulroney and the Conservative government did but they enhanced it.

The low inflation policy was started by the Conservative government. That is a policy which was carried over. We started that and I am really proud of it.

There is no question that the success we are having today, and I am sure the Liberals know it, started with the foundation that was built by the Conservative Party from 1989 to 1993. The Liberals can say everything they like but actions speak louder than words. Their actions are screaming "We love Brian Mulroney's policy on free trade. We love Brian Mulroney's policy on GST. We love Brian Mulroney's policy on low inflation because we endorsed it, we enhanced it, we embraced it and we love it".

Mrs. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, I will be sharing my time today with the member for Churchill.

Today I rise in favour of the motion. I am proud of the initiative and leadership taken by my party with respect to this motion.

I am honoured today to stand in the House of Commons as the member of Parliament for Bras d'Or, a riding that takes in much of the island of Cape Breton. It sweeps from the coalfields of Glace Bay and Donkin where my father began as a coal miner and where I grew up, down past the historic site of Louisbourg, through the fishing communities to the south and then up again to Cheticamp and the beginning of the Cabot Trail.

My riding is diverse. French, English and aboriginal communities live side by side. There are families who came here from many of the world's nations to work underground or in our steel mills or on our oceans. These are the people of Bras d'Or.

Supply

One hundred years ago Glace Bay was the fastest growing town in the British empire. It was a magnet for people from around the world, for people who wanted to make a better life for themselves and their families.

We fought for decades to make conditions better for the workers in our communities. The miners went on strike to fight for a living wage, for safe working conditions. They had to fight tooth and nail for every scrap, for every little advantage that today we would take for granted.

So I come from a region where we are used to fighting, where we are used to having to work hard for everything we have. It has always been a tough place to live and our history is full of hardship and sacrifice.

Cape Breton helped build our country, feeding the people and industry as we expanded to the west. But somewhere over the decades as our success turned into Canada's success, we started to slip away from the centre of national life. The handful of rich men who owned our industries moved on to new ventures in new regions and we were left to cope as best we could.

And cope we did. Cape Bretoners are an industrious people who are used to hard work, who enjoy hard work, who are good at the task they set their minds to. One of the great tragedies of the last two decades has been to see these people deprived of the work they love.

While the rest of the country went through booms and busts, Cape Breton was on a slow decline. Even in the days of big government no thought was given to reviving our island. Instead we saw millions of dollars thrown away on megaprojects that made a few people, often strangely enough, friends of the government of the day, into millionaires and left the people where they had been, increasingly desperate, increasingly isolated. Many left.

• (1200)

Since I was elected in June, I have been amazed at the number of Cape Bretoners I have met across Canada. Nearly all of them left home to find work. Nearly all of them would love to go home again if work was there for them. Of course, there is no work in the late 1990s.

In his town hall meeting last December the Prime Minister told Canadians that people who lived in places like Cape Breton were basically out of luck. Just last week the finance minister spoke at great length about the Canadian economic miracle. But just a few months ago he said that any economic recovery in Canada would likely pass Cape Breton by.

We are not asking for special favours from the government. We do not want any more heavy water plants or other white elephants dreamed up by bureaucrats. All we want is help to get back on our feet, help so that we can do the things Cape Bretoners are best at: hard, honest work.

We have had many promises from the government. We were promised that the Donkin mine would open, a mine built at public expense. It still has not opened. We had a promise that education would be made a priority. Instead, we had the slash and burn budgets of the last three years, budgets that forced the provinces to accept fewer teachers, larger classes and lower standards.

We were promised a fair deal on taxes. Instead, the tax burden went up for working and middle class people, especially in Atlantic Canada where the federal government held hearings with its provincial counterparts and gave us the BST, a good name for a tax I must say.

We are paying more, getting less and the government has told us it is our fault. When offices are closed down, making it impossible for Cape Bretoners to access the services other Canadians take for granted, we are told that we are to blame.

We were promised accessible health care. Instead, we see transfer payments reduced and hospitals closed. We see patients dying because they cannot get access. That is not something I am saying to inflame the members of the government. That is a message straight from more than a dozen doctors in the town of Glace Bay who held a press conference this past May to say that approximately 40 deaths had been directly related to health care cuts. What a disgrace.

Every time I go home I hear about more cases, of patients turned away, of waiting lists, of doctors and nurses so overwhelmed with work and so fatigued that they cannot properly do their jobs, of Canadians dying because they live in Cape Breton. As the Prime Minister put it, I guess they are just not lucky.

This is the human side of the government's action. While the American bankers pat the Minister of Finance on the head and give him extra brownie points from the world finance candy store, my neighbours are sick and sometimes dying.

While the Prime Minister travels to Russia and speaks about the need for the country to reform so it can rise to our level, there is a community in my riding where raw sewage flows through the streets.

The Prime Minister and the Prime Minister in waiting can talk all they want about growth, and the government backbenchers can happily bleat the party line about unemployment. But tell those lines to the people of Birch Grove where the children cannot play outside because of the danger of contamination. Tell that to the man who lost his wife because the doctor did not have time to properly diagnose her.

Some towns and village in Bras d'Or have a real unemployment rate of over 50%. Half the people in the communities are out of work. Many people have given up, finally crushed by decades of struggle that seem to get them nowhere, by odd jobs and government work schemes that promise to lead them back to security but

led them instead to their Prime Minister telling them that they had better move if they wanted to get ahead.

We in the New Democratic Party believe we need to improve health care and other social programs, not just because it is the right thing to do, but because it will also create good jobs and enable many more skilled and talented Canadians to participate in the workforce in every part of Canada. Money invested in health care produces three times as many jobs as the money being used for an income tax cut.

● (1205)

I call on the government to expand medicare, to cover home care and prescription drugs so community based and non-hospital care is available to all without an American style, two tier system. It would create meaningful jobs in Canada.

Enforce the principles of the Canada Health Act: universality, accessibility, portability, comprehensiveness and public administration. It would create meaningful jobs in Canada.

Promote a community based health system which is driven by the health care needs of the people rather than fee for service medicine. It would create meaningful jobs in Canada.

Establish a special funding for research and development and pilot projects in the health care field. It would create meaningful jobs in Canada.

Support the development of community based facilities for primary care, for health care and for health support services such as shelters for battered women and women's health centres. It would create meaningful jobs in Canada.

Establish an aboriginal health institute to support aboriginal communities in taking action to improve their health, broaden research, identify culturally relevant approaches to aboriginal health issues and increase advanced education for aboriginal students in the health profession. It would create meaningful jobs in Canada.

Support a national strategy for research treatment and prevention of AIDS. It would create meaningful jobs in Canada.

Canadians deserve a more balanced approach to getting people working. Reducing the deficit does not have to mean the old style slashing pushed by the Liberals, Tories and Reform. It could have been done without threatening health care for Canadians and education for our children.

What is it going to be? Is the government going to own up to its responsibilities in times when questions are tough or is it simply going to duck and weave, dodging blame and grabbing credit wherever it can and thinks it can get away with it?

Supply

Mr. Deepak Obhrai (Calgary East, Ref.): Madam Speaker, this is my first time speaking in the House and it is indeed a privilege.

I have listened to the motion of the NDP and to the response of the Liberal government. I represent a riding which is not very well off. A lot of people are looking for government assistance and are on government assistance.

The general thrust, as I listen to the members of the NDP and of the Liberals, is that with the spending that will take place, jobs will be created. However, the evidence is to the contrary. Yes, we do need to spend money on many of our social services but that is not going to create meaningful jobs. It is going to create jobs that are there but are not meaningful jobs.

What is important for the economy is to reduce the deficit. I have business experience. I am a small businessman and in the last 15 years the tax burden on my business has exceeded to the point where I have had to cut staff in order to balance my books. It is lower taxes and the proper environment that will create the investment and create meaningful jobs.

I have two daughters in university who will soon be going into the job market. They are looking for training in jobs that will be meaningful and help in our prosperity.

The economy is changing into an information age and moving into a global economy. That is where we will excel in the job training aspect by retraining our youth. It is not in spending money but in creating the environment for the business sector. We all know it is the business sector that will create the jobs, not the government sector. The government sector is always inefficient so we must create an environment for the businesses that will create the jobs.

I do not disagree with some of the points that she has made concerning spending money on training which will create jobs. Yes, it may create jobs but it will not create ever-lasting jobs.

● (1210)

All we hear from the NDP is that there are many unemployed and we should be spending money to create jobs. I differ on that. The spending of money is not going to create jobs.

Some of the proposals which were just mentioned may create jobs and may be necessary. It is not going to make a big dent in the unemployment rate. I share the view that we should bring the unemployment rate down. Our fundamental difference is that the NDP is asking for spending and we are not. We are asking for a climate to create jobs.

Mrs. Michelle Dockrill: Madam Speaker, it is ironic that my colleague does not feel that a nurse, a doctor and a teacher are relevant jobs and are not needed.

Supply

As I reiterated in my address to the motion, I come from a part of the country that has the highest rate of unemployment in the country. Over the last two years 700 individuals in the health care system have lost their jobs due to the cuts by the government. My colleague is saying that they are not important jobs. I invite him to come to Cape Breton and talk to the gentlemen who wishes he had that nurse to look after his wife. That is the problem.

The Reform are not making the government accountable for what it is doing to the country.

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, I speak in favour of the motion. I will focus on the crisis with aboriginal employment which we all know has historical roots.

The royal commission report on aboriginal people should have left no one questioning the cause of the crisis facing aboriginal people. Treaties were signed with aboriginal peoples, and the Government of Canada and the crown at the time of Confederation altered the treaty relationship, making aboriginal people and their lands the object of unilateral federal legislation.

In 1876 we had the first version of the Indian Act. These actions over time transformed independent, viable aboriginal nations into bands and individuals who were clients of a government department and wards of the state. This was not done with any consultation with the aboriginal peoples.

Canada's policy was intended to undermine aboriginal institutions and life patterns and to assimilate aboriginal people as individuals into mainstream society.

What I have just mentioned is almost word for word from the summary of the report of the Royal Commission on Aboriginal Peoples. Numerous actions were the instruments of the destruction: the Indian Act; the removal of jurisdiction from aboriginal governments; government control over who was recognized as an Indian; forced attendance by several generations of aboriginal children at residential schools; adoption of aboriginal children into non-aboriginal homes; the loss of two-thirds of the land set aside in treaty; the exclusion of aboriginal culture from processes related to education, justice, health and family services; and substitution of welfare for an effective economic base.

There are many people who believe that aboriginal people have had it easy and have no reason to complain. For those unbelievers let me read a few excerpts from a speech given by Father Hugonard on Saturday, May 27, 1916. Father Hugonard was with the Lebreton Indian Industrial School.

The Indians are no longer lords of the Prairies.

Five tribes with different languages compose the Indian population.

The study of Indian languages is interesting and indicates their different characteristics.

They have no words to express metaphysical ideas of religion and such words had to be made.

Father Hugonard relayed the words of Chief Piapot.

The great spirit made berries for us and the white men have put fences around them. And told us: Do not go there: and those berries were made for us. The white people were using our wood, our hay and killing game. In order to become sole masters of our land, they relegated us to small reservations as big as my hand, and made us promises as long as my arm; but the next year the promises were shorter and they are the length of my finger, and they keep only half of that.

• (1215)

Hugonard stated the mode of living on the reserve was widely different from what it had been on the prairies. Buffalo meat was replaced by bacon. They live in small houses without floors. Consequently their health was not as good as it was before when they lived in tepees, the site of which was often changed, and they decreased in number by about a half.

In 1882 the Parliament of Canada made an appropriation for the establishment of Indian schools.

At this point, Hugonard noted At first great difficulty was encountered in getting the parents to send their children to schools off reserve. Indians have a natural attachment for their children and like to have them around, more for their own gratification than for their own welfare.

It was this sick kind of belief that has resulted in the problems we have. Education was made compulsory because many aboriginals refused to send their children away.

Hugonard went on: "I believe the Indians of Canada have a useful and happy future".

Father Hugonard concluded his address by saying:

A new problem in Indian matters may be arising; for a while, most Indians have been contributing splendidly to the Red Cross and Patriotic Funds, a great number of the ex-pupils of our Indian schools have enlisted and are now drilling or actually serving the Empire in France.

It is possible to predict what the effect of mingling with and being treated as equals of and knowing that they are in many cases the superiors of their white comrades will be upon these young soldiers when they return to their reserves. It will not be in their own interest or to the benefit of the country to allow them to leave their reserves and obtain the suffrage as no doubt some will demand; and while their ideas will have been broadened and the influence of the old generation of hunting Indians will be lessened—.

The policies of this government on aboriginal people are the cause of aboriginal dependence on government subsidies. They are the cause of poverty and the cause of unbelievably high crime rates and violence involving aboriginal people.

The department of Indian affairs acceptance of providing First Nations with substandard housing, education facilities and educational opportunities ensures that the proper infrastructure is in place in the way of roads and proper water and sewage systems

equal to that of non-aboriginals and, dare I say, they were not treated with the same consideration of largely white communities.

The deplorable state of housing and living conditions on reserves saw in the last Parliament the government's having to be shamed into making even minimum moves. Not until New Democratic Party Manitoba MLAs Eric Robinson and Gerard Jennison brought media attention to conditions in Shamattawa where water was so high in methane that it would catch fire, not until then did the former Liberal member even attempt to act. Once the media died down, the promised improvements, less than half a finger, have never happened.

The royal commission report states aboriginal unemployment in the labour force rose from 15.4% in 1981 to 24.6% in 1991 despite advances in education. Aboriginal participation in the labour force is 57%, below that of all Canadians at 68%.

The cost to the economy in foregone income, \$5.8 billion, plus the remedial expenditures lead to a loss of \$7.5 billion annually. Some 300,000 new jobs will have to be created for aboriginal people in the next 20 years just to reach that liberal "it's okay to be there" 9% to 10% unemployment level.

Demographic pressures alone will increase the losses to the economy if the present trends continue to \$11 billion in the year 2016.

In my riding aboriginal communities unemployment has always been unacceptably high, to some points 95%. Cuts to health and education saw decent paying positions cut in a number of communities. Hydro projects irreversibly altered ways of life and means of income to inland fishers and trappers.

Cuts to CN and VIA took jobs from many communities which were built up along the rail lines.

Seasonal workers are abundant in our communities. Cuts to EI have left proud people forced to go on welfare because they were short a few hours. Lack of government services and assistance by way of people with a voice, not a machine, has left many in a position of no assistance as they get frustrated trying to understand voice messages coming out of Brandon.

• (1220)

The understanding that was once available in northern offices is no longer there.

I listened to the member from Parkdale—High Park speak on her first day in the House. Her exuberance over her life in Canada was such that it reminded me of a cheerleader waving white and red pompons. My life in Canada, as well as that of my family, grandparents and great-grandparents when they came from Ukraine

Supply

and Sweden, has been great. That has not been the case for aboriginal people.

I was allowed to value and respect all my cultures. I was not denied access to my family as a result of wanting an education.

I have reflected on this part of Canadian history in the Royal Commission on Aboriginal Peoples report for two reasons. First, I am sick of Reformers spouting off about treating aboriginal people the same and equally. Aboriginal people were not treated fairly or equally since the first contact with the Canadian government. We must go beyond what is expected for everyone else to right that wrong and to improve the rate of employment for aboriginal people.

We must remove all the hindrances, poverty, poor housing. The first step which requires no cost is an apology to aboriginal people for a government policy that fully intended to lead to cultural genocide. At a time when the government has seen fit to attain its economic surplus by using unemployment, at a time when government policy has people working two to three jobs to make a living, the government must commit to all Canadians, aboriginal and non-aboriginal, to go beyond that half a little finger election promise and create jobs, decent, make a living jobs.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, let me start by saying that today's motion has more to do with some obsolete NDP theology than it does with any of today's economic realities. It seems to be almost an article of faith to the hon. member that our government is "blind to the human tragedy of 1.4 million unemployed Canadians" and the supposed proof of our sin is that we have succeeded in meeting our target for dramatic deficit reduction and consistent inflation control.

I remind the hon. member of an old saying that there are none so blind as those who will not see. It is very clear that this opposition party cannot see or understand some of the fundamental facts of life about jobs, about deficits, about inflation and about responsible government.

Members of the government and members in this House are concerned about the opportunity that Canadians have for employment. Another fact to put on the table is governments cannot create jobs for every Canadian in this country. It is only the marketplace that can do that through the work of the entrepreneurs and their companies creating the products and services that people need and can pay for.

Two of the worst barriers that government can put forward are to let deficits rise and inflation get out of control. High deficits and inflation are a guaranteed recipe for economic weakness and job loss and most Canadians understand that. They have seen destructive dynamics at work in the past and they are finally seeing

Supply

government turning the corner and starting to see the reduction of deficit and low interest rates.

Deficits mean nothing more than higher taxes tomorrow to pay for the money the government has borrowed. It is the prospect of high inflation that pushes interest rates up.

It is not an ideology. This is a matter of hard economic reality. Letting deficits and inflation rise pushes up taxes and interest rates and puts conditions in place that drive down growth and job creation. That is irresponsible government.

The hon. member for Cumberland—Colchester went on about the success of the Mulroney government and how Canadians are bowing down to the great policies of that government. The past administration had no political will to reduce the deficit, to put conditions in place to encourage jobs and growth.

• (1225)

I would go as far as to say that the prior administration could not hit the side of a barn as a target. It proved that in all the years it was in office.

When we came to office the government committed itself to breaking the vicious cycle of deficits, debt and inflation. We knew that it was the best and surest way to spur the economic growth which produces jobs, good jobs, sustainable jobs. It was the best and surest way to make it possible for government to stop raising taxes and ultimately, as our finances improved, be in a position to reinvest in Canadian priorities.

The finance minister told Canadians in last week's economic and fiscal update that the plan is working. We have achieved a dramatic turnaround in our national deficit burden, with the lowest deficit in 20 years. With the commitment of the government and the Bank of Canada to firm targets, inflation is at its lowest sustained level in 30 years.

These are not abstract achievements. There is no plot by bankers and bureaucrats to oppress workers and worsen employment, as the hon. member's motion implies. The proof is clear and concrete.

In 1995 we began hitting and beating our deficit targets. As inflation remains stable, short term interest rates have dropped 5 percentage points. That means falling below and staying below U.S. rates.

More important, long term 10 year bond rates are down nearly 4 percentage points over the same period. They have been below U.S. rates since February. That is performance which is unprecedented in Canada's post-war history.

What makes this so important? It involves more of the facts which today's motion does not understand.

While the Bank of Canada has some influence on short term interest rates, it is the market and only the market that sets the long term rates. What the marketplace is saying about Canada's long term rates today is that our prospects for continued growth and stable inflation are among the best in the world.

Private sector economists are now saying that Canada's growth over the next two years will be at its strongest level in decades. In fact, they predict we will have the strongest back to back growth of any of the group of seven leading industrial economies, better than Japan, larger than Germany and stronger than America.

We are seeing some of the benefits of low interest rates being delivered now. Five year mortgage rates are at their lowest level in decades. Housing starts are up 24% over 1996 because of those interest rates. People are buying new houses. That means new jobs in construction and manufacturing.

Low rates have also helped to increase business investment. It has surged over 25% from last year. That means plants being built and people being hired.

Consumer confidence is the highest it has been in over eight years. Again, that means people buying cars and other goods, creating more jobs.

Since the beginning of this year 279,000 new jobs have been created. That is the economic plan at work.

I know that members have heard of this outstanding outlook before in the House, but I want to say that it will be repeated in the coming months. It will be repeated because these are the facts that the various opposition parties want Canadians to forget and ignore. They want to blind Canadians to these facts, or at least denigrate and downplay them. These facts prove that our balanced, consistent approach to growth and job creation is working.

Let me be specific about a couple of issues which are tied to today's motion. The hon. member goes on to condemn this government about being obsessed with future inflation. Inflation takes time to build a head of steam. The Bank of Canada eased off the gas pedal to avoid having to jam on the brakes later on. That is the best way to avoid the painful boom-bust cycle which Canadians saw in the 1970s and 1980s.

Hon. members talk about pain and suffering. What about the pain and suffering that Canadians felt when they came crashing down through these boom-bust cycles because the monetary policy was not flattening out those cycles and ensuring they stayed consistent so that Canadians would not suffer through them?

This week a Canadian auto workers union economist said that economic growth and lower interest rates alone would have allowed us to meet our deficit targets. In other words, we did not need to cut any government spending. In fact, just freezing it would have allowed us to meet our targets and that would have been good

enough. There are some real problems with this myopic and partisan analysis.

• (1230)

The finance minister always made it clear that our deficit targets were never intended as the most we could do but were the least we could do. It is always hoped that we would do better. It is absurd to suggest that meeting deficit targets is good enough and that there is no benefit in doing better than that.

The minister announced an \$8.9 billion deficit, down from the projected \$24 billion. That means there is \$15 billion less borrowing than we originally forecasted. That means that \$15 billion is not being added to the debt and that \$15 billion will not be costing taxpayers hundreds of millions of dollars of interest charges. That is a real bottom line benefit to beating our targets.

A private senior economist said earlier in the week that interest rates would not have fallen to 30 year lows had financial markets not been convinced the federal government truly had spending under its control.

We recognize that unemployment remains tragically high and that we have to do more. It is a commitment of the government. It was an important part of the finance minister's update last week.

We live in a dramatically evolving world economy, an environment where the foundations for employment are changing. It presents new challenges and responsibilities for government.

Let me close by saying that the government can make a difference in some key areas. First, a sound economic framework is essential for ensuring sustained prosperity that creates more and better jobs. Second, promoting knowledge and innovation in the economy is key to ensuring a more positive economic future. Third, the government has a responsibility to ensure that Canadians not only survive in an evolving economy but are well equipped to survive.

All Canadians need and deserve a government that is truly committed to economic progress, to growth that creates real jobs and generates new revenues which can help us preserve valued programs such as health care and to creating conditions for economic growth.

That is what we are committed to do. That is the road we are constructing. That is the destination we will help Canadians reach. As a result, more jobs will be created and there will be greater security for today's citizens and for our children.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, my Liberal colleague from Ontario, the hon. member for Stoney Creek, is showing no compassion for the people of Canada, all Canadians, and low income earners in particular.

Supply

Witness his allusion to the Minister of Finance stating, in his economic statement last week, that a \$10 billion shortfall was discovered. I can tell you where this missing money can be found: in the employment insurance surplus, a plan whose premium rates are clearly too high. Unemployed workers who show up at the EI office to claim what paying these high premiums entitles them to are often told they are short a few hours—since the new system counts hours—to qualify.

The benefit period for those who qualify was also reduced. In short, premium rates are sky high, there are fewer eligible claimants and benefits are paid over a shorter period. This is how we end up with the \$12 billion projected surplus for the year ending March 31.

The Minister of Finance also lacks compassion. Here is further evidence: a millionaire, who registers his ships in countries described as tax havens to be able to hire crews that do not fall under Canadian jurisdiction and to pay them less as well as to avoid paying taxes here, in Canada, that is who we have as a Minister of Finance.

In my riding, in Black Lake to be specific, LAB Chrysotile is set to close down an asbestos mine, the BC mine, BC standing for British Canadian, in the next seven or eight days. This closure will result in the laying off of 300 mine workers, more than 200 of whom are over 50. That is tragic.

• (1235)

The Minister of Human Resources Development happens to be the one who, on April 1, slashed the Program for Older Worker Adjustment, or POWA. Over 200 workers would have been eligible under POWA. But the minister destroyed a program that worked well and served as a safety mechanism in many cases. The program was not perfect of course, but it was a safety mechanism.

People in the riding of Frontenac—Mégantic want to see the minister. Strangely enough, he is no longer available. Yet, between April 27 and June 2, he visited the region three times and twice came to the riding of Frontenac—Mégantic. But now, it is impossible to talk to him. He is silent as the grave. The minister shows no sign of compassion toward these workers.

Earlier, the member for Stoney Creek showed us, with his speech, that he does not know either what it is like for a family to live on an income of \$25,000. He brags that the unemployment rate has gone down. He should visit the regions. He should get out of his riding. He should urge his human resources minister to show that in his chest is a real beating heart and not a stone.

[English]

Mr. Tony Valeri: Mr. Speaker, I thank the hon. member for the question. With reference to his comments about the EI fund, it is a question that has been asked over and over again in the House. I

Supply

will repeat the answer for the benefit of the member. I hope I can be very clear.

Since 1986 the auditor general has made the request that the government include the EI fund in consolidated revenues. I am not sure where the member pulled his figures from when he talked about a \$10 billion surplus. We do not have a surplus in any fund. Any changes in the EI program would deal with the bottom line of government.

Since we have taken office we have provided a cumulative reduction in employment insurance of \$4 billion. The government recognizes that employment insurance premiums should not be going up but should be going down.

We have dealt with the issue of employment insurance and we will see a continued reduction in premium rates.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, in speaking against the motion I note that the federal government has accomplished what many said could not be done. The federal government has transformed the economic, political and social reality and environment over the past four years.

The federal government with astonishing speed has taken the country from a \$42 billion deficit in 1993 to a zero deficit in the next fiscal year. Something considered undoable has been done. Canadians understand and know that sacrifices had to be made to get our fiscal house in proper balance. Canadians were prepared for some pain to ensure long term viability and gain for future generations, and this has happened.

The strong economic foundation which has been laid and expanded upon is now paying off for Canadians. Canadians are seeing real economy advances not seen since the boom years of the 1950s and the 1960s. With this strong foundation comes a confidence needed by people to propel the economy into the 21st century. It is confidence built on hope and expectation. It is confidence built on solid performance and optimism.

Canadians have waited a long time. While we can and will continue to work hard to ensure prosperity for all sectors of the economy, especially for people who might otherwise be left behind, we have seen remarkable achievements over the past four years.

• (1240)

Let us consider the evidence. Interest rates are at their lowest in historic terms. Housing starts and resales have rebounded. Consumer goods enjoy strong sales throughout the land. Inflation remains low. Business investments are surging. Jobs are being created at an accelerating pace and growth as measured in gross domestic product is outstanding even by international standards. People are starting to feel good about the economy and what is happening in Canada.

The negative psychology of even a few years ago is dissipating. In short, our economy is in remarkable shape. That is why the international consulting firm of KPMG, which did a comparative study of the costs of doing business in Canada, the United States and Europe, found that Canada is on top. This means that Canada is not only the best place in the world to live, as the United Nations has so designated for a number of years, but Canada is one of the best places in the world in which to invest.

Canada is poised on the cusp of a prolonged economic expansion, all of which spells good news for the country and good news for Canadians. This enables the federal government as both a facilitator and provider to focus on what Canadians want and what they need.

The debate should go beyond what has been noted as a fiscal dividend formula, that being 50% for programs and the other 50% for debt reduction and tax reduction. The debate should be about national priorities. It should be about the vision for Canada in the next millennium. It should be about how best to build a strong, lasting economy and in the process a strong society which offers both opportunity and security. The debate must be about ensuring the quality and quantity of growth needed to contribute to the quality of life which Canadians deserve and rightfully expect.

Now more than ever Canadians expect the federal government to preserve, to enhance, to protect and to improve upon the valued programs which have made us the envy of the world.

Canadians care about a quality health care with a standard of health care second to none.

Canadians care about a good education system with lifelong learning, training and retraining opportunities.

Canadians care about an infrastructure which enables Canada to remain competitive both internally and internationally.

Canadians care about creating an environment which will enable Canada to remain highly productive and make Canada a leader in the global knowledge based economy.

Canadians care about ensuring that our young are well taken care of because they represent our investment in the future. We need to ensure they will have the best opportunities available.

[*Translation*]

Canada has such a huge potential, such a great future.

[*English*]

Canada is now poised to cash in on an unparalleled future, the likes of which we have not seen in a long time. Canadians with the help of the federal government will rise to this occasion and focus on the well-being of citizens able to get the job done.

Making good use of taxpayers' dollars, we will march confidently into the 21st century. Arm in arm we will move forward

Supply

together. We will do so, not by leaving some behind but by all marching together forward into the new millennium.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I found the address just delivered rather exciting and interesting. The vision of Canada the gentleman portrayed is a very good one.

I wondered for a moment whether he was president of the chamber of commerce and not a parliamentarian. I think he missed a couple of things through his discourse.

I would like to ask him a couple of questions having to do with a particular letter sent by the Minister of Transport. I am sure he knows the minister very well and supports him.

Would he explain exactly what the minister had in mind when he referred in a letter to the dedication of a certain percentage of the fuel taxes toward the infrastructure program, in particular the Trans-Canada Highway? I think we all agree that the infrastructure program is a very critical part of the economy and the Trans-Canada highway is one of the major components of that infrastructure program.

• (1245)

In this particular letter, the hon. Minister of Transport goes on to say that the 20% fuel tax fails to do a number of things. He makes quite a list here. He says, "I should note that the federal government collects the road fuel tax as part of the consolidated revenue fund and uses the proceeds to fund such areas as health, welfare, education, defence and transport." Now comes the phrase that I would like the hon. member to pay particular attention to "as well as to help reduce the federal debt".

Just last week the Minister of Finance indicated that there was an \$8.9 billion deficit coming forward for the next fiscal year. I wonder if the hon. member could tell us and convince us somehow that an \$8.9 billion deficit is in fact not an increase in the debt of Canada rather than a decrease. If over the years this 20% fuel tax has been collected to reduce the federal debt, then I would like to know where it was that this money was applied to the federal debt? As I look at the government's balance sheets I notice that each year the debt is climbing. Yet for some reason or another, the Minister of Transport says that part of the 20% fuel tax has gone to reduce the federal debt.

I would like the hon. member to please address that question.

Mr. Lynn Myers: Mr. Speaker, I want to first thank the member opposite for the question. I found it of particular interest that he would make reference to the chamber of commerce. Certainly those people in the chamber of commerce in my area of Canada and

indeed those members of the board of trade in various places across this great land have cheered the government in terms of what it has been able to do.

I am very glad that he would make that point on my behalf. I very much appreciate that because business, as members know, have been able to see the merits of what the federal government has been able to accomplish over these past numbers of years. In fact, they are very grateful for the kind of things that have been done to secure the kind of climate that is necessary for people to live and work and secure the quality of life that is necessary.

I was particularly interested in the question with respect to the infrastructure program. As a former mayor of a municipality in the region of Waterloo we very much value the infrastructure program that was put into place not only in 1993 but also in 1996-97. For example as a municipality we spent enormous amounts of money in partnership with the province and the federal government to ensure that sewage treatment plants were in place, to ensure that highways were built and roads were secure and in doing all kinds of things in the best interests of the people we represented.

For the hon. member to make reference to the infrastructure program I can certainly say that it was a wonderful program which benefited Canadians not only in my part of Ontario and Canada but people across this great land.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, I would like to split my time with the member for Kelowna.

Looking over this opposition motion by the member for Halifax, I notice that the NDP address some serious problems in the country but they have the wrong solutions. But it is not only the NDP that does not have the solutions, it is the Liberals across the way who are missing solutions as well.

The NDP have suggested that somehow by making an investment in culture they will ameliorate unemployment and will provide jobs. I do not know how flower power is going to put people back to work. The sixties are over. Buying million dollar paintings does not put people to work.

Farmers in Saskatchewan who voted for the NDP would not be in favour of buying million dollar paintings. Seniors in Kamloops or Burnaby would not be in favour of buying million dollar paintings. Unemployed fishers in Atlantic Canada would not be in favour of buying million dollar paintings, but the NDP is. The party that some of these people voted for is. I think some of those people have to question whether or not those members truly understand their needs. Then I look across to the Liberal benches. Once again I will lay out the problem and talk about the lack of solutions.

Supply

• (1250)

On the subject of unemployment, we are in our 84th month of unemployment at a rate of 9% or worse. What have they done in response? They have an employment insurance surplus which is now at about \$15 billion, or will be by the end of the fiscal year. For every single average working Canadian in the country it means \$700. The Liberal government is taking \$700 from the average working Canadian for employment insurance and it says it is accountable and is looking after the situation of unemployment? News for them. Economics 101 is that payroll taxes kill jobs. Until the Liberals understand this they will not be able to rectify the problem.

They also talk about how they want to put \$90 million toward youth unemployment. They talk about how they care, but they do not. They are talking about \$90 million to hire some temporary bureaucrats for the summer to once again grow the size of government. If we look at this a little more closely, beyond the myopic Liberal view of the next election in trying to buy some votes, we realize it would take about 140 years for the Liberals to solve the youth unemployment problem by employing all the unemployed under the age of 30. They cannot rectify it that way. It is a joke as well.

The Liberals then talk about spending a billion dollars in handouts to students. What they do not tell Canadians is that for every dollar they pay, for every one person they claim to help, they hurt nine more. For every single person who will get some sort of benefit, nine more have a bigger debt to face. They have a higher deficit. They have higher taxes. That is what will kill their opportunities when they go into the job market. The government fundamentally misunderstands what it is doing.

Governments, whether it be the ministers or the prime minister in the front benches now or in the past, have always erred on the side of big government. The government has a theory and it is a wrong-headed theory because it does not hold up in reality. The theory is that the bigger government is, the more centralized it is and the more people it employs, this will somehow rectify the situation of unemployment in the country. The government supported then an unemployment insurance policy now an employment insurance policy that subsidizes people in seasonal work to be unemployed. It encourages the problem. It doubles the unemployment rate of our neighbours to the south, the United States, and the Liberals sit smug.

People who were unemployed voted for the Liberals. Farmers in Saskatchewan voted for the NDP. Seniors who are facing real crunches because of fixed incomes received from the government through pensions or other means voted for the NDP. Unemployed fishers in Atlantic Canada who once again gave the Liberals a chance despite the failed Atlantic groundfish strategy were willing to give the NDP a chance.

All those people have been failed because the socialists to the left of me, the NDP, talk about going ahead and spending money on million dollar paintings and funding artists. This will not help unemployed fishers. It will not help farmers in Saskatchewan and it will not help seniors.

The Liberals across the way say they want to help youth but go ahead and put taxes against them with the Canada pension plan. Shame on them. They go ahead and jump the CPP contribution rate to 10%, a \$10 billion tax that will be levied against students and young people in the country so they can subsidize their MP pensions, and they gloat with pride.

The Minister of Finance has the gall to stand up in the House and brag about their accomplishments. How can they brag about 84 months of unemployment above 9%? How can they brag about a \$10 billion tax?

• (1255)

How can the government brag about balancing the budget when it did it with 36 tax increases since 1993 and two more to boot in the first session in this House? The government has brought forward Bill C-2 which is a \$10 billion tax hike. It has brought forward Bill C-10 which goes after seniors who receive social security benefits from the United States. How can it be proud of a record like that?

Only a Liberal could be proud of a record like that. Only Liberals could feign pride in this House and stand up to say that they support those measures, that they are doing it for the sake of tax fairness, that they are putting in a \$10 billion tax for the sake of tax fairness, that they are taxing seniors on their social security benefits for tax fairness. Where is the fairness in that? I do not know.

When those people have a chance to examine those policies, when it comes time for re-election, they will look long and hard, and they certainly deserve to.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I could not sit by and let those last comments be made without clearing the record for Canadians. I will speak slowly so the hon. member will understand me.

The premiums that are paid by Canadians into the Canada pension plan do not flow to consolidated revenues of the Government of Canada. Taxes flow to consolidated revenues of the Government of Canada. CPP premiums flow to the Canada pension plan fund.

In fact after a year and a half of consultations with the provinces of this country, an agreement was signed to establish an investment fund which would provide Canadians a better rate of return on their retirement income. The easiest thing for us would have been to do

nothing, which the prior administration decided to do. But we are doing this so there will be a Canada pension plan in this country, not to engage in the kind of political rhetoric we just heard. That is a point of clarification for Canadians.

Mr. Rob Anders: Mr. Speaker, I am glad the member across the way has touched on the CPP tax hike fiasco because it gives me an opportunity to illuminate a little more on that subject.

When the government of the day first brought CPP in, it said that it would be a fund that would never rise above 5% of somebody's salary. Paul Martin Senior, the father of the current supporter of the plan, said that it would only cost a couple of hundred dollars a year. Now the government has the gall to go ahead and tax Canadians the thousands of dollars that it does, 10% of their income, double what it was initially said to be. The government members of the day made promises on the stumps back in 1966. They talked about how it would never rise above 5% and today we look at something that is double what it was and they say "trust us again".

And the Liberals say that those funds flow to the CPP fund. Once again, can they not gloat with pride when they have a \$500 billion unfunded liability? That is according to their own numbers. I do not like to trust government numbers very much because they often prove to be inaccurate. The Fraser Institute puts it at a trillion dollars. Split the difference somewhere in between or cut it down the middle. Seven hundred and fifty billion, five hundred billion, one trillion, it is a lot of money. For them to stand with pride today in the House and say that those funds only go toward the CPP fund with a \$500 billion unfunded liability, shame.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, first of all, I would like to congratulate my colleague on his speech, and secondly, to ask him how he sees the situation of the surplus in the employment insurance fund. We know about the increasingly numerous and complex eligibility criteria that must be met by those who have the misfortune to lose their jobs.

Under the old scheme, up to 65% of those who lost their jobs could collect unemployment insurance benefits. Today, it seems this figure has dropped to about 35%, the obvious result being a surplus of around \$10 to \$12 billion in the unemployment, or, as it is now called, employment insurance fund.

• (1300)

I would like to hear my colleague's views on what should be done with this large amount of money, which comes solely from taxpayers and companies, and not from the government. If he were the Minister of Finance, how would he go about using this \$10 to \$12 billion to revitalize the economy?

Supply

[English]

Mr. Rob Anders: Mr. Speaker, if only we had somebody on this side of the House who was the minister of finance.

Last year the surplus in the EI fund started off as \$7 billion in the first year of its overpayment and overcontributions. By the end of this fiscal year it is expected to be about \$15 billion. With all the projections in sight it will get bigger. They are not saving up a rainy day slush fund. It is a tax, pure and simple.

If they are bringing in billions of dollars, \$700 more per average working Canadian than what they should, what should the government do? Liberals should open up their ears and pay attention. They should be telling this to the finance minister. They should be pleading with him on behalf of their constituents. They should be asking for a payroll tax cut. The Canadian Federation of Independent Business has talked about a 25% tax cut in the EI premiums because it creates jobs.

To quote their own finance department studies, when they increased EI premiums from a little over 3% to close to 5% it resulted in killing 26,000 jobs. It is expected by their own Department of Finance studies that this recent hike, these overcontributions, will kill 76,000 jobs.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, there is something in the NDP motion that I very much support. The motion demonstrates a deep concern about the shortcomings of the government.

Unemployment is at an unreasonably high level and it has been sustained. It is about the only thing that has been sustained by the Liberal government. Unemployment remains consistently high and the debt has consistently increased.

The unfortunate part of the motion is that it mixes up causes and effects. I will not defend the Liberal government in any way, shape or form but I will support the intent of the motion.

Its intent is to call to the attention of Canadians that the government has failed to create jobs, to make adequate investments in health and in education, and has not done what it should have done with the fiscal management of the affairs of Canadians.

The government has failed to recognize that people care about the unity of Canada, about the fiscal management of their affairs and want to have a standard of living of which they can be proud of and can pass on to their children. Hopefully their children will have a better standard of living than what they enjoy.

Under the current regime that is not likely to take place. The average family of four has \$3,000 less to spend today because of the increase in taxes. Thirty-eight tax increases have now taken place.

Supply

We need to recognize that it is the skills and abilities of people that create the strength of a nation. It is not primarily the natural resources although they help. The use and the application of natural resources comes through the skill, abilities and hard work of people.

What is it then that the government ought to be concerned about? It ought to be concerned about creating jobs. There is ample evidence that by increasing taxes the government is doing the exact opposite. Increasing taxes, payroll taxes, property taxes, income taxes, surtaxes or excise taxes, has the impact of decreasing jobs and not increasing them.

Let me refer to a particular incident in the United States. There have been several instances of tax decreases but I want to pay particular attention to the Michigan experience. In 1991 John Engler took power in the state of Michigan. Since that time total employment has grown to 4.6 million people, a record high in just six years.

• (1305)

Over the same period the state unemployment rate was cut in half from a high of nearly 10%, which by the way is just about where it is in Canada, to a low of 4% in May of this year. That is something the government could be proud of.

How did he achieve that? Governor Engler states “Our strategy of cutting taxes, reducing regulations and balancing budgets is paying off in more jobs, higher pay and healthy growth”.

I would like the Secretary of State for International Financial Institutions to pay particular attention to what I am about to say. Since 1991 Engler has instituted 21 tax cuts. That is the exact opposite to what has happened in Canada. We have had 38 tax increases.

If the government really wants to increase job opportunities it should cut taxes, not increase them. There is ample evidence for that. This is only one example. There are many examples which I could cite at this time.

An hon. member: Isn't it beautiful to cut taxes?

Mr. Werner Schmidt: “Isn't it beautiful to cut taxes?” The gentleman is already beginning to recognize that he could turn it into music.

Wouldn't all Canadians wish to sing a new song? They would love to sing the song “I have a job and I have less taxes to pay. I have more money for my children's education. I have more money for entertainment. I have more money to do the things I really want to do”. I am so glad the hon. member opposite recognizes there are countries in the world which know how to do that.

We need to recognize that it is very important for hon. members opposite to recognize what the role of government ought to be. I

would like the previous parliamentary secretary to the minister of industry to listen very carefully. The role of government is to maintain a culture which rewards entrepreneurship, innovation and research, and ensures a level, competitive and honest marketplace.

How can that be done? It can be done by creating a change in attitude from dependence upon government handouts to one of independence, creativity, the ability to apply one's initiative and an attitude which will give us the incentive to produce, develop and become increasingly efficient.

That happens when taxes are reduced and when people are allowed to spend the money they have so carefully earned instead of the money being spent by a politician or a bureaucrat.

Individual people in Canada are far more capable than any member of the House of spending money in their best interest. They know where it ought to be spent. That ought to be our number one concern.

I sympathize with the NDP when it says that we ought to create employment. Its solution is to give more money to these people through taxes. That would be taking the taxes from one group of people, giving a bit to the bureaucrats and politicians, and giving a bit back to the people. It would create dependent people. It would not solve anything.

The money should be left in the hands of the people. They will spend it wisely. They will develop, produce and provide the kinds of services that will make the country better and make them richer. It would even make NDPers richer.

I want to show precisely how convinced even the Minister of Finance is that payroll taxes actually cut jobs. More than one official in his department has demonstrated clearly that payroll taxes cut jobs. He has ample evidence all around him to show that is the case.

The Canadian Federation of Independent Business surveyed over 19,000 small businesses. It found that over half, or 50.8% to be specific, would hire more individuals if payroll taxes were reduced. That is only one kind of tax, payroll tax.

• (1310)

If over half of them would do that it would increase the number of jobs rather dramatically. Only 10% of the businesses surveyed believed the government's infrastructure program—and I wish the hon. member who was just talking about the infrastructure program were here to listen—would encourage more hiring. Over half of them believed that if payroll taxes were reduced they would hire more people.

I have anecdotal evidence of my own. I know full well that as the payroll taxes go up the number of new hires goes down. If we want to get serious about creating jobs we will not increase payroll taxes; we will reduce them. That is what we will do.

A recent paper was delivered by Canadian economists Livio Di Matteo and Michael Shannon. They found that each percentage point increase in payroll taxes reduced employment by .32%. Based on current levels of employment, a one percentage point increase in payroll taxes will kill 44,000 jobs.

I want to put this into perspective. Just recently the Minister of Finance announced in the House and to all Canadians that CPP would be increased by more than 4%. That means four times 44,000 fewer people in the workforce. That is significant.

Are we to sit here and they to sit there saying that this is good for Canada? It is not good for Canada. Payroll taxes ought to be cut. That would be a solution to the unemployment problem.

If we really want to create a better environment for our children and our grandchildren we would cut taxes and let the people spend the money.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I think that, in coming to Ottawa, everyone here has forgotten what the real situation is in our country. I think they have even forgotten that, in some areas of this country, there are people who do not have the money to put bread on the table so that their children can go to school.

I have trouble understanding our colleague from the Reform Party who is saying that, by lowering taxes, we will create employment. I am not interested in the statistics, the economic studies and the research papers. These figures are not right. We are interested in what is really going on. What is really going on is that government gave money to companies for technological change, which eliminated 600 or 800 jobs, and companies increased their profits without creating employment.

Canada's banks have made profits in the billions of dollars and they are letting people go, not creating jobs. I still have trouble believing that immediately lowering taxes will put an end to the employment problem in Canada.

Let us not forget that it is not the fault of ordinary people that there are no longer any fish. It is not the fault of Newfoundlanders, of the employees who used to work in fish plants. It is not their fault if they are not working. In a united country, as we are supposed to call it, we are supposed to look out for one another.

In the meantime, I will ask my colleague a question. If the Reform Party were in power, what would their short term solution be for those who have nothing in the house to eat, and who get \$38 a week to feed their family? That is where the problem lies. In the short term, a solution must be found to help people in Canada and,

Supply

in the long term, other solutions must be found to create real jobs that will give our workers some dignity.

I do not believe, and I will never agree, that the people in the Atlantic provinces are lazy. Let us, my friends and colleague, take a quick tour across Canada and look at what is happening in the regions represented by my colleagues.

• (1315)

There were eleven children in my own family. In 1972, not one of us was left in New Brunswick. We had all gone to northern Ontario, Prince George, B.C. or Oshawa, Ontario. We had to.

If we were to take a quick tour across Canada—Hearst, Kapuskasing, White River, Wawa, Marathon, Manitouwadge, Oshawa, Hamilton, St. Catherines, or go to Alberta and B.C.—we would find people from down home who have been forced to move away from their families. Perhaps the Reform Party members have never had to leave their relatives behind in the West, but the rest of us know what it is like not to know one's brothers and sisters. We know what that is all about.

When there is talk today of a united country, it is time for action, not just words. What would the result be, if the Reform Party were in power? We would be in a sorry mess.

[*English*]

Mr. Werner Schmidt: Mr. Speaker, all Canadian citizens need money to put clothes on their backs, food on their tables and shelter around them. That is not limited to people in eastern Canada. That is not limited to people in western Canada. Every Canadian needs those things.

That is precisely what the Reform Party is all about. It is to create the situation where everybody has an opportunity to apply their initiative, their talents, develop their skills and abilities. That is what we are all about. We want to create the environment so that people will be able to perform.

The accusation that was made, the implication was that somebody in Canada believes somewhere along the line that Atlantic Canadians are somehow lazy. I have never said that. I have never intimated it. I have never even suggested that. The hon. member is grossly mistaken when he suggests that is the kind of thing that the Reform Party believes. That is absolutely false. Mr. Speaker, that ought to be made abundantly clear. He should take it back immediately. Nobody takes that position.

The position is that even people in Atlantic Canada, if he wants to take that position, will spend their money more wisely than a politician here in Ottawa. It has to be made abundantly clear that the people need to recognize that they must apply those skills and abilities that they do so well. Does that not mean that there are some temporary solutions that have to be made on an emergency

Supply

basis? Absolutely and of course. Where there is a crisis that has to be addressed.

What we are talking about are the long term solutions as well. We need both, not just one. A cut in taxes will create long term solutions and will also allow enough money to deal with the crises that have to be dealt with.

We need a balanced approach. That is what Reform is all about, a common sense approach for the common people of Canada.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I am sharing my time with the member for Thornhill.

In preparing for this debate I read very carefully the NDP motion. Central to the whole discussion is the words in the motion that the NDP is criticizing the government's policy and creating unemployment because of its pursuit of a monetary policy obsessed with future inflation and so on and so forth. The key words are "monetary policy" as opposed to fiscal policy.

If I may explain the difference, monetary policy has to do with interest rates, money supply, the manipulation of the exchange rates of currencies across borders. Fiscal policy, on the other hand, has to do with government spending; the government public accounts, the amount of revenue it gets in, the amount of money it spends and whether or not it runs a deficit as a result of these spending practices.

I realized as I looked at the motion that one of the reasons why the economies of the nation, of Canada and the provinces, have got into such tremendous trouble over the past two decades is because governments have been pursuing incorrect ideas with respect to the impact of monetary policy on the creation of employment.

The NDP or social democrats in general believe that we can arbitrarily influence employment levels by manipulating the money supply and manipulating inflation. It believes this is an absolute thing that can be done and that fiscal policy can be set aside.

• (1320)

Fiscal policy has to do with keeping accounts balanced. It is very clear that throughout the 1970s and the 1980s, the previous federal government, for example, took the lead of the NDP which was very strong in that Parliament. It set fiscal responsibility aside and pursued a policy that had to do with arbitrarily manipulating money supply or interest rates or thinking it could do so. But in the long run the government ran up a huge debt of over \$500 billion. At the time that government lost office it was running an annual deficit of around \$43 billion or \$44 billion a year.

It shows me that the New Democratic Party, the fourth party in the House, is still a dinosaur in its attitude toward the economies of nations and the economies of this nation. NDP members should be

aware that the direct manipulation of economies through monetary policy has failed worldwide. This is why the Soviet Union collapsed. This is why the controlled economies of eastern Europe collapsed. The highfaluting theories of arbitrarily controlling the strings of the economy and expecting that would directly create jobs just does not work.

The vast majority of Canadians except for a few people in the NDP know it is quite simple. You do not spend more money than you receive. You have to keep your house in order. It makes no difference whether you are a federal government, the government of the United States or an ordinary household anywhere in Canada, in the maritimes or in western Canada, if you spend more than you take in you are going to get into a lot of trouble.

I had occasion to test the Canadian public's opinion on this issue. The fourth party members are fond of pretending they represent ordinary working people and the intelligence of ordinary working people. They certainly do not represent the intelligence of ordinary people, be they in cities or in rural areas.

Annually the Rockton fair is held in my riding. It is a fall fair. It is probably one of the biggest fall fairs in Ontario. Rockton is a little village community of 150 people. The fair has been going since 1853 and styles itself the Rockton World's Fair. It is among the top 10 fairs in Ontario. Over the four days of the Thanksgiving weekend it received 75,000 visitors. It draws people from all around the golden horseshoe area.

My riding is rural and suburban. I have country folk and fairly affluent suburban folk. Nearby is Hamilton which has principally urban people. An enormous mixture of people come to the Rockton fair.

I always have a booth at the Rockton fair so people can meet the MP. If they have complaints they can make them directly to me. The people at Rockton fair seemed extraordinarily satisfied with the performance of the Liberal government, but that is an entirely different story. They are aware that the government has conducted an excellent fiscal policy which has chiselled down the deficit from \$40-odd billion to \$8 billion in the last year. It expects to eliminate the deficit in the next year. By any other yardstick in the G-7 the deficit is already eliminated. The finance minister mentioned yesterday that we have actually begun to pay down the debt to the tune of \$11 billion.

In anticipation of this good news, on Thanksgiving weekend I conducted my poll at the booth at Rockton fair. I placed four jars on the table in front of my booth. I had another tin that said surplus. On a big sign I said "If you were Paul Martin and you had a surplus, how would you spend it?" The four glass jars I had labelled tax cuts, reduce the debt, reduce the GST, restore social spending.

• (1325)

As each person came by the booth and expressed an interest—it is amazing how interested people were—I offered them four beans. I said “Pretend you are Paul Martin and this is \$4 billion. You can put it in these jars however you like, in whatever order you like no matter what”.

It is amazing how enthusiastically people took those four beans and approached the jars and thought and considered carefully how they would spend that \$4 billion surplus. They would hesitate here and there.

Five hundred and twenty-five people took part in my poll. They represented every walk of life. There were farmers. There were pensioners. There were young people. There were people from Hamilton because the Rockton fair pulls in people from Hamilton. There were people from all over the region. On Thanksgiving Day, it even brought in people from Toronto.

I had an excellent sampling of public opinion, and it cost a lot less than an Environics poll or any of these other very expensive polls that the government engages in. I would suggest that it was far more accurate than most of those polls because the sample was very large.

I would like to give the results of the poll. On the first two days 321 beans showed up for reducing the debt, 207 for increased social spending, 101 for reducing the GST and 121 for income tax cuts. The following day the numbers were similar: 341, 208, 160 and 126.

Approximately 42% of all the people who came by the booth felt that we should reduce the debt first. I wish both opposition parties would bear in mind that these are ordinary Canadians from all walks of life. They said that of course they would reduce the debt first because if that is done first, everything will follow.

I am glad of this opportunity to speak in the House today because I can say to the finance minister, to all my colleagues and everyone in the House that I feel, as a result of this experience, the correct course for government is sound fiscal policy first. Forget about monetary policy because that follows.

The correct course of government is to get the debt down. Then there will be more money to spend on social spending. What I hope will happen is that we will have more money to not cut income tax but to cut the GST. I think it is the worst tax imaginable.

I would like to see the finance minister use 50% of his surplus just as was suggested by the poll on reducing the debt and the rest divided equally between reducing the GST and improving social spending. We, as Liberals, have to be very concerned in maintaining the social safety net. This is where we differ so enormously from the Reform. We are not prepared to spend like blazes like the NDP in order to do it.

Supply

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, we just had a classic lesson in Liberal voodoo economics that totally ignores the realities of this country. The member talks about the debt and the deficit. Let us look at how we got into this situation of a debt and a deficit.

There are three major causes. The first cause, of course, is devastatingly high levels of unemployment. If folks are not working, that increases the bill for unemployment insurance and other social programs.

The second is interest rates. Historically, interest rates have been far too high. It is only recently that finally the Bank of Canada has lowered those interest rates under tremendous pressure. Now Gordon Thiessen, the Governor of the Bank of Canada, is suggesting that we have to go back up which would be enormously destructive.

• (1330)

The final major cause is a tax system which has been historically completely skewed and unfair. That is the basic reason for the high levels of the debt and the deficit.

What do the Liberals have to say? They should heed the very thoughtful terms of this motion. Is this really revolutionary? If we can set targets for the deficit, if we can set targets for inflation rates, surely we owe it to the people of this country, particularly that 20% of young people who are desperately trying to find jobs and who are losing hope, to set targets. We must set some goals and objectives to reduce the obscene levels of unemployment. That is what this motion says.

The Liberal member says they have wrestled the deficit to the ground. The finance minister goes out and triumphantly says that the deficit is gone. Let us look at how we have arrived at this point.

Has it been through equal sacrifice? Has it been through a sharing of the burden? Absolutely not. We have arrived at this point today because the poor, the powerless in this country have paid a disproportionate amount to reduce the deficit.

Let us look at the casualties in the war against the deficit. They include the unemployed. A few years ago 90% of unemployed Canadians were eligible for employment insurance. Today approximately 40% are eligible.

What has happened to the other Canadians, desperate people looking for work? If employment insurance runs out those people are forced to turn to social assistance. What has happened to social assistance? The Liberal government has abolished the Canada assistance plan. It was the one national program which provided leadership in the fight against poverty. National standards are gone entirely.

Supply

Once again, poor people are casualties. Co-op and non-profit housing are gone under the Liberal government.

Foreign aid has been shamefully cut. Canada is now at number 11 instead of number 5 a few years ago.

With respect to child care, the government has abandoned any commitment whatsoever to our children.

Aboriginal programs have also been casualties. My colleague from Churchill spoke very eloquently earlier today on the price the aboriginal people are paying in the war against the deficit.

Students have been casualties. Sure, the deficit has been reduced, and at some point we may even start to reduce the debt, but we have transferred that debt burden to students. An average graduating student carries a burden of something like \$25,000.

Research granting councils have been cut. Cultural programs have been devastated, the CBC, the Canada Council, the National Film Board. Environmental programs have been cut savagely.

How can the Liberal member stand in his place and suggest that it is programs which should be cut? Those programs have helped to at least minimize the devastating impact of the gap between rich and poor. He should accept the recommendation of our party which calls on us to set those targets. Is he seriously opposed to setting targets for reducing unemployment in the same way as we have set targets to reduce inflation and the deficit?

Why can he not demonstrate some humanity, some return to those old Liberal values and recognize that we should be setting those targets and making this the number one economic priority for the people of Canada?

Mr. John Bryden: Mr. Speaker, if empty rhetoric could create jobs, then the NDP would create full employment very rapidly.

This is nonsense. If the member opposite had listened to me he would know that I would not reject renewed social spending when there is a surplus. This is certainly one government which has a heart and a conscience.

The reality is the previous Conservative government overspent. It strangled the economy. That created unemployment. The way to correct that, the way to create jobs, is to allow the economy to create jobs.

The member opposite would create jobs out of a vacuum. It does not work that way. It works by having people in Canada who are actively creating employment taking risks, creating business. Sorry, I said business. Good lord, we should not say business to the NDP.

• (1335)

Medium and small businesses in this country, not big unions, are the ones that are driving this economy. They are fueling the growth

of this economy which is growing faster than any other economy in the G-7. As a result of that, I believe in the last six months or so we have created some 240,000 jobs in this country.

It just shows that we have our fiscal house in order, fiscal not monetary. Monetary has to do with funny money going across borders. Germany experimented with that in the 1930s. It printed money. Actually the Social Credit in the west had similarly crazy theories during the 1930s. Oddly enough it was the father of the Leader of the Opposition who was very much involved in some of these weird theories coming from the west. All weird monetary theories came from the west, whether it was the NDP or the Social Credit, it was the cradle of this kind of thing.

I do not want to suggest that Ontario, Quebec, the maritimes and B.C. have anything exceptional to contribute as opposed to other parts of the country, but I do believe that certainly Ontario and I think now in the maritimes, even though they did elect a few NDP members, will agree that good fiscal policy, getting your house in order is the way to create jobs.

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, it is a pleasure to participate in today's debate. I have been listening very carefully to the comments of all members on both sides of this House.

As I looked over the motion that was presented by the fourth party I was struck with the word "condemns". I believe that if they were being fair and reasonable they would compliment the government on the result of its policies and its fiscal plan.

It is important when we consider this motion to look at the record, to look at where we started, to look at where we are today.

I am not going to say the job is done. It is not. There is more to do. Unemployment is too high. My goal is to see that anyone who wants to work will have the opportunity to fully participate in our society. That is the goal. I think it is the goal of every member who sits on the government side of the House and frankly I think it is the goal of every person who comes here to this wonderful place. We want people to have opportunities to maximize and achieve their potential. We want them to have the dignity of work. We want them to have the skills so that they can prepare for the jobs being created.

To be fair and reasonable as we begin and continue this debate today, we have to look at where this government started from, where we are today and where we are going. Then we can consider this motion before the House today for what it really is.

Where did this government begin? In 1993 the deficit that was inherited was some \$42 billion. Where are we today as just announced by the finance minister? The deficit stands at \$8.9 billion with an expectation that the budget of the Government of Canada will be fully balanced with a deficit of zero by the next fiscal year.

That is an incredible and enormous achievement. The assessment is not by those of us who sit in this House. It is not just by the Liberals. That assessment is by the international investment community which looked at Canada a few short years ago and said this country is on the verge of bankruptcy, this country is not a good place to invest, this country needs solid, prudent fiscal and economic management. I suggest especially to the people in my wonderful riding of Thornhill that is exactly what Canadians have had under the Liberal government since 1993.

• (1340)

The United Nations has declared that Canada number one in the world as a place to live and work. More recently a study by KPMG determined that Canada, among all those countries surveyed, has a significant competitive advantage. Our cities rank among the best in the world not only as a place to live but as a place to work. The same study suggests that Canada is head and shoulders above our neighbours to the south as a place to invest.

There are certain things that give us that competitive advantage. Those things are relatively new and some have been around for a while. What are those things? We have a government dedicated to balancing the budget, to responsible and prudent fiscal management and which is dedicated to ensuring interest and inflation rates are low. These are the things we need to create a climate for job creation and investment. They go hand in hand.

When government attempts to create jobs directly it has to do so with tax dollars. This does not mean those jobs are not important. It means that government must tax in order to create jobs. It is far more effective to create a climate which encourages the private sector to create those jobs. Since 1993 we have seen over one million jobs created in this country. In this year alone 297,000 jobs have been created across the country. Is that enough? Of course it is not.

In 1993 unemployment was 11%. Today unemployment is 9%. Is that low enough? Of course not. There are two particular segments of our society that concern me. One is youth who have not had their first job or who are finding it difficult to get a job and to use their talents, skills and education. The other is the older workers who have been displaced by restructuring and technology and who need training and retraining to be productive and useful in our society.

The sound and prudent responsible fiscal management that this country has had since 1993 has resulted in interest and mortgage rates, which were so much higher in 1993, now fueling economic growth and job creation that will lead the G-7 nations. Canada will out perform all the G-7 nations. Is it just the members on this side of the House who are saying that? No. Independent forecasters are looking at the rate of growth of the Canadian economy. They are

Supply

looking at the job creation numbers and they are the ones that are saying that the fiscal plan, the sound economic management as proposed by the finance minister and the government is working. We are not there yet.

There are other factors which make our competitive advantage something to shout about. As a former provincial minister of health I can say Canadian medicare is a huge competitive advantage. They have tampered with medicare, killed medicare. I say to my friends in the Reform and Conservative parties, whose policies I believe would devastate medicare, that medicare is a significant competitive advantage. If medicare is tampered with it kills jobs.

• (1345)

To those who are sceptical about the government's commitments, I say that the government was very quick to respond to the National Forum on Health which said that the federal government should maintain the transfer payment commitments to the provinces at \$12.5 billion. That is the commitment of the government. It will help the provinces to sustain and maintain medicare and ensure that the principles of the Canada Health Act are protected.

There are two reasons. First is our competitive advantage and the second are the values and the soul of this country. I do not think there is a Canadian who is not proud when told by people outside this country that we live in a place where money is not a factor in access to medicare.

Are there problems today? Yes, there are. I challenge everyone in the House to consider what is happening south of the border. Take a look at the 40 million people in the United States who have no access to health care, to the 100 million people in the United States who have inadequate coverage. Try to understand what would happen if the Reform or Conservative parties were successful in their Americanization of Canadian medicare. I shudder to think.

In 1993 jobs were being lost, people were feeling insecure, people had no hope. Today Canadians are confident. Jobs are being created, interest rates are at an all time low, the budget is on the verge of being balanced. Canadians know that we will have new problems and challenges because the demands of a global economy and of those who need the assistance of government will continue to be there. It will be very difficult to respond to all of those demands.

As we talk about the importance of sound fiscal management, it is also important to note that it must continue. We on this side of the House will continue to follow a prudent and responsible course, one that will give opportunities to the young and the old, one that will enhance and ensure that those who need it will have access to education.

Supply

Canadians expect medicare to be preserved. That is my goal and the goal of the government. We want to create an opportunity for all in the country to prosper. That is why I will not support the NDP motion which is before the House today. It is misguided and irresponsible and out of touch with the realities of 1997.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I am flabbergasted to hear comments such as the ones that were just made, particularly by the last two government members.

They are telling us things could not be any better. They even made up a poll to demonstrate their point of view. The government is hiding the facts. Canada is the greatest country in the world, Canada is the richest country in the world. Every time such comments are made, someone rises to remind the government that our country has the highest unemployment rate, that it has the largest number of poor, hungry children, that it has the most trouble with its debt.

What does it mean to be the greatest and the richest country in the world? Where is this wealth? With so many unemployed, so many poor children, so many people having a hard time finding jobs, where is the wealth?

• (1350)

It must be in the hands of those who control it. We are asking the government to stop.

We agree that debt reduction should be a priority. However, we disagree with the means used to achieve this result. We are telling the government: "The idea is good, but do not implement it in this fashion. Stop asking the weakest in the family to make an effort to pay off the family's debts. They should not have to do that. They will do their share, but the other family members must also do theirs".

Let us stop putting the burden on the most vulnerable ones. This is what we are asking the government, but it is so concerned by its public image that it no longer sees reality. It merely says: "We are the best, we are the finest. We meet with world leaders. We go to Russia and bend over backwards". Meanwhile, 1.4 million Canadian children go hungry. The national unemployment rate exceeds 10% and the government is burying its head in the sand.

I wish the Liberals would wake up and realize it is time to set more appropriate objectives, such as those proposed this morning by NDP members, even though we do not fully agree with them. We tell them too that the target is right. However, in order to hit that target, they seem prepared to give up all the powers granted to the provinces and give them back to the federal government. This is what concerns us, and we will discuss this issue. Again, even

though we may agree on a given objective, different means must be used to achieve it.

[English]

Ms. Elinor Caplan: Mr. Speaker, I will respond to my colleague in this way. I believe that we must have a strong economy in order to address the important social issues and social programs that we have always valued. I also believe that Canada is a partnership where each of the provinces comes together with the federal government to solve our problems.

In my remarks I was very careful to be clear that the job is not yet done. While the United Nations sees us as the best in the world and while private forecasters say we are doing better than any of the G-7 countries, we know we have problems that must be addressed. Unemployment is still too high. Child poverty is a real issue. There is a need for educational opportunities for research and development and innovation.

The strategy of the government is to provide a balanced approach where we will work together with our partners in the provinces to achieve our goals. We will do it in a responsible way. We will do it with the hand of partnership and in a fiscally responsible and prudent way so that around the world people will know that Canadians are working together.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, what frightens me when we hear the Liberals talking is that they speak with such passion they are quite convincing. They believe that what they say is true. It frightens me because they are able to deceive Canadians by being so totally deceived themselves about the facts.

I want to draw an analogy. In my youth I worked as a truck driver on the big rigs. We did not have phones in the rigs in those days but let us take it to modern days. Here I am, my job is to haul some combines from Regina to Winnipeg, which conveniently is about 600 kilometres, about 100 kilometres for every billion dollar of debt we have. I take the truck and phoned my boss and say I am doing fine. I tell him I am at Indian Head, a few kilometres away, and I am doing great. He says, "Good, what time do you think you will get to Regina?" I say, "Well, I may not because Regina is behind me. I'm on the road. I'm going about 20 to 30 kilometres an hour but it is behind me." I keep on driving all day and the boss phones again. He says "How are you doing now?" I say, "Well I've just crossed the border into Manitoba". He says, "Hey, you are supposed to go to Regina". I tell him I will go a little faster.

We had the Trudeau Liberals for awhile and then we had Mulroney Conservatives and they goosed the thing up to 40 kilometres an hour, \$40 billion a year. Now we have these Liberals and just as they are approaching Winnipeg, \$600 billion, they are bragging because they have slowed the truck down to 17 kilometres an hour. I am sorry, now it is only going nine kilometres per hour, but Winnipeg is just about there and Regina the destination is way

back behind in the rearview mirror. And these guys think they have—

• (1355)

The Speaker: I was just wondering if the hon. member was going to get there before we get into statements. Perhaps the hon. member would like to respond.

Ms. Elinor Caplan: Mr. Speaker, I listened very carefully to the geography lesson by the member opposite. I heard no question. If the member were looking forward as opposed to backward, he would understand the important progress the government has made in securing Canada's future.

The Speaker: I was just getting interested in that trip myself, but it being almost two o'clock we will go to statements by members and maybe get in a couple more statements today.

STATEMENTS BY MEMBERS

[English]

FLEETWOOD CANADA LTD.

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is a pleasure for me to rise and salute the employees of Fleetwood in Lindsay, Ontario.

Fleetwood is the maker of the highest quality recreational trailer products in North America. It recently celebrated its quality above all achievement of attaining a rating of 93% for customer satisfaction. The employees of Fleetwood in Lindsay have proven once again that they can compete with the world and win every time.

Congratulations to the management and staff for their tremendous achievement and dedication to quality above all.

* * *

PENITENTIARIES

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, Larry Takahashi was sentenced to three life sentences for committing 14 rapes on Edmonton women. He is now serving time at the Ferndale golf and country club for minimum security prisoners in my riding of Dewdney—Alouette, B.C. For his punishment Mr. Takahashi is confined to an institution that boasts a nine hole golf course and a choice of Coke and Pepsi machines.

Is the Ferndale golf and country club too intrusive for the balaclava rapist that he now needs leave to visit family and friends? He raped 31 women and in 1991 he was granted leave which was revoked due to public pressure.

S. O. 31

The citizens of my community, of Edmonton or anywhere else in Canada, should not have to beg the solicitor general to keep their families safe from sexual predators. A competent and compassionate minister would place the safety of the Canadian public and the well-being of victims above the demands of coddled criminals.

* * *

REMOVAL SERVICES

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, chapter 21 of the Auditor General of Canada's latest report deals with the mismanagement of the military and the way it conducts the \$100 million plus household goods removal service of the federal government. It is inefficient, provides poor service and is open to corruption and conflict of interest.

This past month the Regina police laid fraud charges against a former manager of a moving company. The 24 alleged victims included 7 private citizens, 10 corporations, 5 provincial government agencies and 2 RCMP moves. The competition bureau is also investigating.

Since 1994 the average weight per government move has increased by 14% while the military has reduced its penalties for fraud. Why is the military restricting the ability of over 80% of the 3,000 carriers in Canada from doing moves for the federal government? It is time to get the military out of mismanaging government moves and to return the military to military functions.

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[Translation]

AMNESTY INTERNATIONAL

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, this week has been designated Amnesty International week.

The Bloc Quebecois therefore takes pleasure in recognizing in the House the exceptional work done by this organization and the some 8,000 volunteers who fight for rights and justice around the world.

According to Amnesty International, thousands of political prisoners are currently being held without charge or trial in 70 countries. In addition, cases of torture and harsh treatment may be found in at least 120 countries. It is a good thing that the international community can still count on organizations such as Amnesty International.

On my own behalf and on behalf of my colleagues in the Bloc Quebecois, I congratulate Amnesty International and wish it continued success.

S. O. 31

• (1400)

[English]

THE LATE SIMONE FLAHIFF

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I rise to pay tribute to the late Mrs. Simone Flahiff, a friend and constituent in Etobicoke—Lakeshore.

Simone was a challenging woman. She challenged all to be the best and applied the same standard to herself. Her crafts were legendary as was her cooking. She loved making floral arrangements for her church, Our Lady of Peace, where she was a founding member. The Catholic Women's League, the Liberal Party of Canada and the Liberal Women's Commission received the benefit of her abilities.

Simone will be greatly missed by her son Terry, family and friends. Simone watched the daily question period and I know she is watching us today.

Simone, my friend, thanks for your years of service to our communities. May you rest in peace.

* * *

CO-OPERATIVES

Mr. John Harvard (Charleswood—Assiniboine, Lib.): Mr. Speaker, National Co-op Week was celebrated last week from October 12 to October 18 and International Credit Union Day was on October 16.

As a powerful social and economic force in Canada today the 10,000 co-operative enterprises represent a unique form of business, bringing together both capital and people to fulfil community needs. For many people and communities the co-operative model is vital, relevant and a financially sound business solution. It allows members, communities and employees to jointly establish new businesses and save existing ones.

Also as partners with the co-operative sector the government is profoundly committed to the co-operative option as a viable way of helping to revitalize rural Canada.

Today I ask all members to join me in commending the Canadian men and women who have chosen co-operation as their fundamental way of contributing to the vitality of their communities.

* * *

SMALL BUSINESS WEEK

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, in this time of technology, science and small business we need to recognize that today about 52% of all Canadians employed in the private sector are in small business with fewer than 100 employees per business.

At least 85% of all new jobs created in Canada are created by small business. Many of these businesses relate to advances in computer and telecommunications technology. They are altering the core products and processes at the heart of the Canadian economy.

With the increasing competitiveness of highly skilled labour forces dedicated to superior product design and performance, small and medium size businesses have the advantage. It is easier to sustain innovation and competitiveness. Indeed several of the most prosperous and competitive economies of the world today are based on small firms.

The government knows that the above is true. Why does it take small business tax dollars to provide grants to big business?

* * *

WEEK WITHOUT VIOLENCE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, the week of October 19 to October 25 marks YWCA Canada's second annual Week Without Violence. For these seven days the YWCA is challenging all Canadians to live without perpetrating, participating in or observing violence.

This universally significant initiative should be supported year round. A society with less violence is a desirable goal. We as parliamentarians should take a visible role in supporting initiatives such as this one. May our support stand as a statement to all Canadians that any violence is unacceptable in society.

In particular we need to encourage and teach our youth that there are alternatives to violence. To that end I am proud to advise that in our gallery today are students and teachers from Waterloo-Oxford District Secondary School in Bayden, Ontario. This high school is located in my riding of Waterloo—Wellington. I am proud that we are able to afford these students greater insight into the Canadian federal system.

It is my hope that these students will leave Ottawa with a new and expanded—

* * *

[Translation]

THE URSULINES

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, 1997 marks the 300th anniversary of the arrival in Trois-Rivières of the Ursulines, a religious order, answering a call from Providence and France to develop New France.

As they got off the ship on the morning of October 10, 1697, with the mission of teaching young women and looking after the disinherited, the handicapped and the sick, it was a moment of great excitement for the settlement of Trois-Rivières, which had

been founded 63 years earlier and which had neither school nor hospital.

• (1405)

The people were full of hope as they welcomed the Ursulines, who went on with generosity, self-denial and devotion to fulfil their vocation first in Trois-Rivières and then throughout Quebec.

As the member for Trois-Rivières, I would like to express, today, October 21, the feast day of Saint Ursula, patron saint of this community, our deepest gratitude and our sincerest respect to the Ursuline nuns for their exceptional contribution to the history of Quebec.

* * *

BLOC QUEBECOIS

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, the Bloc Quebecois' decision to force the BQ member for Drummond to pay back corporate donations accepted during the last election campaign is, to say the least, questionable.

How can the Bloc justify demanding that this MP pay back donations received from corporations when the Bloc never applied the same rule to itself? What difference do the righteous separatists from the Bloc Quebecois make between corporate donations and the \$153,048 received from the Parti Quebecois in 1993-94?

Would they have us believe that the Bloc Quebecois is less likely to be influenced by the PQ than by a small business in Drummondville?

The Bloc Quebecois is so obsessed with saving face in this fundraising issue that it is losing its mind.

* * *

[English]

VOLUNTEERS

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I rise today to acknowledge and commend the countless volunteers who unselfishly devote their time and energy to making their communities a better place to live.

These volunteers ask for nothing in return. As a result of their efforts, dedication and commitment to their communities, their friends and their families enjoy a high quality of life that has become the envy of the world.

I cannot stress strongly enough that these volunteers are a sense of pride for all Canadians. I therefore take great pride in acknowledging the following community associations in my riding: Abbeydale, Albert Park/Radisson Heights, Applewood Park, Calgary Marlborough, Crossroads, Dover, Erin Woods, Forest Heights,

Forest Lawn, Inglewood, Marlborough Park, Millican Ogden, Penbrooke Meadows and Southview.

Our heartfelt thanks goes out to all these community association volunteers. Their commitment has not gone unnoticed and is very much appreciated.

* * *

WOMEN'S RIGHTS

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, this week marks the struggle by Canadian women to be recognized as legal persons in their own country. It reminds us of one thing and that is just how much the federal government has reduced women to the status of non-persons.

Are women persons under the law when the government will not honour the law of pay equity? Are women persons under the law when the government leaves women without protection from a violent partner? Are women persons under the law when the government terminates all women's career counselling centres? Are women persons under the law when the government offloads responsibility for health care on to the shoulders of women and their families? Are women persons under the law when the government denies women the right to a pension in their own name? Are women persons under the law when the government has relegated the vast majority of women to part-time, short term, on call, low skill and low paying jobs?

No, women are not persons in the full sense of the word under the government. Let today be a call to action to reverse this trend to ensure women their right to live in safety, in security and with dignity.

* * *

FOREIGN AFFAIRS

Mr. Rey D. Pagtakhon (Winnipeg North—St. Paul, Lib.): Mr. Speaker, it is always an honour to rise in the House. Today I am particularly delighted to note the meeting of our Prime Minister with the President of Russia.

Meetings like this among or between leaders of the world serve to enhance international goodwill and thereby help advance mutually beneficial social and economic agendas which are ultimately instruments of peace.

Today I would like to highlight the initiative of our Prime Minister to develop a shipping route between northern Russian ports and the port of Churchill in northern Manitoba. This is a fine example of an initiative which is good for both countries.

Projects such as this are a considerable boost for both nations.

As Canadians we can take pride in the efforts of the Prime Minister and the government and our partners in the private sector. As a Manitoban I feel an added sense of pride.

Oral Questions

• (1410)

[Translation]

BLOC QUEBECOIS

Ms. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): I hate to have to tell you, Mr. Speaker, that the Bloc Québécois is facing a rather serious and embarrassing problem.

These paragons of virtue in party financing just realized that even a group as prestigious as theirs always runs the risk of having members who do not follow the rules. The very people who just recently were boasting in this House about never accepting corporate donations are now forced to take back their outcries and their attacks.

The Bloc member for Drummond is not the only one to have accepted corporate donations. Recently, we showed that the Bloc Québécois had accepted more than \$10,000 in corporate donations during previous funding drives.

And now we begin to see what lurks beneath the surface.

* * *

[English]

WAR MEDALS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, Canadians have been shocked to learn that the war medals of deceased Canadian World War I veteran, Lieutenant Colonel John McCrae, hero and author of the enduring poem, *In Flanders Fields*, will be auctioned off this Saturday in Toronto.

In Flanders Fields became the world's most popular poem of the first world war. It is now read throughout the world every year on Remembrance Day. Even the symbolic poppy was chosen out of the popularity of John McCrae's poem.

As we near Remembrance Day many Canadians will be touched by the words of John McCrae. I am afraid that this year Canadians may not just be mourning the loss of hundreds of thousands of Canadian war veterans but also the loss of an important piece of our heritage.

I urge the Minister of Canadian Heritage to prevent our heritage from being auctioned away. I ask her to assure the House that she will obtain these medals for the dignity of our veterans who fought for this country and for the memory of our Canadian hero John McCrae and place them in the Canadian War Museum in Ottawa.

* * *

SMALL BUSINESS WEEK

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, yesterday a colleague from the other side used his time to lament the situation

of small and medium size businesses in Canada, but in fact Canadian businesses are working in an excellent climate and are prospering.

As my colleagues know a recent report by a management consulting group extolled the virtues of Canada as a place to do business. It said that on the basis of cost Canada is the number one location for manufacturing. As well, it noted that Canadian cities are shown to be more cost competitive than their U.S. and European counterparts.

The theme of this year's Small Business Week organized by the Business Development Bank is "Powering Growth, Building Success".

This week, October 19 to October 25, gives an opportunity to celebrate small businesses in Canada and to acknowledge that Canada is not only the best place in the world to live. It is also one of the best places to do business.

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CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, today I had the opportunity once again to introduce a bill in the House to repeal section 745 of the Criminal Code.

Section 745 gives the opportunity to convicted killers, both first degree murder and second degree murder, to apply to have their parole ineligibility reduced after serving only 15 years in prison.

It is outrageous that our criminal justice system should allow itself to be made a mockery of by section 745 of the code.

In its wisdom the last parliament passed a bill at second reading to repeal section 745. Regrettably the government dominated justice committee killed the bill at committee.

I urge all members of Parliament to expedite the passage of the bill to instil a bit of justice in our justice system.

ORAL QUESTION PERIOD

[English]

TAXATION

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Liberal finance minister can talk for hours about how to spend taxpayers' money but he gets choked up when it comes to the subject of tax relief. Yesterday under questioning he grudgingly acknowledged that he is going to reduce taxes for Canadians. I know it hurt him to say it.

Oral Questions

• (1415)

My question for the finance minister is simple. When will he lower taxes? By how much will he lower taxes? For whom will he lower taxes?

Hon. Paul Martin (Minister of Finance, Lib.): As to the answer when, Mr. Speaker, we did it in the last budget. As to the amount, we did it by \$2 billion over three years. And as for whom, we did it for the physically disabled, we did it for students and we did it for poor families with children.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the finance minister professes to lie awake nights worrying about the vulnerable in our society, yet he wrings almost \$2 billion a year from people who make less than \$15,000 a year. These are seniors on fixed incomes, these are single parents, these are young people with their first jobs, the most vulnerable among us.

When will the minister's enlightened social conscience move him to give tax relief to these low income families?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if I was implying to lay awake at night, I would be worrying about the fact that the Reform Party will take \$3.5 billion out of health care. I would be lying awake at night worrying about the Reform Party which has cut \$3 billion out of old age pensions. If I was going to lie awake at night, I would be worried about the Reform Party that is going to gut equalization in Manitoba and Saskatchewan. Fortunately, I sleep well because they will never take power.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the finance minister misrepresents Reform's position day after day in this House. Why does he do it? Because he is ashamed of his own policies.

The average working family in Canada today now pays more in taxes than they do for food, for clothing and for shelter combined. The minister professes his great concern for the average and low income families. When will he demonstrate that concern by taking his tax-stained hands out of the pockets of those people?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the Reform Party talks about misrepresentation.

In fresh start he said he would cut the CHST by \$3.5 billion. Fresh start is their program. In their second taxpayers' budget, they said they would cut equalization by \$3 billion. In their first taxpayers' budget, they said they would cut old age pensions by \$3 billion. There is only one level of misrepresentation and it is the Reform Party that refused to tell the truth about what it really stands for.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the finance minister is absolutely addicted to taxes. Here is his record. The highest personal income taxes in the G-7. Bracket creep

sucking \$3.2 billion from low income Canadians, almost \$2 billion coming from Canadians earning less than \$15,000 a year.

When is he going to reach bottom? When is he going to get the monkey off his back? When is he going to realize that his higher power is not Revenue Canada? When is he going to say "My name is Paul and I am a taxoholic"?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it is going to take more than a week's break before the hon. member can come up with a decent line.

Let us take a look. The Reform Party's position is that they will not cut taxes until the deficit is eliminated. The deficit has not been eliminated. We have already begun to reduce taxes, \$2 billion over three years.

The issue is, why have we begun to cut taxes? The Reform Party refuses to do it until the deficit is eliminated. Who is addicted to taxes? It is the Reform Party.

• (1420)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, under this government, taxes have gone up \$8 billion since it came into power. That is taxes, not revenue growth.

Last week someone in my office spoke with a lady who earns \$16,000 a year. Alice called us because she had to take out a mortgage on her trailer to pay the \$740 income tax bill she gets from Mr. Compassion here across the aisle. She keeps her heat at 60 degrees to hold her fuel bill down.

Instead of the usual hot air from the minister, when is he going to give tax relief to Canadians like Alice so that they can keep their own homes warm?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what will happen to Alice when her old age pension is cut by the Reform Party? What will happen to Alice if she lives in Manitoba or Saskatchewan and those provinces that have to cut essential services because they have cut equalization. What is going to happen to Alice when she cannot get into a hospital because of a further \$3.5 million cut by the Reform Party?

The real issue is, why is Reform trying to pass a tax cut for the rich off on gutting the social programs for the poor?

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[Translation]

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Minister of Intergovernmental Affairs suggested that the French government would have reservations about the proposed agreement between the Government of Quebec and the Government of France regarding the collection of support payments.

Oral Questions

Can the minister tell us, word for word, the objections of the French government and indicate his sources?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, on July 29, 1997, the French government supplied the Government of Canada with a draft text and sought its opinion.

The French government will speak for itself, but we are well aware that it wants to remain friends with the Government of Quebec and the Government of Canada. It does not want to become involved in our internal disputes.

The best thing the Government of Quebec can do is to act in good faith with the Government of Canada to bring about this agreement, which will be very good for the people of Quebec.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister said: "The French government will speak for itself". It does not need the Minister of Intergovernmental Affairs to speak for it.

I spoke today with His Excellency Loïc Hennekinne, France's ambassador to Ottawa, who confirmed that the French government had never objected to an agreement between Paris and Quebec City, this agreement having been submitted to Ottawa, as is customary.

Why, therefore, is the Minister of Intergovernmental Affairs altering reality and attributing remarks to France that it did not make?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I can only repeat what I said. The French government has no intention of becoming mixed up in our internal disputes.

It is up to us to reach agreement. This agreement would be good for Quebecers. It is easily accomplished if the Government of Quebec would agree to sit down with Canada's Minister of Foreign Affairs. There is no need to play politics.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The Minister of Intergovernmental Affairs has his own interpretation of what a normal approval procedure is and says, without any grounds, that France is rejecting the wording chosen.

Does the minister not realize that, in diplomacy, it is not acceptable to impute intentions to a foreign government solely for partisan purposes?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, once again this is an agreement made under the Canada-France agreement, one which has operative force and involves criminal matters, and one which must of course be made within the Canada-France framework. This is very feasible. All we

have to do is work together with the Government of Quebec, and not get the French involved in our affairs.

• (1425)

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my next question is for the Minister of Foreign Affairs.

How can the Minister of Foreign Affairs accept his colleague's putting words willy nilly in the mouth of the French government, and what does he plan to do to remedy the blunder of his colleague, the Minister of Intergovernmental Affairs?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is quite normal when there is an agreement between two countries for one of the countries to inform the other when there is a proposed agreement. We have an agreement with France under which provinces can submit subtext. We encourage them to do so. However when that subtext carries certain statements in it that it takes on to itself the right of sovereignty, we cannot accept that.

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EDUCATION

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, right across this country, university students, faculty members and administrators are telling the finance minister that post-secondary education is in trouble and that he is making a serious mistake by cutting another \$550 million out of education this year. No wonder we have skyrocketing tuitions, massive student debt and a serious brain drain.

Will the finance minister admit to his mistake and commit today to fix it? Will he establish accessibility as a national standard in education?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fact is as per a meeting yesterday, right across the country university students and professors, those who are funding universities, those who teach in the universities and administer the universities are congratulating the government for the Canada Foundation for Innovation. They are congratulating the Prime Minister for his announcement on the millennium fund.

The fact is that what the universities have said is that this government is responding to their needs and the needs of young Canadians.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I have heard of selective hearing but that beats all.

The minister knows perfectly well that his scholarship fund will not even start for three years and when it does, less than 10% of students who need help will get it.

Oral Questions

Yesterday we learned that the minister had miscalculated, that he had made cuts he did not need to make to balance his books. Good education is the key to good jobs in this country. Will the minister cease the rhetoric, put his money where his mouth is and restore education funds recklessly slashed at the expense of Canada's students?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the hon. member would like to take a look at the 1997 budget, what she would see is that the government elevated registered education savings plans to a new level. In fact they have taken off so that parents can save for their children. We have brought in tax credits and allowed students to transfer them to other people so that they can pay for their education. We brought in a new measure to enable students to postpone their student indebtedness. This year we brought in the Canada Foundation for Innovation and the millennium fund for scholarships.

Over the last two years this government has done more for higher education than any government in this country.

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SOMALIA INQUIRY

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, yesterday the Prime Minister visited with President Boris and today I want to ask a question about Ambassador Bob, Ambassador Bob being of course Bob Fowler, Canada's ambassador to the United Nations.

Our ambassador to the world has now stated that he cannot give or will not give interviews about the Somalia affair, even though there are contradictions in his version, because he is a public servant. I would like to get assurances from the government that he will be allowed to give interviews and if not, I would like to know why not.

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I think Ambassador Fowler is in a position to make those decisions based on his position as a public servant. If there is any kind of forum in which he is requested to appear he has also said that he is prepared to do that. That is following the normal procedure.

● (1430)

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, I would like to point out to the government that there is a difference between Ambassador Bob's being interviewed on current policy questions and as a principal figure in the Somalia story.

Perhaps it is time to recall Ambassador Fowler until the cloud is removed. When will this government allow Bob Fowler to participate in interviews with the media on the Somalia affair?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I just explained that if there was a forum in which the presence of Ambassador Fowler was requested, in the past he has clearly indicated he would be prepared to attend.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, how much do you have to give to the Liberal Party to get a CIDA contract? It seems the more you give, the more you get.

Geratec Incorporated of Quebec, a group of companies directed by former Liberal cabinet minister Marc Lalonde, has donated a whopping \$80,000 to the Liberals over the past two years. The payoff is \$80 million in CIDA contracts, not a bad return on your dollar.

Was Pierre Corbeil just a Liberal bagman or was he the government's ethics adviser as well?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member's attempt to link fund-raising activities which have not been found in any way to be improper with a matter before the courts is totally unwarranted. She is again abusing the privileges and structure of this House. It is just another example of what I said yesterday about everything she says. It is just more Reform rubbish.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the minister talks about rubbish. Let us look at a little of this rubbish, shall we?

Companies that get CIDA contracts are 70 times more likely to have donated money to the Liberals than other companies. Rubbish? It was the minister's own personal friend Marc Lalonde who stick handled this deal right through the goal. Is that rubbish? I do not think so.

If political donations have absolutely nothing to do with government grants, let the minister tell us why the Liberals get 70% of the contracts for CIDA. Is it just a heck of a coincidence or is it rubbish?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I ask the hon. member in turn whether it is just a coincidence that this evening in Toronto in a luxury hotel there will be a Reform Party fund-raising dinner, with the Leader of the Opposition as the guest of honour, and all they are charging is \$2,000 per table.

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[Translation]

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, everybody in Quebec yesterday heard the Minister of Intergovernmental Affairs say on CBC television that the French government had

Oral Questions

alerted his government to the fact that the vocabulary of the negotiations implied that Quebec was sovereign, which put the French in some discomfort. That is what the minister said.

• (1435)

How could the minister say such a thing? What did he base his statement on?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, clearly the French government is embarrassed each time the Quebec government tries to push it into the middle of our internal disagreements. It does not want to get involved, it has no intention of doing so.

The agreement must be in harmony with the France-Canada accord. If it is part of this agreement, and this is not difficult to do, Quebecers could benefit from it, which would be a good thing.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, how can the Minister of Intergovernmental Affairs appear on CBC television and say such a thing, when no one told him that and the French embassy officially contradicted the minister? How could he say such a thing on CBC television?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I think pretty well everyone knows that the French government is embarrassed each time the Government of Quebec tries to get it involved in the matter of Canadian unity.

I think French government policy is one of non-interference and non-indifference. The policy must therefore be respected, and things would go much better for the signing of an agreement such as the one we are talking about at the moment.

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[English]

THE ENVIRONMENT

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, yesterday the environment minister said in the House: "Addressing climate change will incur costs for all Canadians".

The signing of this deal is less than two months away yet the minister refuses to give us any details.

As the minister has already told us that this agreement is going to cost Canadians, will the minister now tell us is the cost going to be 10 cents, 20 cents or 30 cents per litre?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, I tried to make it clear yesterday that dealing with the

issue of climate change will incur costs. It will incur costs for all Canadians to take action. It will incur costs if we do not take action.

With regard to any specific measures taken to address climate change, we will negotiate fully with our provincial counterparts.

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, this is ridiculous. We are less than two months away from this country's signing an agreement will affect each of us. We do not know how deep the taxman is going into our pockets and for what reason.

This is not only dumb politics, this is a slap in the face for each Canadian. The minister said the provinces had to be on side. Clearly they have to be on side.

Will the minister assure us that she will not sign any deal in Kyoto until all the provinces are on side?.

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, Canada is a member of an international community and it is committed to signing on to medium term legally binding targets in Kyoto.

In order to achieve any targets it is going to require a committed response on the part of all Canadians, every agency and every province. The federal government will be negotiating with our provincial counterparts, among others, to work with them to put in place appropriate measures.

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[Translation]

DEFICIT REDUCTION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the Minister of Finance has some leeway now, it is because people have paid for it. The unemployed have been singled out and have so far contributed \$19 billion through unemployment insurance cuts.

My question is for the Minister of Finance. Now that he is well ahead of his forecasts, does he not think it would be fair and reasonable to give a little something back to those who, for two years now, have done more than their share to eliminate the deficit?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is precisely what we have done. That is why the Prime Minister announced in May that we intended to return \$6 billion in social transfer payments to the provinces. That is why the Minister of Human Resources Development announced not just an initial contribution of \$850 million for the child tax benefit, but a second contribution of the same size.

• (1440)

When you look at the things we have done, such as extending the infrastructure program to create jobs in Quebec and in the rest of

Canada, it is very clear that the federal government is using its leeway for the very purpose of helping the most disadvantaged and creating jobs.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, it is really unbelievable. Twice now, since he spoke in Vancouver, I have heard the minister spout this nonsense. He is pulling the wool over the public's eyes. He is adding \$6 billion over five years. He is cutting \$6 billion annually, until 2003. His government will have taken \$42 billion out of the mouths of the most disadvantaged by 2003. What are \$6 billion worth compared to the \$42 billion in cuts now taking place?

I question the intellectual integrity of this minister.

The Speaker: No question, no answer. That's it.

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[English]

IMMIGRATION

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Last week an infant died in his mother's arms, having been strangled and then run over by a criminal who had been ordered deported in 1994.

Since the minister has abandoned her \$250 million enforcement system to track illegal and criminal refugees, when are we going to see a plan of action to solve this very serious problem?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we have completely reviewed our deportation policy here in Canada and decided to focus on criminals. To this end, we have indeed put together a plan of action. We even introduced in this House legislative amendments, which the Reform Party opposed.

This having been said, it is quite clear that the process should be improved and agreements signed with the various countries to expedite the deportation process.

[English]

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, innocent Canadians are being killed, raped, robbed by a growing number of illegal immigrants. The minister has done nothing for these grieving families but give a cruel bureaucratic excuse.

Again, when will we see a plan of action that will start to solve this very serious problem?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is always very dangerous to pass general, blanket judgements on any given group of people. The fact

Oral Questions

that some individuals abused our system or illegally entered Canada does not entitle us to condemn the immigration system as a whole. We must be wary of creating myths regarding immigration in Canada.

This having been said, it is quite clear that we do have a plan of action to deport criminals.

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DEFICIT REDUCTION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, my question is for the Minister of Finance.

The minister is dipping freely into the employment insurance fund to erase his deficit. However, he justifies the high contributions and reduced benefits by saying he wants to create a reserve for bad times. So far, the minister has taken about \$12 billion out of the employment insurance fund.

How far will the minister go before he stops reducing his deficit on the backs of workers and employers and the unemployed?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is well aware that, when we took office, employment insurance contributions had been increasing for three years. Since we took over, contributions have been lowered. The Minister of Human Resources Development and I have announced that contributions would drop to \$2.80 in November. And we will continue to lower them every year. But one has to look at all of the government's financial statements.

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[English]

SMALL BUSINESS

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

• (1445)

As this is national small business week, could the minister explain what his department is doing to reduce the burden of reporting requirements on Canada's small business?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I want to thank the member for his question concerning small business. Small business is very important for growth in the Canadian economy. Small business is creating jobs.

Yesterday I introduced the business number registration work station which will help small business to ensure that we streamline and reduce duplication.

We also introduced quarterly payroll deductions. Instead of monthly they will be quarterly. This will help reduce paperwork, overlap and duplication.

*Oral Questions***JUSTICE**

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, can the solicitor general please explain to this House how Larry Takahashi, who committed 30 rapes and is serving three life terms, could possibly be released? What kind of a parole system is he running?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it is important to remind the hon. member that the solicitor general is not running the parole system. The national parole system is running itself. It is motivated by public interest, the interest of public safety.

Notwithstanding the fact that the member may not be interested, all evidence is that those people who are cascaded out of the system are less likely to reoffend.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, there is no doubt that this parole board and this parole system fall under the portfolio of the solicitor general. He is responsible for what happens.

I wonder if he would be willing to take the next Takahashi into the guest room in his home.

Enough of this nonsense. When is he going to start being accountable to the citizens of this country and stop releasing these kinds of individuals?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, five months ago 52,000 people in Fredericton re-elected me. I am accountable to them. I am accountable for the National Parole Board. It is operating in the interests of public safety.

The people who are released through the system are less likely to reoffend. It is in the interest of public safety.

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FOREIGN AID

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs.

As the minister knows, the upcoming APEC people's summit is seeking federal funds to bring in speakers from APEC countries on issues of human rights, labour standards and the environment in APEC countries.

Why is the minister violating CIDA's own policies and refusing federal funds to assist these speakers while spending millions of dollars on security for leaders like Suharto and Li Peng who brutally repress their people? Why the double standard?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member is once again mistaken. The federal

government has provided a grant of \$200,000 to the people's summit.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, the minister knows that not a penny of that money is going to support speakers from APEC countries.

Last week the Canadian Council for International Co-operation condemned Canada's deep cuts in overseas development aid which have dropped us from fifth to eleventh place in the OECD.

Will the minister put an end to these shameful cuts and will he cancel the 8% cut, the \$150 million cut, that is planned for next April in Canada's overseas development aid?

Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, there is no question that we had to make some cuts to ODA because of the serious financial situation which this country was facing.

However, last week the Minister of Finance announced to us all that there is a light at the end of the tunnel. I am very hopeful that when we do arrive at a time when we have a surplus, we will return to previous levels of funding. The Prime Minister has said that we will move toward .7% of our gross domestic product when the financial situation allows.

* * *

• (1450)

[Translation]

SOMALIA

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I want to return to the Somalia affair.

Last week, one of the commissioners released a book in which he alleges that the then deputy minister, now the Canadian ambassador to the United Nations, did not tell the whole truth about his activities in the Somalia affair.

I would like to know why the government does not allow the ambassador, as he is now, to give interviews, at least to the media, on this matter. Why is he hiding behind his title in order to avoid setting the Canadian public straight?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, Mr. Fowler did give a very extensive interview to Mr. Desbarats and he incorporated that into his book.

Also, as Mr. Fowler had indicated, he was quite prepared to appear before the Somalia inquiry. Again, he is anxious to tell his story as the Minister of Foreign Affairs has indicated.

Oral Questions

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, Mr. Fowler said he was not ready to testify. It seems to me that Canadians should have faith in their public servants and I am sure this House agrees.

When will the former deputy minister of defence who is now representing Canada's interest to the world at the United Nations in New York have a chance to restore Canadians' faith and tell his story?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to make clear to the House that Mr. Fowler, as our ambassador to the United Nations, is acquitting himself in an exemplary manner and giving great distinction to the representation of Canada in that world forum.

As we said before, Mr. Fowler is quite prepared to attend any forum to which he is invited. He has so indicated in the past, contrary to what the hon. member has said.

* * *

PROJECT 2000

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I have a question for the President of the Treasury Board concerning the progress of the year 2000 project. The auditor general says that if progress continues at the current rate, a failure of critical systems could affect public health, safety and essential services.

What is the minister doing to ensure that the year 2000 project is completed on time so that essential services for the public are protected?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the auditor general is quite right to indicate the seriousness of this problem because both private industry and the public sector have been dealing with it.

In terms of the public sector, we have a Treasury Board project 2000 that is at present assessing the various systems and is helping the departments to put into place the measures necessary to be able to meet that deadline.

* * *

NATIONAL DEFENCE

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, it is obvious that the public takes considerably more pride in its own history than this government does.

A local radio station has raised \$25,000 for the purchase of Colonel McCrae's medals. However the government refuses to lift a finger.

What specific steps is the government prepared to take to ensure that the medals end up where they should be, in a Canadian museum?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, Lieutenant-Colonel McCrae has given a great deal to Canada and the world. Canadians are very proud of him.

Members should know that the Minister of Canadian Heritage and her officials have been in touch with the family of Lieutenant-Colonel McCrae who are now looking to ensure themselves that those medals are authentic. There is some question about the authenticity.

Once that is done, we will work with the family to do everything in our power to make sure those medals stay in Canada, as soon as we know that they are authentic.

* * *

[*Translation*]

CLOSURE OF BC MINE

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

In ten days, the BC mine in Black Lake will be closing down and putting 300 people out of work, most of them over the age of 50, in a region that is already devastated by unemployment. There is no future for these workers, who have little chance of finding other work.

• (1455)

Can the minister tell us what active measures are being contemplated to return these people to the work force, and also what answer he could give to the appeal they have made to the minister, these 300 workers who—

The Speaker: I am sorry to interrupt the honourable member. The hon. Minister of Human Resources Development now has the floor.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I greatly appreciate the hon. member's question, because this is situation is of considerable interest and concern to us.

We are monitoring this situation very closely, because the region in general is going through a very difficult time at present. My assistant deputy minister in Montreal has met with representatives of the miners who have been laid off, and we have begun to look at very concrete situations and active policies to try to help them, including training, and to assist them in getting what they need to return to the work force.

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[*English*]

HEALTH CARE

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my question is for the Minister of Transport.

The medical examiner's office in Manitoba is investigating the possibility that a delay in landing at Thompson airport may have

Privilege

contributed to the death of a three-year old boy from Shamattawa. The delay resulted from repairs to the instrument landing system. It had not been operational for one month. NavCanada is responsible for those repairs.

Can the minister explain why it would take one month to make repairs to Manitoba's second busiest airport in a city where the hospital provides health services to some 30,000 northerners?

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, safety is the top priority of Transport Canada. This is a very unfortunate incident and our officials are looking into it to see what caused the delay and to make sure that this does not happen again.

* * *

CREDIT CARDS

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, in his economic statement last week the finance minister said the government has cut up its credit cards and called this responsible financial management. In rural New Brunswick we call it potato fertilizer.

Recently the auditor general said the use of credit cards has increased tenfold. The government does not know how many cards have been lost or stolen and in three months it ran up an \$80,000 bill for late payment charges because the Liberal government could not pay its credit card bills on time.

Is this what the minister of public works calls responsible financial management?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the auditor general has looked at this matter and has indicated that no significant amount of waste has been recorded or found by his study. Notwithstanding this, we have had discussions with the auditor general and we have put into place the necessary measures to ensure that in the future waste is minimized.

* * *

TRADE

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, my question is for the Minister of International Trade.

The Latin American countries of Argentina, Brazil, Chile and Paraguay are experiencing unprecedented growth. What is the minister doing to assist Canadian business to take advantage of this economic boom in Latin America?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, Canada is very interested in further developing a rapport on trade with Latin America. Our business community is very bullish about the prospects in Latin America.

During the visit of the president of Brazil last year he and the prime minister talked about fashioning a new relationship between Canada and Mercosur. As a result of that discussion both Mercosur countries and Canada have exchanged papers to define what that relationship might be. There is also a meeting scheduled for the end of October.

While the members opposite shout cat-calls we are responsible for creating more jobs, more opportunities and more—

* * *

JUSTICE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of Justice.

Sex offender Gordon Mathieson walked out of court without getting any jail time. He received what is called a conditional sentence. It is so bad now that judges are giving no jail time for drug trafficking, sexual assault and armed robbery, all because this minister and her predecessor gave a soft on crime message to the courts.

Will the minister fix the mistake so this new conditional sentence category can only be used for non-violent crimes?

• (1500)

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think my predecessor made it plain, as I have, that those conditional sentencing provisions were not to apply to serious violent offences.

We then amended the legislation to ensure that the courts are instructed to take into account the sentencing principles of deterrence and denunciation. There have been some lower court decisions that have caused me concern as Minister of Justice and Attorney General of Canada.

Those cases are presently before appeal courts and we are awaiting the outcome.

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PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Carlos Ronderos, Minister of Foreign Trade of the Republic of Colombia.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

AMENDING LEGISLATION

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I rise today on a question of privilege.

Privilege

I have in my possession a copy of a memorandum dated Wednesday, October 1, 1997 from the acting deputy principal clerk, committees and legislative services, addressed to procedural clerks in committees and legislative services directorate regarding the drafting of amendments to bills.

This is the first opportunity I have had to raise this question of privilege since this memorandum was brought to my attention, and the implications of it became clear.

Citation 116 of Beauchesne's sixth edition states:

Should a question of privilege be based on published material, the article in question must be submitted and read at the Table.

• (1505)

I have a copy of this memorandum for the Speaker. Does he want the article read at the table now?

The Speaker: I would like the article brought to me.

Mr. Garry Breitkreuz: This internal memorandum addressed to the procedural clerks in the legislative services directorate indicates a number of important changes that have been made to the level and the quality of the independent legal services available to members. These changes have been made without the full knowledge of the members of Parliament, without MPs having a full understanding of the consequences of these changes and without debate and approval of members of this House as a whole.

As I understand the memorandum, the changes include four things: relegating legislative counsel to drafting only private members' bills; delegating procedural clerks to draft amendments to government bills, a function that used to be performed by legislative counsel; prohibiting legislative counsel from providing legal advice to members in relation to government bills or amendments to government bills either in private or in committee; restricting the drafting of members' amendments of government bills to compatible language as opposed to credible, legally binding amendments drafted by legislative counsel, a service to which we were accustomed in the previous Parliament.

The initiation of these changes interferes with my ability to do my job as a member of Parliament and as such constitutes a breach of my rights and privileges. It strikes to the very heart of what we do as MPs in this House.

I point this out not as a hypothetical case because according to that memorandum a pilot project has been initiated. Over the last couple of years the independent legal services available to me through legislative counsel have been constantly eroded by administrative decree. I have not been given an opportunity to debate this issue or vote on the changes imposed on me by the House of Commons administration over which you, Mr. Speaker, preside.

Further to this, Beauchesne's citation 33 states:

The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them. A few rules are laid down in the Constitution Act, but the vast majority are resolutions of the House which may be added to, amended, or repealed at the discretion of the House.

When changes in the ability of independent legal services are made unilaterally by an administrative directive rather than with the full understanding and approval of this House it violates the privileges of this House and every member who sits in this House. It ought to be of concern to each one of us.

I quote citation 114(2) of Beauchesne's:

A complaint of a breach of privilege must conclude with a motion providing the House with an opportunity to take some action.

• (1510)

Therefore I would like to make the following motion.

The Speaker: My colleague, if I understand correctly, this has to do with the drafting of bills, the drafting of amendments to bills, the legal counsel.

I know you are aware that two other members of the House have raised this matter, perhaps in another way. I am going to be rendering a judgment on Thursday morning on an issue from the member for Sarnia—Lambton which I believe touches precisely on your point of privilege.

As to this specific point I would judge once again that this would seem, as in my other decision, an administrative matter. It is one which I can tell the hon. member is being addressed at this time by the Board of Internal Economy.

I do not want the member to put the motion just now. If other members have information to bring to bear on this I will listen to it. But at least at this point it would seem to be an administrative matter.

Mr. Garry Breitkreuz: Mr. Speaker, it is not exactly the same point that was raised previously with regard to restricting the ability of lawyers in legislative counsel to work on private members' bills and so on.

My question relates more to how to change the legal and legislative services available to members. I believe that decision involves process. I am concerned about the process. I am not allowed any input as a private member. It is being done by political parties through the Board of Internal Economy and so on. It is not being debated in this House.

I am not being allowed as a member of Parliament to have my direct input.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I do have information that is new and relevant to this specific issue.

The member for Yorkton—Melville made references to the rules and practices of this House being changed without input of members of this House. This is a very serious charge.

Privilege

I appreciate that the administration of the House has authority to make certain decisions and changes on behalf of members. However, if we consider that the legislative services offered to members are an established and vital practice of this House, then it is clear that the administration went beyond the powers conferred on it by the House when it made changes to that practice.

Beauchesne's sixth edition, citation 2 states:

Procedure in the Canadian House of Commons is derived from many sources—the Constitution Act—statute, written rules and tradition.

These traditions are part of what formulate our rules and practices. Until the administration receives new direction from this House it cannot change those practices. Any attempt to do so is an infringement on the privileges of the members of this House.

On June 20, 1994 and November 7, 1996 the Speaker ruled on a matter relating to committees:

While it is a tradition of this House that committees are masters of their own proceedings, they cannot establish procedures which go beyond the powers conferred upon them by the House.

• (1515)

Considering that no other body except this House can change its rules or proceed beyond its established practices, the changes brought to your attention by the member for Yorkton—Melville are a breach of our traditions and therefore our privileges. I refer you to Joseph Maingot's *Parliamentary Privilege in Canada*, page 192:

Each House also claims the right to punish actions which are offences against its authority or dignity, such as disobedience to its legitimate commands—

Making changes to the rules of the House without its authority is a form of disobedience to its legitimate command. This is a very serious matter and I believe we should resolve it immediately. To that end, Mr. Speaker, I believe that the information my hon. colleague has brought up is in further addition to the previous questions of privilege brought up on the matter of legislative counsel in this House.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I only want to comment briefly. The issues referred to by the House leader for the official opposition refer to proceedings of the committee and what a committee is able to do in terms of its authority to ask for witnesses, its authority to exceed the powers of the House and so on. We are not discussing an issue like this today.

The issue brought to our attention has to do with officials of the House under our command, the command of the Board of Internal Economy through you as its chair, Mr. Speaker, and whether they exceeded any authority vested in them by all of us, particularly in an era where we asked officials to reduce budgets and so on.

Be that as it may, later this afternoon—I am told it is at 5.15 p.m.—the committee of the Board of Internal Economy, you, Mr. Speaker as our chairman and all of us sitting on the board have mandated to review the precise issue of legislative services and what services are afforded to members. We will be dealing with precisely the services in question.

I suggest that the information brought to the attention of the table and the Chair be handed to that committee. It could assist the committee in its deliberations. The committee could then recommend to the Board of Internal Economy an appropriate course of action in terms of the restoration of services which may or may not be deficient as alleged by the hon. member in the question of privilege raised a moment ago.

I am sure that the committee and the mandate we gave to the committee at the board was to act expeditiously. Therefore, I can only conclude that the board as a whole would be seized of this very rapidly. Then it will be up to us as representatives of all political parties in the House at the board level to take the course of action which is warranted.

The Speaker: As always my colleagues, questions of privilege are taken very seriously by your Speaker. I think what the hon. member for Yorkton—Melville is seeking here is redress, something that will satisfy his quest for whatever kind of information or advice he and other members need, because he is speaking on behalf of the board.

I would like to thank him for bringing up the point. I would like to thank the hon. House leader of the Reform Party and the government House leader.

In view of the fact that I believe a committee will be seized with that this afternoon, I am going to rule at this point that I am going to hold a decision in abeyance so that I can ascertain and I can get more information as to what suggestions if any the committee is going to make.

If the suggestions in my view do not go far enough to deal with this grievance, then I will come back to the House and I will reopen this question of privilege. I do not want to rule on it right now. I will have another look at it at that time.

I want to hold this in abeyance until this committee which was struck by the Board of Internal Economy has a chance to meet to see if the procedures which were discussed will indeed be acted upon. I want to let this sit at this point for now.

An hon. member: Mr. Speaker, do I have to put the motion?

The Speaker: No, you do not put the motion now. We will hold that in abeyance.

The hon. member for Regina—Lumsden—Lake Centre. Is this another point of privilege?

• (1520)

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, it is on this point that I want to relay some information to the House with respect to this issue which may help the deliberations in solving this problem.

I want to point out to the member for Yorkton—Melville that his colleague, the member for Cypress Hills—Grasslands has been reported on Saskatchewan's CBC provincial radio as saying that he has a lot of leftover budget and that he calls other members of Parliament who require more budget to staff their offices to meet the increased workload inefficient. Perhaps the member for Yorkton—Melville could go to his Reform colleague for Cypress Hills—Grasslands and ask for some of his money he has left over.

The Speaker: I am going to hold this point of privilege in abeyance at this time because we are going to get into debate here and we do not need to.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—UNEMPLOYMENT

The House resumed consideration of the motion.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise in this debate on the motion put forward by the New Democratic Party.

I would, first of all, like to point out that my party supports this motion, because it believes in it fundamentally. The motion, I would recall, condemns the government's budgetary measures, draconian cuts and its lack of concern regarding the vital issues of job creation and individual suffering. It also condemns the government's obsession with inflation, which results in high unemployment.

The Minister of Finance's budget measures have been fruitful, as we saw last week in Vancouver. The deficit for the past fiscal year will be about \$9 billion.

I would, however, add something to this estimate. I would recall that, last February, when the Bloc Quebecois expressed the possibility that the deficit in the fiscal year ending March 31, 1997 would not be higher than \$10 billion, the Minister of Finance said that we did not know what we were talking about, because he was then speaking of a \$19 billion deficit. That was eight months ago.

He was still talking about a \$19 billion deficit for the last fiscal year, so when we pointed to a deficit of some \$10 billion and accused him of not being totally honest with the public, he said we

Supply

were incompetent. Eight months later, he acknowledges the Bloc Quebecois was right in its estimates, because he himself announced that the deficit would be somewhere around \$8.9 billion.

Unless one is a total incompetent, it is impossible to err in predictions by 53% in eight months. It is impossible. Today I reminded the Minister of Finance of what I told him last week in Vancouver: that he was not intellectually honest, that it was dishonest of him to present incorrect figures on the deficit, as he has done since becoming Minister of Finance.

His predictions were terrible, way out of line. Again on Sunday evening, I was with the president of the forecasting firm Informetrix. We discussed the Department of Finance's estimating methods and realized that, however we looked at the February figures, trying to make adjustments between revenues and expenditures, that is, tax revenues and expenditures, there was no way the Minister of Finance could maintain in February his forecast deficit of \$19 billion. Everything pointed to a deficit of between \$10 and \$12 billion.

• (1525)

The minister withheld information from the public to avoid any debate on the drastic cuts he imposed on the provinces for social programs, employment insurance and other initiatives that directly affect Quebecers and Canadians.

With respect to these cuts, the minister showed a total lack of compassion since tabling his very first budget, but particularly since his 1996 budget. Where did our dear Minister of Finance take the money to achieve such results? He took it out of the pockets of the poor. He got the money by slashing social programs, by cutting \$6 billion per year from programs designed to help the poor. By the year 2003, federal transfers to fund social assistance programs administered by the provinces, to fund higher education, which is also administered by the provinces and which is a field under exclusive provincial jurisdiction, and to fund health will have undergone cumulative cuts of \$42 billion by the Minister of Finance. These are the minister's own figures.

If we look at his 1996 budget and planned cuts until the year 2003, we see that, for the fiscal year that just ended, the minister cut \$4.6 billion. In 1997-98, which is the current fiscal year, cuts will reach \$10.9 billion and will affect provincially administered programs in the social assistance, higher education and health sectors. In 1998-99, cuts will total \$17.2 billion, then \$23.5 billion in 1999, and so on, for a cumulative total of \$42 billion.

So when the Minister of Finance tells us that his government announced it would invest \$6 billion in social and health programs over the next five years, this has nothing to do with the \$42 billion it will cut and will continue to cut until 2003. It does not present an accurate picture to the public of what this government is really doing to help the most disadvantaged.

Supply

Last week, the Minister of Finance announced that several hundreds of millions of dollars would be earmarked annually to help the poorest members of society, to revitalize the health sector, to provide scholarships for students. This assistance is a sham. It shows a lack of intellectual honesty to give this impression, when there are going to be \$42 billion in cuts in the very sectors they are claiming to want to focus on in order to help the most disadvantaged, the ill, and students.

Cuts in social transfers to the provinces represent 53% of the federal government's spending cuts. It is not the government, but the provinces, that have done the work. The proof is that for every \$1 cut in health care in Quebec, 93 cents was because of the decision by the federal Minister of Finance to cut Quebec's health transfers. Ninety-three cents on every dollar.

As for social assistance and post-secondary education, every time Quebec cut a dollar in these sectors, 73 cents was because of cuts by the federal Minister of Finance. So we are not talking about peanuts. This year, for the first time, Quebec would have balanced its budget, had it not been for the drastic cuts by the Minister of Finance.

It is all very well to tell us about the Minister of Finance's wonderful ability to manage, but any old biped of average intelligence would have done exactly the same thing. It is easy to steal from your neighbour and say that you came by our money honestly. That is what the Minister of Finance has done. He has had others do the work. He has also had the unemployed workers of Quebec and of Canada do some of the work. For the past three years, he has asked them to contribute almost \$20 billion to help reduce his deficit. How did he do this? By keeping premiums abnormally high, by generating surpluses that will reach \$13 billion this year.

• (1530)

So, we went from a \$6 billion deficit in the UI fund in 1993 to \$13 billion in accumulated surpluses this year. The calculation is simple: the \$6 billion deficit was eliminated by imposing very high employer and employee premium rates and by making the employment insurance plan stricter. Add \$13 billion to that and there are the \$19 billion that did not go to the unemployed these past three and a half years.

That is \$19 billion taken away from the unemployed, that should have been used, partly at least, to pay benefits to the unemployed to help them get back to work. But it was not. This amount could also have been used to create jobs. Again, it was not. Job creation is not important to this government. If it was important, we would not have 1.5 million unemployed workers in this country. If it was important, the employment insurance premium rates would not be maintained at an artificially high level, as they currently are; premium rates, which are payroll taxes, would be lowered.

High premium rates slow sustainable and meaningful job creation. Now that the public finances are in better shape and that he has the most vulnerable taxpayers to thank for that, what is the Minister of Finance waiting for to correct the situation, by admitting his mistake and his responsibility in the deteriorating poverty situation?

Again, we must not think that billions of dollars, \$42 billion by the year 2003, can be cut without serious harm being caused to the people of Quebec and Canada and without this being reflected somewhere in the statistics on poverty. It already is.

There is reference to child poverty. The incidence of child poverty was 14.5% in 1989. The percentage of children living in families below the poverty line was 14.5. At the present time, the figure is 20.5%, a rise of 4.5%, and this is connected to the Minister of Finance's policies, the Minister of Finance's drastic cuts to social programs. That is the only explanation there is.

When we look at unemployment, the minister is boasting of fantastic surpluses in the unemployment insurance fund, which he is putting toward reduction of the deficit, when we look at the restrictions which have helped accumulate the unemployment insurance fund surplus, the restrictions to the new employment insurance program, we see that this is no joke.

In 1990, 77% of the unemployed, the men and women who lost their jobs, were entitled to unemployment insurance. This year, only 41% were. Why? Because the rules were tightened up. The eligibility requirements were tightened up.

So where do you think people go today, when they are no longer entitled to unemployment insurance? Most go on welfare. They become marginal. Once again, the one responsible is the Minister of Finance. He is the one who pretends to have a heart, while in fact he has no compassion, none whatsoever, along with the rest of the government, for the most disadvantaged and for the unemployed. He is the one responsible, he is the one marginalizing workers, who end up cut off from the realities of the workplace, once they are marginalized and forced onto welfare. They are cut off from that reality, and it is hard to get back to a normal job search afterward. One has to be close to the labour market to improve one's chances of finding work. The Minister of Finance totally disregarded that aspect in his efforts to meet his budgetary objectives.

The motion tabled by the NDP also deals with the monetary policy. It is the federal government which dictates the main thrusts of the monetary policy to Gordon Thiessen, the Governor of the Bank of Canada. At the very least, the minister sends signals, even though he does not administer the monetary policy himself. He sends signals to the Governor of the Bank of Canada on behalf of his government, so that the latter will apply specific interest rate policies.

Supply

• (1535)

The Minister of Finance, who claims to support employment and who gives all kinds of wrong figures, which makes me wonder about his intellectual honesty, tells the Bank of Canada: "Go ahead with the strong medicine; interest rates must go up as soon as economic recovery is in sight. We must not create too many jobs. It would generate inflationary pressure. Go ahead, raise interest rates. Do what the Bank of Canada used to do, which was to apply strong medicine whenever there was any emerging inflationary trend".

The minister agrees with this policy. Last week, in the *Globe and Mail*, while everyone else in Canada was criticizing—

The Acting Speaker (Ms. Thibeault): The hon. member for Tobique—Mactaquac, on a point of order.

[*English*]

Mr. Gilles Bernier: Madam Speaker, I do not think we have a quorum.

An hon. member: There are only 15 members present.

The Acting Speaker (Ms. Thibeault): There is no quorum. Call in the members.

And the bells having rung:

[*Translation*]

Mr. Yvan Loubier: Madam Speaker, I find it unfortunate that you interrupted—

Mr. René Canuel: —such a fine speech.

Mr. Yvan Loubier: Such a fine speech, as my hon. colleague said. I did not say so. Even the Reform Party agrees this was a fine speech.

As I was saying, Madam Speaker, the Minister of Finance, who claims to be in favour of job creation, is sending the Bank of Canada signals that directly contradict this government's job creation objectives. He keeps saying to Gordon Thiessen, the governor of the Bank of Canada: "Go ahead. Whenever the economy starts growing too fast and inflationary pressure may develop, use your strong medicine the old way, by raising interest rates". That is a recipe for jeopardizing economic recovery.

The Bank of Canada monetary policy is rather complex, but it basically boils down to this. As soon as there is an economic recovery and economic growth creates employment, if growth is deemed to be too fast, according to His Excellency the Governor of the Bank of Canada, Gordon Thiessen, he immediately raises interest rates to slow the rate of growth right down, thereby slowing job creation too.

This is the silliest policy Canada has had in years. Three years into a technical recovery, labour market conditions have yet to be restored to their prerecession levels. Participation levels are lower than ever. Our capacity to reduce unemployment—there are currently 1.5 unemployed Canadians—has diminished. Even Gordon Thiessen realized last year that he had perhaps gone a bit too far with interest rates in the last quarter of 1995; that he had perhaps slowed down the rate of job growth a bit too much.

It is unacceptable that there is a lack of jobs, that the rate of unemployment is so high, and that they are holding to an archaic policy of staying below the Bank of Canada's own inflation target. A minimum of 2% inflation was mentioned. Right now, inflation is around 1.7% or 1.8%.

The Bank of Canada forgot the other part of its mandate, which is to see that the money market does not reduce job creation opportunities. They have completely lost sight of this. They are obsessed with inflation. It is cruel to do what they are doing. They are ruining unemployed workers' chances of finding jobs because they are keeping interest rates high during an economic recovery.

This has to change. As the NDP's motion points out, the Minister of Finance must get back on track and give a clear signal to the Bank of Canada.

• (1540)

There is no question of continuing this sort of dogmatic policy, of raising interest rates when they should not be raised. The emphasis should be on using low interest rates to encourage investment, which will then lead to job creation. It is time the Minister of Finance changed course, because we will never bring down the high rate of unemployment we are now facing with a policy as pathetic as the one favoured by the Governor of the Bank of Canada.

There is one aspect of the Minister of Finance's approach to righting the budgetary situation that I forgot to mention just now. I forgot to mention that the Minister of Finance sat with his arms folded for two years. He watched the train go by, revenues fill the coffers of the federal government, because another \$23 billion in taxes went into the federal government's coffers, because the Minister of Finance did not index tax tables, because the Minister of Finance told Revenue Canada to reduce all tax credits including tax credits for persons with disabilities.

If you had any idea, and my colleagues can confirm this, of the number of people with disabilities who come to our riding offices and complain that Revenue Canada is after them demanding the return of the tax credit for persons with disabilities that they received in the previous five years. They even go so far as to tell people who are totally unable to pursue normal work activities that they have no disability, that they are not entitled to this credit. This is the government's budget policy, this is the Minister of Finance's budget policy.

Supply

I tell you that we too, like our colleagues in the NDP, condemn the federal government for its negative attitude toward employment and toward people who are suffering. It is in fact the government that put them in that situation.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Madam Speaker, I would like to take this opportunity to congratulate you on your appointment.

The member, well known in this House, has just made some fairly trite remarks. It is always the same old story from the hon. member on the subject of federal government meddling in areas under provincial jurisdiction.

I know that the member has a lot of criticisms on the Minister of Finance's position on the economy. I must say that our economy is in full recovery. I realize it is difficult for the member to comprehend the fact that this Minister of Finance is not only one of the most popular ministers of finance, but his ideas, words and leadership have revitalized our economy. It is bouncing back for good reason.

[*English*]

I find it very interesting that the Bloc Quebecois members continue to talk about the fact that so much money is being taken away from them and that somehow the federal government can be blamed for just about everything. Frankly after having heard that for three or four years in the past Parliament we think perhaps there could be some kind of development to their thinking.

[*Translation*]

This might be a good opportunity for the Bloc Quebecois to rethink things, given that the economy is recovering vigorously.

I offer a few points raised by the member opposite on the political and monetary plans of the government and the Bank of Canada.

[*English*]

Madam Speaker, it will not come as a surprise to you that in this country the federal government does not interfere and does not ever want to do what it did some 35 or 40 years ago when it interfered in monetary policy. It goes to prove just how out of touch the Bloc Quebecois is when it failed to recognize that after 35 years, in my lifetime, we have never seen interest rates this low.

So why Bloc members would continue or why they would obsess themselves with the idea that somehow this is a major problem is beyond me. What I can tell the hon. member, and I am sure Madam Speaker you would understand, is that our economy has never done any better. From my view I think what the hon. Minister of Finance has done is not only commendable, it is exceptional.

• (1545)

[*Translation*]

In this context, could the hon. member, in his wisdom, not acknowledge here in the House that our economy, including that of the province of Quebec, is in full recovery and that the cuts in assistance to the disadvantaged came not only from the federal government, but also from the provincial government and his former party chief? Would he not agree, with the rest of the country, that the reality of the 1990s is that we must provide sound financial management for the disadvantaged, the poor and the future?

Mr. Yvan Loubier: Madam Speaker, I will not respond to all the remarks and all the questions. I would say that 90% of them are not relevant.

Our colleague is saying that we are hauling out things that are old hat. That is because the members across the way do not understand. We have been obliged to repeat the same thing to them for the past four years, because they understand nothing, even though we put the figures in plain view before them.

I would ask the member to take his responsibilities a bit more seriously and get his facts straight. Cuts of \$42 billion over the next five years will not have a positive effect on the most disadvantaged. Nor will they improve the health network, since the provinces are being deprived of \$42 billion in federal transfers for social assistance, education and health. If he puts a little more thought into it, I think he will understand things that he had not quite grasped.

The Bank of Canada has shot itself in the foot too. It has just said that the Minister of Finance did not do as his predecessors had done, which means that he has not done his job. He is supposed to send a signal to the Bank of Canada on the direction monetary policy is to take. If the government has job creation objectives—and he says there are job creation objectives and they are important—he ought to give a different signal to the Bank of Canada. He is empowered by the Constitution. He can give signals. He cannot direct monetary policy or set the interest rate every Wednesday, but he can give signals by indicating that the government considers employment important and that the inflation rate could rise a bit without killing anyone.

In the United States, the rate of inflation is over 3%, and the rate of unemployment is 5%. This makes all the difference between an intelligent policy—perhaps a more intelligent Parliament as well from time to time—and the Minister of Finance's very misplaced policy on interest rates. Our real interest rates are higher than those in the United States. He should find out about that. This party has a communications problem.

Mr. Dan McTeague: Madam Speaker, I do not think it is necessary to throw insults around just because we do not agree on major issues.

Speaking of true rates, the hon. member said that interest rates in the United States are higher than in Canada. This is a first. I am therefore taking the floor to respond to this member, who has just said that the interest rates are far lower in the States.

[English]

That is simply not the case. It is more poppycock than we are familiar with on this side of the House because they are based on some ideological principle that does not allow them to open up their ideas, does not allow them to open up their minds to anything that would allow them the understanding that we are progressing in this country.

[Translation]

I must repeat my question to the hon. member once again, in this context. Does he not agree with me that, when we have a system with a huge deficit and huge debts, the interests of the disadvantaged are protected when we take taxation and monetary measures to ensure that the country will benefit from sound management in future? Does he not agree that we are the best country in the world by more than sheer luck? Does he not agree that we are a country like no other?

• (1550)

Mr. Yvan Loubier: Madam Speaker, if things were all that great, we would not have the same number of unemployed, after three years of economic growth, as we had in 1993 before this government was elected. Will he eventually figure that out?

Is there anyone on that other side who will figure out one day that we have a job shortage, that we need jobs, that this government is doing nothing to help employment, that it is doing nothing to get the unemployed onto the labour market? That it is, instead, doing everything to keep them on the sidelines? Are they going to understand that it is abnormal that, but a few years ago in 1993, 77% of the unemployed were entitled to unemployment insurance benefits, while at this time only 44% are? After all, it is certainly not me who, along with my party, set the rules that apply to employment insurance claimants. It is his government.

Will the hon. member also realize that there are five million Canadians who live in poverty, including 1.5 million children? The figures have not changed in two years. If anything, they might be going up. Can he figure that out? Can he make the connection between, on the one hand, the government's repeated cuts to social programs and tightened UI requirements and, on the other hand, the workers being marginalized because they are no longer eligible for unemployment insurance benefits, not to mention the poor, who are the victims of the \$42 billion in cuts? Will the member realize this at some point?

Supply

It is not so difficult to understand. Can he read the newspapers? Last week, Canadian economists were unanimous. They said that, two weeks ago, Gordon Thiessen had no business raising interest rates, that there was no overheating of the economy, and that the governor was contradicting his own statements of a couple of months ago.

Do you know what the Governor of the Bank of Canada said a couple of months ago? He said our economic growth could reach a cruising speed without causing inflation and requiring the Bank of Canada to raise interest rates. Two months later, he has changed his mind.

Every time he changes his mind, it prevents an unemployed worker from getting a job. Is this normal? This seems to me to be a matter of common sense. The people across the way should find out the facts, instead of talking nonsense.

[English]

Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.): Madam Speaker, I welcome the opportunity to present what we have done as a team in attempting to deal with and improve the lives of young people across the country and with the troublesome concerns about employment opportunities for young people.

We understand that in an ever-changing workplace and with the global markets as they are, that this is not a simple problem, not one tasked to one minister, one department or one level of government. It is one that we share with other countries and organizations that have amassed the collective experience and wisdom to deal with such matters. It is a partnership.

Since we were first elected in 1993, the government has shown a great deal of concern and has taken significant steps to improve the prospects for young people.

I have had the good fortune to be in this position, first to work with youth and training and now with children and youth and to follow the progress in perhaps a more detailed way than most members have because of my mandate. We intend to continue to build on those opportunities.

We have reason to be somewhat hopeful, although there is a sense of doom and gloom. We have an obligation as elected officials to give hope to people, not false hope but to be honest about the problems. I am not prone to brush problems under the carpet and forget about them. I am one who is honest about the progress that has been made.

In the last four months youth employment has risen by 63,000 jobs, which is the best four month performance in this decade. Youth are at last benefiting from the economic recovery that has favoured adults to date.

Supply

• (1555)

Today's generation of young Canadians are the best educated in our history and, as a nation, we are in an excellent position to thrive in the emerging knowledge based economy.

We need to ensure that young Canadians benefit from the economic revival so that they can take their rightful place in society.

[*Translation*]

Partnership is the key to success. And as stated in the Speech from the Throne, we will continue to work with our provincial and territorial partners to reach mutual objectives in that area.

[*English*]

The government has identified three priorities: first, providing a better chance for youth who are at risk because of low skills and lack of education. We cannot afford, with the resources we have to be distributed among our citizens, to forget those who are most in need. This has been cited time and time again.

The second priority is helping youth make a successful transition from school to work and the third priority is ensuring that young people have access to education so that they can fulfil their educational potential.

To support youth at risk, we will develop and expand community based programs with partners to assist young Canadians who lack skills and have low levels of education. Part of that will include establishing aboriginal multi-purpose youth centres to provide targeted support for urban aboriginal youth. We will build on the success of the school to work initiatives under the youth employment strategy.

The Government of Canada will also create a Canada-wide mentorship program. This will enable a young person to link up with a mentor who has experience in the field that the young person wants to explore. We will also expand the youth internship program and extend support for summer student job action.

What is more important than ensuring that young people who are coming out of college, universities and high schools have an opportunity to work in the summer and to help contribute in their own way to their community and to their country?

The Government of Canada will do its part to ensure that post-secondary education is accessible and affordable to as many Canadians as possible. Education is, after all, one of the keys to their success and we continue to reduce barriers by providing further changes to the Canada student loans program. But we cannot do that alone. We have our partners at the provincial level to consult and our partners with the organizations that hold that expertise and responsibility.

Increased assistance for low income students with dependants through special opportunity grants should help 25,000 students each year. New scholarships, such as the Canada millennium scholarship endowment fund announced by the Prime Minister, will help low and moderate income students who show excellence in their studies.

Everyone deserves an opportunity. Everyone deserves a chance to do the best he or she can. Young people do not want a handout. They want a hand up.

When the youth unemployment numbers are analysed, two trends appear. First there are young Canadians who, for whatever reason, do not get beyond a high school education and have low skills. They are in danger of being left behind in today's economy. These individuals need more help than they can get through work experience alone. They need a variety of interventions such as counselling, skills, upgrading and literacy coaching.

Second, we find that those young Canadians with a post-secondary education are doing relatively well on average but some of these individuals find themselves in a catch-22. They have no experience, therefore they cannot get a job and they have no job, therefore they cannot get experience.

Third, we know that education is one of the factors in weighing a person's success in society. Rising post-secondary education tuition costs may make this difficult for some. Providing access to post-secondary education is a central goal for this administration and government.

The leader of the NDP was not a member of this House in the last Parliament. Perhaps she is not aware of just how much the government has done in an attempt to deal with this very troublesome problem that we are addressing today.

• (1600)

In 1994 we began fulfilling our election promise to help Canadian youth when we brought in the youth employment and learning strategy. After five months of being in government we pulled together a strategy. This initiative gave us our first look at youth internship, Youth Service Canada and student summer job action, programs that have proven their worth and continue to do so to this day. In our March 1996 budget the Minister of Finance announced the reallocation of \$315 million over three years to help create employment opportunities for youth.

We have been building incrementally. We understand there is not one quick fix. We understand that what we have done is not enough. We understand and realize that. Our commitment is longer than one effort to deal with this issue. Other measures have followed.

Supply

In February of this year we introduced the new youth employment strategy. This strategy which consolidated over \$2 billion in new and current funding builds upon existing programs and is helping 110,000 young men and women acquire extremely valuable on the job experience. For example, the new federal public sector youth internship program in partnership with the private sector's Career Edge and YM-YWCA will help 3,000 young Canadians gain experience in occupations that have great potential for future demand.

I wonder if the hon. member realizes that our youth internship and Youth Service Canada programs have a high success rate. Youth Service Canada has a 68% success rate and youth internship has a 78% success rate. This means graduates either return to school or find meaningful employment within six months of completing their work in the program.

However we cannot just measure the success of the programs quantitatively. We must look at them qualitatively as well. I have had the opportunity of meeting with many of the participants of government sponsored programs where we have engaged in some very good partnerships. Qualitatively some of these programs have given the opportunity, the hand-up that these young people need which otherwise would not be there. It has made a difference in the lives of young Canadians who want equality of opportunity. They are not asking for freebies. They are asking for an opportunity and this is what has been made available to them.

Youth Service Canada and youth internship are helping approximately 20,000 youth at risk this year alone. That is just one section of the program. This year summer student job action provided summer jobs for more than 63,000 young Canadians. Our human resources centres for students helped about 200,000 students prepare for the job market. We understand they need the counselling, they need the assistance and they need the support. That is what we have made available to them.

Nearly 40,000 callers have made use of the youth info line since the middle of August. Our Internet site has been visited more than 66,000 times since it was introduced.

In the hon. member's province of Nova Scotia, young men and women are participating in our youth internship programs. Our partner, Manutech Regional Industry Council, is helping the participants to become COBOL programmers for which there is an increasing demand as we approach the year 2000. The first class of these programmers will graduate shortly and a local employer is offering employment to those with at least an 80% average.

In my own riding of Western Arctic five young people spent the summer and early fall researching job growth in northern mineral and mining industries. Anyone who watches the news will know we are encroaching in the Northwest Territories on the largest

diamond mine development in the western hemisphere. There is a small diamond development in Colorado, but for all of North and South America this is it. These young people are becoming a part of that by participating in this program. Their work will give us a data bank of 142 mining occupations which will soon be available on the Internet so that youth across the north can learn about the mining industry.

• (1605)

Despite these accomplishments, this government has no intention of resting on its laurels. We fully realize that youth unemployment is a serious problem. We share the concerns with hon. members of the opposition parties. We understand and share the concerns of our provincial partners. It is important enough that the premiers will convene a meeting with the Prime Minister to deal with youth unemployment and some of the other social issues that evolve around this particular problem.

In the Speech from the Throne we renewed our commitment to make employment opportunities for Canada's young people a major priority. One of the key ways for doing that is to create an economic environment that will stimulate job growth.

I am pleased to tell hon. members that we are seeing signs of improvement. We now have the lowest interest rates in 35 years and the lowest mortgage rates in 30 years. Our exports and international trade are at record levels. The overall unemployment rate is now at 9%, the lowest it has been since October 1990.

Since we first took office in 1993 more than 1.1 million jobs have been created in the private sector. We do not pretend that government creates jobs. That is not what we are all about. We understand that we have to create the climate. In just the past seven months, 292,700 jobs have been created. Among the G-7, Canada's rate of economic growth is second only to that of the United States. The OECD is projecting that our rate of employment will be higher than any other G-7 country both this year and in 1998.

In closing I would like to say to the hon. leader of the NDP that this government has demonstrated that helping Canadian youth fulfil their potential is a major priority. It is a priority because we understand that they are the future leaders of this country. They are the people who will fill the seats of this House in the years to come. They are the people who will make the decisions that will forever effect this country. We understand that and we do not see the expenditure under education experience as being wasteful. We see it as an investment. We cannot afford not to invest in the future of these young people.

I invite the hon. member from the opposition party and all members of this House to join us in working together because the interests of young people go far beyond partisanship and beyond politics. It is something we share in. We all have children and children whom we know and care about. We all understand that

Supply

their future lies within the kind of initiatives that we can take in partnership to work on together.

I invite them to work with us. I also invite them to encourage the young people by visiting their local projects, by participating in the committees and meeting with the people who have ideas. The wealth of ideas is not contained within the walls of Parliament. There are people out there who have ideas and experience.

Take for instance the Ottawa-Carleton area. It has one of the best crime prevention programs for young people headed by Constable Claude Turgeon who is an expert in his field. In Vancouver there is the Picasso Cafe. Street youth provide the services in that very wonderful restaurant. Those young people have made the transition from street life to engaging in a very positive activity to advance themselves in their own life and also to contribute to the economy. There is Covenant House in Toronto for young people.

Many organizations are seized with the issues of the day that affect young people and want to help us. The Canadian Paediatric Society is interested in doing something about street youth. There are ideas outside of these walls that will help us to engage in further contributing to getting rid of unemployment for young people, in making the quality of life for young people better and in making Canada what it really is.

• (1610)

Despite all of the problems in our country we still have more opportunity than we have doors closed in our faces. We still have a future in this country. We are a new country which is building. In the Northwest Territories we will create two new territories in 1999. We are preparing for that. The majority of the young people in that area are under the age of 25.

A commitment cannot go any further than that, on my part or on the part of other members. We must work together to deal with this problem.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, I welcome the NDP's motion. It shows an awareness of the most disadvantaged, the poorest members of society, and as long as that is where they are headed, I am with them.

I was listening to my colleague opposite praising her government, the state of the budget. But, apart from eliminating a large chunk of the deficit, what has the government done for the poorest and most disadvantaged members of society? My colleague spoke about summer jobs for students. That is not what young people want.

What young people want is permanent jobs. There are large numbers of young people who have graduated from top universi-

ties, who have BAs, MAs, PhDs, but no jobs, or jobs at starvation wages, but not in the field for which they were trained. All young people in Quebec want a job to be able to survive.

How many 25 or 30 year olds are there in deep debt and unemployed? They are told: "Give us part of what we gave you; pay back your loan". Every six months, every month, a notice goes out asking them to pay back their loan with interest. They do not have a job.

It is shocking to say that things are going well. It is creating false hope to say: "Here is what we have done, what we will do". It is so much hot air. What young people in my riding, and elsewhere of course, want is action.

Look at young people who are unemployed. It is said they are better educated than before and that is true. But what is the point of having four diplomas if students do not get to make use of them for years and their parents have to support them because they have nothing to live on? That is my first point.

As far as seasonal workers are concerned, there are a great many of them in my region of Matapédia—Matane. This winter, a number of people will be short 50, 60 or 75 hours to qualify for employment insurance, which I will continue to call destitution insurance, at least for the time being. What are we to do with these people this winter? It looks as if it could be a cold, long winter.

At the same time, members opposite boast: "Everything is fine, the country is prosperous". All our colleagues across the way seem quite pleased. They lack compassion, to a certain extent. In our riding offices, we can see that people are suffering, really suffering. They are worried and increasingly depressed. They come to us and ask: "What can we do?"

I urge my hon. colleagues opposite to think for a moment about how destitute people are, particularly in rural and semi-urban areas. When bread winners cannot fish because of the cuts in fishing quotas or lose their job in the logging industry because winter is coming and roads are closing down, what are their families supposed to do?

• (1615)

The people across the way should ask themselves the question. What will these workers do? They will get income security. People back home are very proud to work and to work hard. They are not afraid of starting at five or six o'clock in the morning and working all day until five or six in the afternoon. Don't come and tell me that they are lazy.

The members opposite lack the will to help these people, because, often, there is something missing, but very little missing. I would like my hon. colleague to tell me if, as a member of Parliament and a woman—because there are many single mothers

who suffer terribly, whose young children often have nothing for breakfast and go without dinner—she knows what this government could do to help these families, and disadvantaged families in particular?

[*English*]

Hon. Ethel Blondin-Andrew: Madam Speaker, I am pleased to respond to the hon. member.

The hon. member spoke from what I consider to be a perspective from his riding in Quebec. It pleases me to say we have engaged in the area of the labour market agreements. We have an agreement with Quebec that frees up the resources for that province to the tune of \$7 billion or \$8 billion to effectively structure the resources and the framework of labour market activities so that they can best benefit.

I talked about partnership. Have we done enough. No, we have not done enough. In the prime minister's words, as long as there are unemployed people in this country what we have done will not be enough. But we are attempting to do a number of things.

I indicated that currently all levels of government are seized with this problem. The provincial premiers as well as the ministers at provincial and federal levels are discussing this.

The hon. member said students do not want summer jobs. That is not the case. About four or five years ago the summer employment program was to phase out. We have doubled the amount of money for young people. Talk to any young people coming out of university or high school. Not only do they want permanent jobs, but they want summer employment. I have met many who want to be gainfully employed to pay their own way during that period of time while they are attending school.

The hon. member asked what will we do about the poor people, those who are most in need. For many of the programs that I have taken part in developing and assisting I have gone to those people to ensure that it passed their litmus test. If people are at a disadvantage, including youth and children, programs should reflect that and provide opportunities for them.

I am sure the hon. member reads the material that he receives in the House. This government is currently engaged in starting the national child benefit in July which will give \$850 million to those needy families, to those individuals who are most in need. In much of the legislation that we are engaged in there is always a provision as we have for unemployment. The hon. member talked about seasonal workers. I understand and I sympathize. I know that no piece of legislation is wonderful and perfect but the fact remains that many of the opportunities, as in the \$800 million in active measures, are designed to reach those people who are the poorest.

Supply

The transitional job fund is for high unemployment areas. I know that people in not necessarily his constituency but in high unemployment areas have benefited from that. They have taken a part of the \$300 million and a good portion of the \$800 million as well as the youth programs. They are now in that position as a province. They have a labour market agreement of \$8 billion.

• (1620)

The hon. member should engage in dialogue with some his provincial separatist government members to give them the same kind of message he gives the federal government, to care about the people in his province and to transmit those resources into success for the people who need it most.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I would like to split my time with my colleague for Vancouver East.

First of all, I am pleased to take the floor today to speak to the motion from our party, the NDP.

It must be kept in mind that in our area—which I will use as an example to start with, and then will move on to the rest of the country—there are a lot of seasonal workers. The changes to employment insurance have been disastrous to our regions. New Brunswick alone used to receive about \$243 million that it has now lost with the changes to employment insurance.

The region I come from, Acadie—Bathurst, has lost more than \$66 million in funds, which means that it has lost jobs instead of creating any. We have lost jobs because the small and medium businesses have been forced to close, since no one is buying their goods.

My predecessor, Doug Young, travelled through the Acadian peninsula in 1989, telling people “Vote Liberal, that will save employment insurance”. That was what he said in Acadie—Bathurst. I will tell you another thing my predecessor said.

The newspapers reported “Mr. Young is calling for New Brunswickers to submit briefs to the legislative committee that will be holding public hearings this coming September in the province on employment insurance. According to the hon. member for Gloucester—in opposition at the time—New Brunswick must strenuously oppose any change to employment insurance and any proposed change, because it will have serious repercussions on the region”.

That is the gift from our predecessor. Our predecessor became the Minister of Human Resources Development and is the one who made the changes to employment insurance. Unbelievable, and unacceptable.

My predecessor was not the only one, however, to talk like that. Let us talk about Marcelle Mersereau, Liberal Minister of Natural Resources in New Brunswick, who was still saying this week that

Supply

employment insurance changes were a disaster for New Brunswick, that there were terrible repercussions and that it had added more people to the welfare rolls. This is what the minister of natural resources of New Brunswick, another Liberal, was saying publicly.

What are they doing? They take people who are on social welfare who have no rural experience and they pack them off to work. I have no problem with the people on welfare having an opportunity for a job, but I do not agree with the fact that the government, because of problems due to its changes to employment insurance, takes people and, to get them off welfare because changes to employment insurance have resulted in an increase in the number of people on welfare, and sends them working in order to get them on employment insurance and off the provincial rolls.

Let us have a look at the figures. There are families on welfare receiving perhaps \$750. People are sent to work at \$6.25 an hour. If you figure you work 40 hours a week, that means \$1,000 a month. When we multiply that by 55%, that gives \$550. They are going to make these people even poorer. This is what they have to realize.

• (1625)

This is a sort of jobs that have been created in our regions. And that is what hurts. If we have a look today, what do we see? We are told that if taxes are cut jobs will be created. I said that this morning here in the House, if taxes are lowered, jobs will be created.

I remember the government gave money to large corporations to promote new technologies. Where did that take us? The companies made more money, but with the new technology, in the mines for example, in the Brunswick mine in Acadie—Bathurst, there were some 1,400 employees. Well, not long after the arrival of new technology, the number of employees dropped to 800.

We can take a look at what happened with the banks. In the next ten years, 35,000 people will lose their jobs in Canada. The banks are making millions and millions of dollars in profits. They are not creating jobs, they are laying people off. This is what is happening.

Now, let us look in the Atlantic region, not only in Acadie—Bathurst, in Newfoundland, for example. Everyone there is affected by the closing of the fisheries. Cod fishing is closed. Everyone there is affected, and people in the Reform Party are saying that the TAGS program must be terminated. Just imagine the number who will starve to death.

During the election campaign, I met people and entered the homes of some poor people. But what I heard after the campaign was even more painful, because I am the new member for Acadie—Bathurst and the people of my riding expect a lot from me. They expect me to do a lot for them because they are living in poverty. One evening, this woman phoned me up and said: "Mr. Godin, I am so glad you were elected. Finally, someone will speak

for us in the House of Commons in Ottawa instead of merely looking at the deficit. We are in dire straits and, last night, my husband and I seriously considered committing suicide together. We have worked all our lives. We both used to work in a fish processing plant for \$6.50 an hour. Today, we are out of work because the cod fisheries have been closed down, crab quotas have been reduced and lobster quotas are all but gone."

This kind of testimony is painful. I can feel what these people feel. I can understand that some members do not meet these people, but I can tell you that, in my riding, I do see them. I can certainly speak for our region.

British Columbia is going through the salmon crisis. They will face the same problems we have had in Atlantic Canada. When I say that people back home are hard working, I know that they are indeed. They would travel to the other end of the country to find work. They are hard working people.

In Bathurst for example, when it was announced that a new CPP office would open and that there would be 60 positions to fill, 800 people showed up. Go to the Brunswick mine today and you will see that, even though they are laying people off, there are between 1,000 and 2,000 people at their door looking for work.

As regards fish plants, those who do not know, those who have never seen poverty in this country should visit our region in the summertime to see what is going on. They will see women—because 80% of fish plant workers are women—get up at 8 a.m., seven days a week, to work until 2 a.m. at the plant. This morning, Reformers claimed I accused them of saying our people were lazy. No, they did not say that. That comment was made by my predecessor, in Hamilton, Ontario. He is the one who said that people in my region were lazy and that it was time for people to stop abusing the system.

What do our regions need? What is required to help New Brunswick's economy? What is required to help Newfoundland's economy? What is required to help Nova Scotia's economy? These economies need real jobs. We must be able to use the natural resources that our provinces are lucky to have and do the first, second and third processing. This is the only way we can create jobs back home.

Never—and I will say it in this House—will GM build a plant in New Brunswick. Never will Chrysler come to our province. Therefore, we must use our resources and do the second and third processing.

• (1630)

Meanwhile, what do we do with human resources? I say this government, this country has a responsibility toward people and must make sure there is bread on the table in the morning for children who go to school.

Supply

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, first of all, I would like to say that I can well understand the emotion and the figures provided by the new member for Acadie—Bathurst.

I would like to tell the hon. member that, despite everything he said about my former colleague, Mr. Young, governing is not about saying one thing in one context and something else in another. It takes leadership and courage to say and do some rather difficult things.

I know that it was not easy for the member before me or the member before him to make these decisions, but they saw that it was absolutely necessary that the system change. After ten or so years, the unemployment insurance system was in such bad shape that, in the end, everyone was being penalized.

Now I know very well, as does the hon. member, that the collapse of the cod fishery was due to environmental causes and was not the fault of the federal government or individuals. I know that the member is very familiar with the situation that exists in his area, Acadia, in large urban centres like Toronto, and elsewhere in Canada. I must therefore ask the hon. member a question. What changes would he like to see to ensure that people at the other end of the country are not penalized by the system?

I must point out that there are people in my riding working for \$6 or \$7 an hour, who do their job, who at least try to make a living when the day is done, but who must pay insurance. Is the member proposing a system in which there would be no employment insurance, or does he favour a sound system that would work for everyone?

Mr. Yvon Godin: Madam Speaker, I will be pleased to reply to my hon. colleague. First of all, why is it that, when the Liberals were in the official opposition, my predecessor used to say it would be disastrous for our region?

Second, it is not my fault nor that of the government, supposedly, if fishing quotas were cut in New Brunswick and if there is a complete ban on cod fishing. I congratulate the fortunate ones who have found jobs, I am happy for them. But if we are to live in a united country, where we all look after one another, attention should be paid to those regions experiencing difficulties.

What my hon. colleague said is starting to sound like what my predecessor used to say, claiming that the unemployed were lazy and should stop abusing the system. He said that, in his region, people get up in the morning and work all day long. That is very similar to the remarks my predecessor used to make. What is different with the people in my region is that, when they get up in the morning, they do not have a job to go to. Jobs have disappeared because there is no cod to fish.

We cannot go ice fishing for cod in winter. We cannot make a hole in the ice the same way we would on a lake in Ontario and put

our lines through. That is not how fish is caught in the Atlantic ocean. Another thing: New Brunswick blueberries cannot be gathered under the snow.

• (1635)

Peat bogs cannot be operated under snow, the same way that Christmas wreaths do not get made in July. That is the problem we are facing in our region. And tourism is slow in New Brunswick in the winter, as compared to the summer.

Our jobs are seasonal jobs and, until the government does the responsible thing and invests in natural resource processing at the secondary or tertiary level, this will remain a problem. In the meantime, what we need is a short term solution, not \$12 billion hoarded for bankers and for Paul Martin.

The Acting Speaker (Ms. Thibeault): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Pictou—Antigonish—Guysborough, law enforcement officers.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I rise to speak in support of the very important motion placed before the House today by the New Democratic Party.

As a new member of the House, having been here for about a month and listening to the debates which have taken place, I have been struck by the rhetoric that flows around this room. What is important about the motion is that it deals with the number one issue facing Canadians.

It was our commitment from the day we came to the House to raise the issue and make the government accountable with respect to unemployment and job creation.

I was in my riding of Vancouver East last week when the finance minister was also in Vancouver speaking to the finance committee about the state of the economy. He was in the Hotel Vancouver with all the media and the fancy hardware making his speech. I was across the street with some of my constituents. It was not a huge crowd. They were people who had rallied at the last minute because they had heard the finance minister was coming to town. They wanted to speak out. They wanted to address what they understood to be the real issues facing them as well as other Canadians.

The finance minister spoke about the state of the economy. He gave himself and the government a nice pat on the back. We were across the street in the pouring rain, unfurling a banner which pointed out that social and human costs of the budget of the Minister of Finance had been devastating to our communities.

When I went back into the hotel to listen to the finance minister, none of his statistics pointed to the real crisis we are facing, which is unemployment among our young people and other Canadians.

Supply

We have growing poverty. The motion before the House today addresses this question.

I listened to the Secretary of State for Children and Youth earlier today say that the NDP has not been here and might not be aware of what the government has done for youth unemployment and young people in general. We may not have been in the House with party status in the last parliament, but we have been aware along with other Canadians of exactly what the government has not been doing to address unemployment, particularly unemployment among our youth.

No matter what the government says, there is no escaping the fact that for the 84th month we are facing an unemployment rate of 9% or more. We are now facing the highest sustained unemployment rate since the 1930s. When we couple that with the severe cutbacks that the government has enacted in its obsession to deal with the deficit, we can see what a toll it has taken on Canadians.

When we consider 1.4 million Canadians are unemployed and add in those who are underemployed and those who have dropped out because they have given up looking for work, we are really talking about 3 million Canadians who have failed in the system because the system has failed them.

• (1640)

Earlier today I heard a member saying that sacrifices had to be made, that these were tough times and we had to make sacrifices. A question needs to be raised. Sacrifices by whom?

The fact is that the record of the government and the finance minister is being carried out on the backs of the unemployed. It is being carried out on the backs of women who are trying to re-enter the workforce. It is being carried out on the backs of young people.

When we look at real statistics in terms of new jobs that have been generated, part-time work with lower benefits and no job security, and when we look at the cutbacks there has been a sacrifice. But that sacrifice has not been equally shared by all Canadians. I think that point has to be made. We need to understand who has really paid the price.

One thing is clear. The government's economic proposals and its obsession with dealing with the deficit and meeting the agenda of corporate Canada have been at the expense of the lowest 20% of low wage income.

We heard from my colleague from Acadia—Bathurst about the situation of unemployment insurance and what a severe impact it has had on unemployed workers.

When we talk about sacrifices and what opportunities have been created, we need to know why the government has not addressed the issue of fair taxation. Why will we be witnessing for another year a record \$7 billion in windfall profits for major Canadian banks? Why do we still have \$17 billion in deferred taxes? Why do

we have tens of thousands of profitable corporations and businesses that do not pay any taxes?

We have to tell the Minister of Finance that his state of the economy is really a one-sided view. It has failed on every ground to address the real crisis of unemployment. It has failed to address growing poverty. It has failed to address that in the 1990s we have seen a decrease in full-time jobs and an increase in low wage, part-time jobs.

We are here today with our motion to draw attention to stark reality and to say that it is time the government is held accountable for the situation in terms of unemployment.

I would like to address one particular aspect which concerns young people. Youth unemployment is double the national average. At this time almost 500,000 young people are unemployed. Since the Liberals took office in 1993, 40,000 more young people have ended up on the unemployment roles. For those who are lucky enough to find a job there has been a doubling of part-time work. It is very difficult to find full-time work.

We hear the Liberals say they are committed to youth. Listening to the minister today, these are just hollow words that have no meaning for young people who are desperately trying to pay off student loans and find work.

If the government were truly committed to young people and solving the crisis of unemployment among them, the first thing it would do is restore the cuts to post-secondary education. This year alone we will be witnessing a cut of \$550 million. Is it any wonder that tuition fees have gone up 45% since 1993.

The government should take note of what the provincial government in British Columbia has been able to achieve. Despite federal cutbacks of \$2.29 billion in post-secondary education, the NDP provincial government has been able to hold the line and freeze tuition fees to give our young people a fighting chance to get through post-secondary education.

Under the Liberal plan what is happening? Our young people are graduating into poverty. The government has to restore funding to post-secondary education.

We have heard a lot about this millennium fund and that somehow it is a wonderful thing that will happen in the year 2000 to help young people. Young people cannot wait until the year 2000.

• (1645)

Young people need assistance for post-secondary education and they need to have a freeze of tuition fees. They do not need a scholarship program. They need a realistic plan that will relieve their debt load which is now at \$25,000. That is what we are saying to young people who go to post-secondary education.

The hollow words and the rhetoric I have heard from members in the House are little comfort to unemployed Canadians. If we are serious about our commitment to unemployment the government has to address a program of job creation. It has to embark on a program of fair taxation. It has to ensure that it intervenes in the marketplace.

Today I heard from a hon. member across the way that some how the marketplace is responsible for job creation, not the government. If we look at the cutbacks we have witnessed in the last four years, \$7 billion in the public sector alone, they have had a massive impact on unemployment.

This motion brings back a sense of reality to the House. It is a motion that addresses the real issues facing Canadians. Those of us in the NDP caucus have listened to the government records. We have witnessed the record of the government and so have Canadians. We are determined to continue to raise the number one problem of unemployment. To have 1.4 million Canadians unemployed is absolutely unacceptable. It is a national disgrace and it is a crisis. The finance minister and the Liberal government have to make this the number one priority.

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, I listened to the hon. member with interest. She included a lot of information from in her previous speech.

The hon. member mentioned the \$17 billion in deferred taxes and tens of thousands of profitable companies that pay no taxes at all. The Ontario NDP government carried out a survey when it first came to power. It found that the principle reason why tens of thousands of profitable companies did not pay taxes in a particular year was they were carrying forward losses from previous years.

If the hon. member wants to remove the ability of companies to carry forward their losses, losses they incur to keep people in jobs when the company is not doing well, can she not see that will kill jobs?

How do these companies avoid paying taxes? Could the hon. member give me the list or give the House a list of reasons why companies do not pay taxes, especially profitable companies?

Ms. Libby Davies: Mr. Speaker, I thank the member for his question. It is something which he has raised with me before. The issue of fair taxation is something that is very important to us in the NDP. It is something which has not been taken up by the Reform Party.

What we are talking about is a situation where profitable businesses pay a fair share of taxation. Look at the taxation system and the burden it places on working people and middle income people. Time and again we hear we have to tighten our belts. If

Supply

there were loopholes they would have to be taken away. When it comes to businesses those loopholes still exist.

All we are calling for is a program of taxation reform, a program of fair taxation that will ensure we will not continue to see a shift in taxation from major corporations to individuals. That is the issue.

I never hear Reform or Liberal members or the finance minister addressing this. Why do we not hear those members willing to stand up and question why profitable corporations are not paying taxes? Those are issues which should be raised by the government and by the Reform Party. I challenge them to do that.

• (1650)

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I want to make reference to the comment made by the member for Vancouver East that a representative from her community came before the finance committee in Vancouver and made a very effective and very real and significant presentation. I want the hon. member to understand that there was no one around that table who did not empathize with what was going on. The message came through loud and clear.

I also want to correct some information that was put forward in the speech. It was stated that the jobs created in this country were all part time jobs. The majority of the 279,000 net new jobs that have been created in this country are full time jobs. Although the unemployment rate for young people is still excessively high, I want the hon. member to acknowledge that those with a post-secondary education have an unemployment rate below the national average. Our focus must continue to be on education. The finance minister in Vancouver did indicate that there would be additional focus and emphasis on education now that the books are very close to being in order.

I want the hon. member to understand that the cuts or anything that went on in British Columbia cannot always be pointed back to the national government. The transfer cuts that took place in British Columbia amount to 1% of the total B.C. revenues. British Columbia will receive over \$3 billion under the Canada health and social transfer this year alone. With the increase to \$12.5 billion as the cash floor, British Columbia will receive an additional \$800 million through the Canada health and social transfer. It will receive and has received \$1.3 billion over five years to fund training initiatives for the unemployed.

This national government is doing things for Canadians. I refer to what we have done for the province of British Columbia.

Ms. Libby Davies: Mr. Speaker, I thank the member for the question. The unemployment rate for young people who have had the opportunity to go through post secondary education is lower than for young people who have not. However, that does not deal with the crisis of young people in post-secondary education who

Supply

are now facing massive debts and are basically graduating into poverty. That is an issue this government has not addressed.

As I mentioned earlier, the millennium scholarship fund which the government claims will start in the year 2000 will not help students today and will not help students who are in great financial need because it is based on a scholarship program.

Yes, post-secondary education is critical in terms of finding a good paying job, but what are we saying to our young people when we force them into poverty and into massive debts of \$25,000, which is what this Liberal government has done by cutting back on post-secondary education? That is the effect of what the government is doing.

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I will be sharing my time with my colleague from Hillsborough.

It is truly lamentable that the federal NDP motion before us seems fit to condemn but does not offer any creative solutions to the remaining challenges that confront our people today. By its motion it would like us to believe that deficit and inflation should no longer be of concern. It would like us to believe that the federal government has made no appropriate investments in health care, education and training. It would like us to believe that the federal government is blind to the plight of the unemployed. Far from it.

Let it be said that this member for Winnipeg North—St. Paul and this government on whose side this member sits have been concerned with unemployment since we took office in 1993 and remain determined to continue working so that any Canadian who wishes to find work can find it.

Since first taking office in October 1993 this government has created close to one million jobs distributed around the regions of our country. In fact, 279,000 jobs were created in the first nine months of this year alone.

In October 1993 the unemployment was 11.4%. Today it is at 9%, decreasing despite the increasing demand for jobs. Consider what would have happened had there not been a surge in job creation. Canadians recognize this, but they equally recognize that this government has achieved a level of success that points to the direction of continued success.

• (1655)

We appreciate that Canadians renewed their confidence and trust in this government last June. This is the government that reduced the interest rates to record lows, thereby easing the burden on our national and personal debts through reduction of interest payments.

This is the government that has continued to contain inflation, thereby protecting the buying power of our hard earned Canadian dollars. This is the government that inherited a crushing deficit of \$42 billion or 6% of the gross domestic product in October 1993 and reduced it to \$8.9 billion in four short years. This is the smallest federal deficit as a proportion of our national economy, 1.1% of GDP, in over two decades.

This deficit reduction should be known. It has been achieved not only by improving government efficiency but by stimulating the growth of the economy with resulting increase in revenues.

No later than the fiscal year 1998-99 this government pledges the crushing deficit of 1993 will be turned ultimately into a fiscal dividend. This means Canada will enter the new millennium with more than a balanced budget; with a surplus, thereby clearing the way for future generations. We can do no less for our youth.

We should never forget that the government has been able to restore fiscal health only because Canadians shared the discipline and sacrifice and the common determination to succeed. How can the federal NDP be so blind and deaf as to fail to see and hear this good news?

Good government does not stop at its economic and fiscal success. As the finance minister aptly said in the last budget, a government relieved of the deficit burden is not a government relieved of its obligation. It is a government able to exercise its obligations. It is awareness of this duty no doubt that prompted our prime minister in his address in reply to the Speech from the Throne to say we owe our greatest obligation to the future of Canada.

That future is best ensured when we invest in health care, child benefits, education and training and research and development, all of which are essential in maximizing opportunities for the economic and physical health of all Canadians.

That is why this government has increased the CHST cashflow to \$12.5 billion for health care alone. This means that in 1998-99 provinces will receive \$700 million more for health than currently budgeted, and this will further increase by at least \$1.3 billion every year until the year 2002.

That is why this government has invested \$800 million for the Canada innovation fund to help universities and hospitals in their research and development requirements. That is why this government has established and will be enhancing the national child benefit program.

In addition, the prime minister has announced the creation of the Canada millennium scholarship endowment fund to ensure access to post-secondary education.

Only time limits for debate prevent me from cataloguing the many government initiatives aimed at easing the human tragedy of unemployment and preparing Canadians, particularly our youth, for tomorrow.

We realize our work is not complete and that is why we are asking all Canadians and provincial governments to be partners with the federal government in its pursuit of our common challenge.

We also firmly believe that a balanced approach is the way to go. This balanced approach has enabled us to restore fiscal health and at the same time sustain our national priorities. Thus we have been able to maintain our standing in the world community as the number one nation in which to live while at the same time just about balancing our national budget. Certainly this is not the time for condemnation, for retreat into the unworkable federal NDP approach of the past.

• (1700)

Why do I say this? Allow me to quote at some length from one provincial NDP premier. In his state of the province address delivered before the Saskatoon Chamber of Commerce on February 10 this year, Premier Roy Romanow of Saskatchewan declared with pride:

Our economic and fiscal picture is looking brighter than it has in a long time—. Now I wish to stress that this doesn't mean we'll be taking any wild swings at the established tracks. We are not going to derail this train. What it does mean is making careful, targeted investments to prepare for the next century. It means a balanced approach—keeping an eye on debt and prudent fiscal management. We have come too far and worked too hard to restart the cycle of careless spending.

I hope the federal NDP is not about to condemn their provincial counterpart. If the quote so far is not enough, may I continue?

Now there is no magic well where the money came from. The unfortunate truth is this. If we take a larger portion from our budget for health we have to reduce elsewhere. However, as the economy continues to grow we will be able to broaden our choices in a balanced and fair manner.

May I be permitted at this juncture to share with my colleagues a pearl of wisdom I recently heard from a former senior distinguished colleague. He said, and I paraphrase "A bird has two wings, the right and the left. It needs both to fly".

Canadians can be assured of our commitment to look forward on our agenda, to make Canada not merely a participant but a leader in the modern economy and thereby assure them access to the greatest range of opportunities available. Our priorities are clear, as the finance minister in his economic and fiscal update of October 15 last week so clearly articulated:

First, we must preserve and improve the valued programs on which all Canadians depend such as our health care, education and pension systems.

Supply

Second, we must work together to enhance the learning and training opportunities available to Canadians, focusing on accessibility and addressing the wide range of needs that begin at early childhood and extend through working life.

In light of the time remaining that you have just indicated to me, Mr. Speaker, let me conclude. Let no one doubt our resolve to remain the number one nation in the world as we enter the new millennium. I urge the NDP and all colleagues to join Canadians in their great sense of optimism in the future for Canada, thanks to the superb and caring leadership the government has given to all Canadians.

Mr. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, my friend from Winnipeg just said a bird needs a left wing and a right wing in order to fly. The problem with the Liberal bird is that the muscles in the right wing are too strong. There is not a proper balance between the two wings.

Mr. Ken Epp: Is that why they are going around in circles?

Mr. Lorne Nystrom: They are flying around in circles, Mr. Speaker. What we need to do is correct that imbalance. I hope we can do that by bringing us back to the left a little to give more balance to the Canadian economy and society.

I want to ask the member one specific question. He did not really mention interest rates. I am concerned that the Minister of Finance and the Governor of the Bank of Canada have already increased interest rates twice very recently and indications are that they are going to jack them up once more. They say inflation is becoming a problem. The inflation rate now is 1.8%. The Canadian dollar is still strong at about 73¢ American.

What advice does the member have for the Minister of Finance. Is he willing to say to us today in a spirit of independence that he thinks the Minister of Finance should persuade the Governor of the Bank of Canada not to increase interest rates? An increase in interest rates will slow the economy and throw more people out of work.

I know the member is independent minded. Is he willing to publicly advise the Minister of Finance that he not increase interest rates?

• (1705)

Mr. Rey D. Pagtakhan: Mr. Speaker, I thank the hon. member for his kind words. It is that independence which tells me that when we look at an issue, just as when we look at a patient, we cannot only evaluate one symptom to be the basis of the total diagnosis. We have to look at the total picture. Therefore, when we look at interest rates we cannot only look at the short term interest rates, we must look equally at long term interest rates.

The hon. member would admit that short term interest rates have somewhat increased. Of course, we wish it had not happened.

Supply

However, we must realize that the long term interest rates which have continued to remain low are an indication of the economic confidence that investors continue to have. They have that confidence in the country or they would not have allowed the long term interest rates to go down.

That side of the equation indicates that although there has been an increase in short term interest rates, the fact that long term interest rates have remained low and that Canadian interest rates are lower than those in the United States by five percentage points indicate that we are on solid economic ground. We should continue the track we are on and when we show a surplus, have a balanced approach, but never again to go back to deficit spending, as the NDP premier of Saskatchewan said. That is what this motion seems to indicate we should do.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I cannot let this go by.

I would like to ask the hon. member exactly what he means by going back to deficit spending since we have not left it since the Liberals first came to power in the 1970s. We have had deficit spending every year, including every year since this government was elected in 1993 and even now.

Admittedly the deficit is now smaller. We are going away from the target of no debt at a slower rate, but the debt is still increasing. That cannot be denied.

The Minister of Finance said that the deficit has been brought down to \$8.9 billion, which deserves mild applause. However, we are still borrowing. The debt is bigger now than it was when the government took office. It is growing this year. Interest payments are still going up. Thank goodness for low interest rates, otherwise we would be in deep trouble.

How can the member talk about going back when we never left deficit spending?

Mr. Rey D. Pagtakhon: Mr. Speaker, that is beautiful application of the analogy of the bird with two wings. On the one side the traditional NDP suggest that we spend more. That is why I alluded to not returning to deficit spending. Admittedly, we have not quite balanced the budget yet, as I said in my speech. It is only projected to be balanced by the year 1998-99. My optimism tells me that it may be sooner.

The Reform Party has suggested in its platform to spend everything on the reduction of taxes. That would not be the right approach.

The Liberal government would like a balanced approach using the right and the left so that it can fly beautifully.

When we have a surplus we will continue to spend half on social and economic programs and the other half will go toward the reduction of taxes and reduction of the national debt.

Mr. George Proud (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, in light of today's opposition motion, I take great pleasure in speaking in support of the government's record.

Today the leader of the New Democratic Party has introduced a motion that attempts to chastise the Liberal government. But considering her party's platform, I believe it is quite obvious to Canadians why the NDP is the fourth party in the House.

• (1710)

The motion goes to great lengths to cover many aspects of government policy. I point out that the motion is a lot like the NDP platform that says that government can and should do everything. Likewise the motion tries to cover everything: job creation, monetary policy, funding to health care, education, training, culture and the environment.

I am not going to address everything in the motion today. I will concentrate on job creation, the priority of the government.

Unlike the NDP I believe the people in my riding of Hillsborough and the people of Canada as a whole need a balanced approach to government. The government believes that it can no longer afford to create jobs on its payroll. That is right. The government cannot afford grandiose make work programs. It cannot afford to create jobs just for the sake of creating jobs. What Canada needs are stable jobs created through long term economic growth, not temporary jobs created through short lived programs.

Having said that, I realize the opposition members are wondering about my views on the infrastructure program. It was a very successful program. There is a need for programs to upgrade our national infrastructure but we can rely on these programs only for short term jobs. We cannot rely on them alone to create jobs.

The infrastructure program and its extension was just part of our approach in the last Parliament. By implementing a balanced approach the government has created an economic climate that supports private sector job creation. It is this job creation that has created close to one million jobs since October of 1993.

In contrast let us look at the NDP platform. While it has commendable objectives, the cost is irresponsible. It pledged almost \$8.5 billion over five years in capital investments for infrastructure, public housing and highways. The problem is that it failed to explain how it was going to pay for it.

The NDP election platform is filled with outdated, discredited ideas left over from a utopian era. It is an endless list of new and costly programs to be paid for by higher taxes for all, with the

supposed goal of cutting the unemployment rate in half. What it fails to realize is that these policies would ultimately be very harmful to job creation.

I remind all members that the level of government spending is not the best measure of the effectiveness of action. We know that. Canadians know that. Obviously the NDP does not.

In total its platform contains \$8 billion in tax increases and \$19 billion to \$20 billion in spending increases. That is alarming enough on its own but even more alarming is the \$12 billion between the two.

Today during debate, members heard statements indicating the national debt was created not by program spending but by high interest costs and lost tax revenues. That is just semantics. It was created by overspending.

If I ask my constituents how the debt was created they would not say high interest rates, they would not say by lost tax revenues, they would say by overspending. The more you overspend the more the associated interest costs.

The government is taking control of the finances. We will not let the government books fall back down the slippery slope of overspending. My colleagues know full well the impressive results the government has achieved over the last four years. Part of that is the support provided to innovation, science and technology. It is essential that Canada not only conduct its own research and development but that it be quick in applying that research to business applications. To remain competitive in a global market we must innovate.

Government can support and assist the realization of key discoveries, the implementation of new technologies and the financial requirements of Canadian entrepreneurs. Various measures have been implemented, including the network of Centres of Excellence to support the research and development activities of Canadian institutions. The Canada Foundation for Innovation has been created to expedite the jump from creating new technologies to their implementation.

We continue to address the financial needs of small business and entrepreneurs. Together with our partners we created the \$30 million Atlantic venture capital fund. This fund is helping Atlantic Canadians to capitalize on their entrepreneurial spirit.

However, the NDP platform pales in comparison. Buried among the vague promises it wants to restrict the science research and economic development tax credit. This credit alleviates a portion of the enormous R&D expenditures Canadian firms make.

• (1715)

Without this credit, considerable research and development might not occur. That would be a sad state of affairs for Canada. Canada would not remain competitive for very long. Since R and D

Supply

supports thousands of jobs across the country, such a move would be short-sighted and very detrimental to Canadians.

In Atlantic Canada, especially in Prince Edward Island, we are striving to improve and enhance the high technology sector. It is this sector that will allow Atlantic Canadians to regain their former economic importance within North America.

Back at the time of Confederation the maritimes were an economic engine running on substantial international trade. Over the last 130 years their strength has been overshadowed by the sheer numbers of central Canada. However, with the knowledge based global economy the maritimes are again in a position to resurrect that engine.

The advantages are there: low labour costs, a skilled labour force and a high quality of life. In short, Atlantic Canada leads Canada in low business costs. This was clearly illustrated in the recent KPMG study which listed four Atlantic Canadian cities with the greatest cost advantage relative to the U.S. four-city average. I am proud to say that a city in my riding, the city of Charlottetown, the birthplace of Confederation, is ranked second on this list.

These cities rank much higher than major centres across the country. The advantages of Charlottetown are almost double that of the city of Ottawa, more than double that of Toronto and triple that of Vancouver. To earn that ranking Charlottetown had four top 10 rankings for lowest costs. Among those was the number one ranking in total labour costs.

These Canadian cities ranked so well because the federal government created an economic environment which encourages job creation. We lowered interest rates by wresting our spending under control. We introduced programs which will support key sectors of our economy. In short, we restored confidence in Canada and regained our economic sovereignty. Canadian business is no longer penalized with high interest rates because of a crushing federal deficit.

I wish to end my speech today by informing members of the House that like many of them I have unemployed people in my riding, in fact too many people who are unemployed. Practically not a day goes by that someone does not come into my office looking for help in finding a job. Neither I nor my party is satisfied with this situation.

However, we have to ask ourselves if we use measures from the past, measures which together created part of the problem we are trying to fix today. Do we use huge make work programs which add to the government deficit and create only temporary programs? Or, do we look forward and put into place the fundamentals for stable, permanent jobs for Canadians as we enter the 21st century?

The answer is clear. Canadians do not want a party which promotes old programs that no longer work. Canadians want

Supply

programs that work. Canadians want a government that works, and the government they want is a Liberal government.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Madam Speaker, the hon. member for Hillsborough talked about what the Liberals want. He said that Liberals want long term jobs.

It is interesting to hear that is what the Liberals want. When we look at their actions and hold them up to the light of day they just do not wash. Their desires and their actions are two different things.

For example, in the last parliament Bill S-9 was passed. That bill was supported by Liberal members, by Reform members and by Bloc members. The only party which opposed it was the NDP. Bill S-9 has done for the country the opposite of what the Liberal member has just talked about, that is creating jobs.

Bill S-9 did a number of things. Primarily it gave Canadians, retroactive to 1988, a refund of estate taxes paid in the U.S. on wealthy estates. Their estates were reimbursed eight years back. It gave Canadians tax deductions in Canada for making contributions to U.S. charities.

The scandalous point I want to emphasize today is that it gave Canadians who make contributions to U.S. universities like the University of Arkansas and so on tax deductions in Canada from Canadian income.

• (1720)

On the other hand the Liberals take money away from education, creating great hardships to our students. They give hundreds of millions of dollars in tax deductions to wealthy Canadians who can afford to send their children to the States. If we look at the numbers there are 30,000 Canadian students in the U.S. right now and only 3,000 American students in Canada.

We see, with a ratio of ten Canadian students to one American student, where the money is going to flow. It is going to flow south. Yet the Reform, the Bloc and the Liberal government embraced and supported the bill to the detriment of Canadian youth and Canadian education.

I have a letter I want to raise with the member. It reads:

I am writing to you about an issue that is of concern to me. I am in my second year at the University of Regina and have just recently finished paying my tuition fees. The price of going to university is getting outrageous. I am only taking four classes and it is costing me \$1,300, plus the price of books on top of that.

Here is the point:

Within this last year, I have noticed that the cost of tuition has gone up dramatically. Talking to people who went to university five years ago, I have found that the price of one semester now would have been the price for two semesters when they were going. If this rate of increase continues, it will be very hard for me to be able to continue my

education and achieve my degree since I am paying for it myself and only working at a minimum wage job.

Eventually, I can see only the rich or academically gifted attending university while the rest of us serve them food at McDonald's. It seems that every time a new budget comes out there are more and more cuts to school funding. I am not sure how this problem can be fixed but I know that something must be done. I do not want to spend the rest of my life working for very little money at a job that is going nowhere.

A high number of students writing to me say they need jobs. Education expenses are increasing and are out of control. The member says he wants to talk about how they desire long jobs, but every action the Liberals take is contrary to what they wish.

I have a question for the member for Hillsborough. What does he think of Bill S-9? Why does he think it is something we have to continue to support at the cost of the Canadian youth in our education systems?

Mr. George Proud: Madam Speaker, no government in a long time has done as much for students as this government is doing with the bursary system and the tax deductions we have brought in, in the last four years.

Let me add to what the member said. There is no doubt tuition fees are going up. If we look at enrolment in universities it is going up dramatically as well.

I know there is an awful cost to going to university today. The prime minister just announced a program the other day for bursaries for students of middle and low income families. We will continue to do this with training programs and in other aspects of society such as high technology industries. We are doing very well in this regard.

Students are accepting it. They come to my office. I know the member gets letters from people who are having problems. Everybody has problems paying their way in society today.

As I read in the newspapers the other day, the increase in enrolment in universities proves that what we are doing by making student loans available, giving bursaries and giving more tax deductions to students will enable more students to go to university than ever before.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Madam Speaker, I will be sharing my time with my colleague from South Shore.

I would take this opportunity to thank the people of my riding of Tobique—Mactaquac for electing me to represent them in Canada's House of Commons. I feel very humbled and honoured to be able to stand here today on behalf of the people of my riding.

Tobique—Mactaquac is a riding which stretches some 250 kilometres along the Saint John River Valley from Grand Falls to the outskirts of Fredericton, from Plaster Rock to Woodstock, from Bath to Stanley and all points in between. It includes some of the

hardest working people in the country. I fully realize they would expect nothing less from their member of Parliament.

The people of Tobique—Mactaquac are a proud people. They are proud of their families, proud of their rural heritage and proud of their community. It is a privilege to sit in the House on their behalf. I will make every effort to represent them to the best of my ability.

• (1725)

This week we are celebrating National Business Week. It is sad the government only recognizes businesses one week out of the year. The other 51 weeks it is choking us to death in taxes.

In 1996 Canadian businesses shut down in record numbers. We have in New Brunswick the harmonized sales tax and a 15% federal tax. It is the government which introduced and put the bill into effect.

I am also a businessman. I own and operate a little convenience store and I sell gasoline. Before the HST came into effect I was selling on average 3,000 litres of gasoline per day. Now I sell on an average 300 litres a day. This is a drop of 90%. At the same time, before the HST came into effect, 80% to 85% of the people buying gas would come into the store to buy something else. My gross sales have now dropped by 40%. I have five employees in my little convenience store. Now I have one. Is this what the government calls job creation?

Today there are many Canadians who believe it is up to the government to create jobs. As a businessman I say it is not up to the government. Government cannot create jobs. It is up to us, the private sector and the business community, to create jobs. The government has a responsibility to help us create the climate and to create much needed jobs for Canadians.

The government could start by giving us a tax break that would help us create much needed jobs. A good way would be to cut the EI payroll tax, not from \$2.90 per hundred to \$2.80. Why does the government not bring it down to \$2.20? Why have a \$5 billion surplus in the EI fund when we could keep people to work?

When the government came to power we had a \$42 billion deficit. I agree totally that this deficit had to come down and had to be eliminated. What I do not agree with is the way the government brought it down. It shoved its problems on to the provinces instead of cleaning its own mess in Ottawa. The only cut the government made wasted a lot of money.

What is more important to all Canadians is their health and education of their children. Yet the government cut those two items by \$6 billion. What a shame to see the youth unemployment at 32% in New Brunswick. The government had a youth internship program but it was cancelled this summer. According to the Speech from the Throne the government will be putting more money

Supply

toward our youth. I hope that some of that money will make its way to my riding of Tobique—Mactaquac because the people are hurting.

Government does not come first. The people we represent come first. I will be voting for the NDP motion because in my riding we believe in the same values and principles attached to it.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I have a quick comment for the Conservative member. It seems that when the Tories were in power they refused to listen to the people. They pulled all sorts of shenanigans, including loading the Senate in order to jam through the now hated GST.

It seems the GST, the mother of all hated taxes, has a daughter called HST. Now for some reason they are talking against the HST. Clearly it has a tremendously deleterious effect on the economy. There is no doubt about it. The member has said that his own experience shows that. I would like to know whether he would enlighten the House regarding what they would do with the HST/GST. What is their intention?

• (1730)

Mr. Gilles Bernier: First of all, Madam Speaker, I am not on the government side. I am on the opposition side. I am just like one of them. Second, I was not part of the past Conservative government that put the GST into place, but I agreed with the tax 100% and I will tell members why.

I own two companies. As a contractor and as a painter, before the GST came into effect in 1990 when I wanted to buy a gallon of paint it would cost me 18% on that gallon of paint. It never showed because it was incorporated into the price of the gallon of paint. On a roll of masking tape, I would pay 11%.

When the GST came along, the companies would have had to get out of that tax and include the 7%. Some of the companies did that. They took the manufacturers sales tax out and just included the 7% but there are a lot of companies that did not do that. They kept the manufacturers sales tax as a profit and included an extra 7% on top of that. That is what made it a bad tax but it is not the fault of the previous Conservative government. The GST was a good tax.

Talking about the HST, this government felt that the HST was not a good tax. They brought up the HST but now we are paying 15% instead of 7%. In my store alone my business went down by 40% and my gas consumption went down by 90% but my electricity bill went up by 8% and my oil bill went up by 8%. Do you call that fair?

If I were here in the province of Ontario or in Manitoba or further west, I would only pay 7%. Why should I have to pay 15%? That is why I am saying to this government to give us a tax break so that we can really create jobs in this country, especially in New

Supply

Brunswick. We cannot create the jobs we need because this government is choking us to death with taxes.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I have just a couple of points for the Conservative member. I thank him for his support of the NDP motion. I believe if it does get passed it will go a long way in helping Canadians out there.

I do want to debunk the myth that comes from members of the Reform Party mostly that the government cannot create jobs. If they keep saying that eventually people may say “Why do you keep saying that?” I do believe the government can create jobs.

A prime example is our post office. It has taken away what were good jobs, a job my father did for 11 years as a letter carrier, and now there are superboxes. All they have to do is replace the GST and in Atlantic Canada the HST. Take that money off, put it back into the corporation's profits, get rid of the superboxes and thousands of letter carrier jobs can be created right across this country so that those shut-ins, those seniors, those people who are disabled or those single mothers at home do not have to leave to go get their mail in inclement weather. There would be thousands of jobs created right there.

Another area where they can create jobs is in regulation. The state of Oregon from my understanding has no self-serve gas stations. There is a station open right across from my constituency office in Lower Sackville with 12 pumps, all self-serve. I asked the manager. She said that it was Petro-Canada's policy. That is insane. The fact of the matter is that gas prices will not rise if full service stations are implemented.

Does the Conservative member honestly believe that government cannot create jobs or does he believe that government in consultation with industries can create jobs together?

Mr. Gilles Bernier: Madam Speaker, to answer the question from my colleague from the NDP, government cannot create jobs but it can work in co-ordination with the private sector with big companies to create jobs in this country. It is the companies that will create the jobs, not the government.

• (1735)

Mr. Gerald Keddy (South Shore, PC): Madam Speaker, I rise today to speak on the NDP opposition day motion condemning the immediate human tragedy of 1.4 million unemployed Canadians.

Earlier the leader of the New Democratic Party alluded to the fact that it had been four years since her party had been able to present a motion in this House. I would like to congratulate her and remind her that the NDP is not alone in that predicament. We have also waited four years to participate in debate in this House. And truly thus have all Canadians waited from sea to sea to sea to

participate, for surely the last Parliament was the least participatory of any Parliament in Canada's history. In that Parliament we had one party that wanted to break up the country, another party that wanted to help them and a third party called the government that did whatever it wanted.

I agree with the parts of the motion that state that we need to set targets to reduce unemployment but the flawed NDP notion that 1.8% inflation regulates the 9% unemployment rate is an oversimplification of a wrong-headed policy. How many times must we state that government is not the engine to drive job creation? Government creates the atmosphere so business has a climate it can thrive in, live in, breathe in, eat, drink and sleep in. Business is a living thing and we control it. From that climate industry will grow and industry will create jobs.

Today government members rose to their feet and applauded the fact that unemployment has only increased by 300,000 Canadians since 1990. I hesitate to call this good government.

In the area of infrastructure where government can actually help build a foundation for job creation, this government has a dismal record. Infrastructure is one path that leads to jobs. Highways, container piers, railroads, wharves, navigational aids, a well educated workforce all belong on that path. Make work projects do not belong on that path. If we ever in this nation choose to follow the path of make work projects, we will be lost.

Earlier the hon. member for Cumberland—Colchester spoke about the possible social and psychological costs of high unemployment. Food banks, poverty, hospital line-ups because of transfer cuts to health and education, these are real problems.

What in the world is the matter with this government? It credits itself with reducing unemployment from 11.4% to 9% as if that is some kind of a record. Instead of slapping themselves on the back, Liberals should be ashamed of themselves.

The minister stated earlier that actions taken today do not take effect until a year or so down the road. This will be the closest the government will ever come to crediting the previous Tory government for the unprecedented recovery and growth from 1992 to 1997.

There has been no discussion of the casualties of frolicking in the sunshine of this unprecedented growth without a bit of sunblock. Who has been burned?

Let us start with the youth of Canada. There has not been enough discussion in this Parliament about the fact that Canada's youth are the part of this equation that has been completely left out of the unemployment numbers. We have had a recovery in the 1990s. We have had a recovery for adult workers in the 1990s. We have not had a job recovery for youth. The adult unemployment rate is 9.4%. The unemployment rate for youth is 20%. This government is not

prepared to do anything about the radical imbalance of the unemployment figures as they affect youth in this country.

• (1740)

Last week in the town of Bridgewater on the south shore of Nova Scotia in the riding I am fortunate enough to represent, I spoke to high school students at Parkview Educational Centre. It was a tough and difficult speech to deliver. They asked me to come as their MP and discuss their opportunities to participate in the future of this nation, their opportunities to continue their education and come out with the prospects for a job.

Job prospects for Canada's youth are terrible. Everyone in this House should go into a classroom filled with 150 high school kids and try to tell them that the best thing they can do is continue their education, get a post-secondary degree, spend \$12,000 a year, run up a bill of \$50,000 to \$60,000 and that will increase their chances of getting a job. That does not guarantee them a job, but that will increase their chances of getting one and they should feel good.

I delivered that message because that is the truth but I did not feel good about delivering it. I did not offer them much promise and I did not offer them much hope. Somehow it is the job of the government of this nation to be able to offer them some promise and to be able to offer them some hope.

Yes we have business initiatives for youth. We have internships. We have co-operative education programs. We have mentor programs. But they are not putting numbers of youth back to work. It is too little, too late and there is not enough of it. Yes the federal public sector youth employment program has helped create 6,000 jobs for aboriginal youth. It is the tip of the iceberg. It is not enough.

Last is an issue that has not been touched upon while we have discussed unemployment in the House. That is the 60,000 people in the east coast fishery who are out of work. That is a very real problem.

If you would indulge me, Madam Speaker, I would like to relate a story to the House. It relates to this caring, sharing government. Hon. members opposite would have us believe that somehow they are a caring, sharing government.

At the height of the downturn in the fishery in the town of Shelburne, Nova Scotia when there were no jobs in the fishery sector and all the services were downloaded on the backs of these fishers, the government in its wisdom decided at that time, at a crucial moment in the history of Shelburne county, to pull out of the naval base in Shelburne. They lost 120-some armed forces personnel who contributed to the economy of that town. They lost 40 to 50 full time jobs supplying that base and all of the income

Supply

generated from it. And this is a caring, sharing government? That is how it answers the east coast fishery problem?

While we are on the subject of fisheries, we have an interception fishery on both coasts of this country. We have done nothing about it in British Columbia. Those salmon under international agreement were headed for Canadian rivers. They were Canadian fish. We allowed the Americans to catch them. We did nothing about it. On the east coast of Canada we have an interception fishery off of Greenland. We have done nothing about it. We allow the Europeans to catch all the fish they want.

We cannot even as a government support the salmon hatcheries in Nova Scotia. There are three salmon hatcheries slated for divestiture in Nova Scotia. This government has chosen to allow them to go. There is a \$400,000 cost of maintaining them. In return they create employment. They support singlehandedly a \$10 million sport fishery in Nova Scotia.

• (1745)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I draw the attention of the member for South Shore to a few numbers which he may like to consider. I listened to him with great attention and I hope he will listen to me with the same attention.

In 1990 when his party was in power the bank rate was 13%. Today in 1997 I believe the bank rate is 3.75%. In 1990 when his party was in power the prime rate was 14%. Today the prime rate is a mere 5.25%. Best of all, in 1990 when his party was in power the five year mortgage rate was 13%. Today in 1997 under the Liberal government after four years of fiscal responsible administration of the country, the five year mortgage rate is a mere 6.75%.

I suggest to the member that the reason there is so much unemployment and so many problems is that the previous Conservative federal government failed to manage the economy responsibly, created a stranglehold on the economy and jobs were lost. Now we see that even the NDP has to admit that because of excellent fiscal financial management of the affairs of the nation we have driven down interest rates in an extraordinary fashion. When the economy is rolling the jobs will follow and they have been following.

I wonder what the member for South Shore has to say about that?

Mr. Gerald Keddy: Mr. Speaker, I have a couple of things to say about that.

First is his judicious use of numbers from 1990 versus 1997. Let us get to when we actually had an increase in the economy of the country when the Tories were still in power in 1992. Take a look at and spout those numbers because they do not wash quite as easily.

Supply

His party does not change economic policy or the bank rates in this country. That did not happen overnight. They rode on the Tory coattails and are sitting there because the economic policy was put in place before you ever won your seat.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, on behalf of the New Democratic Party I thank the Conservative member for South Shore for his efforts in the application to get our motion passed today.

It is ironic to hear the Liberals speak about how great they did on the fiscal policies and the low interest rates. It means absolutely diddly-squat if you do not have a job.

I wish you would get this through your head. It means absolutely nothing—

The Speaker: I remind hon. members that they should address all remarks to the Chair. We do not want members going to nose.

Mr. Peter Stoffer: Mr. Speaker, I apologize. As I have asked before, in terms of tax cuts that the Reform and Conservative parties have asked for in the past, would he not agree that a tax cut to the HST and the GST would be much more beneficial and provide a much more immediate dividend to the Canadian people?

• (1750)

Mr. Gerald Keddy: Mr. Speaker, of course a tax cut to the GST and the combined HST would be a benefit but there are other ways to do the same thing. We can put more money back into the economy by cutting payroll taxes. We have said it. We have been preaching it. We will say it one more time.

As long as we put the money back so it is in the hands of the consumer, I do not care if it comes from cutting the GST and the HST, from cutting the EI payments, from cutting whatever payroll taxes we want to cut, if we give the money back to the consumers they will spend it. They have to. Times are too tough.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Durham.

Today, I wish to address the motion tabled by the NDP. I listened to several speakers from the Bloc Quebecois who raised the issues of federal transfers, employment, health, inflation and monetary policy.

For three and a half years the Bloc Quebecois has been urging the federal government to amend its monetary policy to take into account its impact on employment, saying “We believe that the Bank of Canada’s strategy condemns the Canadian economy to operate below its potential. To keep inflation at a very low level

adversely affects the economy, and the benefits of such a policy have not been demonstrated”.

According to the Bloc Quebecois, the Bank of Canada’s monetary policy is based on an excessive desire to throttle inflation by maintaining high real interest rates. It is a policy which impacts negatively on employment and on the economy as a whole.

To stimulate employment and to promote economic recovery and development, the Bloc Quebecois proposes an in-depth review of the Canadian monetary policy, and primarily a change in the monetary policy, so that the inflation target of the Bank of Canada, through its interest rate policy and the expansion of the monetary supply, would be set at 3%, with a variation of plus or minus 1%.

During these months and years, Bloc members proposed an inflation rate target of 3%, rather than 2%, as is currently the case, with the same 2% variation. This, they claimed, would result in the creation of 460,000 jobs, while also bringing the unemployment rate down to under 7%. As we know, the idea was put forward by Pierre Fortin, a professor of economics from Montreal, before the finance committee, when it was doing preliminary work for the budget. It seems that the Bloc members bought Mr. Fortin’s arguments, since they adopted this idea in their report.

When we came to power, the Minister of Finance and the Governor of the Bank of Canada agreed to aim at a lower inflation rate. Thanks to a moderate monetary policy and the effectiveness of the new deficit reduction measures, interest rates have not been this low for 35 years.

When we came to power, Canadian interest rates were two points higher than U.S. rates. Today, the opposite is true.

I would like to paint you a picture. We have heard the Bloc members speaking numerous times today about federal transfer payments. What exactly are federal transfer payments in Canada?

Whether the topic is offloading the deficit, health care or welfare cuts, or whether there is a more sophisticated debate on the advantages and disadvantages of the federal system, the question of transfer payments to the provinces keeps coming up in the House of Commons, in the Quebec National Assembly, in ridings throughout the great province of Quebec.

Let us make an important distinction right away. There are two sorts of transfer payments: equalization payments and social program funding. Equalization payments are calculated in a complex way, based on the fiscal capacity of each province. The idea is to ensure all Canadians, whether they live in rich provinces or poor, of access to public services that are more or less equivalent in quality. Equalization payments have no strings attached, in other words the provinces may use them however they see fit. That is important: the provinces may use them however they see fit.

Equalization payments have not, however, always been affected by federal transfer payment reductions.

• (1755)

When we speak of offloading the deficit, we are referring essentially to the other transfers. That is the truth. Up to last year, these transfers were made under two programs, that is established programs funding, such as for education and health, and the Canada assistance plan, social assistance.

The Minister of Finance regrouped all that in a single program, the Canada social transfer, much less generous, to be sure. But if we look at the significance of the federal tables for each province for the 1996-97 fiscal period, the figures are expressed in a per capita basis. It goes without saying—

The Speaker: My dear colleague, I believe your earphone is up close to the microphone. You should put it in the desk. It is right by the microphone, and should go in the desk.

Mr. Guy Saint-Julien: Mr. Speaker, thank you for your comment, my paper was blocking the microphone, and I apologize. I am brand new in the House of Commons, I have just arrived.

On the subject of equalization payments, which vary enormously from one province to another, we can see that Quebec receives a lot less than the others. This is not injustice, it simply reflects the fact that Quebec is the least poor of the poor provinces.

Payments made under the Canada social transfer, which are based merely on the population size, do not vary obviously a lot from one location to another. On the subject of transfers between provinces and with respect to Quebec, there was a very spectacular drop, which must be situated in a broader context. There are columns on the right and on the left. For Quebec, the equalization payment was \$216 of the Canada transfer and for the others it was \$1.381 billion.

The figure is based on the size of federal transfers not as a function of provincial budgets but rather of the economy of the individual provinces. We can see that the federal transfers have not decreased in Quebec; they have increased. This may appear odd but it is true. However, the amounts are the same. How can this be? For my friends of the Bloc Québécois, I would point out that provincial governments' expenditures increased much more rapidly than federal transfers until 1990. This is the history of federal transfers.

The other day they were talking about health care. There is a small community at Clova, and I heard the PQ MNA, Jean-Pierre Jolivet, say "They are closing the CLSC in the small town of Clova and transferring it to Parent. We are not the ones transferring it. The federal government is to blame". Who took the decision to transfer a nurse from Clova to Parent at a cost of almost \$30,000? The decision to transfer this small centre from Clova to Parent was made by ministers, by Lucien Bouchard and Jean-Pierre Jolivet.

Supply

I would like to say something. When it comes to job creation, what is the role of the government? What is the role of the government in the Province of Quebec? If we look at the government's role—

An hon. member: No props.

Mr. Guy Saint-Julien: Mr. Speaker, these are my personal notes. He is trying to say they are props. You can start in with the same old refrain, dear colleagues. Go ahead, there is more fun ahead.

The government plays a large and critical role in Abitibi-Témiscamingue. Why? Because our economy in Abitibi-Témiscamingue is always up and down like a yo-yo, depending on market prices, on the price of metals, gold, copper, or the price of softwood lumber and particle board. With people from our area and from the Province of Quebec, and the government in power, we decided that there should be a regional and local development fund, that is the public and parapublic sector, in which the Government of Canada is involved, and in which the Government of Quebec is also involved.

If we supply human resources in our region of Abitibi-Témiscamingue, almost 53% of the funds are provided through partnerships.

• (1800)

Why those funds? Where do they come from? I will tell you. They come either from Desjardins investments, or from the FTQ. I hear the member for Témiscamingue talking about a donation, when he means a loan, and saying that a loan is a donation, that it is the same thing. I never understood the story. It is true that the donation was \$1.7 million to the Bloc Québécois before the 1993 campaign, but they never noticed that the donation was not like the one borrowers are given in Abitibi-Témiscamingue, that is, the interest was thrown in. If the interest on loans is 6%, what they got at 2% is a donation. In any event, we will come back to this.

In conclusion, our people, whether we are talking about the Government of Canada, the Government of Quebec, or through the Federal Office of Regional Development for Quebec and the CDIC, are partners contributing to the creation of jobs in order to lower unemployment.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I am pleased to be able to ask a question of my colleague from Abitibi and will start by rectifying once again some of the statements he has made.

He said something earlier on about transfers to the provinces. I would like to remind him of this. He said that the provinces could do what they wished with transfer payments, could use them as they saw fit. I would remind him that, when he was a Conserva-

Supply

tive—he ought to remember—there was quite a battle with the Minister of Health to make sure that the Canada Health Act was respected by the provinces. There was a huge fuss connected to transfer payments. British Columbia had been threatened with a loss of its transfer payments less than two years ago, because it was not conforming to certain aspects of the Canada Health Act. So saying that these are transfers with no strings attached is totally false, and once again a misleading statement.

As for economics, my colleague has suggested here already that a gift and a loan were the same thing. Allow me to say that this is totally false. I went to the manager of my *caisse populaire*, and told him that I would not be repaying my mortgage because a gift and a loan were the same thing. All he needed to do was to phone the hon. member for Abitibi, who would explain it all to him. He strongly suggested that I make my mortgage payments, because that was not the way it worked.

The third point, federal transfer payments—I am getting to my question now—the hon. member for Abitibi does not say this when he talks about health and social programs. As for cash transfers the government was making when the Liberals came to power, these were \$17 billion a year. Now, the figure is barely \$11 billion. They cut \$6 billion in cash transfers and forced the provinces to play the bad guys in health and education, which are their responsibility.

He spoke of another concept as well and I would like him to take the next few minutes to clarify it for us. He referred a great deal to equalization payments—

The Speaker: I am sorry to interrupt the hon. member, but I want to give the hon. member for Abitibi the opportunity to respond.

Mr. Guy Saint-Julien: Mr. Speaker, in reply to the Bloc Québécois member, the member for Témiscamingue, when I said the provinces could use the money as they saw fit, I was referring to an article by Claude Piché in *La Presse* on Saturday, October 4. It is well written, and I would like to quote from it. “The calculation of equalization is a complex matter. It is based on the fiscal capacity of each province. The idea is to ensure that all Canadians, from rich and poor provinces alike—that is what I am explaining—have access to public services of essentially equal quality. Equalization payments are therefore unconditional, that is the provinces may use them as they see fit. Equalization has not always been affected by cuts in federal transfer payments”.

One thing the member opposite has not spoken about today is job creation. He never mentions it. His riding of Témiscamingue benefits from what the federal government provides. It benefits from money from all Canadians in the CDIC and many companies—there are 40 companies in his sector—create jobs. I do not have a lot left, but this pamphlet from—

The Speaker: Members are not to use props. The hon. member for Halifax West.

• (1805)

[English]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, my comment focuses on the fact that the member opposite spent a lot of time debating the NDP opposition motion and yet said very little with respect to it.

All day members opposite have had very little to say about what our motion actually entails. The message in the motion is very simple. The federal government has failed miserably in dealing with the real problem. By attacking the deficit it has not dealt with the issue of setting targets for unemployment. Our motion is very clear on that point.

A previous speaker asked us to consider this motion for what it really is and then proceeded to talk without even dealing with the motion.

Another member opposite was educating the “dinosaurs” on this side of the House on the difference between fiscal and monetary policy.

When I campaigned during the federal election I spoke to one of my constituents. It was interesting because, again, a speaker on the other side—

The Speaker: We will have to come back to the debate. The hon. member for Durham.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it gives me great pleasure to enter this debate.

The motion by the New Democratic Party talks about the immorality of the government in reducing its deficit and debt. The previous intervener talked about dinosaurs. It seems to me that every time the NDP brings something to the floor of the House I have heard it before, usually about 20 or 25 years ago.

We had to deal with the deficit and debt problems. We have done that ferociously, so much so that interest rates in the country are at an all time low.

These are some of the basic fundamentals of economics which create jobs. In the last nine months 297,000 new jobs have been created. Only in the last couple of months 63,000 of those jobs were filled by young people.

Why is it difficult to set targets, as the motion entertains? It is because of something called the elasticity of labour. As people begin to seek and find work in the economy more people offer themselves for those jobs. Even though there has been a tremendous amount of job increase, a number of people are seeking employment. It is very difficult to determine who is going to seek new employment. As more and more people reach the labour market their friends, who are at home for one reason or another,

Supply

may decide they also want to enter the labour market. It is a very difficult problem to solve because it is always changing.

One part of this motion deals specifically with education, which I find interesting. The Conference Board of Canada recently issued a report. I suggest the members of the NDP take some time to read it. Despite its motion, which talks about the dismal failure of the government to deal with matters of education, the Conference Board of Canada states that in 1993 Canada spent 7.6% of its gross domestic product on education. That is more than in the United States, Japan, Germany, France, Italy or the United Kingdom. Nearly two-thirds of all Canadians aged five to 29 are enrolled in educational programs, a record exceeded by only three other OECD countries.

• (1810)

Despite Canada's spending, its grade 8 students placed only in the middle of a pack on standardization in international tests in science and mathematics. Domestic testing confirms these disappointing results.

What is being said here? It is saying that increased spending does not necessarily get results. This flies in the face of the rhetoric of the NDP whose members believe that they can solve all problems simply by cranking out cheques.

I was amazed to notice in this survey that in the area of post-secondary education, Canada spends 2.8% of its GDP. That is the highest in the world. The one area for which the federal government has some responsibility, post-secondary education, Canada is spending the highest amount of any country in the western world.

The NDP members say that we are not doing enough. Are we supposed to be spending three times more money than every other country in the western world? I would have thought the NDP would have been concerned about giving people basic skills to get high paying jobs. I would have thought that they would be trying to find ways in which to make that spending more effective, not just to crank out more dollars. In fact, I suspect less money can actually be spent while getting better results, that is, if we take a little more of an approach to managing the way we are spending some of our money today.

At the same time as this spending is going on, Canada's literacy skills are only middle of the pack in the western world. I am proud to be part of a government that recognized that two years ago, before many of these members showed up here, increasing the budget by over \$50 million in the area of literacy skills.

Mrs. Michelle Dockrill: You've done a wonderful job.

Some hon. members: Oh, oh.

Mr. Alex Shepherd: Mr. Speaker, I can see that the members are getting a little upset with the facts, but the facts are quite clear. The

government has committed to spending more in the area of post-secondary education.

It is quite clear that the Conference Board of Canada recognizes that Canada spends tremendously more money than most of its competing partners in the OECD countries. At the same time, we are not really getting a lot of positive results. Yes, we are getting a polarization between knowledge based workers and all the rest. We have to find better ways to get more people involved in lifetime training skills.

I recognize and I share some of the things that the conference board has said. I would have thought that some of the members of the NDP would be concerned about some of these issues.

They talk about how to develop lifelong learning skills, how to encourage employers to engage in some of these programs. It has been this government that has recognized the importance of making an intervention between people who are now taking higher skilled education in the post-secondary education system and integrating them with a work force.

I have been very pleased to be part of a government that has developed a program to take young students who are engaged in information technologies and introduce them to some of our small and medium size businesses to upgrade their skills so that they too can employ more people.

It is amazing when we actually look at some of our industrial structure, that we see many of our businesses spend less money on technological innovation than do our American partners. It is very important that we start putting more stress in these areas.

The government has expanded the use of the IRAP program to encourage and foster evolving technologies in small and medium size businesses. It has created another horizons plus program which basically takes some of these young people who are also engaged in the area of trade and studying trade at post-secondary education and injects them into small and medium size businesses, the purpose of which is to make them export ready. These are some of the positive ways that governments can be part of that.

The government is introducing an \$850 million Canadian innovation foundation. I can tell members that the post-secondary institution in my riding is very happy with that initiative. I am spending a lot of time making sure that they get a piece of that so those young people can get better and higher skilled jobs in the future.

At the same time as we are talking, we have a problem because the immigration department is besieged with requests to bring more people into the country to take highly skilled jobs because we do not have people to do that work. That is atrocious. It is a travesty of our system.

But saying that—

Supply

• (1815)

The Acting Speaker (Ms. Thibeault): It being 6.15 p.m., it is my duty to interrupt the proceedings put forthwith every question necessary to dispose of the business of supply.

[*Translation*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1850)

[*English*]

(The House divided on the motion, which was negated on the following division:)

*(Division No. 12)***YEAS**

Members

Alarie	Asselin
Bachand (Richmond—Arthabaska)	Bellehumeur
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Blaikie
Borotsik	Brien
Canuel	Casey
Charest	Chrétien (Frontenac—Mégantic)
Crête	Dalphond-Guiral
Davies	de Savoye
Debien	Desjarlais
Dockrill	Doyle
Dubé (Lévis)	Dubé (Madawaska—Restigouche)
Duceppe	Dumas
Earle	Gagnon
Gauthier	Girard-Bujold
Godin (Acadie—Bathurst)	Godin (Châteauguay)
Guay	Guimond
Harvey	Herron
Keddy (South Shore)	Laliberte
Lalonde	Laurin
Lebel	Lefebvre
Lill	Loubier
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Marceau	Marchand
Martin (Winnipeg Centre)	McDonough
Ménard	Mercier
Nunziata	Nystrom
Picard (Drummond)	Plamondon
Power	Price
Proctor	Robinson
Rocheleau	Sauvageau
Solomon	St-Hilaire
St-Jacques	Stoffer
Thompson (Charlotte)	Tremblay (Lac-Saint-Jean)
Turp	Wasylycia-Leis
Wayne—72	

NAYS

Members

Abbott	Ablonczy
Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bailey
Baker	Bakopanos
Beaumier	Bélair
Bélanger	Bellemare
Bennett	Benoit
Bertrand	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown	Bryden
Bulte	Byrne
Caccia	Cadman
Calder	Cannis
Caplan	Carroll
Casson	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Finestone	Finlay
Folco	Fontana
Fry	Gagliano
Gilmour	Godfrey
Goldring	Goodale
Gouk	Graham
Gray (Windsor West)	Grewal
Grey (Edmonton North)	Guarnieri
Hanger	Harb
Hart	Harvard
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Hubbard
Ianno	Jackson
Jaffer	Jennings
Johnston	Jordan
Karetak-Lindell	Karygiannis
Kerpan	Keys
Kiger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Knutsen	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
Lowther	Lunn
MacAulay	Mahoney
Maloney	Manley
Marchi	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McNally
McTeague	McWhinney
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Morrison
Murray	Myers
Nault	Normand
Obhrai	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Penson	Peric
Peterson	Pettigrew
Phinney	Pickard (Kent—Essex)
Pratt	Proud
Provenzano	Ramsay
Reed	Richardson
Robillard	Rock
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Speller	St. Denis

Supply

Steckle
Stewart (Northumberland)
St-Julien
Telegdi
Thompson (Wild Rose)
Valeri
Vellacott
Wappel
White (Langley—Abbotsford)
Willfert

Stewart (Brant)
Stinson
Strahl
Thibeault
Ur
Vanclief
Volpe
Whelan
White (North Vancouver)
Wood—180

PAIRED MEMBERS

Bachand (Saint-Jean)
Desrochers
Perron
Redman
Tremblay (Rimouski—Mitis)

Bevilacqua
Galloway
Pillitteri
Torsney
Venne

The Speaker: I declare the motion lost.

The House will now proceed to the taking of several deferred recorded divisions.

[*Translation*]

ALLOTTED DAY—FUNDING OF POLITICAL PARTIES

The House resumed from October 9 consideration of the motion and of the amendment.

Mr. Bob Kilger: Mr. Speaker, you will find unanimous approval for the members voting on the previous motion to be recorded as voting on the motion currently before the House, with the Liberal members having voted no.

[*English*]

Mr. Chuck Strahl: Mr. Speaker, Reform party members present will vote yes on this motion unless instructed otherwise by their constituents.

Mr. Jim Pankiw: Mr. Speaker, I have just arrived and I would like my vote to be recorded with my colleagues for votes two to five.

The Speaker: So ordered.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Québécois vote in favour of the amendment.

[*English*]

Mr. John Solomon: Mr. Speaker, members of the NDP present this evening vote yes on this motion.

[*Translation*]

Mr. André Harvey: Mr. Speaker, I am happy to confirm that the members of our party will vote in favour of this amendment motion. They are prepared to delay it to allow the members of the Reform Party to adjust their vote.

[*English*]

Mr. John Nunziata: Mr. Speaker, I do not believe the House has heard the question yet.

The Speaker: I asked permission from the House to dispense. I did not hear a nay and that is why I dispensed with the reading.

Mr. John Nunziata: Mr. Speaker, I would like the motion to be read.

Some hon. members: It is too late.

Mr. John Nunziata: I heard from the other side of the House that it is too late. In view of the fact that the members think it is too late I think a recorded vote would be needed.

• (1855)

The Speaker: Colleagues, there is not unanimous consent to proceed the way we had started out.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, I believe there was unanimous consent until the member awoke suddenly and asked to change the decision.

[*English*]

Mr. Bob Kilger: Mr. Speaker, I wonder if there might be a compromise to be considered by the hon. member for York South—Weston that if the question were read he could apply his vote and then we could continue with the other motions before us.

Mr. John Nunziata: Mr. Speaker, if I may clarify the matter. When you were requested to dispense, I clearly said no and members in this corner of the House heard me say no at the time. I wanted the motion read. If the motion is read, I am happy to give my consent to allow the previous vote to be applied.

[*Translation*]

The Speaker: The motion reads as follows:

That this House condemn the attitude of the government, which refuses to introduce in-depth reform of the legislation on the financing of federal political parties even though the existing legislation allows for a wide range of abuses.

And the amendment reads as follows:

That the motion be amended by deleting the word “in-depth” and substituting the following therefor: “complete”.

[*English*]

The motion has been duly read. We are going to go through the whole vote again so there is no misunderstanding.

Mr. Bob Kilger: Mr. Speaker, Liberal members will be voting nay.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote yes unless instructed otherwise by their constituents.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, members of the Bloc Québécois will be voting yes.

*Supply**[English]*

Mr. John Solomon: Mr. Speaker, members of the NDP present this evening will vote yes.

[Translation]

Mr. André Harvey: Mr. Speaker, members of our party will be voting in favour of this motion.

[English]

Mr. John Nunziata: Mr. Speaker, on behalf of the residents of York South—Weston, I will be voting in favour of the amendment.

(The House divided on the amendment, which was negated on the following division:)

(Division No. 13)

YEAS

Members

Abbott	Ablonczy
Alarie	Asselin
Bachand (Richmond—Arthabaska)	Bailey
Bellehumeur	Benoit
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Blaikie
Borotsik	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brien
Cadman	Canuel
Casey	Casson
Charest	Chrétien (Frontenac—Mégantic)
Crête	Dalphond-Guiral
Davies	de Savoye
Debien	Desjarlais
Dockrill	Doyle
Dubé (Lévis)	Dubé (Madawaska—Restigouche)
Duceppe	Dumas
Duncan	Earle
Elley	Epp
Gagnon	Gauthier
Gilmour	Girard-Bujold
Godin (Acadie—Bathurst)	Godin (Châteauguay)
Goldring	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Hangar	Hart
Harvey	Herron
Hill (Prince George—Peace River)	Hilstrom
Hoeppner	Jaffer
Johnston	Keddy (South Shore)
Kerpan	Laliberte
Lalonde	Laurin
Lebel	Lefebvre
Lill	Loubier
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Marceau	Marchand
Mark	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	McDonough
McNally	Ménard
Mercier	Morrison
Nunziata	Nystrom
Obhrai	Pankiw
Penson	Picard (Drummond)
Plamondon	Power
Price	Proctor
Ramsay	Robinson
Rocheleau	Sauvageau
Scott (Skeena)	Solomon
St-Hilaire	Stinson
St-Jacques	Stoffer
Strahl	Thompson (Charlotte)
Thompson (Wild Rose)	Tremblay (Lac-Saint-Jean)
Turp	Vellacott
Wasylcia-Leis	Wayne
White (Langley—Abbotsford)	White (North Vancouver)—113

NAYS

Members

Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumur
Bélaïr	Bélangier
Bellemare	Bennett
Bertrand	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finstone
Finlay	Folco
Fontana	Fry
Gagliano	Godfrey
Goodale	Graham
Gray (Windsor West)	Guarnieri
Harb	Harvard
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keys
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
MacAulay	Mahoney
Maloney	Manley
Marchi	Marleau
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Kent—Essex)
Pratt	Proud
Provenzano	Reed
Richardson	Robillard
Rock	Scott (Fredericton)
Serré	Shepherd
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	St-Julien
Telegdi	Thibeault
Ur	Valeri
Vanclief	Volpe
Wappel	Whelan
Wilfert	Wood—140

Government Orders

PAIRED MEMBERS

Bachand (Saint-Jean)
Desrochers
Perron
Redman
Tremblay (Rimouski—Mitis)

Bevilacqua
Galloway
Pillitteri
Torsney
Venne

The Speaker: I declare the amendment lost.

• (1900)

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

[Translation]

Mr. Bob Kilger: Mr. Speaker, you will find unanimous consent for the members voting on the preceding motion to be recorded as having voted on the motion currently before the House, with the Liberal members voting no.

[English]

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote yes unless instructed otherwise by their constituents.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, the Bloc Québécois votes in favour of this motion.

[English]

Mr. John Solomon: Mr. Speaker, New Democratic Party members present in the House this evening will vote yes on this motion.

[Translation]

Mr. André Harvey: Mr. Speaker, the members of our party will vote in favour of this motion.

[English]

Mr. John Nunziata: Mr. Speaker, on behalf of the residents of York South—Weston, I will be voting in favour of the motion.

[Editor's Note: See list under Division No. 013]

The Speaker: I declare the motion defeated.

GOVERNMENT ORDERS

[English]

CANADA MARINE ACT

The House resumed from October 10 consideration of the motion.

The Speaker: Pursuant to order made Friday, October 10, 1997, the next recorded division is on the referral to committee before second reading of Bill C-9. The question is on the motion.

Mr. Bob Kilger: Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberals members voting yea.

The Speaker: The House will note that all Liberal members will vote as the whip said. There is one member who is absent. He will not be recorded, the hon. member for Thunder Bay—Nipigon.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote no on this unless instructed otherwise by their constituents.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, members of the Bloc Québécois will be voting in favour of this motion.

[English]

Mr. John Solomon: Mr. Speaker, members of the New Democratic Party present this evening will vote no on this motion.

[Translation]

Mr. André Harvey: Mr. Speaker, we will be voting no on this motion.

[English]

Mr. John Nunziata: Mr. Speaker, I understand the purpose of this motion is to refer to committee the Canada Marine Act before second reading. Can I understand the logic behind that proposal?

The Speaker: This is a vote. It is a simple vote. How does the member for York South—Weston vote?

Mr. John Nunziata: Mr. Speaker, I understand you are seeking unanimous consent, and before I provide unanimous consent I would like to understand—

The Speaker: The hon. member on a point of clarification.

Mr. Stan Keyes: Mr. Speaker, just a point of clarification for the Chair. Through you to the hon. member for York South—Weston, we are following what we did with the previous bill, Bill C-44. We are moving it from first reading right to committee stage. The exact same bill, Bill C-9, is undergoing the same procedure as did the original bill. The opportunity will be for members of the House to do their work in committee as quickly as possible.

• (1905)

Mr. John Nunziata: Mr. Speaker, there is an established procedure in this House that a bill be given second reading before it is referred to a committee. Before we invoke this special power to refer a bill to a committee before second reading, there ought to be extenuating circumstances why the bill ought to be expedited.

Government Orders

I would like to understand from the government what the extenuating circumstances are in order to have this bill expedited.

The Speaker: Technically speaking, the debate on this particular motion is over. When the hon. member brought up his point, I thought we would expedite matters by getting a point of clarification. I do not believe that we should be going back and forth any more in this debate. I put it to the hon. member for York South—Weston, does he wish to vote at this particular time on this particular motion?

Mr. John Nunziata: Mr. Speaker, if the government is not prepared to answer the question, then I think we ought to take a vote.

• (1915)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 14)

YEAS

Members

Adams	Alarie
Alcock	Anderson
Assad	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumier
Bélair	Bélanger
Bellehumeur	Bellemare
Bennett	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Bigras
Bertrand	Bonin
Blondin-Andrew	Boudria
Bonwick	Brien
Bradshaw	Bryden
Brown	Byrne
Bulte	Calder
Caccia	Canuel
Cannis	Carroll
Caplan	Cauchon
Catterall	Chan
Chamberlain	Chrétien (Frontenac—Mégantic)
Charbonneau	Coderre
Cloutier	Collenette
Cohen	Cullen
Crête	de Savoye
Dalphond-Guiral	DeVillers
Debien	Dion
Dhaliwal	Dromiskiy
Discepola	Dubé (Lévis)
Drouin	Duhamel
Duceppe	Easter
Dumas	Finestone
Eggleton	Folco
Finlay	Fry
Fontana	Gagnon
Gagliano	Girard-Bujold
Gauthier	Godin (Châteauguay)
Godfrey	Graham
Goodale	Guarnieri
Gray (Windsor West)	Guimond
Guay	Harvard
Harb	Ianno
Hubbard	Jennings
Jackson	Karetak-Lindell
Jordan	Keyes
Karygiannis	Kilgour (Edmonton Southeast)
Kilger (Stormont—Dundas)	Kraft Sloan
Knutson	Lastewka
Lalonde	Lavigne
Laurin	Lee
Lebel	Leung
Lefebvre	Longfield
Lincoln	
Loubier	

MacAulay	Maloney
Manley	Marceau
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Ménard	Mercier
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Peric	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Kent—Essex)
Plamondon	Pratt
Proud	Provenzano
Reed	Richardson
Robillard	Rocheleau
Rock	Sauvageau
Scott (Fredericton)	Serré
Shepherd	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
St-Hilaire	St-Julien
Telegdi	Thibeault
Tremblay (Lac-Saint-Jean)	Turp
Ur	Valeri
Vanclief	Volpe
Wappel	Whelan
Wilfert	Wood—176

NAYS

Members

Abbott	Ablonczy
Bachand (Richmond—Arthabaska)	Bailey
Benoit	Bernier (Tobique—Mactaquac)
Blaikie	Borotsik
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Cadman	Casey
Casson	Charest
Davies	Desjarlais
Dockrill	Doyle
Dubé (Madawaska—Restigouche)	Duncan
Earle	Elley
Epp	Gilmour
Godin (Acadie—Bathurst)	Goldring
Gouk	Grewal
Grey (Edmonton North)	Hanger
Hart	Harvey
Herron	Hill (Prince George—Peace River)
Hilstrom	Hoeppner
Jaffer	Johnston
Keddy (South Shore)	Kerpan
Laliberte	Lill
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Mark	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	McDonough
McNally	Morrison
Nunziata	Nystrom
Obhrai	Pankiw
Penson	Power
Price	Proctor
Ramsay	Robinson
Scott (Skeena)	Solomon
Stinson	St-Jacques
Stoffer	Strahl
Thompson (Charlotte)	Thompson (Wild Rose)
Vellacott	Wasylcia-Leis
Wayne	White (Langley—Abbotsford)
White (North Vancouver)—75	

Government Orders

PAIRED MEMBERS

Bachand (Saint-Jean)	Bevilacqua
Desrochers	Galloway
Perron	Pillitteri
Redman	Torsney
Tremblay (Rimouski—Mitis)	Venne

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Transport.

* * *

**INCOME TAX CONVENTION
IMPLEMENTATION ACT, 1997**

The House resumed from October 20 consideration of the motion that Bill C-10, an act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and to amend the Canada-Netherlands Income Tax Convention Act, 1986 and the Canada-United States Tax Convention Act, 1984, be now read a second time and referred to the Standing Committee on finance; and the motion of Mr. Lastewka "that this question be now put".

The Speaker: The House will now proceed to the taking of the deferred division on Bill C-10. The next recorded division is on the previous question relating to Bill C-10.

Mr. Bob Kilger: Mr. Speaker, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

The Speaker: Is there unanimous consent?

Some hon. members: No.

The Speaker: We will take the vote. All those in favour of the motion will please rise.

• (1925)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 15)

YEAS

Members	
Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Bertrand	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw

Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Carroll	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finestone
Finlay	Folco
Fontana	Fry
Gagliano	Godfrey
Goodale	Graham
Gray (Windsor West)	Guarnieri
Harb	Harvard
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keys
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	Longfield
MacAulay	Mahoney
Maloney	Manley
Marchi	Marleau
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Myers
Nault	Normand
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Kent—Essex)
Pratt	Proud
Provenzano	Reed
Richardson	Robillard
Rock	Scott (Fredericton)
Serré	Shepherd
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	St-Julien
Telegdi	Thibeault
Ur	Valeri
Vanclief	Volpe
Wappel	Whelan
Wilfert	Wood—140

NAYS

Members

Abbott	Ablonczy
Alarie	Asselin
Bachand (Richmond—Arthabaska)	Bailey
Bellehumeur	Benoit
Bergeron	Bernier (Bonaventure—Gaspé—)
Îles-de-la-Madeleine—Pabok)	Bernier (Tobique—Mactaquac)
Bigras	Blaikie
Borotsik	Breitkreuz (Yellowhead)
Brien	Cadman
Canuel	Casey
Casson	Charest
Chrétien (Frontenac—Mégantic)	

Government Orders

Crête	Dalphond-Guiral
Davies	de Savoye
Debien	Desjarlais
Dockrill	Doyle
Dubé (Lévis)	Dubé (Madawaska—Restigouche)
Duceppe	Dumas
Duncan	Earle
Elley	Epp
Gagnon	Gauthier
Gilmour	Girard-Bujold
Godin (Acadie—Bathurst)	Godin (Châteauguay)
Goldring	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Hanger	Hart
Harvey	Herron
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Jaffer
Johnston	Keddy (South Shore)
Kerpan	Laliberte
Lalonde	Laurin
Lebel	Lefebvre
Lill	Loubier
Lowther	Lunn
MacKay (Pictou—Antigonish—Guysborough)	Mancini
Marceau	Marchand
Mark	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	McDonough
McNally	Ménard
Mercier	Morrison
Nunziata	Nystrom
Obhrai	Pankiw
Penson	Picard (Drummond)
Plamondon	Power
Price	Proctor
Ramsay	Robinson
Rocheleau	Sauvageau
Scott (Skeena)	Solomon
St-Hilaire	Stinson
St-Jacques	Stoffer
Strahl	Thompson (Charlotte)
Tremblay (Lac-Saint-Jean)	Turp
Vellacott	Wasylycia-Leis
Wayne	White (Langley—Abbotsford)
White (North Vancouver)—111	

PAIRED MEMBERS

Bachand (Saint-Jean)	Bevilacqua
Desrochers	Galloway
Perron	Pillitteri
Redman	Torsney
Tremblay (Rimouski—Mitis)	Venne

The Speaker: I declare the motion carried.

The next question is on the main motion. 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 yea.

Some hon. members: Yea.

The Speaker: All those opposed to the motion will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: All those in favour of the motion will please rise.

• (1935)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 16)

YEAS

Members

Adams	Alarie
Alcock	Anderson
Assad	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumur
Bélair	Bélangier
Bellehumeur	Bellemare
Bennett	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Bigras
Bertrand	Bonin
Blondin-Andrew	Boudria
Bonwick	Brien
Bradshaw	Bryden
Brown	Byrne
Bulte	Calder
Caccia	Canuel
Cannis	Carroll
Caplan	Cauchon
Catterall	Chan
Chamberlain	Chrétien (Frontenac—Mégantic)
Charbonneau	Coderre
Clouthier	Collenette
Cohen	Crête
Comuzzi	Dalphond-Guiral
Cullen	Debien
de Savoye	Dhaliwal
DeVillers	Discepola
Dion	Drouin
Dromisky	Duceppe
Dubé (Lévis)	Dumas
Duhamel	Eggleton
Easter	Finlay
Finestone	Fontana
Folco	Gagliano
Fry	Gauthier
Gagnon	Godfrey
Girard-Bujold	Goodale
Godin (Châteauguay)	Gray (Windsor West)
Graham	Guay
Guarnieri	Harb
Guimond	Hubbard
Harvard	Jackson
Ianno	Jordan
Jennings	Karygiannis
Karetak-Lindell	Kilger (Stormont—Dundas)
Keyes	Knutson
Kilgour (Edmonton Southeast)	Lalonde
Kraft Sloan	Laurin
Lastewka	Lebel
Lavigne	Lefebvre
Lee	Lincoln
Leung	Loubier
Longfield	Mahoney
MacAulay	Manley
Maloney	Marchand
Marceau	Marleau
Marchi	McCormick
Massé	McKay (Scarborough East)
McGuire	McTeague
McLellan (Edmonton West)	Ménard
McWhinney	Mifflin
Mercier	Mills (Broadview—Greenwood)
Milliken	Mitchell
Minna	Myers
Murray	Normand
Nault	O'Brien (Labrador)
Nunziata	
O'Brien (London—Fanshawe)	

Adjournment Debate

The Speaker: I declare the motion carried.

ADJOURNMENT PROCEEDINGS

● (1940)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

LAW ENFORCEMENT OFFICERS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I rise today on a very serious issue that concerns all Canadians. I attended in September a memorial service honouring the law enforcement officers who gave their lives in the line of duty. One way of ensuring protection for peace officers and indeed all Canadians is to ensure that individuals who are convicted of first degree murder do not receive early release.

On September 29, the following day, I asked the Minister of Justice if she would stop worrying about the protection of criminals and do the right thing by repealing this offensive section of the Criminal Code.

Her answer certainly demonstrated little if any compassion for the families of victims. She basically told us at that time that in no way does she intend to repeal this section and that we will have to content ourselves with the amendments that were made by her government last year; that is, she intends to simply lock the issue up and throw away the key, something she refuses to do for first degree murderers.

If the Minister of Justice does not know it, Canadians do. Modifications made in January 1997, of which the Liberals are so proud, do not prevent dangerous criminals such as Paul Bernardo from applying for this early release. The answer should be, and the minister knows this, that people like Mr. Bernardo should not have the right to go through a judicial screening process in any way, shape or form. Going through this judicial screening process is in itself an extreme insult to the victims, their families and all victims and Canadians in general.

People like Mr. Olson and Mr. Bernardo have forfeited each and every right that every Canadian has and they should not have the possibility to rehash their crimes and offensive acts. This is not a right convicted murderers should have.

The minister needs to know and needs to be reminded of what occurred at the Olson hearing in British Columbia this summer. Let us remind the minister of this horrific hearing that took place in August 1997. It was a very sad and frustrating day for the families of Mr. Olson's victims who had to sit through this ordeal of the appeal hearing and relive the horror this man put their families through 15 years ago.

O'Reilly
Paradis
Patry
Peterson
Phinney
Pickard (Kent—Essex)
Pratt
Provenzano
Richardson
Rocheleau
Sauvageau
Serré
Speller
Steckle
Stewart (Northumberland)
St-Julien
Thibeault
Turp
Valeri
Volpe
Whelan
Wood—179

Pagtakhan
Parrish
Peric
Pettigrew
Picard (Drummond)
Plamondon
Proud
Reed
Robillard
Rock
Scott (Fredericton)
Shepherd
St. Denis
Stewart (Brant)
St-Hilaire
Telegdi
Tremblay (Lac-Saint-Jean)
Ur
Vanclief
Wappel
Wilfert

NAYS

Members

Abbott
Bachand (Richmond—Arthabaska)
Benoit
Blaikie
Breitkreuz (Yellowhead)
Casey
Charest
Desjarlais
Doyle
Duncan
Elley
Gilmour
Goldring
Grewal
Hanger
Harvey
Hill (Prince George—Peace River)
Hoepfner
Johnston
Kerpan
Lill
Lunn
Mancini
Martin (Esquimalt—Juan de Fuca)
McDonough
Morrison
Obhrai
Penson
Price
Ramsay
Scott (Skeena)
Stinson
Stoffer
Thompson (Charlotte)
Wayne
White (North Vancouver)—71

Ablonczy
Bailey
Bernier (Tobique—Mactaquac)
Borotsik
Cadman
Casson
Davies
Dockrill
Dubé (Madawaska—Restigouche)
Earle
Epp
Godin (Acadie—Bathurst)
Gouk
Grey (Edmonton North)
Hart
Herron
Hilstrom
Jaffer
Keddy (South Shore)
Laliberte
Lowther
MacKay (Pictou—Antigonish—Guysborough)
Mark
Martin (Winnipeg Centre)
McNally
Nystrom
Pankiw
Power
Proctor
Robinson
Solomon
St-Jacques
Strahl
Wasylycia-Leis
White (Langley—Abbotsford)

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Desrochers
Perron
Redman
Tremblay (Rimouski—Mitis)

Bevilacqua
Galloway
Pillitteri
Torsney
Venne

Adjournment Debate

There is no justification in the world for a hearing like this to take place. It only underscores the need for the immediate abolition of section 745. Furthermore, it provided the media, in particular television, with the opportunity to sensationalize the coverage of this hearing. It shamelessly appealed to a number of people in the public who lust for vicarious enjoyment of the agony these individuals had to live through.

I understand that when this change to the Criminal Code was brought in and amended, this faint hope was permitted to continue. Although it was lessened, this was the intent of the changes that were made. This faint hope clause still exists in its present form. The argument that it is a useful tool for rehabilitative purposes is certainly lost on the families of those individuals who have to relive this process and have to undergo the further agony of having this person who committed these horrific acts be given media attention all over again.

Life sentences were initially a substitute for the taking of a life as retribution on occasions where first degree premeditated murders occurred. Let us live up to the intent of the life sentence. Let us put truth in sentencing. Those criminals who have gone through the process, been tried, convicted and put behind bars should be kept there. I remind the Minister of Justice that the opportunity is there and I put it to the minister that now is the time to live up to Canadians' expectations.

[Translation]

Mrs. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I thank the hon. member for his question.

We consider these reforms a fair compromise between normal concern for victims and the safety of society and the search for a criminal justice system that reflects a whole set of values.

[English]

Section 745.6 was intended for exceptional cases.

• (1945)

With the amendments we have made, offenders who commit multiple murders after January 9, 1997 will no longer be allowed to apply for judicial review. In addition, the two changes we made to the system, including offenders currently in the system provided that they had not already applied when the amendments came into force, were judicial screening and that the jury considering the application must be unanimous.

In the Bernardo case even though the murders were committed before the amendments came into force, the judicial screening and the unanimity on behalf of the jury will apply.

No one can ignore the pain that the Olson and Bernardo cases have inflicted on the families of the victims. The difference between the government's approach and that of the Conservatives and Reform is that the government wanted to do more for the victims and their families and to acknowledge the pain they feel. We are not going to stop only with the focus on section 745. We are doing more in terms of the families of the victims and the government will be speaking to that in the future.

The Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:46 p.m.)

CONTENTS

Tuesday, October 21, 1997

ROUTINE PROCEEDINGS

Referendum Act

Bill C-250. Introduction and first reading	877
Mrs. Ablonczy	877
(Motions deemed adopted, bill read the first time and printed)	877

Criminal Code

Bill C-251. Introduction and first reading	877
Ms. Guarnieri	877
(Motions deemed adopted, bill read the first time and printed)	877

Petitions

Impaired Driving

Miss Grey	877
-----------------	-----

Criminal Code

Miss Grey	877
-----------------	-----

Gasoline Prices

Mr. Solomon	878
-------------------	-----

National Unity

Mrs. Ablonczy	878
---------------------	-----

Age of Consent

Mr. Strahl	878
------------------	-----

National Unity

Mr. Adams	878
-----------------	-----

Human Rights

Mr. Adams	878
-----------------	-----

Questions on The Order Paper

Mr. Adams	878
Mr. Nunziata	878

Criminal Code

Bill C-252. Introduction and first reading	879
Mr. Nunziata	879
(Motions deemed adopted, bill read the first time and printed)	879
Mr. White (North Vancouver)	879
Mr. Strahl	879

GOVERNMENT ORDERS

Supply

Allotted Day—Unemployment

Ms. McDonough	879
Motion	879
Mr. White (North Vancouver)	880
Ms. McDonough	881
Mr. Mahoney	881
Ms. McDonough	881
Mr. Nystrom	882
Mr. Duhamel	883
Mr. Nystrom	883
Mr. Peterson	884
Mr. Bailey	885
Mr. Nystrom	886
Mr. Peterson	886
Mr. White (North Vancouver)	886
Ms. Caplan	886

Mr. White (North Vancouver)	886
Mr. Nystrom	888
Mr. White (North Vancouver)	888
Mr. McKay	889
Mr. White (North Vancouver)	889
Mr. Crête	889
Mr. Chrétien (Frontenac—Mégantic)	890
Mr. Crête	891
Mr. Casey	891
Mr. Myers	893
Mr. Casey	893
Mrs. Dockrill	893
Mr. Obhrai	895
Mrs. Dockrill	895
Ms. Desjarlais	896
Mr. Valeri	897
Mr. Chrétien (Frontenac—Mégantic)	899
Mr. Valeri	899
Mr. Myers	900
Mr. Schmidt	901
Mr. Myers	901
Mr. Anders	901
Mr. Valeri	902
Mr. Anders	903
Mr. Rocheleau	903
Mr. Anders	903
Mr. Schmidt	903
Mr. Schmidt	904
Mr. Godin (Acadie—Bathurst)	905
Mr. Schmidt	905
Mr. Bryden	906
Mr. Robinson	907
Mr. Bryden	908
Ms. Caplan	908
Mr. Laurin	910
Ms. Caplan	910
Mr. Epp	910
Ms. Caplan	911

STATEMENTS BY MEMBERS

Fleetwood Canada Ltd.

Mr. O'Reilly	911
--------------------	-----

Penitentiaries

Mr. McNally	911
-------------------	-----

Removal Services

Mr. Telegdi	911
-------------------	-----

Amnesty International

Mrs. Guay	911
-----------------	-----

The late Simone Flahiff

Ms. Augustine	912
---------------------	-----

Co-Operatives

Mr. Harvard	912
-------------------	-----

Small Business Week

Mr. Schmidt	912
-------------------	-----

Week without Violence

Mr. Myers	912
-----------------	-----

The Ursulines	
Mr. Rocheleau	912
Bloc Québécois	
Mr. Discepola	913
Volunteers	
Mr. Obhrai	913
Women's Rights	
Ms. Wasylycia-Leis	913
Foreign Affairs	
Mr. Pagtakhan	913
Bloc Québécois	
Ms. Jennings	914
War Medals	
Mrs. Wayne	914
Small Business Week	
Ms. Whelan	914
Criminal Code	
Mr. Nunziata	914

ORAL QUESTION PERIOD

Taxation	
Mr. Manning	914
Mr. Martin (LaSalle—Émard)	915
Mr. Manning	915
Mr. Martin (LaSalle—Émard)	915
Mr. Manning	915
Mr. Martin (LaSalle—Émard)	915
Mr. Solberg	915
Mr. Martin (LaSalle—Émard)	915
Mr. Solberg	915
Mr. Martin (LaSalle—Émard)	915
Minister of Intergovernmental Affairs	
Mr. Duceppe	915
Mr. Dion	916
Mr. Duceppe	916
Mr. Dion	916
Mr. Turp	916
Mr. Dion	916
Mr. Turp	916
Mr. Axworthy (Winnipeg South Centre)	916
Education	
Ms. McDonough	916
Mr. Martin (LaSalle—Émard)	916
Ms. McDonough	916
Mr. Martin (LaSalle—Émard)	917
Somalia Inquiry	
Mr. Charest	917
Mr. Axworthy (Winnipeg South Centre)	917
Mr. Price	917
Mr. Axworthy (Winnipeg South Centre)	917
Canadian International Development Agency	
Miss Grey	917
Mr. Gray	917
Miss Grey	917
Mr. Gray	917

Minister of Intergovernmental Affairs	
Mr. Gauthier	917
Mr. Dion	918
Mr. Gauthier	918
Mr. Dion	918
The Environment	
Mr. Gilmour	918
Mrs. Stewart (Northumberland)	918
Mr. Gilmour	918
Mrs. Stewart (Northumberland)	918
Deficit Reduction	
Mr. Loubier	918
Mr. Martin (LaSalle—Émard)	918
Mr. Loubier	919
Immigration	
Mr. Reynolds	919
Ms. Robillard	919
Mr. Reynolds	919
Ms. Robillard	919
Deficit Reduction	
Mr. Crête	919
Mr. Martin (LaSalle—Émard)	919
Small Business	
Mr. Murray	919
Mr. Dhaliwal	919
Justice	
Mr. Thompson (Wild Rose)	920
Mr. Scott (Fredericton)	920
Mr. Thompson (Wild Rose)	920
Mr. Scott (Fredericton)	920
Foreign Aid	
Mr. Robinson	920
Mr. Axworthy (Winnipeg South Centre)	920
Mr. Robinson	920
Ms. Marleau	920
Somalia	
Mr. Charest	920
Mr. Eggleton	920
Mr. Price	921
Mr. Axworthy (Winnipeg South Centre)	921
Project 2000	
Ms. Caplan	921
Mr. Massé	921
National Defence	
Mr. Abbott	921
Ms. Fry	921
Closure of BC Mine	
Mr. Chrétien (Frontenac—Mégantic)	921
Mr. Pettigrew	921
Health Care	
Ms. Desjarlais	921
Mr. Collenette	922
Credit Cards	
Mr. Bernier (Tobique—Mactaquac)	922
Mr. Massé	922
Trade	
Mr. Mahoney	922

Mr. Marchi	922
Justice	
Mr. Forsyth	922
Ms. McLellan	922
Presence in Gallery	
The Speaker	922
Privilege	
Amending Legislation	
Mr. Breitzkreuz (Yorkton—Melville)	922
Mr. Breitzkreuz (Yorkton—Melville)	923
Mr. White (Langley—Abbotsford)	923
Mr. Boudria	924
The Speaker	924
Mr. Solomon	925

GOVERNMENT ORDERS

Supply

Allotted Day—Unemployment

Motion	925
Mr. Loubier	925
Mr. Bernier (Tobique—Mactaquac)	927
Mr. Loubier	927
Mr. Canuel	927
Mr. Loubier	927
Mr. McTeague	928
Mr. Loubier	928
Mr. McTeague	928
Mr. Loubier	929
Ms. Blondin—Andrew	929
Mr. Canuel	932
Ms. Blondin—Andrew	933
Mr. Godin (Acadie—Bathurst)	933
Mr. McTeague	935
Mr. Godin (Acadie—Bathurst)	935
Ms. Davies	935
Mr. White (North Vancouver)	937
Ms. Davies	937
Mr. Valeri	937
Ms. Davies	937
Mr. Pagtakhan	938
Mr. Nystrom	939
Mr. Epp	939
Mr. Nystrom	939
Mr. Pagtakhan	939
Mr. Epp	940
Mr. Pagtakhan	940
Mr. Proud	940
Mr. Solomon	942
Mr. Proud	942
Mr. Bernier (Tobique—Mactaquac)	942
Mr. Epp	943
Mr. Bernier (Tobique—Mactaquac)	943
Mr. Stoffer	944
Mr. Bernier (Tobique—Mactaquac)	944
Mr. Keddy	944
Mr. Bryden	945
Mr. Keddy	945
Mr. Stoffer	946

Mr. Stoffer	946
Mr. Keddy	946
Mr. Saint-Julien	946
Mr. Saint-Julien	947
Mr. Brien	947
Mr. Saint-Julien	948
Mr. Earle	948
Mr. Shepherd	948
Mrs. Dockrill	949
Mr. Shepherd	949
Allotted day—Funding of political parties	
Consideration resumed of motion	951
Mr. Kilger	951
Mr. Strahl	951
Mr. Pankiw	951
Mr. Bergeron	951
Mr. Solomon	951
Mr. Harvey	951
Mr. Nunziata	951
Mr. Bergeron	951
Mr. Kilger	951
Mr. Nunziata	951
Mr. Strahl	951
Mr. Bergeron	951
Mr. Solomon	952
Mr. Harvey	952
Mr. Nunziata	952
Amendment negated	953
Mr. Kilger	953
Mr. Strahl	953
Mr. Bergeron	953
Mr. Solomon	953
Mr. Harvey	953
Mr. Nunziata	953
Motion negated	953

GOVERNMENT ORDERS

Canada Marine Act

Bill C-9. Consideration resumed of motion	953
Mr. Kilger	953
Mr. Strahl	953
Mr. Bergeron	953
Mr. Solomon	953
Mr. Harvey	953
Mr. Nunziata	953
Mr. Keyes	953
Mr. Nunziata	953
Mr. Nunziata	954
(Motion agreed to)	955

Income Tax Convention Implementation Act, 1997

Bill C-10. Second reading	955
Mr. Kilger	955
Motion agreed to	957

ADJOURNMENT PROCEEDINGS

Law Enforcement Officers

Mr. MacKay	957
Mrs. Bakopanos	958

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