



CANADA

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OFFICIAL REPORT  
(HANSARD)

**Thursday, February 26, 1998**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Thursday, February 26, 1998

The House met at 8.30 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

• (0830)

[*English*]

### THE BUDGET

#### FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 25 consideration of the motion that this House approves in general the budgetary policy of the government; of the amendment; and of the amendment to the amendment.

**The Acting Speaker (Mr. McClelland):** There are 10 minutes remaining for questions and comments to the hon. member for Medicine Hat.

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I will make a few comments and ask my hon. colleague a question.

• (0835)

He mentioned yesterday that the millennium fund was a waste of taxpayer money and that it was overspending by this government. I would like the hon. member to comment on the fact that he does not believe that helping 100,000 young Canadians gain access to post-secondary education, skills training, vocational schools is a valuable investment for this country in order to pursue their education and their careers into the next millennium.

Also, on page 10 of the Reform Party's alternative budget it advocates federal spending to drop to 10.5% of GDP. In real terms that is another drop of \$10 billion in spending cuts each year. I suspect that it has to find those cuts. It has yet to identify those cuts of \$10 billion. I would like the hon. member to make reference to that.

Finally, I would like the hon. member to stand in his place and reiterate what was said to the *Calgary Herald*, that this budget, a balanced budget, is very hard to criticize: "It does make it hard to criticize. I am not going to argue a balanced budget is not good".

Perhaps the hon. member for Medicine Hat can for once stand up and say a balanced budget is good, the government has made progress, and speak to Canadians in a very forthright way.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is a pleasure to respond. Obviously the Reform Party believes a balanced budget is good. We have been arguing for that since we came to Ottawa in 1993.

When we came to Ottawa in 1993 we were fighting a tremendous election battle in the months leading up to that point. One of the quotes I remember best was a quote from the Prime Minister on the campaign trail. He said "zero deficit, zero jobs, zero hope". What a difference the Reform Party has made. We have convinced the Liberals across the way that a zero deficit is a good thing. We moved the government and we channelled a lot of the opinion of the public toward moving toward a balanced budget. I am glad that my friend across the way and his colleagues have had a change of heart and have realized that a zero deficit no longer means zero jobs and zero hope. It actually is a very good thing.

I would also point out that it was the taxpayers who really did balance the budget. Sixty-six per cent of the improvement in the government's balance sheet came from increased revenues which came directly out of the pockets of Canadian taxpayers. The other big chunk of that, two-thirds of the remainder, came from cuts in transfers to the provinces for hospital beds and higher education.

That brings me to my friend's point about the millennium fund. He suggested I said it was a waste of money. That funding would have been better used by the provinces to restore transfers for things like higher education. We pointed out that the millennium funds benefits 6% of students. What about the other 94%? Why not allow the provinces to lower tuitions so that all students can benefit?

Finally, my friend has pointed out that the Reform Party believes that we should reduce the overall size of government to 10.5% of GDP. I absolutely believe that. I think the government is too fat. I

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notice the government increased spending in this budget for the Department of Canadian Heritage; more money for TV production funds while it is closing hospital beds around the country. That is ridiculous.

We say trim spending in Canadian heritage. Cut the waste in Indian affairs. There is a tremendous amount of it. Cut funding for regional development which is simply corporate welfare. We know that the Chamber of Commerce comes before the finance committee every year and says please do not fund business anymore, it does not want subsidies for business anymore.

We also point out that we can make more savings in employment insurance. There are tremendous savings to be made there. We believe that we need to reform equalization. We are not afraid to say that. We think equalization formulas need to be changed. In a country as wealthy as Canada it is ridiculous that three provinces would support seven. That is where we would make some of those changes.

• (0840)

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I have listened to the Reform Party bash Indian and northern affairs now for a number of years. I want to ask the member a question. Seventy per cent of all transfers from this government to native people go directly to native people and to their bands. We all know that is a fact, those of us who have first nations in our communities.

The member says we should help the poorest of the poor, first nations people. Can he tell me where the waste is that he seems to think he can trim? If he goes to first nation communities he will see the worst housing in the country, he will see that in some cases there are no sewers or water, that they have the worst health and that there is more poverty there than anywhere else across the nation. If he is so convinced that there is a bunch of waste going on in Indian and northern affairs, we would like to know from this member and his party exactly where that would be.

In the 51 first nations I represent, I do not see that waste. I do not see that there is some native chief or some band running around, going to Vegas or driving around in a Cadillac, as some of these people suggest. We all know that is not factually correct. I would like to know from this member just where that waste is because I do not see it in the 51 first nations I represent.

**Mr. Monte Solberg:** Mr. Speaker, Canadians are very concerned about the plight of natives in this country. That is why we want to reform the department of Indian affairs. Right now in Canada we spend over \$6 billion a year to help natives. But in fact a great chunk of that, as much as 50%, is chewed up in bureaucracy.

The auditor general routinely rips the department of Indian affairs because of the complete lack of accountability. A lot of that

money does get to the band level only to not get to the grassroots natives simply because there is no accountability at the band level.

My friend just alluded to this. I along with colleagues on both sides of the House probably recently saw an expose of what happens on some reserves where money gets to the band level but does not get to the people at the grassroots level. We saw an expose of one band in particular where in fact the chief was driving a Cadillac, going to Las Vegas, had a huge house, and that is not unusual. Unfortunately it was in Manitoba. Unfortunately my friends across the way are blind to this or they do not want to hear about it. They do not want to wade in and fix this problems. Reformers do.

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, I would like to ask the hon. member for Medicine Hat maybe to straighten up these misguided Liberals over here on a couple of issues.

The Liberals announced the other day that they were going to look after the debt, they were going to put a whole bunch of billions of dollars and shrink the amount of debt we have in this country. It is only about \$588 billion. I believe they were going to put around \$3 billion if they had that left over from a contingency fund.

I would like to ask the member for Medicine Hat, as many Canadians would like to know, what is the impact, the reality of this philosophy that they have brilliantly come up with?

**The Deputy Speaker:** The member for Medicine Hat has 60 seconds to do this.

**Mr. Monte Solberg:** Mr. Speaker, I think I can do it.

First of all, I point out that the government blew the contingency fund last year. In three successive budgets it said it would ensure the contingency fund is only used for emergencies, for no policy initiatives. In this year's budget it blew the entire \$3 billion.

Even if the Liberals did devote the entire contingency fund in debt repayment, it would take them 200 years to pay down the debt. It is a ridiculous plan and they are being beat up by all the analysts who know their plan is not going to help pay down that debt.

**Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, as the hon. member opposite invited me, I will speak for British Columbia and for Canada. There is no dichotomy there.

Let us come to defining moments in our history as Canadians, and I think I can take note of two events of great interest. One is of course the role of the United Nations secretary general in the peaceful settlement of the gulf conflict. We will note here that the primacy of the Canadian policy of settling international differences by negotiation, quiet diplomacy, has been reaffirmed. It should be noted the foreign minister was very active in New York at the United Nations in the week before leading up to that.

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● (0845)

I will take notice and with pleasure, because it involves the co-operation of an hon. member opposite, that B.C. spoke out for Canada, got rid of some of the old shibboleths. A British Columbia panel on national unity found that British Columbians have no hang-ups about understanding that Quebec does have civil law, that it does have a French language and culture and that a strong united Canada recognizes that fact. It is an interesting and total across the board expression of opinion in British Columbia without any demand for quid pro quos or reasoning arguments in return.

On the budget, it is a defining moment again in our history. It is not simply that after so many years the budget is balanced, but that it has been achieved ahead of the schedule that we projected when we first took office in 1993. From a \$42 billion annual deficit, a disgrace, the budget we inherited, we are back to a balanced budget and that will be the reality of our times from now on.

Second, it has been achieved by using the theme which we campaigned on and I campaigned on in British Columbia in 1993, that the best way to balance a budget is to create new jobs, to create new meaningful employment. That is where we get more tax revenue. We tax the incomes. That is the way to do it and this is the way we are going.

Mr. Speaker, I forgot to say that I am sharing time with the hon. member for Kitchener—Waterloo.

I will say that the keynote in this budget is the emphasis on advanced education and research. That is a distinctive British Columbia contribution to this budget.

We fought the battle five years ago in support of TRIUMF, a pure research project. We had to face the inherited \$42 billion annual deficit situation to make the case that pure science pays off. It is not simply some abstract ivory tower concept. The scientific ideas of today properly tested and properly applied mean jobs in industry down the line. With the German and Japanese syndrome the key to their economic recovery was to invest in higher education.

We took the minister for science and industry, one of our most imaginative cabinet ministers, to B.C. and we said that is a very distinctive laboratory. He said that it looked to him like a run down laboratory. We said that that was where the Nobel prize winner worked when he first came to Canada. He worked there and it is still in the same condition as it was 25 years ago. Something has to be done about scientific infrastructure. We cannot engage in advanced research, we cannot engage in research that is oriented eventually to production technology and everything else, without building up the infrastructure. The point was well made and in a period when we were still staggering economically because of that

inherited deficit, the money was allocated to TRIUMF, \$167.5 million.

We have basically been selling the idea that the next century is the knowledge century. Our universities, our graduate institutions have been allowed to run down in a real way by benign neglect by provincial and other financing authorities. It is time to correct it.

We see the response in terms of the grants for infrastructure, the Foundation for Innovation, to encourage medical research. By the way it should be known that British Columbia leads in areas of biomedicine and pharmacology. We lead in North America in these areas. We have already developed consortia style research arrangements with neighbouring American states. The networking of centres of excellence and the millennium scholarship foundation are other examples.

I had people speak to me about the millennium foundation when the idea was first in circulation. They asked “Isn’t that elitist? Is it only for graduate institutions?” We explained that first of all there is a constitutional issue. We have no doubt that we can constitutionally put the money into advanced research. It is getting beyond that. We need the co-operation of the provinces. We are trying to get it, but they are not as active in education in all parts of the country as they should be. Some provinces like to spend money which we think should go to education on highways or something else.

● (0850)

We are basically stressing in this particular issue the need for federal leadership. In the budget the finance minister used a very delightful phrase. He did not simply speak of our great universities which now have international status and they really are leaders. He also mentioned the community college in northern Alberta and the institute of technology somewhere in rural Ontario. It is reaching down. Frankly, our hope and our intention is, with the co-operation of the provinces, to get into the secondary education field.

Education is our investment in making sure that the jobs created are meaningful jobs. Look at the statistics. People without advanced education, without college degrees, have very limited chances of finding employment. The opportunity to grow is with the people who have diplomas. That is why we are investing in this area. It is a dramatic, radical doctrine in that sense. It reflects the inspiration of ministers like the science industry minister, his very bright secretary of state who is no longer with us because of electoral vagaries, the finance minister himself and the Prime Minister, who accepted the notion that it is the knowledge century and that is where this budget should make a breakthrough.

We have learned the lesson of the Germans and the Japanese. If we want to recover, we have to invest in knowledge.

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I would like to acknowledge the assistance given to us by the university faculties, in my province the University of British Columbia, the science faculty and deans, and also the Association of Universities and Colleges of Canada, the association of university professors and the community colleges who are coming to us. We want to reach out to the community colleges. They have helped to make this a very dramatic budget which will put us firmly into the position where we can lead in the next century.

When we took office, the reality was that we were lagging behind the countries with which we were competing in world markets.

The telling point concerning TRIUMF was that it was not simply pure research. We have already seen a \$200 million export contract spinoff from TRIUMF. We are outbidding other countries in Indonesia and elsewhere. We have brought \$200 million of business to British Columbia. That is where the link was made. I compliment my caucus colleagues and the caucus committee on higher education and research for the work they have done.

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, I listened with interest to the Liberal member's comments regarding higher education. As many members of the House of Commons know, the hon. member for Vancouver Quadra has been involved in education for his entire career. I am sure he understands as a former university professor the plight of post-secondary education students, in particular as it applies to their finances.

In my constituency there are many students who have \$25,000 to \$40,000 in student loans. Some of them are unemployed after graduation and are unable to meet their obligations to repay those loans.

I am wondering if the hon. member could enlighten us and provide us with his views as to whether or not the millennium fund will be of any assistance to the people I have described in his constituency, in my constituency and right across the country. How will they be assisted in repaying their loans when they are unable to find work?

As an educator, how does he feel about whether the government should be assisting students who are in university now who are unable to obtain appropriate financing for their education? I would like to know his views on that issue.

**Mr. Ted McWhinney:** Mr. Speaker, I would like to thank the hon. member for a very thoughtful question. I would take notice of the fact that he also has devoted a great deal of his life to higher education at the very low financial remuneration which we know that occupation offers in comparison to other professional fields. I congratulate him on what he has done.

• (0855)

The issue of student loans is a very vital one. My first executive assistant had a \$55,000 accumulated loan because he had taken three senior degrees. This is a crippling debt and the obvious situation is that people with those sorts of debts will go down to the United States. We will have a brain drain.

We have addressed this in the previous budget and the pressures within the government will continue. I do believe that this is a necessary and inevitable follow-up to what we have done in terms of grants for education in this budget. It is the signal that higher education, all education is a matter of national concern.

We understand the constitutional divisions of power. We have made the necessary nexus in terms of higher education. We can justify that constitutionally. It becomes greyer as we get below but we want to work with the provinces. The key to federalism in the next decade, once we get rid of the constitutional battles of the last 30 years, is in partnership between the provinces and the federal government, and in education we are ready and willing.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Mr. Speaker, as the parliamentary secretary for foreign affairs, I just wonder whether he would care to comment in that in the budget document the government talks about spending for foreign affairs at \$2.2 billion and for health at \$9 billion. I wonder how it can justify those priorities to the Canadians standing in waiting lines at hospitals.

**Mr. Ted McWhinney:** Mr. Speaker, I think it is always difficult as I have said before to the hon. member opposite to make invidious comparisons.

With what we spend on foreign affairs, we are already being criticized by the OECD and others for not spending enough. We try to get good value for our money in foreign affairs. That is why we use quiet diplomacy. We would not send off intercontinental ballistic missiles even if we had them.

On the health issue, it is certainly a high priority in my area. Within the government I am one who certainly is arguing for the increasing of expenditures in the medical field.

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, we hear from this government a commitment to education. Yet I remember in 1993 the Liberals attacked us for at least being willing to address these issues. They came in and cut \$2 billion from post-secondary education in this country. Does the member not feel it is just a band-aid to put a couple of hundred million dollars a year back in a scholarship fund from what the government has cut?

**Mr. Ted McWhinney:** Mr. Speaker, I am not aware of the facts as the hon. member describes them. I do not believe we have cut money from higher education.

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Frankly, if the member examines the policy on tax points, he will find that the position we made is that the provinces have exercised their option for the extra tax points and not to spend money on education.

We think that is the wrong policy. I am sorry to say that British Columbia has not been one of the better provinces in showing a constructive attitude to education but we hope to change that.

**Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.):** Mr. Speaker, when I first came to this House in 1993, we were on the brink of losing Canada's economic sovereignty.

During the previous nine years, the Progressive Conservative government had grown the debt from \$208 billion to \$508 billion and left an all-time high annual deficit of \$42 billion. More than 11% of Canadian workers were unemployed and the Tory Prime Minister of the day did not expect the rate to go below 10% in this millennium. Unemployment insurance premiums stood at \$3 per \$100 of income and were scheduled to rise to \$3.30. Our nation was falling into self-doubt and we were the economic basket case of the western countries.

I want to remind the House of the bleak situation we inherited from the Conservative government so that never again will we go down the track of fiscal ruin as the Conservative Party did in the nine years it was in government after having campaigned with deficit reduction as a major plank in its platform.

To quote the Ottawa *Business Journal* editorial of February 23, 1998: "It is to the party's everlasting discredit that it held power during booming economic times yet boosted taxes to unprecedented levels and never ever made much of a dent in the deficit. That is a dismal record".

● (0900)

As we have recovered the fiscal integrity of our nation, we must thank all Canadians for their support in this effort. We must also recognize and commend the leadership of the Minister of Finance and the Prime Minister. Who would have believed that this day would come?

In order to complete this first stage of the recovery plan and balance the budget, we pursued a balanced program of reduction in spending, reducing transfer payments to the provinces and growing the economy.

In reducing spending the government was streamlined and the public service reduced by 20%. Our program spending has declined every year since we took office both as a percentage of our GDP and relative to the average for G-7 countries. We have taken it from 17.5% of the GDP in 1992-93 to 12.8% in 1996-97. The G-7 average is .09% in reductions.

Federal transfers to the provinces were reduced but we cut federal spending even more. In the case of my province of Ontario, the Canada health and social transfer was reduced by an amount equal to about 2.5% of Ontario's revenues or \$1.2 billion less than they received the year we took office.

The revenue problem in Ontario was caused by the decision of the Ontario government to give a tax cut with borrowed money which would reduced its revenues by \$4.9 billion. This amount was four times greater than the \$1.2 billion we cut transfers by.

The slash and burn policies pursued by the Ontario government to deliver meaningful tax cuts for the rich have seriously impacted negatively on every community in Ontario. This hurting of the most vulnerable in our society is contrasted by the balanced approach of the federal government.

As an unswerving supporter of Canada's health care system, I am delighted that the cuts of previous years are now being replaced. Under the budget my province gets \$308 million more than last year. There is an increase under the cash portion of transfers and tax points. In all, the provincial governments will receive an additional \$7 billion over six years because of the budget and the increases will continue in the future.

We grew the economy. In constant 1992 dollars our GDP based on expenditures grew from \$716.1 billion in 1993 to \$769.7 billion in 1996. Last year's statistics are not in yet, but the rate of growth is expected to come in at 3.5%.

My time is limited and I want to talk about the importance of education to growing our economy and creating jobs. Statistics Canada produced figures on what most of us take as a given, that the more education one has the less likely one is to be unemployed. There is unemployment also among university graduates but at a lower rate than among those with a secondary level of education or less.

In 1995, for example, the general unemployment rate was 6.5% for people with post-secondary education, 8.5% for those with secondary, and 12.8% for those with less than secondary.

The Waterloo region is blessed with three excellent post-secondary institutions. I am proud to have served those institutions: the University of Waterloo as a two term student body president and member of the senate, and Wilfrid Laurier as a member of the board of governors. I served as a chairperson for a community reference group on basic job readiness training at Conestoga College.

More than 250,000 Canadians have attended these institutions over the years. If one multiplies that by the \$50,000 a year of wealth generated by each of those individuals, we have a figure of \$12.5 billion that the Waterloo region adds to Canada's economy each and every year by virtue of higher education.

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Dr. James Downey, president of the University of Waterloo, describes the budget as a triumph for the minister and for the Government of Canada because it blends prudence with compassion and is a superb blueprint for the future.

Jeff Gardner, vice-president, education, at the University of Waterloo federation of students, also approves. He says:

It is a huge step forward not only for Canadians going to school but for other Canadians coming back to school.

He understands that education is a lifelong process.

Dr. John Tibbits, president of Conestoga College, recognizes that in the budget the government has "provided vehicles to students and families to invest in education".

The president of Wilfrid Laurier University, Dr. Rosehart, called yesterday to say that this new budget makes a positive impact with the extension of tax credits and child care expense deductions to part time students. He is very pleased to see assistance offered to students with children, a group which has been overlooked in the past.

• (0905)

These individuals, and many like them, have had a role in preparing the budget. During the prebudget consultations the finance minister met with groups representing students, faculty and staff of post-secondary institutions and with representatives of the scientific and medical research community, in addition to the other groups that usually take part. I am very happy to have contributed to this process through the post-secondary education caucus.

I was one of the original members, along with the hon. member for Peterborough and Dr. John English, then member of parliament for Kitchener, who has now returned to teaching at the University of Waterloo. Having worked with the post-secondary education community for a long time, I knew the post-secondary education caucus would help them in putting their message across.

In the consultations before the last budget, the post-secondary education caucus helped to ensure that future post-secondary institutions and hundreds of thousands of students were given high priority. As a result, the last budget was good news for post-secondary education and that is why this budget works. The people had an influence in its preparation.

Canadians from coast to coast are working hard to better themselves and improve their prospects. In so doing, they are enhancing Canada's economic strength and furthering Canada's future prospects, enabling us as a nation to compete successfully in the new economy. Research and development are crucial to our economic well-being as we compete in the new economy.

It is more imperative now as we are undergoing an information technology revolution which has a greater impact on jobs than the industrial revolution. Millions of jobs across the country were lost in the old economy and the millions of net new jobs created in the past four years are a tribute to our ability to embrace the new economy, much of it a new economy founded on research and development.

Under the new budget the industrial research assistance program will receive \$34 million in increased funding to enable NRC to reach and provide technology support to small businesses, according to Dr. Art Carty, president of the NRC.

Dr. Tom Brzustowski, president of the Natural Sciences and Engineering Research Council of Canada, hails the increased funding for the granting agencies as an extraordinarily important decision by the Government of Canada:

Canada's young people will be very encouraged by the increased allocation for university research. It will help many of them directly to pursue postgraduate studies in research and to develop their talents to the full.

I must add that this will also enable them to do these things in Canada and not elsewhere such as in the United States. This will help stop the brain drain.

I salute the pioneers who founded our post-secondary institutions. Let us be bold enough and forward looking enough to uphold their vision by continuing to invest in our future and our nation's future.

In wrapping up my speech, keeping our country competitive lies in affording an opportunity to our young people, and indeed all people in Canada, to participate in the new economy. Spending money on education, research and development is a fundamental investment in the development of our nation.

I think this budget more than any other has struck this approach. I think in the future that Canadians will be the beneficiaries of it as we continue to be the best country in the world.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, during his remarks the hon. member criticized the Ontario government for its brutal cuts. How dare the member? The hypocrisy is overwhelming.

The member stood up in this place and voted to cut transfers to the province of Ontario from \$7.6 billion in 1994 to \$5.8 billion in 1996. For his constituents there was a \$1.8 billion cut in net cash transfers for health care and education in Ontario, a 24% cut. And he has the gall to criticize Mike Harris for increasing health care spending by \$100 million, for absorbing the \$1.8 billion cut but still finding the resources to increase health care spending by \$100 million, all the while increasing provincial revenues from income tax by \$2 billion even after his tax cuts are taken into account. Mike Harris cut taxes, absorbed your transfer cuts and increased health

care, Mr. Speaker. How could the member possibly criticize Mike Harris for cutting when he voted to cut health care for his constituents?

• (0910)

**The Acting Speaker (Mr. McClelland):** Before the hon. member for Kitchener—Waterloo responds, I remind all members to address each other through the Chair.

**Mr. Andrew Telegdi:** Mr. Speaker, we must be tolerant toward new members of the House. I am sure he will learn many things over time.

The Mike Harris government in Ontario is a reform government. That is why the people in Ontario elected zilch Reform members to the federal House of Parliament. I mentioned that in order to balance the budget we had to cut all areas of government spending.

**Mr. Jason Kenney:** Why did he increase health care?

**Mr. Andrew Telegdi:** One of the things that member will learn is that when other people are speaking, he should allow them to speak. That is democracy. It is also something his party should be promoting.

Let us be clear. We cut transfers to the province of Ontario by \$1.2 billion. The tax cut put in by Mike Harris cut his revenues by \$4.9 billion. It was on the backs of the most vulnerable people in Ontario. This year, at the first opportunity, we in the federal government restored funding to the social transfers to the tune of over \$300 million and it will grow over the years. Over the next six years it will grow to the tune of \$7 billion.

I see young Reformers stand in the House to say “do not spend money because it comes out of the pockets of taxpayers”. I decided to look up some of the CVs of the members of the Reform Party. The member for Calgary West attended the University of Calgary for all of four years to get his degree. During that time the money he contributed to his education through tuition was \$11,600. The actual cost of that education was \$50,877.19. Almost \$40,000 was contributed by the taxpayers of the country.

When that member talks about spending on education he should support the efforts of the government because we are investing in the development of our future generations.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I will say right off that I will not be congratulating the Minister of Finance.

You do not congratulate someone on work others have done, or on efforts others have made. It was the provinces that had to make

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the cuts in health care, education and income support. It was the provinces and the unemployed that made all the efforts.

When this government took office in 1993, 61% of the unemployed were entitled to unemployment insurance benefits. Now, five years later, fewer than 40% of the unemployed enjoy benefits.

The Minister of Human Resources Development wonders why. He says he will investigate. He is perceptive that one. Very perceptive indeed. If he were at all self-critical, he would very quickly realize why the proportion has dropped so tragically.

When I read the budget I thought it was the work of the Minister of Finance. I was wrong, because it looks increasingly like the Prime Minister's budget. He had his hand in it—

**Mr. Yvan Loubier:** Exactly.

**Mr. Gilles Duceppe:**—in an effort to make his mark in history. He will, but not for the budget. We will get to that a little later.

It is so definitely the Prime Minister's budget that, for the first time in years, he will be the one going to New York to talk to financiers about the budget rather than the Minister of Finance, who, however, reduced the deficit to zero this year.

• (0915)

For the first time in 28 years, we have a balanced budget, yet it is not the Minister of Finance who is being sent—this would perhaps take time away from his leadership race—but the Prime Minister. He is the one going to New York.

I said that it was the provinces and the unemployed who did the work. Let us take a look at how the zero deficit was achieved.

Fifty-two per cent of the cutbacks were carried out by the provinces, in health, I recall, in education and in income support for the most disadvantaged. This means that for each dollar cut in Quebec, 75 cents was because of Ottawa, and the people of Quebec need to be reminded of this. The cuts, the problems in the education, health and welfare systems are the fault of the federal government.

Individuals suffered 37% of the cuts, and only 12% were to federal spending. The Minister of Canadian Heritage was able to continue draping herself in flags. There were no cuts to the heritage minister's flag budgets.

Then a surplus appeared. We might have expected to see it go to the provinces, but no, 23% went to them, 26% went to individuals and 51% was spent by the federal government on new initiatives in areas of provincial jurisdiction. This is why we have this crushing \$583 billion debt. A good part of it is because of the genius of the Prime Minister when he was finance minister.

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But that is not all. In addition to grabbing revenues, the Minister of Finance is not telling us everything. He keeps quite a few things to himself, does the finance minister. We saw it in Bill C-28, which he sponsored. While it contains provisions on international shipping, he claims he did not know. That is worrisome in a finance minister. If he did know, there may not be a conflict of interest, we shall see about that, but there is definitely, at the very least, an apparent conflict of interest.

This minister hides things from us, not only his personal interests, but also his deficits. Last year, the Bloc Québécois said he had approximately \$12 billion in leeway. We did not have figures, but our prediction was about \$12 billion. We were told we did not know how to do the math, that it was ridiculous, that our figures did not hold up. Last year, they realized there was a \$15 billion error and this year, \$17 billion. We were right on. This minister maximized his deficits. This year, he is minimizing his surpluses.

We are not the only ones to say so. I am thinking of financial expert Jean-Luc Landry of Bolton Tremblay, whose comment on the Minister of Finance's surpluses was "He hides them from us, that is very clear". Alain Dubuc, editorial writer at *La Presse*, which is not known for its sovereigntist views—it is owned by Power Corporation—wrote that the minister was so prudent that he is becoming untruthful. That is what Alain Dubuc said.

But why all this whispering about? It is clear. If the minister showed us he had surpluses in hand, he would then be obliged, if he had that amount to spare, to meet the needs of the provinces, of the unemployed, of the taxpayers whose taxes have gone up because the tax tables have not been indexed since 1993, and even back in the days of the Conservatives.

This raises the whole matter of this government's hypocrisy. It cuts assistance to the provinces and then comes along pretending to be their saviour, saying "Look here, we have injected \$6 billion into the Canada social transfer". That is one way of looking at it. The reality is that instead of cutting \$48 billion by the year 2003, they will cut \$42 billion. And they call this investing \$6 billion. The reality is \$42 billion in cuts. For Quebec, this means \$12 billion in cuts.

Politically, this has been explained. From time to time, ministers tell us what they are really up to. The President of the Treasury Board said that, when Bouchard would be forced to make cuts, they in Ottawa would be able to show that they can afford to preserve social programs for the future. That is clear.

• (0920)

When the Prime Minister saw French people marching to protest cuts to social programs, he told Jacques Chirac in his colourful way of speaking: "You know, things are done differently in Canada. Decisions are made in Ottawa, and the province have to make cuts". It was crystal clear. That is exactly what they are doing, and the premiers have noticed.

Just this week, Saskatchewan Premier Roy Romanow, who is no sovereigntist—he was there with the Prime Minister on the "night of the long knives" in 1982 at the Château Laurier, so he is not exactly a friend of Quebec—

**Mr. Yvan Loubier:** Oh yes, the first blow.

**Mr. Gilles Duceppe:** —said: "The premiers unanimously agree—so many people dream of unanimous agreement in Canada, and they certainly have it in this case—that the federal government's top budget priority should be to increase funding for the Canada health and social transfer". That is clear, but that is not what the Minister of Finance and the Prime Minister have done.

True to their old ways—Liberals, like leopards, never change their spots—they implement new programs, especially in areas outside their jurisdiction, which do not meet the needs of Quebec in particular.

The federal government, for instance, is increasing the deduction for child care from \$5,000 to \$7,000 just as Quebec is developing an early childhood policy to reduce child care costs. This means that the deduction will have little or no impact in Quebec. This shows how little they know Quebec. It is not surprising, considering the Prime Minister has not lived in Quebec for 35 years. He has lost contact with Quebec society and he thinks he can buy people by sending them cheques. Things no longer work like this in Quebec.

The millennium fund tells the real story. The Prime Minister clearly admitted it yesterday. When the Prime Minister loses control, he becomes very transparent, and yesterday he clearly told us what his true objective was.

A few days ago, on February 17, the Prime Minister addressed the Canadian Club—a respectable institution to whose members he spoke respectably—and said, in reference to the fund, that "as incredible as it may seem, some will criticize it. Yet, we are only trying to prepare young Canadians to enter a new century and to take their place in the new economy". This is political grandstanding.

So much for the Prime Minister's good intentions. A leopard cannot change its spots. The Prime Minister's contemptuous attitude quickly showed through again when he said very clearly yesterday that "students are entitled to know where the money they receive comes from. We think every Quebecker should know that the taxes they pay to the federal government give them something in return". This is very clearly what we call contempt.

The Prime Minister talks about sending cheques to students. It reminds me of the contempt he showed a few years ago toward the unemployed in the Gaspé Peninsula, when he said they were only interested in getting their unemployment insurance cheques. Talk

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about contempt. We are used to it. We know the Prime Minister. We know how contemptuous he can be when talking about Quebec.

His good intentions to help students have gone up in smoke. The Prime Minister forgot, or perhaps he did not know, that Quebec has, for over 30 years, had a program of loans and bursaries far more developed than any such program elsewhere in Canada. The Liberal Party, the Parti Québécois, university rectors, CEGEP principals, students and teachers all agree: they are not interested in the millennium scholarship fund, because there is a bursary program in Quebec. A program that is to be found nowhere else in Canada.

Quebec students' debt load, while too high, is \$11,000, while, for students outside Quebec, it is \$25,000. The situation is different. We are truly distinct, and our program of loans and bursaries is especially so.

An agreement was reached in 1964 with Jean Lesage, the federalist Quebec premier and the initiator, with René Lévesque, of the Quiet Revolution. He believed and Quebecers believe that this program does not meet the needs of Quebec. The spirit of the Lesage and Pearson agreement to enable Quebec to opt out with full compensation from the loans and bursaries program needs to be revived.

• (0925)

The other side of this House fails to acknowledge this. What is more, they want to impose mobility. In other words, students moving from one province to another will be given special treatment under one of the criteria. I can understand the case of a student from Vancouver going to Toronto or to McGill in Quebec, where there is a network for anglophones in Quebec. We look after our minority.

For a francophone student wanting to study outside Quebec, well, there are no full-fledged French universities outside Quebec. There is a university in Ottawa, but it does not offer all the programs. There are none anywhere else. Mobility is theoretical, virtual. The mobility criterion will do nothing for students in Quebec. It is a coast to coast to coast program for them, but not for us.

The Prime Minister made deliberate choices. After taking away money from the provinces, he chose to take that money and get his name in the history books as the first Canadian head of government to have interfered in Quebec education. What he wants is to get the flag onto the cheques. That is what he wants.

It would not be surprising if he eventually introduced a bill to get his portrait on Canadian \$20 bills in place of Queen Elizabeth II.

**Some hon. members:** Ha, ha!

**Mr. Gilles Duceppe:** This is the Prime Minister who has twice led Quebec and Canada to a constitutional impasse. He is in part responsible for the shocking deficits we face at this time, and the \$583 million debt. He is now reverting to type, in order to get his name in the history books.

The people of Quebec know him, and they know that by attacking Quebec—blinded as he is by his disdain for Quebec—he is leading Canada into a dead end. That is his new version of federalism.

The provincial premiers clearly called for him to withdraw from areas that are not under federal jurisdiction, and to put transfer payment money back. That is not what the federal government is doing. It is launching into a series of new programs. Everyone in Quebec says it makes no sense. No problem, it is just that the Prime Minister wants people to know where the money is coming from.

Even as regards the student loans and scholarships program, out of \$500 million invested annually in Quebec, only \$74 million comes from the federal government, not 90% as the Prime Minister tried to tell the public yesterday.

This is what they call flexible federalism. I say it is the same old approach, the "Ottawa knows best" approach. This is the type of federalism that will prevail in the next millennium. As for us, we are more and more convinced that we need to have our own country by the year 2000, to get out of the mess that the Prime Minister is creating once again, because setting up new programs will generate new deficits, unless the Prime Minister simply intends to once again force taxpayers to make huge efforts to promote his party's visibility and his own.

Let me go back to some responsible proposals made by the Bloc Québécois, which are included in the budget. Indeed, the government followed up on at least three of our suggestions. Last year, when the hon. member for Saint-Hyacinthe proposed the creation of an employment RRSP, we were told the idea was ridiculous. I can still hear the Prime Minister say "this is not what RRSPs are for". This year, the government came up with an RRSP initiative to help people rejoin the labour force. It might as well be called an employment RRSP as it is the same thing.

Take a look at the employment insurance program: young people aged 18 to 24 will get a break on premiums. This was also proposed by us last year. Congratulations to the government for following up on our suggestion. Then, there are the tax measures relating to the repayment of students' debts. We agree with these three measures.

Still, we asked that the money be given back to the provinces. We also asked that employment insurance benefits and eligibility be improved, because the unemployed have been hurt by the government's measures. Third, we said that there had to be targeted tax reductions such as, on the one hand, EI premiums, which are much too high, and on the other, indexed tax tables, because there

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has been a covert increase in taxes for too many years now, although they tell us taxes have not gone up. I think a basic accounting course would show us that, without indexing, there is a real increase in taxes. Fourth, we told them to freeze programs and quit interfering in areas outside their jurisdiction.

• (0930)

Finally, there should be an anti-deficit law to bring the Liberals down to earth. Those are our proposals, responsible proposals that reflect the needs of Quebec, of Quebeckers, of the provinces, of all Canadians, of taxpayers, of the middle class and of the most disadvantaged members of our society.

I am telling Quebeckers it is time we left all this behind. It is time to get out of this nuthouse. I am saying to Canadians that they should condemn this government for taking money needed by Canadians and using it to try and buy the young people of Quebec.

I will close with a thought from Gilles Vigneault. I remind the Prime Minister, with his millennium fund attempt to buy young people, with his lack of respect for Quebec, that Gilles Vigneault once said that people were wrong to think we did not notice.

[English]

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, we too understand the idea that Ottawa knows best and its contempt for the provinces and the fact that the federal government continually overrides provincial jurisdiction.

I found his reference to the night of the long knives in 1982 very interesting. I too feel there were things left out of the Constitution which should have been in, or provisions which should have been made concerning provincial jurisdiction.

I wonder if our friends in the Bloc could comment on what I think they have been leaders on, that is that they, to their good fortune and vision, opted out of the Canada pension plan and set up the Caisse de dépôt many years ago, realizing where the feds would go with this and how badly the federal Liberal regime would squander its resources.

I am wondering if he might be able to comment on provincial jurisdiction there and whether other provinces should choose to opt out of the CPP.

[Translation]

**Mr. Gilles Duceppe:** Mr. Speaker, unfortunately, I would say to my colleague that I do not wish to become involved in the reorganization of Canada. I would say to him that they will have a much easier time of it after we are gone.

In the sixties, we decided to take a number of steps, one of them involving the pension plan, on the assumption that one always runs one's own affairs best. We did the same for loans and scholarships and the joint programs we pulled out of in 1964, 29 of them if I remember correctly. Jean Lesage negotiated that withdrawal.

Throughout all this, Quebec developed a model very different from that of the rest of Canada. I am not saying it is better, nor that it is not as good, but simply that it is different.

I will tell my hon. colleague, who asked what the provinces should do, that in many areas the provinces could do much more, as Canada as a whole could, provided it is recognized that two realities exist north of the United States, namely the Quebec reality and the Canadian reality.

We should be two sovereign countries in a new partnership; this way, certain measures would not be imposed on the rest of Canada by this government because, for one thing, it would not be in office and we would be able to take care of our own business. I think that we would all have more respect for one another and the issues would be clearer, including with respect to the future of the Canada pension fund.

[English]

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I listened with interest to the comments made by the hon. member. He went on and on about the hiding of deficits. I am not quite sure what he said. However, I remind the hon. member that whether you are in Quebec, in British Columbia, in Ontario or down east, the other day the Minister of Finance stood to announce a balanced budget. That is great for this country. It is great for Canadians.

All Canadians participated in ensuring that we were able to achieve that objective. I think the hon. member should congratulate Canadians and Quebeckers for their participation in ensuring that particular objective.

With respect to the millennium fund, the hon. member went on and on about jurisdiction.

• (0935)

I would argue that whether a student is in Quebec or British Columbia or any other part of Canada, students do not want to hear about jurisdiction. They want to hear about assistance.

Yesterday this budget provided assistance to students to allow them to continue their courses, to allow access to education and further training and skills so that we can continue to build this country, a very united country into the next millennium.

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[Translation]

**Mr. Gilles Duceppe:** Mr. Speaker, my hon. colleague just walked in; he must have heard my remarks elsewhere. I started by congratulating Canadians and Quebecers on the efforts they made and I did say that, if a zero deficit was achieved, it was thanks to the efforts made by the provinces, the unemployed, the taxpayers, and not by the people across the way.

If he recognizes this fact today, we agree on one thing.

With respect to the millennium fund, he suggests that students are very pleased. I would submit to him that, if there is one thing students in Quebec do not want to hear about any more, it is that party and its leader, the current Prime Minister.

It would be interesting for the hon. member to read Quebec papers. Even the *Montreal Gazette*—this is probably the only Quebec paper he reads—said this morning that Minister Landry was right and the federal government had no business in education. That is what the *Montreal Gazette* said. This morning, Pierre Elliott Trudeau was reported as saying that, when the federal government stepping in the area of education through the grants and loans door, people should not obey the law. Pierre Elliott Trudeau, the Prime Minister's hero, is inciting people to a tax revolt.

**Mr. Yvan Loubier:** Against the federal government.

**Mr. Gilles Duceppe:** The man whose portrait adorns the office of almost every Liberal member.

I think that my colleague has been transparent this morning, showing how little he knows Quebec.

[English]

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I will be sharing my time with the member for Burlington.

I would like to follow up on the remarks of my colleagues, the member for Vancouver Quadra and the member for Kitchener—Waterloo.

In this budget, after many decades, we saw the elimination of the federal deficit. At the same time that elimination was announced we also announced new investments in health care and higher education and a new look and a redesign of the Canada pension plan.

If we look back on all the budgets since we were elected in 1993, difficult budgets for Canadians, difficult budgets for members of Parliament like me, we will see in those times when we were downsizing and redesigning government, in each budget some seeds were planted to help in the areas of health care, higher education and research and help with respect to the basic support supplied by Canada for senior citizens.

I am delighted that the deficit is now behind us. We can move on from that. I am also delighted at the way in which the deficit has been eliminated. We have been able to reinvest as we were redesigning and downsizing.

With the time I have available I cannot speak about the health care side or the Canada pension side of the budget. I would like to speak about the higher education part which has been the subject of discussion between members on this side and representatives of the Bloc.

Since I was elected to the government caucus I worked with a group of MPs from all regions of the country in a government caucus on post-secondary education and research. We have tried to listen to students from all over the country and their national representatives in Ottawa. We also went out to the regions to speak to them. We have met with presidents of universities and the AUCC, the association which represents the universities in the national capital.

• (0940)

We have met with individual members of faculty, from colleges and universities, all across the country and with their representatives, the CAUT and the other associations which represent university faculty. We have met with research groups from universities, from colleges, from institutes, from hospitals and researchers in the private sector.

This government caucus on post-secondary education, having listened over these years to the concerns of these groups, students, university and college groups, is truly delighted with the announcements in this budget and with the response of the government to these representations which have been made over the last three or four years.

I would like to put on record the letter to the Minister of Finance from this caucus group on post-secondary and research, a letter that was the basis of our discussions with him some weeks ago when we took the concerns of all those people I have mentioned to the Minister of Finance. We said to him that post-secondary education and research should be a priority for all Canadians in this budget. This is the sense of the letter which we sent to the Minister of Finance prior to our formal discussion with him:

Dear Minister:

As you know, the caucus on post-secondary education and research was formed during the last Parliament. Our executive consists of MPs, from all regions, who have a keen interest in the role of the federal government in higher education and research. We greatly appreciate the support you have given us over the years. Without your enthusiastic involvement, the millennium scholarships, the RESP program, the foundation for innovation and the increase in student loans and the extension of the grace period for those loans, would not have come into being.

We look forward to meeting with you next week.

### *The Budget*

During the meeting, we would like, with your permission, to develop two main themes. The first of these concerns is the importance of increased funding for basic research, particularly through the grants councils.

Those are the SSHRC, the Medical Research Council, and NSERC, the science grants council.

The letter goes on:

Like us, you have undoubtedly received a great deal of input from the research community. Their arguments, particularly with respect to levels of funding in other jurisdictions, are compelling.

We feel that it is time to move on support of the operational side of research to complement our investment in the research infrastructure through the new Canadian foundation for innovation.

That was one of the two main themes that our caucus on post-secondary education and research picked up from hundreds of representations that we have received from across the country, that basic research in the country, the actual performing of research in the hospitals, in the colleges, in the universities, now needed important support because the government in the previous budget had moved on the infrastructure side of research.

The letter goes on:

Our second theme concerns improving accessibility of students to college, CEGEP, university and other post-secondary training institutions. We believe that this is something which goes beyond further reform and revitalization of student loans programs (important though they may be). We would like to canvass topics such as student employment, further support for students' families and special provisions for disadvantaged students.

We would hope that you will address these themes in your upcoming budget—

That was the letter which was the basis of a discussion some weeks ago with the Minister of Finance. I want to thank the minister on behalf of the students, the professors and the researchers of our colleges, CEGEPs, universities, hospitals and institutes across the country for his response to these well supported requests from the higher education community.

● (0945)

I have always believed that the way you do things is as important as what you do. This is true in everyday life for each of us as we go about our business and our social affairs, but it is particularly important for governments.

I believe it is very, very important that the deficit has been eliminated. For me, the way it has been done is equally important. We have tried over the last three or four years to eliminate the deficit in as humane a way as was possible. That is very important. From the beginning we had a plan which, while downsizing was going on, involved reinvestment in various areas such as higher education as I have been discussing, but also with early childhood

education, prenatal and postnatal programs and things of that type. In that sense it has been done well.

It was done well in the sense that when we cut the federal system, we cut it strategically, targeting some areas for large cuts and some for small cuts. It was also done well in the sense that we timed the cuts, for example we gave the provinces notice and time to adjust to the changes.

I am delighted with this budget and with the results that we have achieved. I am equally delighted with the way in which we have arrived at this point.

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, I would like to ask a question. As a matter of fact, it was a bug put in my ear by a fellow colleague.

When we think back to just after the election in 1993 and even during the election, we heard Liberals across this country say that the budget could not be balanced, that it could never be balanced in three years or in a short period of time because the economic growth rate would go through the floor. They were like Chicken Little running around the country then I remember.

Liberals were saying that if Canada tried to balance its budget, the growth rates would be non-existent. We would shrink. We would go back to having children with tar on their noses, something like the industrial revolution. The economy would grind to a halt because Canada could not handle a balanced budget and the cuts in government spending that would necessitate.

I am wondering how three years later the Liberals can sit here bleating, preening and patting themselves on the back for balancing the budget and not recognize that indeed they have gone against everything they were saying three years ago. They have accomplished what they said three years ago was impossible. Then only the Reform Party was saying that the budget could be balanced.

**Mr. Peter Adams:** Mr. Speaker, I am delighted the member opposite is listening so closely to what we have to say.

When we came to office in 1993, people seem to forget that we had a detailed elaborate plan for dealing with the fiscal problems faced by the federal government.

One of the reasons we stressed fiscal responsibility with the federal government is that in terms of interest rates, in terms of the strength of the dollar, it is the performance of the federal government that counts.

At the moment, there are two provinces which are still struggling with their deficit problems, yet our interest rates are lower than they have ever been, the growth in GDP is higher than it has been for many, many decades and so on. That is because it is seen by the

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international investment community that the federal government has its own house in order and has had and still has plans for what it is going to do in the future.

In 1993 when we came in, our plan was designed to put Canada on a good fiscal track. Because we have done that we have these other advantages, the lower interest rates that are helping the provinces at this time, the lower interest rates that are helping our businesses at this time, and so on.

All I can say is that I am delighted that the deficit has now been eliminated. I am delighted at the way we have done it.

• (0950)

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I would like to ask my colleague a question. He says he does not want to deal with the problem of health. He wants to speak of education. He is interested in education.

Is his reluctance to speak of the problem of health in Canada related to the fact that, before the budget, Canadians had clearly called for money to be put into that program? In New Brunswick this week the nurses association said that nurses were suffering from burnout. There is no money available in the health system for the administrators.

Yesterday, New Brunswick Minister of Health, Dr. Russell King, attacked the Liberal budget. The Newfoundland minister attacked the Liberal budget. You have missed the boat. In my opinion, you did not listen to Canadians.

Why do you not want to talk about it? Are you ashamed? Is that the problem?

[*English*]

**Mr. Peter Adams:** Mr. Speaker, the largest single financial item in the budget was the \$1.5 billion in restored funding in transfers to the provinces. That funding of course is for health and social services, but it is our assumption that a great deal of that will be put into health by the provinces.

In other matters of health, I mentioned the support for the grants councils. Funding for the Medical Research Council, which is going to be the major beneficiary of the Foundation for Innovation which will provide research infrastructure in hospitals and labs, was increased.

I would mention the caregiver tax benefit that was included. It ties in with the money we have invested in home care and national prescription drug programs in the last budget. I did mention in my remarks prenatal and postnatal care which we introduced in 1993 and which is still running.

**The Acting Speaker (Mr. McClelland):** Resuming debate, the hon. member for Burlington. I must advise the hon. member that we are going to have to interrupt her at 10 o'clock for routine proceedings.

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I am honoured to be part of this debate on the 1998 federal budget and to share my perspective on how this budget will benefit Canadians today and tomorrow.

I am particularly proud to be part of this debate as the vice-chair of the House of Commons Standing Committee on Finance. This year we completed the most extensive public consultation ever. My colleagues did an excellent job and made the many hours of deliberation pass quickly. Their support to me personally, especially on the road as we met Canadians in Regina, Winnipeg, Montreal, Fredericton and Charlottetown made chairing easy. To those Canadians who shared their ideas, their hopes and dreams and the benefit of their experience along the way and here in Ottawa, thank you.

During Burlington's prebudget meeting, the variety of opinions and suggestions was truly impressive, every idea born of experience and every suggestion a good one in its own right.

Balancing all of these special interests is not an easy task. In fact it is such a difficult task that some opposition members preferred not to consider special interests in their policy making. Our success is built on our commitment to ensuring that our policy decisions reflect the core values Canadians hold from coast to coast coast.

The 1998 budget reflects the hopes and dreams of Canadians of all ages. The Minister of Finance presented Canadians with a balanced budget, a focused plan which prepares and propels us into the 21st century. It is a Liberal balanced approach.

This budget signifies a turning point for all Canadians. Over the past four years our budgets have been about how to reduce our deficit and get our country back on track without kicking the legs out from the economy. They have been about making strategic small steps in areas we knew were desperate for help knowing that the dismal set of books left to us by previous governments limited our choices.

Our challenge then was about how to deliver very necessary services to Canadians under very restrictive circumstances. This budget is about pursuing those goals as individuals and as a nation. It builds on those baby steps and starts us walking freely and upright, proud of our accomplishments as a nation in working hard and getting our financial circumstances back in order.

• (0955)

This budget is about helping Canadians open doors. The Canadian opportunities strategy is a carefully considered well crafted initiative. It gives Canadians in every region something to look forward to, to count on, to believe in and to invest in. It builds on

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our commitment to getting Canadians back to work, to being financial responsible and to preparing our children for healthy productive lives. While time will not permit me to expand on all seven steps in the strategy, I will highlight a few.

The Canadian millennium scholarship foundation says to bright young Canadians they do have a chance for post-secondary education in spite of their families' limited circumstances if they work hard and produce results in high school. It ensures our next generation has a fighting chance.

The strategy includes grants of up to \$3,000 to students with children allowing parents to take advantage of post-secondary education they only dreamed of in the past.

The strategy allows those who wish to increase their employability to do so by allowing them to withdraw tax free from their RRSP to enrol in full time education and training. This is particularly helpful to those on whom the economy has forced a second career at age 45 or 50.

In partnership with families the Canadian education savings grant provides added reasons to put a few dollars away for a child, a niece or a grandson, for their future post-secondary education. It builds on our previous initiative to remove some of the risk of that investment.

These are concrete examples of how much this government believes in its greatest resource, the Canadian public. Equal to this accomplishment and a critical commitment to Canadians was our increase of some \$400 million over the next four years to the granting councils.

We have made a commitment to Canadian researchers, university professors and post-secondary students. This measure reflects the government's commitment to ensuring Canada remains competitive in the next millennium. It says to our brightest and our best: Stay here in Canada. Make your discoveries here. Invent your inventions. As partners we recognize your work enhances our economy and international competitiveness.

Finally, there is the important issue of taxation. While it should be every government's dream to reduce taxation to its citizens, governments must not do so irresponsibly. That is why Canadians did not ask for broad tax cuts. It is why they told us in city after city to reinvest in their society, provide some relief for the sacrifices they have made over the past few years and pay down the debt. Canadians are not foolhardy, even if some of their elected officials in opposition pretend that they would be.

This budget does cut taxes in a strategic way. It supports families by increasing the child care expense deduction to more accurately reflect the true cost of child care allowing young families more flexibility in their budgets.

This budget removes the 3% surtax for those who need the biggest breaks. It is responsible and fair.

This budget is consistent with our last budget and the one before that. It delivers on our strategy. It reflects the core values Canadians have. It reflects their priorities because it was created in consultation with them. It is a budget that makes strategic investments in Canadians. It delivers on the hopes of Canadians and their commitment to work hard to accomplish their dreams.

**The Acting Speaker (Mr. McClelland):** We will interrupt the presentation of the member for Burlington, who has five minutes for questions and comments, and we will proceed now to the daily routine of business.

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## ROUTINE PROCEEDINGS

• (1000)

[English]

### MAIN ESTIMATES, 1998-99

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1999 was presented by the President of the Treasury Board and read by the Speaker to the House.

\* \* \*

### INTERPARLIAMENTARY DELEGATIONS

**Mr. John Maloney (Erie—Lincoln, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the report of the Canadian delegation to the sixth annual meeting of the Asia-Pacific Parliamentary Forum hosted by the Republic of Korea which took place January 7 to January 10, 1998.

The Canadian delegation was very pleased with the outcome of the meeting, in particular the adoption of its two resolutions, namely the resolution on the banning of anti-personnel land mines which strongly encouraged all APPF signatory states to ratify the convention before the end of 1998, and the resolution on the use of technology which encouraged the development of technologies.

[Translation]

I wish to thank Their Excellencies Hang Kyung Kim, the Republic of Korea's ambassador to Canada, and Michel Perrault, the Canadian ambassador to Korea and their staffs for their assistance to us.

I also wish to thank the staff of the Department of Foreign Affairs, as well as the delegation members and staff.

• (1005)

[English]

### CANADA LAND SURVEYORS ACT

**Hon. Don Boudria (for the Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.)** moved for leave to introduce Bill C-31, an act respecting Canada land surveyors.

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

\* \* \*

[Translation]

### CANADA LABOUR CODE

**Mr. Ghislain Fournier (Manicouagan, BQ)** moved for leave to introduce Bill C-364, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services).

He said: Mr. Speaker, I thank the hon. member for Charlevoix for his support. I am extremely pleased to bring this bill to the House. It is one which has proven itself in Quebec since 1977.

This is a bill focusing on respect for the workers of Quebec and of Canada. It has been long awaited, and I hope that this time the Liberal Party of Canada will vote in favour of it and defend workers in Quebec and Canada.

(Motion agreed to, bill read the first time and printed)

\* \* \*

[English]

### MAIN ESTIMATES, 1998-99

#### REFERENCE TO STANDING COMMITTEES

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, pursuant to Standing Orders 81(4), as revised for fiscal year 1998-99, and 81(6), I wish to introduce a motion concerning referral of the estimates to the standing committees of the House.

There is a lengthy list associated with the motion. If it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

I move:

That the main estimates for the fiscal year ending March 31, 1999, laid upon the table on February 26, 1998, be referred to the several standing committees of the House in accordance with the detailed allocation attached.

#### Routine Proceedings

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

**Some hon. members:** Agreed.

[Editor's Note: List referred to above is as follows:]

- To the Standing Committee on Aboriginal Affairs and Northern Development  
Indian Affairs and Northern Development, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40 and 45
- To the Standing Committee on Agriculture and Agri-Food  
Agriculture and Agri-Food, Votes 1, 5, 10, 15, 20 and 25
- To the Standing Committee on Canadian Heritage  
Canadian Heritage, Votes 1, 5, 10, L15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105, 110, 115, 120, 125, 135 and 140
- To the Standing Committee on Citizenship and Immigration  
Citizenship and Immigration, Votes 1, 5, 10 and 15
- To the Standing Committee on Environment and Sustainable Development  
Environment, Votes 1, 5, 10 and 15  
Privy Council, Vote 30
- To the Standing Committee on Finance  
Finance, Votes 1, 5, L10, L15, 20, 25, 35 and 40  
National Revenue, Votes 1, 5 and 10
- To the Standing Committee on Fisheries and Oceans  
Fisheries and Oceans, Votes 1, 5 and 10
- To the Standing Committee on Foreign Affairs and International Trade  
Foreign Affairs, Votes 1, 5, 10, 15, 20, 25, L30, L35, 40, 45, 50 and 55
- To the Standing Committee on Health  
Health, Votes 1, 5, 10, 15, 20 and 25
- To the Standing Committee on Human Resources Development and the Status of Persons with Disabilities  
Human Resources Development, Votes 1, 5, 10, 15, 20, 25, 30 and 35
- To the Standing Committee on Industry  
Industry, Votes 1, 5, L10, L15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105, 110, 115 and 120
- To the Standing Committee on Justice and Human Rights  
Justice, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50  
Privy Council, Vote 40  
Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50
- To the Standing Committee on National Defence and Veterans Affairs  
National Defence, Votes 1, 5 and 10  
Veterans Affairs, Votes 1, 5 and 10
- To the Standing Committee on Natural Resources and Government Operations  
Canadian Heritage, Vote 130  
Governor General, Vote 1  
Natural Resources, Votes 1, 5, 10, L15, 20, 25, 30 and 35  
Parliament, Vote 1  
Privy Council, Votes 1, 5, 10 and 35  
Public Works and Government Services, Votes 1, 5, 10, 15, 20 and 25  
Treasury Board, Votes 1, 2, 5, 15 and 20
- To the Standing Committee on Procedure and House Affairs  
Parliament, Vote 5  
Privy Council, Vote 20
- To the Standing Committee on Public Accounts  
Finance, Vote 30

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To the Standing Committee on Transport  
Privy Council, Vote 15  
Transport, Votes 1, 5, 10, 15, 20, 25, 30 and 35

To the Standing Joint Committee on Library of Parliament  
Parliament, Vote 10

To the Standing Joint Committee on Official Languages  
Privy Council, Vote 25

(Motion agreed to)

**Ms. Susan Whelan:** Mr. Speaker, I would ask for unanimous consent to return to presenting reports from committees to table the report of the industry committee.

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

**Some hon. members:** Agreed.

\* \* \*

### COMMITTEES OF THE HOUSE

#### INDUSTRY

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, I would like to table the fifth report of the Standing Committee on Industry on Bill C-21, an act to amend the Small Business Loans Act.

\* \* \*

● (1010)

[Translation]

### PETITIONS

#### RAIL TRANSPORTATION

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I would like to table a petition concerning the Lévis railway station.

Although the decision was made this past Friday, I felt obliged to present this petition bearing 155 signatures opposing the closing of the Lévis station and supporting the continued use of the Montmagny subdivision trunk line between Harlaka and Saint-Romuald.

All told, the Minister of Transport has chosen to ignore 11,241 people.

[English]

#### TAXATION

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36 on behalf of a number of residents of the great city of Kamloops.

The petitioners are concerned about unfairness in the Canadian tax system. They are calling upon the government, rather than to proceed with some minor tax changes like we saw in the recent budget, to phase down the GST as a means of ensuring fair tax returns as opposed to a few people benefiting. In this way

everybody could benefit and the money could be reinvested in the communities.

#### SENIORS BENEFITS

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, I have a second petition I wish to present. It concerns retirement.

The petitioners from throughout British Columbia are concerned about the government's plan to change the seniors benefits package. They have heard all sorts of rumours and are concerned about what they have heard.

They are anxious to see the proposal tabled in the House or draft legislation that will be brought before the House so that there is chance for full and thorough debate before the government proceeds.

\* \* \*

[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 suggest that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

### THE BUDGET

#### FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

**The Acting Speaker (Mr. McClelland):** Hon. members will recall that when we interrupted the debate for Routine Proceedings the hon. member for Burlington was on her feet.

The hon. member for Burlington has two minutes remaining for debate and five minutes for questions and comments.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, during the hon. member's remarks she said there was not public support for broad based tax relief.

I am looking at a poll conducted by the Angus Reid group in the past month. In response to the question "What do you think should be the federal government's main priority in deciding what to do with any future surplus money?", 45% responded that it should be used to reduce the accumulated debt, 29% said that it should be used to cut taxes, and merely 23% said that it should be spent on government programs.

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In so far as the budget places much greater emphasis on new spending programs than on either debt reduction, with zero commitment to that in the budget, or tax relief with only a modest commitment, how does the member square that?

When she speaks of tax relief, how does she justify the continued tax increase of bracket creep which KPMG estimates will cost taxpayers over \$1,000 in the upcoming fiscal year, on average, far outstripping any tax relief to be delivered to modest income Canadians in the budget?

**Ms. Paddy Torsney:** Mr. Speaker, in my speech I was reflecting what we heard in the presentations that were made to us as we travelled across the country and as we sat here in Ottawa. In fact there was not broad support for across the board tax cuts.

However, in terms of our commitments and the delivery we have made in the budget, the hon. member should present the facts as they are. Sixty per cent of what we have done in the budget will reduce taxes and the debt. That is more than our commitment to the public on that issue.

The issue of bracket creep is one we have to address seriously. I hope we can do it in the next budget. It is something that has concerned me for quite a while. It is something I hope we will be able to do as we get the economy in better shape. I hope the member for Calgary Southeast will support us in that initiative.

• (1015)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I would like to ask the member what she thinks of the fact that her government decided in the budget to put all its eggs in one basket.

By the year 2000, there will be a surplus of \$25 billion in the employment insurance fund. Is it reasonable for the government to use this fund as one of its primary sources of income to the detriment of the objectives of the employment insurance plan?

Is this not risky? If we have an economic recession, fewer people will have a job, which means less money will go into the fund. Do you not think that the government and the Minister of Finance could put us in the same situation as the one we experienced before 1993, when the provinces and the unemployed were forced to make a major contribution to the fight against the deficit, which led us to the current situation?

Why create a \$25 billion surplus in a fund, when those who are supposed to benefit from the program do not enjoy acceptable benefits?

[*English*]

**Ms. Paddy Torsney:** Mr. Speaker, the member opposite has highlighted a very responsible move on behalf of this government. We have moved to reduce EI premiums in each of the years that we have been office rather than what the previous government did. In a time of great difficulty and a time of downturn in the economy, it increased the premiums and further exasperated the difficulties for finding employment.

He also opens up another opportunity. We built a nest egg and that is important for what is a cyclical turn in the economy. We have also reduced premiums for all workers and that is very important.

Third, in this budget we provide an EI holiday to all those who hire young Canadians between 18 and 24. That perhaps is one of the most interesting and creative ways to deliver job opportunities to young people from coast to coast. It is as important to the kids in Montreal and in the member's riding as it is to the kids in Burlington and the kids in Kamloops. It gives them an opportunity. It says to employers if they fulfill their side of the bargain in creating this opportunity and we will fulfill something for them, we will give them a bit of a break. That is a very important initiative. I am glad the member is supportive of those reduced premiums for our young Canadians.

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, I am really happy to have a chance to participate in the debate today. If I can summarize my view and our view of the budget, from the New Democratic Party perspective, the government has decided for one reason or another to turn its back on large numbers of Canadians, to betray a number of promises that were made to large numbers of Canadians.

It has decided to ignore the plight of those Canadians who have successfully, not necessarily on their own volition, fought the deficit war. I thought it was somewhat inappropriate for the Minister of Finance to suggest that he or the Liberal cabinet or the Liberal caucus or the Liberal Party has somehow been able to balance the books to achieve a surplus budget. If he did that either directly or indirectly, he certainly assumed the responsibility for having achieved that. That is wrong.

The reason we have a balanced budget today is that a whole number of Canadians have been asked to sacrifice a great deal over the last number of months and years. There are people who have not been able to get the surgery they require, who have had to sit in an emergency ward for hours and hours waiting for a doctor. There are hundreds of thousands of children who have been required and forced to live in a state of poverty in this country. There are hundreds of thousands of young people who do not have a job at all,

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to say nothing of the hundreds of thousands who have two or three part time jobs so they can try to patch together a decent income to attempt to start a family or buy their first home or apartment.

• (1020)

We are talking about 1.5 million people who do not even have a job, who are out there looking day after day for decent employment and cannot find employment. We are talking about another million people at least who are working at minimum wage, part time jobs, 20 hours a week in this shop and 5 hours a week over here in the evenings and so on, trying to piece together a decent income. All these people were ignored in this budget.

The Minister of Finance often talks about values, how really politics is about values and we are asked to make decisions about who we support in this country. The government has to make tough decisions now. Now it has a surplus budget so it has to decide who to assist with the surplus, who to help out, who to show support for, who to nurture and encourage along. Is it the poor? No. Is it the unemployed? No. Is it poor children? No. Is it aboriginal families? No. Is it students? No. Is it education? No. Is it health care? No.

Canadians from coast to coast to coast have told us as parliamentarians, have registered in polls, have written letters, have presented briefs. When the finance committee toured the country at every stop we heard the same thing. The health care system of this country is in crisis. The doctors told us it is in crisis. The nurses told us it is in crisis. The patients told us it is in crisis. The administrators told us it is in crisis. From coast to coast Canadians are in agreement that if there is a problem that needs to be fixed in this country, it is our health care system and this budget completely ignored it.

There seems to be some oddity. I could not believe my ears. I know my friend from Calgary will feel the same way this morning. We woke up, turned on the radio and we heard the Prime Minister. What was he saying? There is no need for more money for health care. Our health care system is fine. I do not know where he gets his health care. He must fly down to some elitist hospital somewhere in the United States to get his treatment.

We have all been there. We have all talked to our constituents who have told us their experiences in hospitals. They went down to the emergency ward and had to wait hours and hours because there are too few doctors to serve the lines in the emergency wards. Then people tell of their experience when they are in hospital. There is no criticism against the physicians, no criticism against the nurses, no criticism against the caregivers. There are just not enough of them to go around. The infrastructure is not there. The technology is not there. The research facilities are not there. The personnel are not there.

And this Prime Minister has the gall to say this morning that the health care system in this country is okay and it requires no more

support, no more funding. Yet the Minister of Health just hours ago said we will be bringing in a health care budget soon because there are problems. As a matter of fact, the Minister of Finance said not too long ago the hardest thing he had to do was cut health care. He at least was honest about.

The Minister of Finance at least said that there is a serious problem in health care. He made choices. I think they were the wrong ones. He chose not to support health care. At least he admitted that there was a problem, there was a crisis.

The Prime Minister says there is no problem. Yet the Minister of Health just yesterday said we will have to deal with this as soon as we can. Talk about speaking out of both sides of your mouth, but every conceivable orifice in your body has a different sound coming out of it. There is something drastically wrong here.

What value does this reflect? Canadians are calling out for one of the centre pieces of our Canadian society that distinguishes us from most countries of the world, a first class health care system, and now it is eroding on all edges. Do government members acknowledge that fact? No. Are they prepared to put their money where some of their mouths are? No. Are they prepared to assist the provinces in terms of providing decent health care? No.

It is immoral for the members of the Liberal Party to sit in their seats today and say they do not care if there are line-ups in our hospitals, if people do not have decent health care, that they do not care about the line-ups in emergency wards, about the hospitals that are forced to close.

**An hon. member:** Disgraceful.

**Mr. Nelson Riis:** My friend says disgraceful. It is a disgrace. They should be walking out of their seats. They should not be sitting there. How can they sit there with such hypocrisy and say they care about Canadians when the proof of the budget demonstrates they do not? That is just health care.

• (1025)

If there is one thing the finance committee heard travelling across the country it was that we had a job problem that was of paramount significance in our country. As a matter of fact, just days ago the Minister of Finance was in Europe meeting with the G-7 countries. He said he was going to go home and deal with the unemployment problem, work to reduce the economic inequalities and put these in the budget.

We listened carefully to the minister and I do not think he mentioned the word job. I do not think he mentioned the word unemployment. He certainly did nothing that is going to change the unemployment problem in this country. We told him that he should at least do one thing, something he did for the currency, for interest rates and even in the budget for inflation: set a target. He told us that at least as a society we want to achieve that goal and that target. Is there a target for employment? Is there a target to reduce

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the number of unemployed within the mandate or within the year? No. The government does not set targets for that.

What the government basically tells us is that it is quite happy the way things are. It it were not it would do something about it. Other countries do something about it.

One of the ways to measure a country's value is to ask how that society, that country and that government treat its children. In this country when we all got up this morning, there were about 1.5 million children living in poverty. In one of the richest country in the world, 1.5 million kids woke up this morning in poverty because their parents are living in poverty.

Somehow the government decides this is something it has to accept, poverty is just a reality. We need to have a million children in one of the richest countries of the world living in poverty. However, that is not the case. There are many countries in this world where there are no poor children. We cannot find a poor child in Norway, in Denmark or in many countries because their governments have instituted programs to ensure that poverty does not exist in their countries. It is a reflection of our value.

I can only conclude that the Liberals sitting across the way, epitomized by the Minister of Finance, do not care about the poor children in Canada, could not care less about the poor families in this country and could not care less about the unemployed because if they did they would do something about it.

However, I will try to be fair and balanced. The Minister of Finance said that if a child is poor in Canada, the government is not going to do anything in this budget and, as a matter of fact, it is not going to do anything in next year's budget. But if the child waits until July 1999, it has a program that will enable the child to receive about an extra 75 cents a day. Image what a poor family thought of that news.

Why does this government not care about children? I do not suppose the Liberals are mean. I do not suppose the Minister of Finance is an evil, mean person. However, children do not have paid lobbyists in Ottawa. They do not make contributions to political parties. They do not work in campaigns. They are not at the Liberal conventions hammering away for attention. They are not schmoozing in the cocktail lounges of the government parties and so on to bring their case before the Liberal caucus and the Liberal Party.

Children are voiceless and they are ignored by the government. It does reflect our value and tells us what importance the government places on certain Canadians. Children have been abandoned, particularly poor children. Their parents have been abandoned. The people who do not have employment have been abandoned.

Who else has been abandoned? The Minister of Finance waxed quite eloquently about his concern about education. Yes, we are going to enter a knowledge based economy and society in the 21st century, so he said he wanted to take some steps that would help students. There were steps that will help some students. The centre piece is the millennium scholarship fund, a \$3,000 scholarship to 100,000 Canadians when it all gets into place.

Let us face it, that is going to kick in in a few years from now. If someone is a student today they can forget that, but sometime in the future there will be this millennium scholarship fund for \$3,000, recognizing that it costs about \$10,000 to go to school at the post-secondary level, and 100,000 people will get that.

• (1030)

Over 1.4 million people are in post-secondary education which means if everybody qualifies, about 7% of young people will qualify for the millennium fund. Seven per cent. Ninety-three per cent will not qualify by definition. It is just not enough. Seven per cent could qualify. Are they the young people who really need it? Is this a fund that will support young people or others who really need financial support? Not necessarily. It is based on marks and so on. It is not necessarily based on need.

As a country we have to be bold. If the Minister of Finance actually cares about the young people seeking post-secondary education, why does he not join with the other 16 OECD countries of which he is so fondly attached and do what they do. Have tuition free colleges, universities, technical schools and vocational schools across the country. That is what they do. They are tuition free, no tuition fees. And it is about time.

Let us face it. A few years ago we as a society decided that grade 12 was the minimum education necessary to become a productive citizen. We said that anybody would now have access to that level of education, grade 12. That was in the 1930s. Surely to goodness we can all agree that grade 12 is now inadequate. We need grade 13, grade 14, grade 15, grade 16. Let us be bold and say to young people and others that for the first 16 years of their education, we will at least eliminate tuition fees to remove that barrier to becoming a contributing citizen in the country.

It seems simple. I noticed with some encouragement today that the premier of British Columbia said it is about time we started to move in this direction. British Columbia is going to move to eliminate tuition fees in the first year of university and college. That is a progressive move. Twenty-seven other countries around the world do this. It is nothing new.

It is not a new idea. It has been practised for decades and decades in many countries, countries that put a value on their young people. They are countries that put a value on their most important resource, their human resources. They do not want barriers

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impeding their people from becoming productive citizens through education and training, but apparently we do.

I want to talk a little about poor children. We can no longer abandon the 1.5 million children living in poverty. I remember the Minister of Finance standing up not long ago saying that when growth in our country hit 3% for a three year period, the Liberals would introduce a comprehensive child care program. Remember that?

We have accomplished that. We are there now. Was child care mentioned in the budget? Not even a word. Was home care mentioned? That was the main plank in the Liberal platform. The Liberals were saying that they would introduce a comprehensive home care program to complement our health care program across the country.

Was home care mentioned? I do not remember home care being mentioned at all. Home care has been jettisoned. Not only that, there was no funding in terms of returning funds to the transfer payments for health care. We could understand perhaps that that would take place if the government had announced a major home care program to complement the hospital work, but it was not even mentioned.

We would understand that there might not be any transfer payments to health care if there was a pharmacare program introduced. Was pharmacare introduced? That was promised. I do not think that was mentioned either.

No pharmacare, no home care, no child care, no elder care, no care. This government does not care.

I guess the other highlight, what the government is trying to put a positive spin on, is that it will give everybody a tax break. Anyone who believes that would believe there are pink elephants floating around this Chamber. People would rather have a job than a tax break. And yes, they want decent access to education. They want a decent health care system.

Let us just talk about the tax break aspect. I give the previous Liberal speaker credit because I have a great deal of admiration for the work she does. But I guess what she was really saying is that the government should have addressed the whole area of bracket creep. I know bracket creep sounds like an odd term, but I think people who know taxes know what it means. It means the basic personal exemption has not been increasing because of the increase in inflation over the years. Consequently the government is collecting billions and billions of more money than it should be. Taxpayers should have that in their pockets to spend. But the government did not move on bracket creep.

• (1035)

Second, let us face it, we have changed the CPP system. The premiums are significantly increased. When we look at what people are paying out and the minor tax break, the reality is that

Canadians are going to be paying a whole lot more than they did as a result of this budget. That is the reality, a whole lot more taxes of one kind or another. From CPP premiums alone it is \$874 million this year.

This is a budget of hypocrisy actually. This is a budget of smoke and mirrors. During armed forces exercises they lob over a smoke bomb and it blurs the reality. That is what this budget is, a smoke bomb just chucked out all over Canada. Even some of the journalists for whom I have a great deal of respect said that there were some good things in the budget. We have to look long and hard to find some good things in the budget that will have any significant impact.

We have 400,000 young people out of work today. Talk about immorality. This ought to be enough to call an emergency debate in the House of Commons to find ways and means to find jobs for these 400,000 young people. What does the government do? It says "We are going to act". Its concept of acting is pretty weird. The Liberals said "We are going to introduce a program that is going to create 5,000 jobs over the next two years". For 400,000 people. That does not even register mathematically. That is it in the budget. The government is going to make some changes to EI which officials say might create an extra 6,000 jobs. Four hundred thousand young people in this country are desperately looking for decent employment and the government brings in a program that may create 11,000 jobs over two years.

This is pathetic. This is wrong. This is cruel. Yet my Liberal friends sit there on their benches—

**Hon. Lorne Nystrom:** Friends?

**Mr. Nelson Riis:** They are friends. They are friendly people. Let us face it, the Liberal members have nothing to do with this budget. It is the Minister of Finance. Liberal members should be getting up from their seats and running out in humility saying "We are ashamed of what we have seen in the last couple of days in this House. We are ashamed of being associated with a budget that is so cruel to so many people, that has abandoned so many Canadians".

I want to conclude by simply saying the following. Some are walking out. That is appropriate. I give them credit for doing the right thing.

At a time when we have a small surplus budget, this is the time when the values of political parties reveal themselves. When cutting is the modus operandi for everybody, cut, cut, cut, fair enough. But now it is different. Now we see the value systems begin to emerge.

To conclude, when you abandon poor children, when you abandon the unemployed, when you abandon people who are sick, when you abandon so many Canadians when you do not have to, it reveals a great deal about what your priorities are and what your values are.

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**Mr. Robert D. Nault (Kenora—Rainy River, Lib.):** Madam Speaker, the reality which I think the member opposite should keep in mind is that his party has not gotten past the 1960s. It is so obvious that the New Democrats have no new policies as they relate to the new generation. They go back to the same old rhetoric I have heard for the last almost 10 years in this House, and we can tell why that party has now become irrelevant.

There are a couple of NDP leaders and governments in this country. Let us look at just two of them. We always like to remind the member and his federal party that those are the ones that have gotten past the NDP rhetoric of the 1960s. They have gotten back to the real basics of how a new global economy will work.

First there is Premier Romanow. He is one of the premiers who slashed and hacked and closed all those hospitals the member is so disgusted about. His government felt very strongly that it needed to make some changes because hospitals had become a political tool. There was a hospital and a clinic in every small town in Saskatchewan which was not necessary to meet the needs of the population. Obviously the government did some work to clean that up. Not too long ago Premier Romanow gave a little tax cut to the population of Saskatchewan. He felt it was a high tax area and it was affecting the economy of that province. Those are the two issues these people seem to be opposed to.

• (1040)

Let us consider Premier Clark who is closer to the member's home. Not too long ago Premier Clark did a complete 360 on NDP policy. He virtually said that his economy was falling apart because the assumptions the NDP had been making for years and years were not working. Taxes were too high, they were driving investment out of the province and the unemployment rate was up over the roof. The resource industry, which I am very familiar with being from Kenora—Rainy River, is right down in the tanks in British Columbia. The reason is the lack of policy of the New Democrats in British Columbia and they are now starting to realize where they are at.

I want to ask the member one other question because I know the NDP policies are so far from reality that we cannot expect too much from them. In Kenora—Rainy River we call the NDP the no down payment party because New Democrats do not understand that if you do not pay your way, somewhere down the line someone is going to have to pay for it. That is why they cannot seem to get anywhere in this country. They think you do not have to pay it back. You just throw it out there and somehow it just gets paid and everything is rosy at the end of the day.

The member said that this budget did nothing for the unemployed. He has been here a long time and he knows there are certain assumptions—

**An hon. member:** Order.

**Mr. Nelson Riis:** Madam Speaker, he is taking all the time. He is not giving me the chance to respond.

**Mr. Robert D. Nault:** Madam Speaker, I am getting to the question. If members will just quiet down, I will get to the question.

In the budget we have put a significant amount of emphasis on young people and their future in education. We all know in the new economy that for young people who have a university or college degree, unemployment drops to a low of 7%. Those at high risk have high school education or less and they bump right up to 15% or 17%.

We call this an education budget. All these improvements we have made in the education field are good news for Canadians in the long run and good news for Canadians in the short run. We also gave people the ability to do things with education part time. Does the member not think we deserve credit for our vision of where we must go for young people so they can get jobs, because that is where they lie only if they have the education level and the abilities to do it.

**Mr. Nelson Riis:** Madam Speaker, I appreciate my friend getting up to ask that kind of question and providing me with an opportunity to respond.

I will address the last part of his question. There are two sides to education. One is the student side and the other is the educational infrastructure side. We can help students access post-secondary education but there must be post-secondary education for them to access. Therein is where this budget is sorely lacking. There are no transfer payments to assist in the development of colleges and universities, technical schools or vocational schools. That is one thing.

My friend raised the example of Saskatchewan. I will inform my friend of two or three elements he forgot to mention. After nine years of Progressive Conservative government in the province of Saskatchewan, the province was financially devastated. The debt loads were high. And which province was the first province in Canada to balance its budget? Was it a Liberal province? No. Was it a Tory province? No. Was it a Reform province? That does not exist. It was a New Democrat province. The New Democratic Party was the first political party in this country to balance its budget in recent decades. That is the first point.

There was a health care problem. The federal government cut hundreds of millions from health care year after year. Did the spending on health care in Saskatchewan decline? No. Because the provincial government backfilled all of the cuts to make up for all of the cuts by the federal government. The health care budget in Saskatchewan has been able to remain constant. No other province was able to accomplish that.

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What about taxes? The provincial government decided that since it had a balanced budget it would be appropriate to reduce the provincial sales tax rate by 2%. It asked what it could do to help every Saskatchewan citizen whether they are in Lloydminster, Saskatoon, Regina, Prince Alberta or wherever. It said "Let's reduce the provincial tax. That will put money in people's pockets the next morning", which it did.

• (1045)

That was its first balanced budget. It maintained health care, which no other province was able to accomplish, and gave tax cuts to the citizens of the great province of Saskatchewan.

My friend from Kenora—Rainy River should be on his feet applauding that government for setting the way, for being the beacon, for being the light, for showing what governments should be doing.

[*Translation*]

**Mr. Maurice Godin (Châteauguay, BQ):** Madam Speaker, I listened to the hon. member from the NDP, and I fully agree with him. I also share his concerns.

The budget is totally silent on the issues of employment and tax cuts. It does not propose anything to eliminate the debt and, more importantly, it includes no firm commitment on how surpluses will be used. We know full well that the Liberals are merely launching new programs, such as the millennium scholarship fund, in an area of provincial jurisdiction.

We know that the debt is the result of the federal government's absolute spending power. It is the result of initiatives implemented in the seventies and designed to promote federal identity, such as Air Canada, Petro Canada, and so on.

It is often said that the Conservative government is to blame. However, the largest deficit was incurred when Marc Lalonde was Minister of Finance, in the seventies.

Does the hon. member agree that this government is currently headed in the same direction as the Liberal government of the seventies? Does he agree that we will have to put a stop to the federal government's absolute spending power in areas of provincial jurisdiction, if we are to eliminate the debt?

[*English*]

**Mr. Nelson Riis:** Madam Speaker, again that was a very thoughtful question from my friend in terms of pointing out what the government did in the budget to inflict pain on a lot of people who have been experiencing and living in pain for many years now.

This was an opportunity for the government to extend some care, concern and compassion to those men, women and families who

have suffered so much during the difficult years of restraint. This was the opportunity.

The government has the money. Before it said that it did not have the money and now it has it. It had the money to improve health care. It had the money to support education. It had the money to help people who did not have jobs. In other words, the government could have acted in a number of areas that would have reflected on the value of caring, but it chose not to.

That is fair. It is a free country. However let the record show that when the Minister of Finance had the opportunity to help Canadians who needed help, he chose not to do so.

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Madam Speaker, contrary to the comments of the previous speaker, I am quite proud to rise to speak on the budget. I will be sharing my time with the hon. member for Thornhill.

The first balanced budget in nearly 30 years is something to be really proud of, not only for the government but for all Canadians and for this Parliament. The budget reconfirms the value of the prudent fiscal approach we have taken over the last four years. We will continue that prudent fiscal approach so that Canadians can look forward to a government which is not run on credit cards.

I want to comment on the speech which the hon. member for Kamloops just delivered. His whole approach showed why the NDP has lost substantial credibility. He spoke about several things. He said the budget did nothing for employment. That comment shows clearly that the NDP does not understand what builds employment in a country.

He said that the budget would do nothing for poor children and for those who most need help. I will outline exactly how it helps those very people in society who most need our help.

• (1050)

Let me talk about employment first. Governments do not create employment. We have all seen the folly over the years of government throwing money into make work programs that are temporary and that do nothing to deal with the underlying causes of unemployment or to better prepare people to take part in the economy and the jobs that are available.

However governments do create the economic conditions that allow the private sector to create employment. That is exactly what our previous four budgets have done and what the budget continues to do.

It continues to ensure low interest rates. It continues to ensure low inflation. It continues to ensure that investors can have confidence in the economy of Canada because they can have confidence in the fiscal situation of the Government of Canada. Those economic conditions are very clearly supported and

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strengthened by what is in the budget as well as what has been in our previous four budgets.

Employment is built by research. Now, with the flexibility to make some choices, one of the major new investments we have made is to put money back into research granting councils: the Medical Research Council, the Social Sciences and Humanities Research Council and the National Science Research Council. We are restoring funding for those bodies to where it was in the 1994-95 budget. We will be increasing it further over the next few years. We know that the research we do now is the jobs of 10 years, 15 years or 20 years from now.

Another thing, and perhaps the most important thing, we are doing is investing in the knowledge and education of our population and not just our young people and children. There are measures in the budget to make it possible for more and more young bright people to have an education without assuming a mortgage of debt that can last, for some, the rest of their lives.

The tax treatment of education expenses and the ability to deduct interest on student loans from income taxes as they are being paid back are a couple of ways in which we are helping students to afford an education without being burdened with ongoing debt.

We are helping Canadians in the workforce to go back to school and upgrade their learning so that they can take advantage of new opportunities that are arising in a dramatically changing economy. We are supporting their tuition fees with grants. We are supporting their child care costs. We are making it possible for the parents of many young poor children, about whom my colleague from Kamloops talked, to get the education that will help them to have better paying jobs and to better support their families. As the member knows perfectly well, low income single parents, usually moms, cannot afford to go back and get that education. The budget will help them do it.

He mentioned that we are not investing in health care and that we are not investing in education. I consider that to be a statement that is not honest and is not consistent with what is on paper in the budget.

The member knows perfectly well that we are restoring \$1.5 billion of cash money to the provinces for education, health care and social services. That is not counting the extra billions of dollars that come to the provinces through tax points that are being transferred from the federal government. That is not counting the equalization payments which are also transferring billions of dollars to the provinces to be used for those and other purposes.

However, if the member expects us to start transferring more billions to the province of Ontario which has cut more out of health care to finance a tax cut than any money that has been reduced by the federal government to health care, it will not happen.

• (1055)

I want to talk about poor children. The member made a special point of saying we are not doing anything to help poor children. In 1996 the Liberal biennial convention adopted as its top priority a resolution dealing with the issue of poor children. That was dealt with in our last budget and it is dealt with again in this budget. I am particularly proud of that.

The member also said that caucus members on this side had nothing to do with the budget. I want to tell him that the budget was developed by our caucus members. That resolution received the national support of Liberals plus the support of our finance minister. It was the initiative from my riding association, supported by the Nepean Women's Liberal Association, that made it a national priority, not only for members in the House but for Liberals right across the country.

The member may not have read the budget. I do not know how he could overlook an additional \$850 million dealing with child poverty through the child tax credit. That is a total of \$1.7 billion in two budgets. Maybe it is not enough, probably not, but there are other measures.

[Translation]

We are delivering a first broad based tax relief to Canadian taxpayers, starting with those most in need, that is, low and middle income Canadians.

[English]

Yes, the reductions in taxes are modest but they are targeted to those who need them most. Four hundred thousand Canadian families with children will no longer pay income tax because the basic deduction has been reduced. Families receiving under \$30,000 will pay significantly less income tax this year. Poor families are the families of poor children. When we help families of modest income we help poor children.

I have no problem standing here today saying I am proud of the budget. I feel I have contributed to the budget. I feel every one of my colleagues on this side of the House has contributed.

We promised Canadians when we ran for election in 1997 that we would stay the course, that we would not fritter away the benefits that had been gained by their sacrifices across the country in order to put us in a sound fiscal situation where we are not seeing growing interest payments eating away at our ability to do anything for health care, for the economy or for children.

We have now broken the back of the deficit. We have a balanced budget. We have choices to make as Canadians. We have made prudent choices in the budget. We are heading in the right direction. I stand here proud of the budget.

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[Translation]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Madam Speaker, I would like to ask a question regarding the budget.

The hon. member may think that I did not read the budget, but I did. The problem is that her counterparts in New Brunswick may not have done so, or did not understand it or are no good with figures.

Dr. Russell King, the New Brunswick health minister, condemned the budget. The Newfoundland health minister condemned the budget. New Brunswick finance minister Edmond Blanchard condemned the budget. Education minister Bernard Thériault condemned the budget. That is what is happening across the country. Canadians are condemning the budget. They have missed the boat.

Apparently, she wants credit for that; we thought the Minister of Finance was alone, but she is in the same boat.

I would like to ask my hon. colleague a question. They say RRSPs can be used to good advantage, but the poor in Canada cannot afford RRSPs.

I have another question for her. She mentioned that scholarships would be awarded on the basis of merit. I can tell you one thing: children who leave for school without having eaten properly—teachers tell us of children going to school on an empty stomach—will not get scholarships to study on the basis of merit. Those scholarships are not for them.

• (1100)

The Liberal government of Canada has missed the boat. The Liberal government of Canada said that 50% of the surplus would go towards social programs. All the Liberal provincial ministers in the country are condemning the budget. Either you do not know how to read, or they do not know how to read, but I have read the budget, and I have ears to hear what the provincial ministers are saying.

**Ms. Marlene Catterall:** Madam Speaker, I have nothing to learn from my colleague opposite.

I live five minutes away from a community of 500 families living out poverty on a daily basis. In my riding, there are thousands of poor families; I am very close to these families and these communities—

**Mr. Gérard Asselin:** There is nothing in the budget for them.

**Ms. Marlene Catterall:** —and I am here to represent these people.

I urge my colleague to read the budget and tell the truth in the House. There are \$1.7 billion specifically for poor children. There are tax cuts that target poor families, that will help them.

If I were a premier, I would want much more money from the federal government, there is no doubt about it, and I would complain if I did not get it. But the premiers must also assume their responsibilities. I have no patience for the complaints of Ontario's Mr. Harris, for example, who has made much deeper cuts in health care in that province than the federal government did.

**Mr. Yvon Godin:** Where I come from, animals are treated better than people, and that is the fact of the matter.

**Ms. Marlene Catterall:** I urge Canadians to read the budget, to find out what is in it, and to judge for themselves whether or not they share our values.

[English]

**Ms. Elinor Caplan (Thornhill, Lib.):** Madam Speaker, I am proud to rise today to participate in this very important debate.

February 24, budget day, was a very good day, a good day for Canada and a good day for the people of Thornhill.

I am proud to stand in my place today in this Canadian House of Commons where I have the privilege of representing the people of Thornhill and the opportunity to support this balanced budget, a very balanced achievement.

The previous Conservative government had brought this country to the brink of financial crisis. Our deficit was \$42 billion, the largest in Canadian history. Now for the first time in almost 30 years the budget is balanced, the deficit is gone. In just a few years this country has gone from what was described as an economic basket case to the country leading the G-7 nations of the world in economic and job growth, and this year we will be the first country in the G-7 to balance the books.

Yes, I am proud. I am proud that we are now able to make strategic investments in our priorities, our children, our youth, our health and our communities. We are preparing for a secure future.

The budget is our vision. It reflects our values and our plans for that secure future. By investing in knowledge and creating educational opportunities we can complete the transition from an industrial economy to one that is information based.

The key component of our plan is the Canadian opportunities strategy. The centre piece of our strategy is the Canadian millennium scholarship endowment fund. Our plan will provide more young Canadians with access to post-secondary education than ever before. It will provide post-secondary scholarships for tens of thousands of deserving young Canadians in the next century. It will help ensure that Canadians can fully benefit from the new jobs and the new economy of the 21st century.

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• (1105)

This government has also introduced the Canada study grant to assist students with children or dependants, which is so important. We have also included new tax credits for interest paid on student loans and a Canada education savings grant which will provide a grant of 20% of the first \$2,000 of annual contributions to RESPs for beneficiaries up to age 18. That will ensure that people save for their children's education.

Beginning next year, Canadians will be able to make tax free withdrawals from their RRSPs for lifelong learning. These approaches will help address the burden of student debt as well as enhance access to educational opportunities.

This government understands the importance of education. We also understand the importance of research. That is why over the next three years we will increase the budget to the three research granting councils by \$400 million. This will create jobs, generate economic growth and establish Canada's position among world leaders in research.

In this budget the government has acted on our commitment to add an additional \$850 million to the Canada child tax benefit, bringing our total commitment to \$1.7 billion. This is important progress in the battle to end child poverty.

The riding of Thornhill is a new riding, created in the federal riding redistribution before the last election. Thornhill has two municipalities within its boundaries, Markham and Vaughan. The riding is bordered on the east by 404, on the west by 400, to the north by highway 7 and Rutherford Road, and the southern boundary is Steeles Avenue.

On the east side of Yonge Street is the town of Markham which was founded in 1794. Markham is a remarkable community which combines the charm and atmosphere of a small community with the amenities and business advantages of a cosmopolitan centre.

On the west side of Yonge Street is the city of Vaughan, a growing and thriving young community. The area of Vaughan which falls within the riding of Thornhill is commonly referred to as Thornhill-Concord.

Thornhill is like this wonderful country. It is a mirror of the world. For example, in the town of Markham over 40% of the residents were born outside Canada and there are some 65 languages spoken. In the last election the people of our community were given a clear choice. Thornhill overwhelmingly chose the balanced policies and fiscal prudence that the Liberal plan offered.

Thornhill also had a chance to judge the record of the first Liberal mandate. I had the honour to be elected as the first member for Thornhill, another reason why I am proud to speak today in this House of Commons.

Let us for a moment review the Liberal government's record. More than one million jobs have been created since 1993. In 1993 unemployment was 11.4%. In January of this year unemployment was at 8.9%, still too high but the lowest level in seven years.

Canada has gone from having the second highest debt to GDP ratio to the lowest of the G-7. In 1996-97 Canada's debt to GDP ratio recorded its first significant decline in 25 years. This government is committed to moving in the right direction, keeping the trend on a downward track.

I am happy to stand here today and proudly tell my constituents that by any international comparison the Canadian economy is strong and we have earned the United Nations ranking as number one in the world, as the best country to live in, to work in and to raise our families in.

I want to maintain that quality of life. There is still work to be done. That is why I wanted to come here to Ottawa to do that work. I can assure my constituents that this government will continue to work on behalf of all Canadians as we move forward toward the millennium and beyond.

• (1110)

The Minister of Finance told this House and this country that we have won a major battle. However, we all know we have not won the war. Yes, the deficit is gone but the heavy legacy of 25 years of deficits remains and Canada's debt burden is too high. Through the debt repayment plan and other fiscal measures we will bring down the debt.

Our fiscal plan is clear and balanced. Over the course of our mandate half of any budgetary surplus will provide debt and tax relief and the other half will be invested in our social priorities. Why? This government is committed to taking the necessary steps to reduce unemployment and social inequities in our society.

Youth unemployment at 16.5% is too high and we are taking steps to ensure that all Canadians can get a first job and use their skills and talents to help build our economy and secure not only their future but our future. Yes, we have cut taxes but the impact from those taxes is going to the people who need it the most. Why? It is simple fairness.

We have reduced the unemployment insurance contribution by \$1.4 billion for 1998, our fourth consecutive reduction of employment insurance premiums. Furthermore, we have created an important incentive, an employment insurance premium holiday for employers who hire young Canadians in 1999 and in the year 2000.

Over the next three years \$7 billion of cumulative tax relief will be provided. Nearly 400,000 low income Canadians will be removed from the tax rolls and another 4.6 million taxpayers will pay less income tax. Almost 13 million Canadians will no longer

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pay the 3% general surtax and another 1 million people will see that surtax reduced.

I am proud to repeat the commitment of the leader of our party, the leader of our government, the Prime Minister of Canada, when he said we will never allow the finances of the nation to get out of control again.

I am happy to tell the people of Thornhill that not only will this year's budget be balanced but so will next year's and that of the year after.

To conclude, I thank Thornhill for its confidence. I will always do my best to act in its best interest, the public interest. I am proud to support this 1998-1999 balanced budget on its behalf and on behalf of the public interest of Canada. I am proud to stand in my place today.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Madam Speaker, I would like to ask the hon. member a question on the government's debt reduction policy. She talked about the old 50:25:25 program but what I see in the budget documents is a \$3 billion contingency fund. If there is enough money left out of that, barring any other glitches to the economy or whatever, it will be applied to the debt.

Over the next three years the maximum we would see paid down on the debt is \$9 billion according to my math. In that same three years, interest on the debt will accumulate to almost \$140 billion. I am wondering how she gets some sort of balance or fairness out of that for taxpayers.

**Ms. Elinor Caplan:** Madam Speaker, I know the member finds it hard to accept good news, but the fact is the GDP to debt ratio is on a downward trend. We have already seen some \$14 billion repaid on the debt. We have put in place contingency amounts of \$3 billion this year, next year and the year after.

These funds will be used for debt reduction. This is part of the debt reduction strategy that I believe is in the interests of Canadians and that is part of a balanced policy. It meets our commitment which says that 50% of any budgetary surpluses will go to social investment and protection of our quality of life and 50% to debt and tax relief. That, of course, is over the course of our mandate.

I am pleased that the member brought this to the attention of the House because the debt repayment strategy and the reduction of the debt to GDP ratio is something that is very important as part of that strategy.

• (1115)

[Translation]

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Madam Speaker, earlier this morning, a call came in at my constituency

office, which I quickly returned of course, via my Ottawa office. It was a call from the AFEAS group in Quebec.

Women are extremely disappointed with the latest Martin budget, especially as concerns the calculation of the amounts women will be eligible to. From now on, it will be based on family income instead of personal income. This is yet another low blow, especially to women who have been away from the labour market and will be hard hit.

In my region, at Garthby, Beaulac and Disraëli in particular, a letter writing campaign is being staged to raise the finance minister's awareness of the injustice of the poverty issue in this country, because the hon. Minister of Finance, being a very rich man, is naturally above all that.

I would like the hon. member opposite, who supports the budget brought down by her finance colleague of course, to tell me if she at least has compassion for the women who will be the most affected by this calculation based on family income.

[English]

**Ms. Elinor Caplan:** Madam Speaker, in response to the member opposite I say merci beaucoup.

I think women are big winners in the budget and I will tell the House why. Of the 400,000 people who will no longer be paying income tax, many of them will be women. One of the things we know, unfortunately, is that too often in Canada the face of poverty is women and their children.

Women will now be able to have an increase in their child care deduction from \$5,000 to \$7,000. Women will also be able to participate in student loan programs which are now extended to part time students, many of whom are women. When it comes to the Canada pension plan, young women in the future, or in fact all youth in Canada, can now be assured that the plan will be there for them.

The changes to the seniors benefits will be discussed in the legislation of the House, but I can assure the member that the guiding principle of the government when it comes to any changes is to ensure that the impact is understood and that we try to be as fair as we can be. We understand the special needs that women often have in our society, particularly those who are raising children alone.

**Mr. Scott Brison (Kings—Hants, PC):** Madam Speaker, today I will be splitting my time with the member for Madawaska—Restigouche.

When I heard the comments earlier and the buoyant optimism of the member for Thornhill about the budget and I heard the comments from the member for Acadie—Bathurst about the pain and suffering in his riding and the inadequacies of the budget in addressing those pains and sufferings, it reminded me that three of

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the Atlantic provincial governments, two of which are Liberal, have come out against the budget.

The only Atlantic Canadian premier who has not stood up to the budget is the Prime Minister's lap dog in Nova Scotia, Russell MacLellan. Why would Nova Scotians expect Russell MacLellan to stand up for them now, because in 17 years in Ottawa he failed to stand up for them?

Canadians are disappointed. Canadians have sacrificed over a period of 15 years to reach this budget surplus. When the member for Thornhill refers to the Liberal progress in reducing the deficit, she should remember that the deficit grew as a percentage of GDP from zero in 1970 under Liberal leadership to almost 9% under the Liberals in 1984. It was reduced from 9% to 5% of GDP under the Conservatives between 1984 and 1993.

Deficit reduction has taken some time and the Conservative government deserves credit for policies like free trade, which helped make it possible, policies members of this government fought vociferously when they were in opposition. In any case hypocrisy is only half a mortal sin and it does not seem to have hurt them to date.

• (1120)

The reason Canadians are disappointed in the budget is that after 15 years of sacrifice, after 15 years of visionary policies and difficult decisions to reach this point, they needed acknowledgment that they had actually paid the price of the deficit. Ordinary Canadian taxpayers who have seen their taxes increased over the years, who have seen their personal disposable income drop 6% in recent years at a time when the U.S. personal disposable income has increased by 13%, needed a break.

The Liberals talk about how great things are and the fundamentals of the economy. We should look at how we are doing in comparison with the U.S. Canadians pay roughly one-third more in income taxes than our American friends. The U.S. savings rate has held steady at around 6%. That is about three times what Canadians are able to save. Personal disposable income has been on the rise in the U.S. and has been on the decline in Canada.

The most important social indicator, unemployment, remains at 9% in Canada and 17% for our young people. In the U.S. the unemployment rate is 4.7% I do not think we should be taking a lot of time to commend the government for helping the Canadian people.

Our party has been consistent over the past 18 months in encouraging the government to increase the basic personal exemption to \$10,000. We do not believe that a Canadian making less than \$10,000 should be taxed. The Liberals recognized that taxing poor Canadians was not a good idea, so they raised the basic

personal exemption by \$500. If we calculate the total benefit in the budget for someone in Canada making \$10,000 per year, it is \$80 per year. That is one cup of coffee per week at Tim Horton's. If they are going to Starbucks, it is one per month.

The poorest of Canadians who have borne the brunt of the government's cuts to health care and the government's increases in taxes have suffered to reach this point. That was a pittance, an insult, a slap in the face that the government gave ordinary Canadian taxpayer. It is unacceptable.

I know some members opposite will say that things are better in Canada because of our health care system. It may have been possible to say that a few years ago but it is not possible to say that any more.

Across Canada there is a phenomenon of Canadians waiting in hospitals for adequate health care. In my riding there are constituents who are laying on gurneys in hallways of hospitals in places like Kentville, Nova Scotia, or the Hants Community Hospital in Winsor, Nova Scotia, waiting hours for adequate treatment.

Some members opposite will say that has been going on for years in the U.S. What is the difference between someone laying on a gurney in Kentville, Nova Scotia, and someone laying on a gurney in New Jersey? The biggest difference is that if they make less than \$10,000 per year in the U.S., they do not have to worry about having to pay income taxes to the federal government. That is the biggest difference.

It is unacceptable that in Canada people making less than \$10,000 a year, first, are not given adequate health treatment and, second, have to be concerned about paying their federal income taxes which the government can spend on pet projects to facilitate a monument fund for the Prime Minister.

The Liberals call Canada a kinder, gentler nation. Their cuts to health care have certainly contributed to the end of that reputation.

The biggest single looming social issue that threatens the future competitiveness of Canada is our brain drain, the loss of our brightest and best to the U.S. Every year we lose 400 to 500 doctors to the U.S. because our taxes are too high. Eighty per cent of the graduates from the University of Waterloo in computer science are going to the U.S. every year. The budget gave the government an opportunity to address this.

Sherry Cooper, chief economist from Nesbitt Burns, said the following about the budget:

We are pouring all this money into education and scholarships and then the better and brighter will go straight to the U.S. where taxes are massively lower.

• (1125)

Effectively the government's policies and the budget are taking the brain drain and making it into the brain train. The U.S. and its economy will benefit the most by the government's inaction in

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addressing the issue. It should be very thankful for all the bright young Canadians we are sending to the U.S.

Sound economic policy takes holistic approaches. If we look at the overall situation in Canada, unemployment, the high debt rates of students and their personal bankruptcy rates are symptoms. They are not the problem. The cancer in Canada is high taxes.

Instead of treating the cancer, trying to effect change, reducing taxes and implementing policies that will work and put Canadians back work, the government is essentially treating lesions.

There are still 1.4 million Canadians out of work. High taxes kill jobs. The government continues to wallow in ignorance and to perpetuate policies of high taxation. Nesbitt Burns went further:

While the budget did contain a variety of tax cuts, they were targeted in nature and will have only a marginal macroeconomic impact. They will not provide a meaningful boost to employment and will not do anything to bolster competitiveness. . . . it fails to address Canada's primary tax problem—a top marginal tax rate in excess of 50%, compared with 40% south of the board.

This is unacceptable. The president of the Canadian Federation of Independent Business, Catherine Swift, responded that the budget would do nothing to reduce the unemployment rate in Canada.

The Liberals say that we should wait for tax cuts. Effectively they are saying that the unemployed can wait. The unemployed cannot wait. The loss of productivity, the loss of competitiveness, the loss of Canadian families and of Canadian young people cannot wait for the government to realize that it needs to do the right thing.

The first thing it has to do is provide Canadians with a plan for growth which will reduce taxation, will put more money in the pockets of Canadians and will provide Canadians with an opportunity to stimulate economic growth in their families, in their communities, and to get back to work.

The worst and the most insidious taxes are payroll taxes in terms of their impact on employment. Payroll taxes are a direct impediment to job growth in Canada. The government has taken the CPP payroll tax increase last fall of \$11 billion and has failed to reduce EI premiums to help offset those payroll tax increases.

It is saying 10 cents over a period of three years when we advocated reducing the EI premiums to \$2 immediately. That would do more to stimulate job growth in Canada and still provide an opportunity to have an adequate surplus in the EI fund. The government has not done it. It is saying that there will be a \$7 billion of tax relief over three years when we know that it will eliminate it in one year with excessive EI premiums.

The policies of high taxes are clearly unacceptable. Canadians know it. We need strong leadership to reduce taxes. I can only hope they will occur under the government prior to four years from now when we have to make the tough decisions and put Canadians back

where they should be, at the top in terms of international competitiveness.

**The Acting Speaker (Mr. McClelland):** On questions and comments, the hon. Parliamentary Secretary to the Minister of Fisheries and Oceans and then the Reform. If we have time, we will come back to the parliamentary secretary.

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I have a comment and a question.

I am not surprised at the political rhetoric of the member for Kings—Hants. We know there is an ongoing election in Nova Scotia. He tried to almost belittle the current premier of Nova Scotia for supposedly not having spoken out on the budget.

Let me tell the hon. member that I was very proud to sit in the last caucus with Russell MacLellan as a member from the province of Nova Scotia. If anyone stood up for Atlantic Canada, Russell MacLellan did. We as a government had to make hard decisions left to us because of the legacy of the former Mulroney Tory government. As the Minister of Finance said the other day, we took over a \$42 billion deficit and we have managed to bring it down to what it is today.

• (1130)

Let me say again that Russell MacLellan as a member fought hard in terms of trying to retain an employment insurance program which would be of benefit to the people of Cape Breton and throughout Nova Scotia.

I think the member has to look at the progress which we have made. For heaven's sake, he must admit that we got rid of the 3% surtax which the former Tory government implemented to deal with the deficit but did not. Can he not see that this budget is—

**The Acting Speaker (Mr. McClelland):** I am sure there is a question in there. The hon. member for Kings—Hants.

**Mr. Scott Brison:** Mr. Speaker, there seems to be some confusion. Perhaps I was wrong when I said that Russell MacLellan did not stand up in this House for Nova Scotia because he did. He stood up to vote for cuts to health care and education in Nova Scotia. He stood up to support Bill C-68. That certainly did not help people in rural Nova Scotia. He stood up to support policies which were damaging to Nova Scotia.

The member talked about the 3% surtax. It was a deficit reduction surtax and it seems to have worked, has it not? The fact is that his government has not eliminated the 3% surtax.

If he wanted to improve his knowledge of these affairs he might subscribe to *The Economist* for \$172 Canadian. *The Economist* says that the fundamental changes made by the Conservative government in the early 1990s, including free trade and the GST, are

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responsible for the Liberal government's ability to pay off the deficit.

Let us give credit where credit is due.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, the hon. member comes from the east coast. He recognizes very well that currently there is a crisis in health care on the east coast. It is an enormous crisis. The people are not receiving essential services when they need them.

The government said that it put an extra \$1.5 billion into health care by raising the floor. The government has not even hit the floor yet. The reality is that not one red penny has gone into health care.

I would ask my Conservative colleague whether he feels the government has put money directly into essential health care services or whether the Canadian public, which needs those essential services, are once again being shafted.

**Mr. Scott Brison:** Mr. Speaker, when the government talks about establishing floors for health care I would like it to understand that health care in Nova Scotia is subterranean. It has not reached the floor. It is still in the basement.

The fact is that this government continues to cut cash transfers to seven of the ten provinces, including Nova Scotia which will receive \$14 million less in cash transfers from this government over the next four years.

Health care cuts have not stopped. In fact there will be less cash transfers from this government for health care for Nova Scotia and for health care for Prince Edward Island and for health care for New Brunswick.

I would urge the hon. member opposite, who comes from Prince Edward Island, to join with us and stand up for his province to ensure that these cuts do not continue. There is an immediate price to be paid for the health care system in Prince Edward Island. If he is unwilling to do so, we will fight on this side of the House for his constituents in Prince Edward Island because we need a commitment for health care in Atlantic Canada and it will come from this caucus and from other members opposite.

**Mr. Jean Dubé (Madawaska—Restigouche, PC):** Mr. Speaker, it is no small feat to forge social policies for the people of this country. Our society expects that government will take care of the elderly, our young people, our workers and other individuals facing personal crises and needing a helping hand.

[*Translation*]

These are values Canadians are not prepared to sacrifice. Yet they know they come at a price. The challenge for any government is to balance these values against fiscal responsibility.

You may think this is patently obvious, but as I read the budget, I realized these fundamental principles were well worth repeating.

• (1135)

These concepts and values have been ignored by this government. This government claims to be sympathetic, yet it threatened seniors with a hidden project it never unveiled as part of its platform. This government claims to be concerned about workers, but the budget has nothing to say about job creation measures for the young and the not-so-young people of this country.

Finally, this government claims to be fiscally responsible, but that responsibility is at the expense of the businesses and workers whose contributions to employment insurance continue to add to the Minister of Finance's coffers.

[*English*]

Not to mention that the finance minister in the hopes of polishing his own image has downloaded many of his cuts to the provinces. The provinces were expecting concrete measures to match the federal government's rhetoric about reinvesting in health care and education. What they got was a serious reality check.

The Liberals have failed to restore the \$6 billion they have taken out of transfers to the provinces for health care, education and social assistance since they came to power. Not only will most provinces lose out on cash transfers over the next five years, but the federal Liberals have had the arrogance to undertake what they call a major initiative in education without consulting with the provinces. I will say more on that later.

In the maritimes where I am from not many provincial politicians are applauding the federal government. In fact I think the only one who thinks this budget is good for his province is Russell MacLellan, the premier of Nova Scotia. Talk about being out of the loop. His province will lose about \$14 million in cash transfers over the next five years. Reality. But Nova Scotians need not worry too much. Within a couple of weeks they will elect a new premier who will actually fight for their best interests and get them off their knees.

In New Brunswick, which is not too far from P.E.I., the Liberal provincial Minister of Finance who is from my hometown had no praise to sing. This is a guy who has sheepishly accepted the federal government's cuts over the past few years. He finally woke up to find "one-third of what we spend in this province is devoted to health care and this particular budget adds no new money to that area". There are no new dollars being directed to the provinces for health care as a result of this budget.

With this budget this government has shown once again that it is without vision and is satisfied with piecemeal solutions. A perfect example is the proposed millennium fund, a public relations

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exercise at best. It shows just how much the government just does not get what the problems are.

[Translation]

Today students are faced with tremendous debts because of tuition fee hikes. The student debt load ought to be of primary importance to all Canadians. Student debt affects more than just students. It is an obstacle to the sustained economic growth of our country. Canada simply cannot allow so many of its young people to be crushed by their debts.

• (1140)

Reductions in post-secondary education transfer payments by the Minister of Finance have forced provincial governments to reduce the financial resources of their colleges and universities.

They in turn have been forced to raise tuition fees. This has led to such a rapid increase in the student debt load that it has become a serious threat to the economic future of our young people. In 1997 students owed an average of \$25,000.

The Liberals are making a great song and dance about the Canadian millennium scholarship foundation. A problem of this size will not be solved by putting a little more money in the pockets of a very small number of students. Only a very limited number of students will be helped by these scholarships. In fact, 93% of them will not get a red cent.

[English]

To add insult to injury, the millennium fund only kicks in in two years. This government's philosophy is that young people are the future of our society. It keeps forgetting that they are also very much a part of the present with needs that must be answered today.

[Translation]

The program does not deal with structural problems such as transfer reductions and the cost of education, which are the fundamental causes of the debt load.

We must make sure young Canadians stay in Canada, and we must give them the same opportunities their parents had. We must absolutely put an end to the tragedy called the brain drain.

Taxes are too high in Canada. They kill initiative, they make investors look elsewhere, thus depriving our country of jobs, and they push enterprising Canadians to seek a better future abroad. I urge the government to set aside partisan politics and to listen to reason. Payroll taxes kill jobs.

Reducing employment insurance premiums is a sure way to promote job creation in small and medium size businesses, in every economic sector. It only makes sense, and everyone agrees, except of course the federal government.

[English]

The Minister of Finance's tax cut for low income Canadians is an insult. The only thing this tax cut is going to do in my hometown is maybe drum up some business for the coffee shops, because for many of my constituents all they are going to be able to afford with the minister's tax cut is an extra cup of coffee a week. It is absolutely ridiculous.

[Translation]

Fiscal balance was primarily achieved because of the sacrifices made by the workers, employers and taxpayers of this country. Canadians are the real heroes in this budget. It is thanks to them that our finances are in better shape.

Even though the budget does nothing to thank Canadians for their efforts, I can to assure them that a nice blue sky is looming on the horizon.

[English]

**Ms. Elinor Caplan (Thornhill, Lib.):** Mr. Speaker, I have a comment. I listened very carefully to my Conservative colleague speak about the differences between the Conservative policy and Liberal policy. I would remind him and all Canadians that it was the Conservative government's policy that left a \$42 billion deficit which this government had to deal with. I would also remind him of policies of Conservative governments across the country.

• (1145)

I happened to see Mr. Eves on the news this morning whining about this budget. I remind all Canadians, particularly those in Ontario who listened to Mr. Eves, that the provinces make choices. While the federal government listened to the national forum on health and raised the transfer from \$11 billion to \$12.5 billion for health and education in the Canadian health and social transfer, Ontario chose a personal income tax cut which will reduce provincial revenues by \$4.8 billion when fully implemented.

When we compare that to the transfer payment reduction of \$850 million for 1998-99, it means in Ontario after Conservative policies Ontario's revenue reduction because of tax cuts is five times more than what it is blaming the federal government for. If Ontario were really interested in maintaining health care and education, it would look at its policies and understand how misguided, unbalanced and detrimental they are. When I listen to this member compare that, I think—

**The Acting Speaker (Mr. McClelland):** The hon. member for Madawaska—Restigouche.

**Mr. Jean Dubé:** There was no question there, but I will certainly reply to the comments regarding inheriting a debt.

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I think the hon. member should go back a little further to when her idol, Pierre Elliott Trudeau, was prime minister of this country. When we took power in 1984 we inherited the debt. We had to deal with that.

We talk about a balanced budget. We are certainly applauding a balanced budget today, but I will tell the member how we got there. The Liberals certainly did not get there in three years. We got there because of the measures put in place by the previous Conservative government.

The member mentioned transfer payments. Is she from Atlantic Canada? I am from New Brunswick. I have seen the devastation in the health care system, in education, in high unemployment. New Brunswick will lose \$11 million in cash transfers in the next four years.

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, transfer payments and equalization account for 40% of the budgets of the Atlantic provinces. That is pretty good.

Not only has the member a selective memory, but he is also subject to illusion when he talks about the Nova Scotia election.

I have a simple question. The budget the member talks about in terms of reductions was in fact the 1995 budget. We felt we had to make choices. We did not cut as deep as some wanted us to. We had to make the choices to get to where we are today. My question is quite simple for his selective memory.

Does the member support his leader and the member for Saint John when they voted with Reform in the 1995 budget against the budget because it did not cut far enough? That is where his party leader stood. Does he support that position?

**Mr. Jean Dubé:** Mr. Speaker, there is certainly something wrong with the memory of this member from P.E.I. I would like to ask him a question about what his party's position was on free trade and what his party's position was on the GST. They were supposed to throw it right back and did not. That is the reason we have a surplus today.

Does the member from P.E.I. say we should cut back transfers even more in his province? Is that what you are saying? That is what I thought I heard.

**The Acting Speaker (Mr. McClelland):** I remind members to address each other through the Chair. The time for this particular intervention has passed.

• (1150)

**Mr. Jerry Pickard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I think a very historic budget has come out. I have no question that the Minister of Finance has, along with the cabinet, along with the Prime Minister, done something that all Canadians have longed for

over the last several decades. When we talk about eliminating the deficit, it is extremely important and it is extremely historic for Canada.

We were the basket case of the G-7 countries a short time ago under the former government. We have totally turned that corner and now we are moving in a very positive direction. Eliminating the deficit is not the end, and every person in this House realizes it is still very important that we maintain a course that is set to improve the financial status, the financial balance sheet, the whole finances of Canada.

At the same time, it is extremely important that we look at the socioeconomic side of what is happening to our people. We look at what measures a government can take to create a better society with the assets we have.

I think when we talk about complaints regarding how dollars are being spent, it is like a family. There is no question that every person in the family is not going to agree with exactly how every dollar should be spent.

Surely we can agree on some basic elements and principles that have been going on in the last three years. We can agree on some basic directions in which we are intending to go in the future.

This budget does set a course. The course is not to spend lavishly, not to move our finances into a precarious position by huge tax cuts, not to put at risk what we have achieved to this point.

There are those in the House who say that we should cut taxes, a big cutting of taxes so that people can go out and spend more money. Are they responsible in looking at the view that we should not follow a course of being prudent, being cautious, being careful and realizing that the roller coaster of economics goes up and the roller coaster of economics goes down?

We in Canada cannot control world markets. We in Canada are subject to actions that occur in the United States, actions that occur in Asia, actions that occur in South America, actions that occur in Europe or anywhere else in the world.

If we are not really cautious about charting a course, putting a little money away for a rainy day, cushioning the effects that world economic questions can raise, then we are really at risk of falling back into a deficit. If interest rates throughout the world start pushing higher, if our Canadian dollar comes under heavy assault, as it really did a few weeks ago, if the Asian markets do not stay steady and move along, we are vulnerable.

Therefore when we talk about tax cuts, heavy payments, social spending, if we do not stay the course we have set over the last three years, we leave ourselves very vulnerable not only today but in the future.

Some would say we have a scenario to deal with. We have almost \$600 billion in debt and the interest on that money is crushing. There is no question about that.

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Huge interest payments are very expensive to Canada. For every \$3 we take in in taxes, one of those dollars is spent against the debt on interest alone.

• (1155)

Therefore realizing that enormous problem we have, realizing what is happening within the spectrum of payments, we must make certain that we can pay that off without extending our debt, without extending other programs beyond our means whereby we would fall further into a deficit situation in the future.

I believe the finance minister has achieved that. I believe he has a very conservative approach to maintaining our financial security. But at the same time he has examined very carefully what is going to make us more prosperous.

The decision is let us get the population that is going into the workforce as well educated as possible. Let us put those people in a position where they understand high technology, where they have post-secondary options not available to many young people today. Let us make sure that every young Canadian has the opportunity to have the highest level of education they can achieve and the education that is going to bring them to a point of good, solid income earners.

How does that affect Canada? If we educate our young people to the abilities of handling high tech, we can then develop this high tech industry in this country and move forward. We can move forward with business opportunities never perceived before. We have a great opportunity here to move our young people into those high tech areas, move our young people into job situations which in fact will pay tremendous benefits to this country in the short term as well as the long term.

It will attract businesses into Canada that are working in the high tech industry and we can become a very focal point of high technology for Canadians, for North Americans, for the world. I have no question when we look at that issue it is extremely important that we be the leaders.

How does that affect other jobs? Even those who do not go to school will have opportunity to move into other areas because there is no question once you develop a high tech area, once you develop more jobs, there are other job opportunities, small business and so on, to support those people working in the industries, which we are going to train Canadians to do. This budget speaks of our prosperity in the future.

I would also like to touch on the questions we talked about with regard to what is most important for us at this point in time in order to help low income Canadians. I agree it would be nice if we could give more tax breaks and tax cuts. But we did target low income Canadians with a personal exemption. We removed our 3% surtax, which meant that many of our low income and middle income

Canadians will have a much better opportunity within the tax structure than they had before.

I see my time is up. I would like Canadians to sit back and think about what opposition members have been saying to this point. I have heard them criticize what has been said, but in fact those critics are always going to be there. I have not heard them present good, solid solutions which would cure our illnesses.

I think we have moved to a very positive area. We are on the move, and staying the course is the only way I see this country gaining the most benefit it can.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, it is always great to hear government members comment on a budget or on a bill. They always think they hold the key to the truth. They have the knowledge and the truth, they are right. No one else in Canada or in Quebec can be right; they are the truth.

• (1200)

We have to look at the criticisms and comments on this budget. They did not come just from the wicked old sovereignists. They did not come only from the people of Quebec. Criticisms have been levelled across Canada. They have come from the papers and the editorialists. They have come from friends of the Liberal government, who say that this budget massacres the middle class and that the government is knowingly hiding revenues in order to play petty politics.

They say the government lacks clear vision on how to use the accumulated surplus. They say the government is taking billions of dollars from the pockets of the most disadvantaged.

The speeches I have heard here are something else. In university, I had a professor who taught about taxes and who gave me a golden rule, which I follow in politics, and the hon. member should be aware of it. He used to say "Students, there is one rule to remember in taxation: you stuff mattresses, not the springs". The member opposite did not understand anything, because he is trying to stuff the springs. He is trying to stuff taxpayers, who fill the government coffers with their taxes.

The worst thing, and I will conclude on this point, is the millennium scholarship fund of \$2.5 billion they are investing directly in provincial jurisdictions.

I ask the hon. member: is it not more important, because he seems to consider education important, to ensure that young people going to school eat well, that students in primary and secondary school have the tools they need and that universities are properly equipped? The federal government is in no position to do that, but the provinces are. If the federal government has too much money, why does it not send it directly to the provinces as transfer payments?

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[English]

**Mr. Jerry Pickard:** Mr. Speaker, I would very quickly point out that again the member said nothing positive. He has really not tried to present an alternate viewpoint. All he has done is to hammer the government for what it did. I would challenge some of the things he said. I really do not think I have read press clippings that say it is a disaster for the middle class. As a matter of fact, I have read some very positive clippings along the way.

I would point out that a lot of members have suggested taxes have been increased and we have a huge amount more money coming in today than we did in 1993. That is very correct, but I want to point out why that is correct.

We have worked very hard to get the fundamentals right in this country. Low interest rates, trade missions, promotions for small business loans, all of the fundamentals that require a thriving society; that has been the goal of this government. As a result, we not only have created a tremendous number of new businesses in this country, more successful businesses in this country, but we have also employed one million more people. The extra revenues have not come from tax increases. The extra revenues have come from putting more Canadians to work. Those extra revenues are now coming back to help us with the costs of operating the country.

It is fundamentally important to understand that we as a government have done everything we can to make certain the fundamentals are correct. By doing that, more Canadians are working and taxes do increase.

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I would like to begin by saying that this government has done something that no other has accomplished in over 30 years. Through the direction of this government, the Canadian people have achieved a balanced budget.

In response to this achievement, the finance minister delivered a budget balance on Tuesday. This budget is visionary. Its recommendations are sustainable. Its foundations are predicated on fiscal stability. Its scope reaches all Canadians in a fair and responsible manner.

● (1205)

As a member of the House of Commons Standing Committee on Finance, I had the opportunity last fall to hear from Canadians from Vancouver to St. John's. I also hosted a consultation session in my riding of Kitchener Centre. I submitted those recommendations to the Minister of Finance.

This budget speaks to the requests made by Canadians, made by my constituents. It speaks to our children, our youth, our unemployed, our working families, our businesses, our disabled people, our aboriginal population and our elderly.

This budget is in the best interests of all Canadians. It invests in community, the community of Canada.

The budget is multifaceted. I could not hope to touch on all of its merits. Instead I would like to highlight four themes: feasibility, fairness, focus, and the future.

We heard that Canadians were pleased that the deficit had been brought under control. We now find that we are even ahead of that target. However there was also an expressed concern that the government would revert to the program spending ways of the past. This government in the budget sets out a course for a continuous mandate of sensible reinvestment for Canadians without jeopardizing all we have been able to accomplish together.

Along with the previously committed programs of previous budgets, as well as Bill C-28 which will receive debate in this House in the next few weeks, we are committing to a course which is sustainable.

Canadians wanted to see us bring down the deficit. This budget fulfils that wish through designating our \$3 billion contingency reserve to this purpose if it has not been required.

The current budget commits 60% to debt reduction, which is slightly more than we said we would do in the last election. This was among the recommendations made by my constituents in Kitchener during my prebudget consultation.

I would like to point out that the contingency reserve has not been required for the past four years. As a result, we have been able to reduce our marketable debt by \$13 billion. This plan remains within the context of Canada's budget, interest rates and the debt to GDP ratio.

In addition to securing an enduring reduction in public debt burden the government has also reduced its exposure to increases in interest rates by restructuring the composition of our public debt. Sixty-five per cent of our debt is at a fixed rate. This is in the face of 50% in the early 1990s. This saves Canadians almost \$1 billion in debt charges per year and will help us to manage our debt over the long term.

This government is committed to the feasible delivery of what Canadians said they needed and what Canadians want.

On fairness, this government is committed to meaningful consultations. I see the issues and the concerns expressed by the people across Canada addressed in this budget. This budget spans generations, provinces, and all of Canada's many ethnic communities. It truly is a budget for all Canadians. It offers visionary approaches to issues which Canadians hold dear to their hearts.

As a demonstration of the government's commitment to ensuring fairness in taxation, it has removed the 3% general surtax introduced by the Mulroney government. In addition, the government will increase the basic personal exemption by \$500 for single taxpayers with an income under \$20,000 and by \$1,000 for a family

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with an income under \$40,000. As a result 400,000 Canadians will be removed from the tax rolls and there will be tax relief for 4.6 million Canadians.

This budget is focused. While providing a fair approach which benefits all Canadians, this budget also addresses key areas for growth and improvement.

I would like to read a segment from my prebudget town hall report: "Education is the key to our future. Start early. Keep it accessible. Encourage lifelong learning". This is what I heard from the people of Kitchener Centre.

A key focal point of this budget is on lifelong learning, encouraging Canadians to maintain and develop skills and knowledge.

• (1210)

There was a 24% increase in technological, computer and professional development as well as apprenticeship in short term programs across Canada in 1997, an increase over 1996. Due to a number of factors people are realizing the importance of ongoing lifelong learning. We are making those programs available to them through interest relief and being able to use their RRSPs for educational programs.

Part time university enrolment was down 10% to 18% in 1997 from 1996, due in part to rising costs, work and family commitments, the realization that a university degree is helpful in obtaining employment but specific skills development is also beneficial. This budget addresses these issues through offering ongoing support to lifelong learning by making the RRSPs accessible and by allowing for RESP contributions. The government will match 20% of those contributions.

Eligibility for increased assistance is also available for part time students and for students with families and other commitments. We are also opening up the eligibility to include apprenticeship programs. Generally, we are being more inclusive of the entire education spectrum. This is key to the skills development which is needed for our future workforce.

Studies in the Kitchener area indicate a desperate need for high tech and knowledge skilled workers. We have seen a shift from manufacturing industries to those in the high tech sector. This budget offers Canadians the tools they need to develop the skills that are necessary to carry them into the future and ensure increased employment opportunities.

In addition to the increased aid to students and those furthering their education, we have the Canadian millennium fund.

The government has also offered to help ease the debt burden on recent graduates by offering tax relief on the interest portion of the amount paid on loans approved under federal and provincial student loan programs.

This budget also offers an EI holiday which gives employers an incentive to hire young Canadians. This is an attempt to stop the no job, no experience, no experience, no job cycle.

Constituents at my town hall said that technology and innovation are the future. Our companies need research and development if they are to grow and prosper. Effective in 1998-99 this government has committed to restoring research granting councils to their 1994-95 levels and will continue to grow over the next two years reaching their highest level ever by the year 2001.

This budget will increase funding for research and development by more than \$400 million over the next three years. This commitment to research and development will allow Canada's innovation sector to continue to be at the cutting edge. We cannot continue to lose Canada's best and brightest. We are much better off to have them make their medical discoveries and develop new technology in Canada rather than try to repatriate them after the fact.

Health care is also a key concern of Canadians. It is one of the reasons why in both Bill C-28 and this budget we have committed to having a floor of \$12.5 billion going to the provinces for their CHST.

This budget looks to Canada's future by making strategic investments in areas I have mentioned. Studies indicate that over the next two decades the most critical economic challenge will be the supply of skilled labour. It is said that the attention paid in the past to address the deficit and inflation will be necessary to address this need for skilled labour in the future. The result of not addressing this would lead to a lack of economic growth with thousands of Canadians who want to work but lack the job skills to find employment.

Larry Smith, an adjunct faculty member in economics at the University of Waterloo, called this budget a stunning economic accomplishment.

Building on the theme of lifelong learning I would like to share an analogy made by one of my colleagues. If a man is hungry and you give him bread, he will eat for a day. But if you give him seeds and teach him how to farm, he will nourish himself into the future.

Truly, this budget has that kind of investment and that kind of vision both for Canadians and for the future of Canada. This budget is offering Canadians the seeds to gain the knowledge and the ability to reap the long term benefits.

**The Acting Speaker (Mr. McClelland):** Questions and comments. We have the hon. member for Winnipeg Centre first, then

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the hon. member of Esquimalt—Juan de Fuca and then the Bloc. If you keep it short we will get everyone in.

• (1215)

[*Translation*]

The first speaker will be the hon. member for Winnipeg Centre and the third will be the hon. member for Frontenac—Mégantic.

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am interested in the previous speaker's comments about lifelong learning and shortages in skilled trades. He spoke about a number of issues I have been very concerned about and on which I was looking optimistically to the budget for some satisfaction.

During his budget speech the Minister of Finance spoke at length about the need for lifelong learning. I believe he used those terms. He spoke about the need for a strong human resources strategy, for more workers in the field of science, industry, trades and various non-university post-secondary training. He capped it off by saying that this was a matter for the provinces. The lead up and a number of the issues raised by the minister and the previous speaker gave us no satisfaction in the skilled trades.

As a journeyman carpenter who has spent his life in the building trades, I have seen a real problem with training opportunities for people who choose blue collar trades as a career choice. All the funding for students while they are in the classroom component of their apprenticeship program has been taken away. There is no longer any income maintenance for those students.

What satisfaction is there for the people in the building trades, the plumbers, carpenters and electricians, who earn while they learn and who have to go to community colleges? Could the member tell me where in the budget there is any satisfaction given to those individuals?

**Mrs. Karen Redman:** Mr. Speaker, Conestoga College in my riding works with the sectors the member is talking about to offer those kinds of programs. Through access to the RRSP and the RESP they will now be able to access funds to help with that portion of their education. I see this as very forward looking and very cognizant of the kinds of skills training they need.

**The Acting Speaker (Mr. McClelland):** I ask the hon. member for Esquimalt—Juan de Fuca to try to keep it to around 30 seconds or so.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, the hon. member correctly mentioned that the government has increased the floor for spending on health care and the CHST from \$11 billion to \$12.5 billion. However, she made the mistake of saying that it was an increase in the amount of money put into the health care system.

Right now the government is spending more than \$12.5 billion on the CHST. How much money does the hon. member feel is going toward increased payments to the provinces for health, education and welfare? There is absolutely none.

**Mrs. Karen Redman:** Mr. Speaker, the hon. member is quite right. The CHST is made up partially of cash transfer and partially of a taxing authority given to the provinces through tax points. That is predicated on the growth of provincial economic conditions, so there is more money going to them.

The budget is one of several budgets brought in by the government. Bill C-28 is the legislation that entrenches the commitment the government has made. The government made an increased commitment of \$12.5 billion during the last election. All members opposite refused to support that legislation in the standing committee, so I wonder what they are talking about.

[*Translation*]

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Mr. Speaker, everyone knows that Canadians and Quebecers are among the world's most highly taxed people.

If we compare ourselves to our American neighbours, as we are so fond of doing, we pay 25% more in taxes. One reason, unfortunately, is that there is duplication.

For instance, when a dairy cow's production is used for industrial milk, the federal minister has jurisdiction. When it is used for commercial milk, the milk people drink every day, the Minister of Agriculture of Quebec, or of Ontario if the cow is from that province, has jurisdiction over the animal. The Minister of Finance, and our wonderful Prime Minister, are now creating more duplication: millennium scholarships.

• (1220)

I wonder whether my government colleague is happy about this duplication, which unfortunately stirs up ill feelings and sets people at loggerheads. In this case, it will not be cows coming under two jurisdictions, but students. The first four months are paid by the federal government, and the next four by—

**The Acting Speaker (Mr. McClelland):** I am sorry, the member's time is up. The hon. member for Kitchener Centre has the floor for a short answer.

[*English*]

**Mrs. Karen Redman:** Mr. Speaker, I simply acknowledge that education is a partnership between both levels of government. I would say lucky are the students who have two levels of government working in partnership in their best interest.

Education and health care are priorities of the government. If we were to ask the students if they would rather have two levels of

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government looking after them, which means more money and better access to education, they would be in full agreement.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to rise in debate on the budget released this week.

The budget was a historic achievement. I was born in 1968, two years before we began to run deficits for the rest of my life. I have known virtually nothing but deficits for my entire conscious life. Therefore, it was with great expectation that I ran in the recent election and took my seat in this place, anticipating this budget, knowing that it would be the first balanced budget in Canada in three decades.

I must say that as a former Liberal I have great personal regard for the hon. Minister of Finance. I expected him to seize the moment, to seize the great opportunity of the first surplus in 30 years, to chart a new course for Canada, a course of greater opportunity, hope, growth and employment, particularly for younger Canadians, a future which would unshackle us from the terrible destructive burden of the \$600 billion debt and the 47% tax burden carried by Canadian families. That is what I anticipated.

I also anticipated that this would be an enormous achievement and would strike out in all the right directions. However, I found that the budget just struck out. It struck out on every count. It struck out three times. It struck out in terms of controlling spending because we see federal spending going up yet once more in the budget. It struck out in terms of debt reduction because we see in the budget plan zero commitment to specific debt reduction. Most of all, it struck out in terms of providing hope, growth, opportunity and employment through meaningful substantive tax relief.

In fact the budget increases spending, increases taxes and keeps the debt at its current level of \$583 billion. With all due respect, I cannot imagine under the current economic and fiscal conditions how the government could have framed a less constructive future oriented budget than it did. I am truly and sincerely amazed that the minister missed the mark to the extent he did.

When one looks at the means by which the budget has been balanced it is not altogether surprising. After all, 69% of the deficit reduction that we have seen since fiscal year 1993 has been achieved through increases in government revenues and only 31% has been achieved through spending cuts.

My friends opposite will say that revenue increases will go from \$116.5 billion to \$160 billion in the upcoming fiscal year and that those enormous revenue increases of nearly \$50 billion were achieved through growth in the economy and more employment. In part, that is true, but they are not telling Canadians that the absolute tax burden, no matter how it is calculated, has gone up at the same time.

• (1225)

If we look at the straight revenue growth of nearly \$50 billion clearly it has gone up. However, if we look at taxes as a percentage of gross domestic product it has gone up. If we look at personal income taxes as a percentage of GDP it has gone up. If we look at taxes as a percentage of family household income it has gone up. If we look at taxes as compared to other family household expenditures like food, shelter and clothing it has gone up. If we look at inflation the tax haul has gone up faster than inflation.

I do not need to make this argument with reference to the statistics. The ultimate proof of whether or not we have a higher absolute tax burden today is in the paystubs people get when they open their paycheques from work and what they see on the bottom line today is a higher tax burden than what they were paying in 1993.

Most shocking, in three years when they open up that paystub, having heard all of this marvellous rhetoric about tax relief, they will find that their after tax disposable income will have gone down yet again. Yes, this is a tax increase budget. It is a budget which increases net taxes on most Canadians.

People will ask me how that is possible since the government has listed specific measures on the 3% surtax and a \$500 increase in the basic exemption for some Canadians. They will ask how they could then see an increase. It is for two reasons.

First, the government managed in January to impose, as we all know, the largest tax increase in Canadian history, the \$10 billion CPP payroll tax grab which will do nothing in the long run to salvage that Ponzi scheme for my generation.

It will in the immediate three years take \$10 billion a year out of the pockets of taxpayers in a destructive job killing payroll tax. That is only part of the story because when we factor in the insidious effect of tax deindexation and the bracket creep imposed in 1986, we find that more and more Canadians will be pushed up on to the tax rolls than ever before. Because more Canadians will be earning more than the basic exemptions they will be pushed up into higher marginal rates.

The recent study by KPMG, which is not the Reform Party's research but private sector research, indicates that by the year 2001 an average taxpayer will have paid \$5,300 more than they do today in income taxes because of bracket creep, that they will pay \$913 billion next year alone because of bracket creep. It is an enormous, insidious tax grab.

Do not trust me on that, Mr. Speaker. I want to quote the leader of the opposition, a very credible source, who said with respect to the budget "The Minister of Finance told us there were no tax increases in this budget. That statement is false because taxes are going up in this country because of the deindexation of deductions which this government has done in its past budgets". He went on to say "These taxes are hidden. They are sneaky. You don't notice them until you get the bill. They are practically invisible, but the

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sneakiest tax increase of all was the deindexation of personal income tax which will cost Canadians billions of dollars more annually. The minister kept quiet about it. Here again low and middle income Canadians will carry the heaviest burden”.

That was the leader of the opposition in 1987. That was the Right Hon. John Turner, leader of the Liberal Party of Canada who at the time talked about this secret insidious tax grab on low and modest income Canadians, which has forced the lowest income Canadians on to the tax rolls. People who earn \$7,000, \$8,000 or \$9,000 a year, alone among the industrialized countries of the world, have to pay taxes in Canada.

The minister provided in his budget a distributional impact of the so-called tax relief that he has afforded, but when we add in the effect of the CPP payroll grab and bracket creep we find that a \$20,000 earner single taxpayer, the Minister of Finance says, will get a \$63 tax break. Whoopee, \$1.10 a month. We can buy a cup of coffee once a month while these Liberals probably spend about \$3 on latte at Starbucks. Add in the CPP and bracket creep and it is an \$86 net tax hike for that same person.

• (1230)

Look at a \$50,000 single income earner for a family of four. The finance minister says they will save \$238. When you add bracket creep and the CPP they will pay \$68 more. This does nothing in terms of tax relief. We do not have to make this argument because people's paycheques will make it very evident when this budget is implemented.

Not only does it not raise taxes, it does nothing in terms of concrete commitment to debt reduction. This I find the most shocking thing of all. In poll after poll, the vast plurality of Canadians say their top priority is to pay down the debt. They know we are siphoning \$45 billion a year off the productive sector of this economy to flush it down the destructive sinkhole of government debt financing. They know the average family now spends \$6,000 a year in interest on the debt.

What did the finance minister say in his budget document? He says on page 52 that the net public debt this year is \$583.2 billion. The net public debt next year will be \$583.2 billion. The net public debt the year after that will be \$583.2 billion. The net public debt the year after that will be \$583.2 billion, with \$45 billion in interest payments.

The minister may call this a debt reduction budget. It does nothing in terms of the debt. He said that if we are lucky, he might allocate the \$3 billion contingency fund to debt reduction. Three billion dollars times three years is \$9 billion. A \$9 billion reduction on a \$580 billion debt, my goodness, it's remarkable. It will only take him 200 years to pay down the debt of my generation.

What is going to happen to the interest payments, \$45 billion this year to \$45 billion in the year 1999? This has nothing to do with debt reduction. If he does to the contingency fund in future years what he did in the current fiscal year, there will not be a contingency. There will not be a surplus to dedicate toward the debt because he has spent it this year.

That is why we need more than rhetoric when it comes to fiscal discipline. We need a statutory and, I would argue, constitutional mandate to force the government, regardless of who is in power and regardless of the political circumstances of the day, to pay down debt.

Alberta has done it. It has cut its net debt in half in four years because of a law that requires that every single dollar in surplus be directed to debt reduction. That is what we need here. The minister says “Trust me. I will direct the contingency fund. If the minister of heritage doesn't get her hands on it, if my other tax and spend colleagues don't spend the surplus before it gets to the debt, I will use it to pay down the debt”.

I just realized I should wrap this up because I am splitting my time with my colleague. Is it too late? Can I yield to the hon. member for Esquimalt—Juan de Fuca?

**The Acting Speaker (Mr. McClelland):** With unanimous consent, but there would be no questions or comments to you. Is there unanimous consent?

**Some hon. members:** Agreed.

• (1235)

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, I thank my hon. friend from Calgary Southeast for pulling up his reins, because I know he has a lot more positive interventions and I am sure he will make those during question period today.

If I were a cynic I might believe that this budget was the leadership budget, but I am not. Certainly the government deserves to be congratulated for balancing the budget. But this budget is a tale of lost opportunity. This budget is a tale of what could have been an opportunity that could have really managed to give the Canadian people the ability, the opportunity and the chance to build a better, stronger future for all Canadians.

Yet we have missed opportunities that flew threw the finance minister's and this government's fingers like water in sand. The finance minister and this government have once again pulled the wool over the eyes.

I am going to talk about government fables. But first I would like to talk about one fact. If we look back in history to the behaviour of government finance ministers and Liberal governments in the past, we can see that their governments have spent, spent, spent. If not

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for the Reform Party the government would never have balanced this budget.

History has proven that it was the Reform Party on the tails of this government which has managed to force this government to finally do the right thing and balance the budget.

Let us talk about government fables and fact, reality versus fiction. Government members like to talk about a million jobs created. That is the natural increase that we would normally have in the most unambitious of growth rates. The cold hard reality is that in this country we have a 17% unemployment rate among youth, we have a 9% unemployment rate in the rest of the country and we have an underemployment rate that is beyond what anybody in this House can possibly imagine.

All one needs to do is go down the streets and see the vacant store front windows, see the people who are far overqualified for the jobs they have, listen and talk to the shopkeepers and business owners. They say "my gosh, if I only had some extra money I could hire apprentices, I could hire more employees, I could invest in my business, I could become more competitive, I could be the engine that helps to drive our economy in this country, a country that is only scratching its potential".

The government likes to talk about tax rates. The government likes to say it has dropped the tax rates. Let us look at the reality. To a family earning \$30,000 the government in its generosity in this budget has given back \$148. That family should not spend it all in the same place because \$148 for a family of four with one earner will not go very far.

The cold hard reality is yes, the government has gone and given some tax relief. It has put a couple of pennies in the left pocket while taking both hands and scooping out pails of money from the other to the tune of \$38 billion over the last four years since we were elected.

CPP rates doubled, and that is going to crush our economy. It is going to have a major negative effect on the economy. I challenge the members on the other side to address that issue with us in an active debate and to open their eyes and not accept what their government colleagues tell them but, for heaven's sake, look at the facts. Take a critical view of what they are told. Analyse what they are told. Take a look, with the experiences that they have, to see in their own riding with their own business people, their own people who cannot find a job and compare that with what they are told. That is all we ask. If they do that then the reality will be immediately evident to them.

The fact is we have the highest tax rate that exists today in the G-7 nations, and that has a major crushing effect on the economy. The finance minister could have lowered the tax rate, could have taken a leaf out of the books of Alberta, Saskatchewan, Ontario, taken a look internationally at Ireland and England, countries and

provinces that have taken the bull by the horns, lowered taxes and removed egregious rules and regulations that seek to strangle off the ability of the private sector to function properly. Did the government do that? No. Why? If I were a cynic I might think it was a leadership budget. If I were a cynic I might think it was trying to seduce the Canadian public by giving it a few pennies so it will remember at election time. But I would never say that in this House.

● (1240)

This is a shame. The government intelligently made an investment in education. We compliment the government for doing that. But that is only one half of the equation. An educated population can be provided, but what is the point of providing an educated population when the educated population has no jobs to go to in Canada?

As has been mentioned numerous times in this House, those people flock to greener pastures, to vibrant and growing economies. They flock to the south. They flock to the east. They flock to the west. But they do not stay in Canada.

The taxpayers are spending their hard earned money to educate the public and to provide it opportunities in a country where the opportunities are far less than what they could be.

The government has failed on one half of the equation. It should have listened to the plans of the Reform Party, which are based on fact, experience and workable pragmatic solutions to get people back to work. We would do it by reducing taxes and by eliminating interprovincial trade barriers and the rules and regulations which strangle the private sector.

The government has partially addressed the issue of research and development, a major pillar in our ability as a country to be functionally active.

The finance minister was very incorrect in his speech when he said that the Asian flu is over. I can tell the House that the Asian flu is far from being over.

There are two major cleavages taking place in Japan and in Indonesia. The solutions are there. There is no domestic will to deal with them. I can only implore the government to work with other countries and pressure those countries to produce solutions to deal with their problems. If they do not, an economic tsunami will come across the Pacific and hit Canadians harder than anything before.

I would like to congratulate the government on listening, in part, to the Reform Party in getting the budget balanced. However, the government is once again pulling wool over the eyes of the Canadian public. It is saying it is giving something to Canadians when it is not. It is using this budget as a leadership budget. It is trying to seduce Canadians so it will vote for this government in the future.

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The government should have done the right thing. It should have listened to sound economic advice, which I know the finance minister is open to. He should do the right thing and provide targeted spending for things like education and health care, for which there was no spending provided in this budget, contrary to what the government says. One of the great fallacies of this budget is that the government says it is putting money into health care. The cold hard fact is that there is not one red cent going into health care.

The government has merely juggled the books and given the public an illusion. There is a serious problem in health care. Patients are not receiving essential care in emergency departments and hospitals all across the country. People are suffering and dying on waiting lists.

I implore the health minister to get together with the finance minister and the Prime Minister to make a concerted effort to invest some of the funds they are sitting on now in health care, reduce taxes and provide Canadians with the real opportunities they deserve.

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I have never in my life seen so much confusion from a party which is really in total disarray. The right hand does not know what the left hand is doing.

• (1245)

For example, two days ago the party's finance critic stood up to say that a Reform government would give across the board tax relief, regardless of the level of income. In other words, someone who makes \$500,000 a year would get the same tax break as someone who makes \$25,000 a year. Across the board tax relief.

Today the party's health critic stood up to say that the government should spend more money on health care. Then another member just before him stood up to say the government has to give more tax relief.

We have not yet declared victory. We still have a debt which is close to \$600 billion. We have to take the balanced approach.

How can the member justify his party giving across the board tax relief to the rich as well as to the poor on an equal footing while reducing the debt and keeping the deficit under control?

**Mr. Keith Martin:** Mr. Speaker, it gives me great pleasure to talk about Liberal confusion.

Regarding health care, the Prime Minister this morning said there is no problem with health care. Yet the health minister is afraid to take his own child into the emergency department. He is afraid the resources are not there to provide access to his child when his child is sick. It is confusion when the health minister and the Prime Minister cannot agree that we even have a problem in health care. I can say as a physician we have a serious problem in health care in this country.

To answer the member's question, if—

**The Acting Speaker (Mr. McClelland):** You will not get a chance to answer that question because the hon. member for Quebec is about to ask a question.

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, my colleague seems to be wondering what planet the opposition parties are living on. As for me, I wonder what planet the Liberal government is living on to bring down a budget such as the one the finance minister brought down.

This budget is a piecemeal approach. They are not addressing the real problem of poverty, as the government wished. They go on about wanting to reduce poverty in Canada, but I do not think this sort of budget will do it. They are not addressing the real problems. They are spending money all over the place without any real strategies.

For instance, they cut the Canada social transfer by \$42 billion. At present, they are boasting about wanting to attack an area of provincial jurisdiction, the Canada social transfer. In health and education, the Canada social transfer will receive a mere \$2.5 billion, after \$10 billion has been cut from education alone. In order to really address the problem of education in Quebec, Quebec and the other provinces should get the Canada social transfer back, so that they may develop true education strategies.

What we are calling for, therefore, is to return the funds in the Canada social transfer so that true strategies may be developed. In Quebec, what are those true strategies? To address the problem of school dropouts and to restore funding to educational institutions so that they may be in good financial health and able to provide students with a proper education.

We would have liked to have seen real employment insurance legislation, with lower contributions and more people eligible. So the millennium scholarships, employment insurance, a real employment strategy—

**The Acting Speaker (Mr. McClelland):** I am sorry, but the time for questions and comments is up.

[*English*]

A short response. I am sorry, but we will not get the NDP in in this round.

**Mr. Keith Martin:** Mr. Speaker, the Bloc member wanted to know what world we are on.

[*Translation*]

I wish to tell him that our world is a federalist one, a world in favour of national unity.

[*English*]

I would also hope the member would like to join us as a fellow Canadian in trying to decrease the EI premiums. That is what the

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government should be doing and is something the Reform Party has been pushing for for a long time.

If the government decreased EI premiums, it could be one of the greatest gifts the government could give to the private sector. The finance minister recognized this as being the primary motivating force in the country in creating jobs and giving it the ability to create jobs and opportunities for Canadians to get gainful employment.

• (1250)

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, I will be splitting my time with the hon. member for Mississauga West.

I am pleased to rise today to speak in support of the budget tabled by the Minister of Finance on Tuesday, February 24. The Minister of Finance with the support of the Prime Minister and the sacrifice of all Canadians accomplished something that no minister of finance has been able to do for 30 years.

Not only would I like to congratulate the Minister of Finance for his historic accomplishment, but I would also like to thank him for giving me a birthday present I will remember for many years to come.

We remember during the 1993 campaign we promised to reduce the deficit of \$42 billion to 3% of our GDP by the end of our first mandate. We did better than that. We got rid of it completely.

Many tough decisions had to be made to eliminate the enormous deficit we inherited from the Conservative government in 1993. This Liberal government did not take the slash and burn approach advocated by the Reform Party. We acted responsibly, and with the help of all Canadians, we were able to succeed. This is something all Canadians should be proud of.

As we enter this new balanced budget era, we will continue to act responsibly when it comes to this nation's finances. We will be as cautious with any surplus as we were with the deficit. That means targeted spending in areas of concern to all Canadians, such as health care and education, debt reduction, and tax relief to those who most need it. That also means we will not do everything that everyone wants us to do in this first budget of our second mandate.

However, this budget succeeds in striking a balance between social spending, tax cuts and debt reduction, just as we promised during the 1997 election campaign. That is why we are providing \$7 billion in targeted tax relief over the next three years, including the elimination of the 3% general surtax on those earning up to \$50,000 and an increase in the basic personal exemption for low and middle income Canadians. These two measures will completely remove 400,000 Canadians from the tax rolls and reduce the taxes for 14 million Canadians by 1999-2000.

This is a budget for Canada's families. This is the budget for all Canadians who made sacrifices during our four year battle against the deficit. Working Canadians with children will benefit from an increased child care deduction of \$7,000 for children up to seven years of age, up from the previous \$5,000, and \$4,000 for children between seven and sixteen years of age, up from \$3,000. These measures will benefit some 65,000 Canadian families with children.

Canadians faced with caring for elderly or disabled family members will benefit from a new caregiver credit that will reduce the federal tax by up to \$400. This new measure will affect some 450,000 caregivers in Canada.

Lower income families with children will receive extra assistance.

The government recognizes that knowledge and skills are the key to jobs. That is why education is a key element of this budget. Lower income individuals with children or other dependants who would like to upgrade their education will be eligible for the Canada study grant of up to \$3,000 per year.

As of January 1, 1998 this government is providing a grant of 20% on the first \$2,000 of annual contributions made to a registered education savings plan for beneficiaries up to the age of 18.

• (1255)

This new program, the Canada education savings grant, will help families save for their children's education. A family contribution of \$25 to the RESP every two weeks for 15 years would provide one child with \$4,700 for each year of a four year post-secondary education. That means a case of beer per week.

Starting in the year 2000, the Canada millennium scholarship foundation will also give up to \$3,000 per year to approximately 100,000 students wishing to pursue post-secondary education.

The measures announced under this program will reduce the debt load that many students can expect to incur by approximately half. Once out of school, Canadians with student loans will see tax relief for interest payments on those loans. All students will be given a 17% tax credit for interest payments on their student loans.

This budget also encourages employers to hire young Canadians. We are offering an EI premium holiday. Employers will pay no employment insurance premiums for new jobs created in 1999 and 2000 for persons 18 to 24 years of age.

This government is also making a significant investment in health. An additional \$7 billion over six years will be given to the provinces under the Canada health and social transfer. This means that the CHST will grow an average of 2.5% over the six year period.

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This government also increased its contribution to the establishment of a new blood agency by \$60 million to renew Canada's blood system. An investment of \$211 million over five years was also committed to the renewal of the national HIV/AIDS strategy.

In an effort to promote advanced medical research and graduate study, the Medical Research Council of Canada will receive a major increase in funding. The MRC will receive an additional \$134 million for university based medical research. I believe some companies in my riding that are working closely with the universities will benefit.

This budget has not forgotten about the enormous debt burden facing this nation. So far this year, the government has paid down almost \$13 billion in market debt. The debt repayment plan based on three key elements has been put in place. Those elements include: a two year fiscal plan based on prudent economic planning assumptions; a contingency reserve of \$3 billion each year; and the use of the contingency reserve to pay down the public debt each year when it is not needed.

It is this type of fiscal planning which helped to eliminate the deficit. I am confident that the same strategy will be successful in eliminating the debt.

During the federal election campaign we committed to spending 50% of any fiscal dividend on social and economic priorities and the other 50% on a combination of tax relief and debt reduction. The impact of this budget over the next three years is a 40% investment in social and economic priorities and 60% on tax relief and debt reduction. Over the course of our mandate we will have to address this slight imbalance to ensure that we keep our commitment.

The budget before this House is a good budget. It is a good budget because it is the first balanced budget in 30 years. It is a good budget because it paves the way for balanced budgets into the next century. It is a good budget because it strikes a balance between tax relief, debt reduction and spending on valuable programs for children, families and those less fortunate.

This budget shows a commitment on the part of this Liberal government to invest in the future of all Canadians. I congratulate the Minister of Finance for his efforts.

• (1300)

[Translation]

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Mr. Speaker, unfortunately, my honourable colleague from Cambridge is out of touch with reality. Unfortunately for him, he does not have contact with the men and women in the street. He does not have contact with the middle-class workers in our society.

He says this is the first budget without a deficit in 30 years. I would like to remind him that all but nine of those years had

Liberal ministers of finance, one of whom was the present Prime Minister. That is when the country experienced the highest interest and inflation rates.

The member for Cambridge was trying hard to tell us earlier about the treats the government will be giving out, but he forgot that employment insurance has a surplus of \$12 billion right now. Why not lower the contributions of our poor workers? Oh, no. We certainly cannot touch that.

This morning I had a call from a representative of the AFEAS group in my riding complaining that, in the future, the average family income will be calculated in order to establish spousal pensions. Who is this going to penalize? Women for the most part, once again. But the hon. member did not mention that.

He made no mention of the \$42 billion cut to the provinces. When I say he is cut off from reality—and I shall end on this—we need only listen to the *Journal de Montréal*. Vox populi, vox Dei: Joseph Bourque “He is sending the bill to the provinces”; Claude Allaire “He is not doing much for the middle class”; Claude Grenier—

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

[English]

**Mr. Janko Perić:** Mr. Speaker, I thank the hon. member for his comments.

I want to say that he is completely wrong. Not only did I rub shoulders with ordinary people, I worked in a factory plant on the floor with average Canadians and I contributed to EI funds. There were times when I did collect for a short time.

I want to remind the hon. member that this government has reduced EI premiums three times already.

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, I come here to praise the finance minister, not to bury him. For was it not the finance minister who failed to mention crime? Indeed it was. For was it not the finance minister who was able to ignore the unemployed? Indeed it was. For was it not the finance minister who cut the transfers to the provinces for health and education? Indeed it was.

This was all despite protests. What courage this man has. It was despite the protests for those who have suffered crimes and wanted to see restitution done and he was able to weather their storm and say, “No. I will not heed your concerns”. He was able to weather the plight of the unemployed and despite the fact that were promised jobs, jobs, jobs, he said, “That doesn't matter. Unemployment will remain high”. He said to those who took up the commitment that the federal government made on health care that we will pass on the buck to the provinces and not live up to our commitments.

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Like I say, I come to praise the finance minister, not to bury him.

**Mr. Janko Perić:** Mr. Speaker, the hon. member from the Reform Party is a new member and I wish him good luck. I remember in the 1993 election campaign the platform of the Reform Party was slash, slash. You remember that, Mr. Speaker, as well, and burn, burn, burn.

This government took a responsible balanced approach. Under this government there were over one million jobs created by the private sector.

• (1305)

The provincial health ministers are crying out that we cut transfers, including Roy Romanow, the premier of Saskatchewan. Instead of closing hospitals in the health system since we came to power in 1993, we are contributing another \$1.5 billion to the health system, \$12.5 billion, the same amount as before.

I ask the hon. member from the Reform Party what their excuse is going to be next year when the same amount is going to be in effect.

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, I find it interesting to hear the Reform Party quoting Shakespeare. I would have expected Homer Simpson instead. In any event, we will get to that a little later in the debate.

One of the things that I and I think Canadians find most interesting is the cries of indignation only come in this place. Take any of the journals of the fifth estate, take any of the headlines, just pick the newspaper, and it is really quite remarkable how this budget has been received. You ask yourself why.

I think the most telling thing that our finance minister said in his speech was not only is this a balanced budget, but it is a budget with balance. The opposition parties are wrestling with what to do and say about this.

One of my colleagues said to me before the budget that you will know that this is a successful budget if everything you hear is we didn't do enough. Go through it. We can take the Conservatives who would say in their program that they would grab a 10% income tax cut right across the line. It does not matter, as one of my colleagues said earlier. If you make \$500,000 you will get a 10% cut, if you make \$25,000 you will get a 10% cut. They would say that we did not do enough in the area of tax cuts.

From the document we see that the amount of income that low income Canadians can receive on a tax free basis will be increased by \$500. That does not sound like a lot of money, but if you are a low income Canadian, that can make the difference between

feeding your kids the way you want to and struggling and having to go to a food bank. In fact, it relieves 400,000 Canadians from paying any income tax at all.

Did we do enough? Is there a person in this House who would not rather stand here and say we would like to give them \$1,000 instead of \$500 in tax free allowances and tax free earnings? Of course we would.

When you look at the balance and the responsibility of the government governing for all Canadians, we believe that it is a good first step for low income Canadians who at least put some money back in their pocket which gives them a chance to get ahead.

The 3% general surtax was a gift from Brian Mulroney to the Canadian people. We eliminated it. Clearly, 13 million taxpayers with incomes up to about \$50,000 will no longer have to pay that. Would we have liked to have done more? Yes. Would we have liked to increase that ceiling? Obviously we would have.

Once again, when we look at the balance requirements, we can only do so much in this budget and still maintain that balance.

I hear talk about managing student debt. The NDP would say we did not do enough. Once again there is that premise. It is a good budget we hear, but they did not do enough. The New Democrats, of course, would like to eliminate any requirement for a student to pay anything for post-secondary education. They are open and honest about that. We do not believe that is good balance. We do not believe that the Canadian taxpayer can afford that.

• (1310)

What have we done? We have provided tax relief for interest on all students loans. We would have liked to have done more, but we have to be reasonable. We have provided interest relief and extended it to more graduates. We have provided an extended repayment period for those who need it. However they have to demonstrate that they need it. There is nothing wrong with that. If they need the help, this government is prepared to provide it.

There will be an extended interest relief period for individuals who remain in financial difficulty. There is no point in forcing our graduates to struggle with a huge debt. We want to be able to help them. We have committed to do that.

We have even said that we will reduce the loan principal amount for individuals who face severe financial hardship.

That is a balanced approach.

We have heard people say that we have not done enough to help people upgrade their skills. One of the things that I see in my riding, when I look at the demographics of Mississauga West, is that a lot of people have made career changes. A lot of people in my

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riding are looking for a way to improve their skills and increase their training. They are entering a whole new way of life. It could be in the software or hardware industry of computers. It could be in some form of communications technology.

That is very difficult. These people may be 45 years old. They have been working for 20 years, since they left school. They have managed to build up some retirement savings, but their company has downsized. We all realize what that means. Not only do governments downsize; the corporate world has been feeling the pain for the last decade. We understand that. The translation is that when the corporate world adjusts, it usually hits the human resource element.

There may be a 45 year old man who has RRSPs. Up until now he has not been able to touch the RRSPs to spend the money on his improvement without paying taxes. We are providing a system whereby tax-free withdrawals can be made from retirement savings plans for lifelong learning. That will begin on January 1, 1999. Canadians will be able to make tax-free withdrawals from their RRSPs for lifelong learning.

Once again that is a balance. It says to the Canadian people "We have to be creative. We have to find new ways to use the resources which you have put aside". Let us face it, a retirement savings plan is a tax haven for future retirement.

There is a repayment plan tied to that, and so there should be. Ten years or 20 years down the road when that 45 year old turns 65 and is ready to retire, they will have had an additional 20 years of earning. However we do not want them to be without RRSPs. They must pay them back or they will become taxable.

Again it is fair. It is a reasonable approach and Canadians understand that.

Let us talk about tax reductions. In my constituency there are an awful lot of people who still have young children either in elementary school or in high school. We are providing the Canada education savings grant. The phrase which is used in this document is that it is a new reason to save. It is a clear incentive. It is built with balance.

For example, if a family contributes \$25 to a retirement education savings plan every two weeks for their child's education, a total of \$650 a year, they will receive a grant in addition to that from the government of \$130. That is 20%. On 20 cents out of every dollar they will get an additional grant.

If the family has three kids, or the proverbial 2.2 kids, and it makes those contributions for each kid, it will amount to a substantial amount of money to help a young person go to school.

If that family contributes \$25 every two weeks, over 15 years, assuming a 5% return on the investment, which I think is a prudent assumption, that child will wind up with \$4,700 for each of the four years they will spend in higher education.

• (1315)

What is this budget about? It is not about the opposition members hammering the government and it is not about the government simply blindly defending it. This budget is about young people. It is about people like Nicky, Harris and Dell, nine and ten year olds in Mississauga who are starting out in life. It is about young David Bond, with his wife and two babies at home, working as a chef in Mississauga and what the future means for him. It is about health care and education. In fact, 80% of the budget goes to those two items directly.

I am very proud to be a Liberal. More important, I am proud to be a member of this place which has put out a balanced budget that will secure the future for all Canadians.

[*Translation*]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I listened with interest to the rather partisan remarks by my colleague for Mississauga West.

For at least 35 years now, I have been following budget presentations, and the Liberals have been in power a good 15 years of that time. I have never before seen a Liberal member rise and say that his Minister of Finance was totally wrong, that a mistake had been made. Definitely not.

From the first year the current Prime Minister was Minister of Finance, he got us into debt, debt that accumulated over 28 years. I do not understand the hon. member's thought process. How can 35 years worth of good result in something bad, like the current \$583 billion accumulated debt.

But that is not really my main concern. The Minister of Finance brags about curbing his deficit. But on whose backs did he do that? There are 500,000 people living in poverty in Montreal. Just this morning, the headline in the paper read "Young mother of four has problem with leaky roof".

How is this young woman with four children expected to set up a registered school savings plan for her children? They will probably die of hunger before they reach high school.

[*English*]

**Mr. Steve Mahoney:** Mr. Speaker, I fully acknowledge that we have only begun down the road to solve some of the financial problems the member talks about.

We have identified \$7 billion in tax relief for low and middle income Canadians. Does that satisfy everyone's needs? Of course it does not. We have increased the child tax credit. I had a call from a constituent who told me his wife stayed home with the kids 10 years ago and now the government is just giving the money away for people to do that. I told him that this was for the benefit of all Canadians. I told him that he may not directly benefit but that his

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kids would benefit and his kids' kids would benefit. That is the principle we are attempting to put in place.

The most important thing in this budget, which our Prime Minister has said and our Minister of Finance has said, is that never again will this country go down the road to the kind of deficit finance spending I admit we have seen in this place for far too long. The budget is balanced and it is a balanced budget that will indeed set us on the road to a strong financial future for all of Canada.

**Mr. Grant McNally (Dewdney—Alouette, Ref.):** Mr. Speaker, the hon. member mentioned headlines and that we should be reading headlines. The president of the Canadian Chamber of Commerce said he thinks the focus of the budget is misdirected. The hon. member talks about the opposition hammering the government. It is the government that is hammering the Canadian taxpayer. That is what is happening here.

How is that young people can benefit from a \$583 billion debt? He talks about young people's future and it his government and past governments that have created a major problem which is not even addressed in the budget and that is debt repayment and substantial tax reduction. How is that he can claim that the government is going to take care of young people with massive increases in CPP contributions and a huge debt looming with no signs of relief in that area?

• (1320)

**Mr. Steve Mahoney:** Mr. Speaker, I would acknowledge that the president of the Chamber of Commerce might not be lining up to join our parade.

As a matter of fact, there was a headline in one of the newspapers, "Big business bashes budget". Okay, I will accept that criticism. It is the people who work for those big businesses, though, who are going to benefit from this.

Let me be clear. There is a debt reduction plan. We have already retired \$13 billion in marketable debt. That is done, off the books, gone. We also have a debt repayment plan with a two year fiscal plan based on prudent economic planning assumptions.

We are taking the \$3 billion contingency fund which, over the last three years, was used to eliminate part of the \$42 billion in deficit we inherited from the Conservatives. It will go to debt reduction. That is \$9 billion.

It is totally misleading to say that we are not attacking the debt. We would like to do more, but we have to maintain a balance.

[*Translation*]

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, I would like to inform you that I will be sharing my time with my colleague, the hon. member for Rimouski—Mitis.

On February 24, the first budget of this Liberal government's second mandate was delivered to Canada and Quebec. Not surprisingly, the maple leaf theme was omnipresent. The Liberals' masquerade is over. The true face of the Liberal government, the Prime Minister and his finance minister has been revealed to the people of Canada and Quebec.

What the Bloc Québécois had been dreading since the Speech from the Throne, that is, an unprecedented invasion of provincial jurisdictions, has now become a sad reality.

In Quebec and the other Canadian provinces, the finance minister's words had a bitter flavour. The provinces have realized that, once again, they will have to pay a high price for the Liberal government's visibility, while the federal government completely ignores their demands to restore the transfer payments the Liberals have been systematically cutting back since they were re-elected in the fall of 1993.

What can we say about the government's position on the employment insurance issue? Where is its commitment to agriculture? The budget does not contain a single line on this industry which is vitally important to Quebec and my region in particular. Not to mention the war of flags that will be fought on the backs of Quebec students.

These remarks accurately reflect the comments made by the stakeholders in my riding of Lotbinière. On Tuesday, these people met in my Laurier-Station office and, after seeing the finance minister's fiscal plan, they concluded this was "a Canadian Liberal budget devised by a centralizing government that is gradually squeezing the provinces".

Let me quote some of the comments made by socio-economic stakeholders in my riding: "Why does the federal government want to create a fund that will directly compete with Quebec's student loans and grants program?" "Where are the job creation initiatives?" "What will the Minister of Finance do with the employment insurance surpluses?" "Not a word on agriculture; it sure tells you what the federal government thinks of this sector." "Independent workers are not just concerned about their dental plans; it is not enough, it is a joke."

Let us take a look at the Canada Millennium Scholarship Foundation. Once again, we can see, upon reading the budget, that the Minister of Finance is contradicting himself.

In his speech he said "Education is a matter of provincial jurisdiction. It is the provinces that are responsible for the curriculum, for educational institutions, for quality". But the minister's respect for provinces, for Quebec, stops there. How the Canada Millennium Scholarship Foundation will operate will be defined without consulting the provinces.

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The minister was clear on this. He said "Once established, the Foundation will consult". The foundation, which will be administered through a cumbersome, costly and complex structure, will make life difficult for Quebec students.

The federal government, along with certain provinces, is doing the groundwork for the establishment of a true federal education department. This government, which cares so much about the Canadian Constitution, which is even prepared to go before the Supreme Court, cannot even respect its own Constitution.

• (1325)

This government, which is looking more and more unitary, is acting unilaterally. In actual fact, this budget is the second phase of the Canadian flag operation, a Plan B attempt to charm young people, a strictly election-minded strategy.

The Minister of Finance's budget ignores the provinces, who wanted the Liberal government to be fair, and to use its surpluses to give them back what it cut in transfer payments. But the government takes no notice of what the provinces are up against.

I would now like to share another reaction from one of my constituents: "I would like to see the look on the faces of those waiting in hospital corridors when they hear that the federal government is not returning one red cent to the health sector".

By refusing to give back to the provinces the billions of dollars it has taken from them in recent years, the federal government is giving a signal that health is not a budget priority. Although the Minister of Finance used the phrase "equality of opportunity" in his budget, it is a budget full of financial inequities.

Let us now look at EI, specifically at surpluses in the EI fund which, at the rate things are going, will stand at \$30 billion by the year 2000. That is the finance minister's big cash cow for paying down his deficit. Employers and unions throughout Canada called for substantial reductions in EI premium rates.

On Tuesday, workers were shocked to hear the Minister of Finance boast that the unemployment rate had gone from 11.2% in 1993 to under 9% in 1997. These victims of the new system were excluded from EI because of restrictive eligibility rules.

In conclusion, the scenario for Quebeckers, for our young people, for our sick people, for our seniors, as written by the Prime Minister and the Minister of Finance, with the help of the Minister of Human Resources Development, is a sting aimed at our entire society.

I would like to inform you that, unlike the multiple Oscar-winning 1970s Hollywood movie "The Sting", the Canadian version of that movie currently running in the federal parliamentary theatre is not winning any awards, with the exception of an Oscar for best predator to the Prime Minister and best imposter to the Minister of Finance.

[English]

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I have a couple of comments to make.

Certainly within the budget, as has been stated over and over again, with respect to provincial jurisdiction, curriculum, buildings, schools, books are the jurisdiction of the provinces. The millennium fund certainly respects that. The federal role in helping people gain access with financial assistance has always been a shared jurisdiction. The millennium fund continues to respect that jurisdiction.

But I am not one bit surprised that the Bloc and the PQ are attacking the fund, because they know this is the single most important way to help students gain access to educational institutions. The Bloc and the PQ are in fact afraid of the positive effect on people's lives.

Why is the member attacking the millennium fund? Is it because he is afraid that the positive effect on people is not coming from the separatist government in Quebec? Is that why he is attacking the fund?

[Translation]

**Mr. Odina Desrochers:** Mr. Speaker, all that the Bloc Quebecois MPs do is defend the interests of Quebec. Our mandate is a serious one. We defend the interests of Quebec. We defend the interests of Quebec as defined in an agreement signed in 1964 between Jean Lesage and Lester B. Pearson, a respectable Prime Minister who had the interests of Quebec at heart at that time and knew that giving the responsibility for education and the student loan and bursary program to the provinces would ensure that the system would work profitably and efficiently for Quebec students.

Your present Prime Minister would do well to reread the words of Lester B. Pearson from that time, in order to see what a Canadian Prime Minister used to be like.

• (1330)

[English]

**Mr. John Bryden (Wentworth—Burlington, Lib.):** Mr. Speaker, I note that Canada is ending this millennium and about to enter the next as one of the best countries in the world. It is very appropriate to celebrate this by introducing this type of millennium fund grant program for young people.

Is there not room in the heart of the hon. member across the way, in the heart of Bloquistes and the heart of souverainistes, to have pride in a country that has been so successful and to encourage that pride among young Quebeckers who, after all, will not be dictated to on what to think as a result of the millennium fund and are

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simply being invited to share in one of the best countries in the world?

[*Translation*]

**Mr. Odina Desrochers:** Mr. Speaker, the other side of this House has some problems understanding.

I have just told his colleague that education is a Quebec jurisdiction. You have no business getting involved in it. Is that clear?

In the 1867 Constitution, education is a provincial matter. Mind your own business. You will see that Quebec will take proper care of its young people.

**Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ):** Mr. Speaker, three years ago, the Minister of Finance cut the subsidy to Canadian dairy farmers by \$5.12 per hectolitre to zero over five years. Cuts have been made for two years now.

This year, his fifth report to the House of Commons as Finance Minister says nothing about agriculture. Since he will, we believe, generate between \$8 and \$12 billion in the 1998-99 budget, he could perhaps have eased off a bit on the dairy farmers because it is a known fact that cheese has gone up by 40 cents a kilo since he became Minister of Finance.

I would like to ask my distinguished colleague from Lotbinière whether he does not think this would be a good thing for the numerous dairy farmers in his riding, since it would increase the consumption of industrial milk products.

**Mr. Odina Desrochers:** Mr. Speaker, I note the question put by my colleague from Frontenac—Mégantic. Not only did the Minister of Finance do nothing for agriculture, he did nothing for SMBs. It is as if six rural ridings like our own were wiped off the Liberal government's list of priorities.

But things are coming to a conclusion. When Quebec is sovereign and a country, it will look after the real interests of Quebecers, and I am sure that agriculture and the future of SMBs will be among the priorities of its government.

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I am pleased to respond today to the Minister of Finance's budget speech.

I might be tempted to congratulate the minister on his balanced budget, but I have at least two good reasons for not doing so.

First, the public has made heavy sacrifices over the past four years at least to enable the minister to balance his budget.

People have faced huge cuts to health, education and social assistance. Workers and the unemployed had their employment insurance benefits cut or no longer received them because certain eligibility criteria were tightened. All these sacrifices created a

surplus of billions of dollars in the employment insurance fund, which was used in the fight against the deficit.

Second, with a balanced budget in hand, the minister is hiding budget surpluses and preparing a new series of federal expenditures instead of going after pressing objectives such as job creation, the fight against poverty and a reorganization of the social programs they dismantled.

Now a word about the budget itself.

The minister talks about his strategy for equal opportunity, but he seems to forget that, for the past half century, one of the aims of the government has been to redistribute wealth through social programs. He seems to have abdicated this role and to consider unemployment and the rise in poverty to be spectator sports.

The minister neglected in his budget to point out the cuts of \$30 billion still to come in the next few years.

• (1335)

His \$450 million child tax credit in 1999 and 2000 is praiseworthy—

[*English*]

**The Acting Speaker (Mr. McClelland):** Although in the House there are no words in themselves which are unparliamentary, unfortunately it is also equally true that our flag and the waving of our flag are similarly not unparliamentary. It is the fashion in which words are used or a flag would be used.

In the opinion of the Chair at this time the use of the flag is inappropriate, so I would ask that you be kind enough to put the flags back in your desks, and we will resume debate.

[*Translation*]

**Mrs. Suzanne Tremblay:** His \$450 million child tax credit in 1999 and 2000 is praiseworthy, but insufficient to meet the needs of the 1.4 million poor children in the country and the 5 million Canadians living below the poverty line.

It is extremely disappointing to see that the government is presenting no job creation measures whatsoever and is continuing to pocket the employment insurance surplus, which will hit \$30 billion by the year 2000. Instead of using the contributions as a tax in disguise, the government could have stimulated job creation by reducing workers' and employers' contributions or by using the surplus for job creation projects.

The main initiative of this budget is the creation of the famous millennium scholarships at a cost of \$2.5 billion. Those 100,000 scholarships will be handed out only in the year 2000. It is curious to see the government's sudden interest in education, when we know that it will have cut over \$10 billion in that sector between 1993 and 2003, \$3 billion of that in Quebec.

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This government, which has thus contributed to weakening the education system, to tuition fee hikes, to the increased debt load of a generation of students, wants to come off as a benefactor and, as the Prime Minister has admitted, to gain visibility by handing out the flag-embazoned cheques itself.

**Mr. Denis Coderre:** That is all right.

**Mrs. Suzanne Tremblay:** What is more, this is an unprecedented encroachment on an area of provincial responsibility—

**Some hon. members:** Oh, oh.

**Mrs. Suzanne Tremblay:** Mr. Speaker, could you ask those two individuals to be quiet so that I may finish speaking?

[*English*]

**The Acting Speaker (Mr. McClelland):** I am sure all hon. members wish to extend courtesies one to another. In the course of debate there are sometimes a few words thrown back and forth, but please let us just get on with the debate.

[*Translation*]

**Mrs. Suzanne Tremblay:** Furthermore, this is an unprecedented encroachment on a provincial jurisdiction, where Quebec has had the right to opt out, with compensation, since 1964. This encroachment by the federal government is especially unjustified since Quebec has its own student financial assistance program, and one which works just fine.

In fact, Quebec provides assistance to 170,000 students each year. In Quebec, tuition fees are approximately \$1,700 a year and the average student debt is \$11,000. Elsewhere in Canada, tuition fees are about \$3,200 a year and the average student debt as high as \$25,000. If the federal government is serious about supporting education, it should give this money back to the provinces to help them improve their current systems.

With respect to research and development, the government announced that the funding for granting councils will be reduced to its 1994 level.

It should be pointed out that, at that time, in 1994, we were already behind and Canada was spending half as much as the average OECD country. In building for the 21st century, this is an area where the federal government should invest more, if our student are to benefit from the expertise of faculty members engaged in research and modern research facilities.

The tax cuts announced by the government are welcome while they remain minimal, amounting to something between \$100 and \$250 depending on income.

• (1340)

So, while it is giving \$7 billion back to taxpayers over three years, the government will take an additional \$10 billion from taxpayers because the tax tables are not indexed. Where exactly do taxpayers come out ahead?

The government is still refusing to totally reform taxes to lighten the burden on the middle classes and SMBs and to put an end to tax loopholes. While taxpayers pay heavy taxes, companies enjoy many tax shelters and strategies permitting them to put off paying their taxes for a long time.

Bill C-28, introduced by the Minister of Finance, will allow foreign-based shipping companies to evade Canadian taxes. Family trusts continue to deprive the tax system of millions of dollars, thanks to the complicity of the Department of Revenue.

The minister announced nothing for francophone and Acadian communities. This indicates a total lack of political will, obvious in any case in the latest census where Statistics Canada has created a Canadian/Canadien status devoid of any reference to ethno-linguistic origins.

This political decision keeps three million people of francophone origin out of the statistics and prevents researchers from studying the phenomena of assimilation and the socio-economic problems of the francophone communities in the country. In denying there is any problem, the government justifies its inaction in the areas of access to education, health care, government services and cultural growth in francophone communities.

While the need for French language resources is desperate, the Minister of Canadian Heritage is cutting \$22 million from official languages instruction programs.

In cultural terms, this budget offers nothing new. It contains four initiatives that had already been announced: the continuation of the Canadian television and cable production fund, the restoration of the Canada Council's level of funding, a program to help the publishing industry and increased funding for amateur sport. The government also announced, without any details, a program to provide help for the insurance costs of travelling exhibitions.

We support these spending initiatives, but they are totally inadequate, since they give back just a fraction of the money cut in the cultural sector during the Liberal government's last mandate. Yet, spending in this sector greatly promotes job creation. Indeed, studies have shown that creating a job in this sector costs only half as much as it does in the industrial sector.

The government announced it will pursue its program to connect schools and communities to the Internet. However, it has not proposed any funding initiative for multimedia, nor any loan guarantee to create a content that would affirm the presence of Canada's francophone and anglophone cultures on this network.

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Yet, this was a commitment made in the second red book, and the Information Highway Advisory Council recommended that \$50 million be invested in such a fund. Canada's information highway must not be developed without including cultural and educational components.

The budget makes no mention of funding for both networks of the CBC. We are led to the conclusion that the cuts scheduled for this year will indeed be made.

Nothing is done either for the National Film Board which, following cuts of \$45 million, had to virtually abandon its assistance to independent film making, something which particularly jeopardizes the careers of the young film and video makers who represent the future of their industry.

The budget is also silent on another issue, namely the promise to earmark \$10 million for works of art designed to celebrate the new millennium.

As regards the sports and cultural events that may lose their tobacco sponsorship, the Quebec government took the lead by pledging to hand over part of the increase in tobacco taxes. As for the federal government, it has not included any support measure, and the Minister of Finance said that tax money is not allocated to any specific item. Therefore, we should expect nothing on that score.

The Minister of Heritage will need to find ways of supporting the periodicals and scientific and cultural periodicals which are being seriously threatened by the reduced postal subsidy and the changes in the applicable rules. In this area, there is a particular threat to specialized French language periodicals, given their limited market.

In spite of these omissions in cultural funding, the Minister of Heritage managed to find \$20 million for her propaganda agency, the Canada Information Office.

I could go on, but I will conclude by repeating what many experts have said in the last few days, namely that this budget totally lacks vision.

• (1345)

[English]

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, my question for the member for Rimouski—Mitis has to do with the allegation that has been made by the member and other members from the Bloc Québécois about the federal incursion into the provincial sphere.

As the hon. member would I am sure know, our constitution provides for a federal spending power in areas where the federal government feels that a national priority exists.

It is very clear that when we are dealing with training and higher education in a global economy, if anything is a national priority, that is a national priority.

My question for the hon. member is why is it appropriate for the Government of Quebec to set up quasi embassies all over the world in flagrant disregard for our constitution which provides for a federal responsibility in the area of foreign affairs? Why is the member prepared to criticize the federal government in an area that is clearly within the federal government's responsibility? Why the double standard there?

[Translation]

**Mrs. Suzanne Tremblay:** Mr. Speaker, there is a word in both our languages that begins with the letter *h*, followed by a *y*, which I am not allowed to say but which describes very well the behaviour of the Liberal government since it has been in office.

It got elected on a platform and has done absolutely nothing—

**Mr. Denis Coderre:** Mr. Speaker, it is very clear that everyone knows she wanted to say hypocritical, which is unparliamentary.

**Some hon. members:** Oh, oh.

**The Acting Speaker (Mr. McClelland):** The hon. member for Verchères, on a point of order.

**Mr. Stéphane Bergeron:** Mr. Speaker, I think the member for Bourassa has a very poor grasp of French, because my colleague was referring to a word containing the letters *h* and *y*. And, to my knowledge, hypocrite has an *i* near the end.

**An hon. member:** You do not know how to spell.

**Some hon. members:** Ha, ha.

[English]

**The Acting Speaker (Mr. McClelland):** You certainly have your long-suffering Chair in a bad position here. The hon. member for Rimouski—Mitis, please sum up.

[Translation]

**Mrs. Suzanne Tremblay:** Mr. Speaker, the government members must get one thing straight. They were elected on a platform and they have done absolutely nothing to implement it. They found a great platform, the one belonging to the Conservatives, and they carried on with it.

They made breathtaking cuts in social programs, including post-secondary education, which affects Quebec's CEGEPs and universities, and all Canadian universities. In this sector alone, cuts totalled \$10 billion, \$3 billion of which were in Quebec.

They have seriously weakened the universities. They have made cuts to the granting councils, thus also taking away our research dollars. Now they are congratulating themselves. What they are not saying is that there are \$30 billion in cuts still coming. With great

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fanfare they are announcing a fund that will not take effect until 2000.

It is this government's policy to announce things well in advance and count on people having poor memories.

[*English*]

**The Acting Speaker (Mr. McClelland):** The hon. member for Broadview—Greenwood has 60 seconds and there will be a 60-second response.

**Mr. Dennis J. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, 60 seconds. The member for Rimouski—Mitis always manages to make sure that she can generate positive controversy wherever she is in the world.

My question to the hon. friend has to do with the Canadian Unity Information Office. The member mentioned that she thought that the \$25 million for the Canadian Unity Information Office was simply propaganda.

I personally feel that the budget for the Canadian Unity Information Office should be 10 times that because I believe that promoting Canada, especially during a time when there is great strain on the fabric of the nation, is a useful and important thing for the minister of heritage to do.

• (1350)

My question to the member is what other instruments do we have in this government to promote national unity? What other instruments would she recommend to promote national unity other than the Canadian Unity Information Office?

[*Translation*]

**Mrs. Suzanne Tremblay:** Mr. Speaker, I thank my colleague for his question, but he is confusing the Unity Office with the Information Office. The Unity Office comes under the responsibility of the Prime Minister or the Minister of Intergovernmental Affairs, while the Minister of Canadian Heritage is responsible for propaganda.

But to answer his question more directly, what is needed in this House is for people to show us some respect and stop interrupting us all the time. What is needed is for people to stop provoking us with the Canadian flag. It should be used appropriately. People should be more open-minded and respectful toward Quebeckers and toward members in the House, because we were elected democratically like everyone else. We have a job to do, and if they keep on like this, it will not bring about unity, but rather give us one more reason to leave.

[*English*]

**Mr. George Proud (Parliamentary Secretary to Minister of Veterans Affairs, Lib.):** Mr. Speaker, I will wait until the wind goes down.

I will be sharing my time with the hon. member for Etobicoke—Lakeshore.

I am very happy to finally see that a balanced budget has arrived. Canadians have been adding to the nation's mortgage for 27 years and now, because of our collective efforts, we are actually starting to pay it off and to pay off the debt. I will admit that it will take quite a few years to do this, but at least it is a start and we are now out of the blocks.

Before I comment on the initiatives contained in this budget, I want to briefly point out that we have not forgotten about job creation. In fact, the focus of this budget is on jobs, future jobs. We already have a proven track record of job creation and now we want it to continue by increasing access to the knowledge and skills required in the new economy.

Over the last four years, the number of jobs have grown by over one million. From 1997 alone, 372,000 new jobs were created, all of them full time and in the private sector. The unemployment rate fell to below 9% in December, and while that is not near a satisfactory number, the improving trend is clear and it will continue well into the future.

The federal government cannot ignore global pressures. Canada is part of a fast changing, competitive, interdependent world economy, an economy that is increasingly knowledge based, but this is not only because of the new high skill jobs in the high tech industries. There has already been a steady rise of skill requirements in all sectors of the economy and in most types of jobs.

We know not all Canadians are in a position to access the knowledge and skills they will need throughout their lifetime to find and to keep good jobs. Barriers, most often financial barriers, reduce access to post-secondary education for many. That is why this government has created this education budget. This budget is about enhancing the equality of opportunity in gaining the knowledge and skills for today and tomorrow.

The centrepiece of our increased support is the Canadian millennium scholarship foundation. Through an initial endowment of \$2.5 million, the arm's length foundation will provide scholarships to over 100,000 students each year over 10 years, starting in the year 2000.

However, the most important aspect—and I know this is important to all Canadians and indeed to all Prince Edward Islanders—is that Canadians of all ages, studying full time or part time in publicly funded universities, community colleges, vocational or technical institutions and CEGEPs, will be eligible for these scholarships.

Moreover, the foundation will have the authority and the discretion to include privately funded institutions. This has a much broader scope than any existing support.

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In recognition that many students' needs are not fully met by scholarships and student loans, the government is also introducing Canada study grants. Beginning in 1998-99, grants will go to over 25,000 needy full and part time students who have children or other dependants.

Student debt has become a very heavy burden for many Canadians.

• (1355)

Last December federal and provincial first ministers agreed that something must be done to reduce the financial burden on students. They asked the federal government to take action in this budget and it is.

First, all students will get tax relief, a 17% federal credit for interest paid on their student loans. Second, we are increasing the income threshold used to qualify for interest relief on Canada student loans by 9%, making more graduates eligible. Third, we are introducing graduated interest relief which will extend assistance to more graduates further up the income scale.

Fourth, for individuals who have used 30 months of interest relief we will ask the lending institutions to extend the loan repayment period to 15 years. Fifth, if after extending the repayment period to 15 years a borrower remains in financial difficulty, there will be an extended interest relief period. Finally, for the minority of graduates who still remain in financial difficulties after taking advantage of these measures, we will reduce their student loan principal by as much as half.

Together these new interest relief measures will help up to 100,000 more borrowers and over 12,000 borrowers a year will benefit from debt reduction when this measure is fully phased in.

Many Canadians who are already in the workforce want to take time away from work to upgrade their skills through full time study. We have introduced measures to help them overcome financial barriers. Beginning in January of next year Canadians will be able to make tax free withdrawals from their RRSPs for lifelong learning.

To preserve the role of the RRSPs in providing retirement income, the amounts withdrawn will have to be repaid over a 10 year period. In many respects this plan resembles a successful homebuyers plan.

Canadians oftentimes study part time to upgrade their knowledge and skills. We are proposing two new measures to help them. Beginning this year the education credit will be extended to part time students. This will benefit 250,000 Canadians.

In addition, for the first time parents studying part time will now be able to deduct their child care expenses. Currently only full time students are eligible. This new measure will benefit some 50,000 part time students.

Any long range plan to acquire knowledge and skills for the next century must look ahead to the students of tomorrow. The best way to help ensure children's future is to save for their education today. We want to establish a new partnership to help parents save for their children's future. That is why we are introducing the Canada education savings grant to make registered education savings plans even more attractive. Beginning in January we will provide a grant of 20% on the first \$2,000 up to a maximum annual grant of \$400 per child.

I want to point out that this does not take much to save for a child's education. For example, if a family contributes \$25 every two weeks for a total of \$650 a year for 15 years, their child will have \$4,700 available each year for a four year period of education. Of that amount almost \$800 a year would be as a direct result of a Canada education savings grant.

The Canadian opportunity strategy also addresses the urgent problem of youth unemployment. The actions we are taking will give young Canadians the job experience they need and provide support for those who have dropped out of school and face particularly tough challenges. First, the budget provides—

**The Speaker:** My colleague, you still have three minutes left of your time. I am sorry to interrupt you now but it is two o'clock. We will go to statements by members. The hon. member for Charleswood—Assiniboine.

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## STATEMENTS BY MEMBERS

[English]

### WILLIAM ORMOND MITCHELL

**Mr. John Harvard (Charleswood—Assiniboine, Lib.):** Mr. Speaker, I rise today to celebrate a life well lived and a life that resonated the values of Canadians to the world.

I speak of William Ormond Mitchell, a Canadian literary icon who passed away yesterday at the age of 83.

When I worked in television I had the honour of interviewing Mr. Mitchell. I remember his earthy charm, sincere warmth and salty wit. Moreover, W. O. Mitchell possessed the rare ability to write about his perceptive insights into the human condition. He was indeed a product of his prairie environment, genuine and true to himself and the world around him.

Although he will be missed, W. O. Mitchell has left Canadians with a better sense of who they are and for that legacy he will be long remembered.

On behalf of all members I convey condolences to his family.

• (1400)

### GRAMMY AWARDS

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, Canada came out a winner last night at the Grammy awards in New York. We can all be proud of the outstanding achievements of our talented artists.

British Columbia's Sarah McLachlan came away with two awards. Bryan Adams was nominated for best male duet. Ottawa's Alanis Morissette won best long term video. Montreal's Céline Dion was nominated for best duet. Daniel Lanois won for best album in contemporary folk.

This is only the tip of the iceberg. Our nation has literally thousands of talented artists: the Tragically Hip from Kingston, the wonderful fiddler Natalie McMaster from Nova Scotia, Leahy from Ontario, Terri Clark and Paul Brandt from Alberta, the Buicks from Calgary, the Great Big Sea, Lorena McKinnet and her beautiful voice, as well as the wonderful Susan Aglukark.

On behalf of all of us in the House and on behalf of the Reform Party we congratulate the winners of last night and the winners to be from our great pool of talented artists in Canada.

\* \* \*

### WINTER OLYMPICS

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, at this very moment the city of Edmonton is honouring all its Olympic athletes. At this time I would ask all members of the House to join with me in congratulating Pierre Lueders for his gold medal bobsled run, Judy Diduck and Fiona Smith for women's ice hockey, Kevin Quintilla for biathlon, Ian Danney for bobsleigh, Jaime Fortier for women's cross-country skiing, and Curtis Joseph for men's ice hockey.

The stunning victory of Pierre Lueders is ever more remarkable in that he won a gold medal in his first ever world cup race in 1992. Now, just four years and 24 world cup medals later, Mr. Lueders has become the second Canadian bobsled driver to bring home Olympic gold.

Congratulations to all our Olympic athletes.

\* \* \*

### OCEANS

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, it gives me great pleasure today to remind members of the House and all Canadians that 1998 is the international year of the ocean.

### S. O. 31

This is not only a year of celebration but also a year to raise public awareness about the role oceans play in our daily lives, even for those Canadians who live far from coastlines.

More than 70% of our planet's surface is covered by water and what we do inland makes a difference to the oceans' health.

Oceans regulate the world's climate and provide more oxygen than the rain forests.

Despite the importance of the oceans to every living being on the planet, they are often taken for granted.

By celebrating the international year of the ocean we can learn more about the three oceans that surround us and include all our communities in efforts to protect them.

We must raise awareness of the importance of this natural resource by involving municipalities, governments, youth groups, neighbours and friends.

It is encouraging that the Department of Fisheries and Oceans has taken a leading role on ocean related issues and that the department is seeking collaboration with oceans stakeholders toward the development of Canada's oceans strategy. The goal is to have a strategy in place by the year 2000.

\* \* \*

[Translation]

### EMPLOYMENT

**Mr. Paul Mercier (Terrebonne—Blainville, BQ):** Mr. Speaker, the Lower Laurentians is a disaster-stricken area, hit by job losses in various industries.

After the problems with Kenworth and the transfer of international flights out of Mirabel, now the GM plant in Boisbriand has not only undergone further downsizing but it may well close down because the models produced there do not sell.

Years ago, Ottawa gave this company a \$110 million grant to create and maintain jobs. Now these jobs created at public expense are seriously threatened. Their loss would be disastrous for the region.

GM will be investing \$14 billion in its plants as part of a worldwide re-equipment plan. But not one cent was earmarked for Quebec, even though refurbishing the assembly line would enable the plant to build different models.

The public is expecting the federal government to look into this issue, which causes much anguish and on which the future of our region depends, and to make representations to GM before it is too late.

*S. O. 31*

• (1405)

[*English*]

### CANADA

**Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, Canada is a very decent nation, capable of understanding, of diplomacy and of compromise. We are a very accomplished nation.

It was a Canadian who discovered insulin. It was a Canadian who invented the telephone. It was a Canadian who conceived of the emergency forces, not for war but for peace.

[*Translation*]

It was a Canadian who won two gold medals for speed skating in the Olympics.

[*English*]

This is not enough. We must continue to make every yesterday a vibrant and beautiful dream of happiness and every tomorrow a magnificent vision of hope. We must continue to make our voice heard clearly, distinctly and bravely.

Canada is a rare illustration that people from different backgrounds can live, learn and work alike, proud of our noble heritage, enriched by our diversity of talents and ennobled by our unity of vision. This is our responsibility. Let us—

**The Speaker:** The hon. member for Kitchener Centre.

\* \* \*

### GRAMMY AWARDS

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, allow me to join with all Canadians in congratulating the successes of our artists last night at the 40th annual Grammy awards in New York City.

The number of Canadians represented at these awards reflects excellence in Canadian artists. The awards they won are prestigious international recognition of this talent.

Let me first congratulate Sarah McLachlan for winning both best female pop vocal performance and best pop instrumental. Let me also congratulate producer Daniel Lanois who shared awards with Bob Dylan for album of the year and contemporary folk album of the year.

Congratulations are due to Alanis Morissette for best long form music video and to folklore professor Neil Rosenberg for best liner notes.

[*Translation*]

Congratulations also to Céline Dion for her superb—

**The Speaker:** The hon. member for Abitibi.

\* \* \*

### THE BUDGET

**Mr. Guy St-Julien (Abitibi, Lib.):** Mr. Speaker, the budget tabled by the Minister of Finance is the best I have seen in a long time in this Parliament.

I have no hesitation in saying that it is better than all those that were tabled when I was a member of the Progressive Conservative Party. Indeed, I made a good choice when I joined the Liberal Party of Canada. I could see that the Liberal Party was committed to improving the quality of life of Canadians.

The finance minister's budget introduces and implements various measures designed to create a climate for continued economic growth.

The budget also provides for the elimination of the deficit, something we have not seen in 30 years. The Liberals' rigorous management, combined with the co-operation of all Canadians, has made it possible to resolve this serious problem affecting the future of our country.

I want to congratulate the Minister of Finance, and especially our Prime Minister, who leads his troops in an efficient and humane fashion, in the best interest of Canada. Our Prime Minister has set Canada on the road to prosperity and I wanted to underscore that.

\* \* \*

### POVERTY

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, since taking office in 1993, the Liberal government has never stopped implementing policies that have a negative effect on the poor.

In this regard, the National Anti-Poverty Organization released a report on the impact, on low income Canadians, of government spending cuts and other changes affecting health care and post-secondary education.

This report, sponsored by one of the most respected organizations active in the fight against poverty, includes two findings that are disturbing to say the least. First, the actual per capita value of federal cash transfers for social programs dropped by more than 40% between 1993 and 1997. Second, access to health care services is becoming increasingly dependent on one's ability to pay, rather than on the need for medical treatment.

When will the Liberals realize that the fight is against poverty, not against the poor?

[English]

### DURHAM COLLEGE

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, I rise today to thank the Minister of Finance for highlighting Durham College in his budget speech.

Durham College was founded in 1967 and began with a brave and important mission, to create and offer the best in college programs and to help students embark on successful careers.

Durham College has succeeded in this mission and is now one of the premier education institutions in Ontario, serving over 42,000 students.

• (1410)

It provides a true integration of the traditional workplace mandate of colleges and the traditional scholarship mandate of universities, thus providing the best of both worlds to students, employers and taxpayers.

With the announcement of the millennium scholarship fund, the RESP program and the Canada studies grants, more students will be able to take advantage of Durham College's vision for the future.

I congratulate Gary Polonsky, president of Durham College, who was in the gallery for the budget speech, for his contribution to the future of our young people.

\* \* \*

### WILLIAM ORMOND MITCHELL

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, western Canadians, indeed all Canadians, today mourn the passing of beloved story teller W.O. Mitchell.

Millions of school children who have never been to the west have nonetheless tasted the dust of a prairie road and heard the chattering chirps of grasshoppers through W.O. Mitchell's characters like Jake and the Kid.

The men and women he wrote about were often tough as rawhide and as eccentric as tumbleweeds, but they always had heart and humour and an earthy common sense.

In his latter years W.O. Mitchell received acclaim from everyone, including most of the Canadian establishment, and yet he loved to gently poke fun at people consumed by their own sense of self-importance.

He might well have asked "Why do you accept and relish my prairie characters when you meet them on the pages of a book and regard them as rednecks and eccentrics when you meet the real thing in the flesh?"

*S. O. 31*

Reformers salute W.O. Mitchell, the prairie bard who belongs to all Canadians.

\* \* \*

### THE BUDGET

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, on behalf of the students of McMaster University, Mohawk College and other post-secondary institutions in the great riding of Hamilton West, I repeatedly wrote to the Minister of Finance suggesting he assist students faced with increasing tuition fees and rising debtloads.

What a response. In the first balanced budget in nearly three decades the minister did what? He introduced the Canada study grants for students with children. He extended the repayment period for Canada student loans to 15 years. He increased contributions to granting councils such as the MRC.

He allowed Canadians to temporarily withdraw from RRSPs for lifelong learning. He extended the education credit to part time students. He introduced the Canada education savings grant. He launched the Canada millennium scholarship foundation.

He improved Canadians' access to the information highway. He provided employees with EI premium holidays to hire youth and he offered tax relief to students who must pay interest on their debt.

What a difference five years of Liberal government make. Thanks to the Minister of Finance, Canada's most valuable resource are the first to benefit from a balanced budget.

\* \* \*

### WILLIAM ORMOND MITCHELL

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the wonderful thing about life is that it always leaves us coming back for more. The wonderful thing about our writers and artists is that they remind us of that.

W.O. Mitchell did that for us. His prairie stories sing to all our hearts, whether or not we have ever seen the wind chase the sun across an ocean of wheat. His voice is stilled now, but life goes on.

It went on last night with the Ottawa premiere of the member for Dartmouth's play *Glace Bay Miners' Museum*. The play is a story from the east, a story about coal miners and their loved ones. It is a story about all of us.

We will not hide our joy and pride at having this playwright from Nova Scotia in our caucus, but we are happy to share her.

The gift our writers and artists give us is the most precious any nation can ever give, the gift of belief in ourselves, in the conviction we can and will see to it that today is better than yesterday but nowhere as good as tomorrow. And you can bet we will all keep coming back for more.

*Oral Questions*

[Translation]

**STUDENT AID**

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, Lucien Bouchard hid a few things from PQ militants last weekend.

Concerned as he was about scoring political points at the expense of the federal government, Mr. Bouchard forgot to tell PQ members that his government was about to tighten eligibility criteria for its own financial assistance program.

This, perhaps, explains the battle being waged by the separatist government against the millennium fund. Lucien Bouchard, looking like a clone of Maurice Duplessis, said "We are not interested in seeing the federal government helping young Quebecers who want to continue their education, but give us the money, we will distribute it ourselves".

Why did Mr. Bouchard not have the courage to announce that he would cut his own student loans and grants initiative? Unfortunately for separatists, the Canadian government has good news for young Quebecers.

They will have direct access to federal assistance, so that they can continue their education. Our government does not need a dispensing counter managed by a separatist government that is about to cut its own programs.

This is where part of the taxes paid to the federal government go: directly to Quebecers.

\* \* \*

● (1415)

**GRANBY WINTER FESTIVAL**

**Ms. Diane St-Jacques (Shefford, PC):** Mr. Speaker, 1998 marks the fifth anniversary of Granby's Folies d'hiver festival.

This festival is host not just to local residents, but to many other people from all corners of the province, the country and even further afield.

It offers a variety of outdoor activities for the whole family. I would like to thank the organizers, the many volunteers, and all those whose efforts make this event possible.

On behalf of the Granby tourism office and the entire population of Granby, I invite you to pay us a visit between now and March 8. Follow the example of the 60,000 people who came last year for some great winter fun.

**ORAL QUESTION PERIOD**

[English]

**THE BUDGET**

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the budget figures show that the government had enough revenue in 1997-98 to eliminate the deficit, to meet its program spending target of \$103 billion, and to put \$3 billion into its contingency reserve, but the government in fact spent \$106 billion and the contingency reserve went to zero with no payment on the debt.

My question is for the finance minister. Why did the minister spend the contingency reserve devoted to new spending after promising in three previous budgets that this would not occur?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, let us be very clear. The government did not spend the contingency reserve. The government did not spend the contingency reserve this year. The government did not spend the contingency reserve last year. The government did not spend the contingency reserve the year before that, nor the year before that.

The reason the government was able to bring in the first balanced budget in 30 years is that we did not spend the contingency reserve.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the minister's statement does not square with the statements in his budget tabled earlier this week.

His budget shows that higher revenues and lower interest charges were enough to eliminate the deficit on its own without touching the contingency fund. Yet the contingency fund disappeared, the fund that was to go to the debt.

Will the minister answer plainly? Where did his contingency reserve go? If it did not go to the deficit and did not go to the debt, did it not go into new spending?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, it went to reducing the deficit.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the opposition, various analysts and much of the Canadian public disagree with the minister's explanation.

Either the minister's communications are wrong or his accounting is wrong. If his accounting is wrong, that is a very serious business.

To settle this, will the finance minister agree to ask the auditor general to audit the definition of contributions to and expenditures from the contingency reserve and report to the House when it reconvenes next week?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, perhaps the Leader of the Opposition has not noticed but the auditor general actually does audit the government's books and he does report to parliament.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the finance minister does not get it. We want to bring in the auditor general now.

Three billion dollars have gone missing from what is supposed to be a debt retirement fund, and the finance minister's fingerprints are all over it. The government's whole debt reduction strategy rests on using this fund to pay down our staggering national debt.

Last fall the finance minister said the fund "would be used to pay down the debt of the federal government". He broke his word. Why should we believe he will not do it again?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the Reform Party has said to bring in the auditor general now. Let me point out to the member that the year is not over. There is still the month of March to go and there are the year end adjustments to go.

Perhaps the Reform Party might allow the year end to finish so the auditor general could make his report. He will make it to parliament and once again the Reform Party will have been found out not to know how to count.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, let us just see how good the finance minister's math is.

The government budgeted \$103 billion. It had enough revenue to cover \$103 billion. The problem is that the government spent \$106 billion. The entire so-called debt retirement fund has been vaporized by new spending.

• (1420)

Again, how can we trust the Minister of Finance not to continue using the entire debt retirement fund as a political slush fund?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, if one ever needed better proof of the success of the budget, the tax reductions, the fact that we have balanced the budget and the fact that we have been able to invest in education, it is that the first five questions Reformers have posed in the House have to do with accounting.

They are afraid to talk about the budget because they know that it has been a tremendous success and they are right.

\* \* \*

[Translation]

### MILLENIUM SCHOLARSHIPS

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday, the Prime Minister admitted that the real

objective of his millennium scholarship fund was to make sure students knew where the money was coming from.

The Minister of Human Resources Development even said that everything was negotiable, except the sending of cheques.

How does the minister reconcile the government's objective of visibility with the comments made last week by the Prime Minister at the Canadian Club, when he said, with a hand on his heart "I for one refuse to play politics at the expense of the future of our young people. They deserve a lot better".

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, when we want to celebrate, when we want to have a party, when the government decides to celebrate the future of our economy, particularly with young Canadians, it is normal to draw everyone's attention to it.

This is what celebrating the millennium is all about. We want to allow our young generation to have the best possible access to the knowledge and skills required to build a very sound economy for the future.

To seek to give visibility to such a well intentioned and targeted party is to send a message of optimism about the future of our country.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, it is unbelievable to hear the minister tell us the government will get involved in education, cut \$10 billion, and then come back with a scholarship program, when one already exists in Quebec. The nerve of its all. They are throwing a nice party with our money.

I watched the Prime Minister on television today; he said he did not want squabbles.

Will the minister admit that, if the federal government does not want squabbles, it must get out of the education sector, where no one wants to see it?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, our government has no intention of getting involved in education.

**Some hon. members:** Oh, oh.

**Hon. Pierre S. Pettigrew:** The curriculum, the management of educational institutions, including universities and colleges, are matters of provincial jurisdiction and we will not touch them.

However, since the war, the federal government has been funding education, in Quebec and across Canada. We have been doing it since the war. The government has been active in promoting access to knowledge and skills, and in preparing for the future. We want to help young people across the country. I will sit down with Mrs. Marois and we will do a good job together.

*Oral Questions*

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, yesterday, in Montreal, the Minister of Human Resources Development suggested to the Government of Quebec that it consider millennium scholarships as income earned by students when awarding Quebec loans and scholarships.

Are we to understand that the minister is suggesting to the Government of Quebec that it reduce its grants to young people to take into account the grants received from Ottawa?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I hope the Government of Quebec will be more imaginative than that.

Yesterday, in Quebec City, I mentioned that our government was available to sit down with each of the provinces, with the Government of Quebec, so that the particular needs of each of our societies within the country would be reflected.

I know that Quebec's situation with respect to the scholarships is special in several respects. I am perfectly prepared to meet with Mrs Marois and I think we will be able to arrive at an arrangement ensuring that Quebec students are well served by our government.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the arrangement is that it withdraw, with fair compensation for the Government of Quebec, nothing less.

Does the fact of suggesting that the value of millennium scholarships be included when calculating Quebec loans and scholarships not finally confirm what the minister has always refused to admit until now, namely that his millennium scholarships create duplication with Quebec?

• (1425)

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, it would be a good idea for the member for Saint-Hyacinthe—Bagot to take the time to read the budget.

It states specifically that the goal of the millennium fund is to avoid any duplication—

**Some hon. members:** Oh, oh.

**Hon. Pierre S. Pettigrew:** —to consult with the provinces, so that we can meet students' particular needs, and that the loans and scholarships program must complement existing programs. It is there in black and white in the budget.

So the member for Saint-Hyacinthe—Bagot would do well to take another good look at the budget before making such ridiculous accusations on behalf of young Quebecers.

**HEALTH CARE**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my question is for the Minister of Finance.

Canadians want to have access to quality health care, but the Liberals are not listening. Despite its election promise, the Liberal government will not be investing one cent more in provincial transfer payments to improve the health system.

Can the Minister of Finance explain this decision to Canadians, whose health is jeopardized by the overcrowding in hospitals?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, Canada's health insurance is one of our greatest achievements. It has certainly remained a priority for our government.

I can assure the member that the first thing the Prime Minister and the government wanted to do when we began to see the light at the end of the tunnel was to put \$1.5 billion back into the Canada social transfer for health. This will amount to \$7 billion by 2002. When this is added to all the other measures in—

**The Speaker:** The hon. member for Halifax.

[English]

**The Speaker:** The hon. member for Halifax.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, following Tuesday's budget only Ralph Klein and Russell MacLellan applauded the government's betrayal of its health funding promise.

Most Canadians and all other premiers believed the red book promise "as we get our fiscal house in order a Liberal government will commit new resources to address priority needs in health care".

Why did the finance minister choose to break this promise?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the hon. member should recall that the very first thing the government did, when economic prospects improved and the fiscal house was in order, was to forego cuts in transfers to the provinces and add \$7 billion of additional revenue over the next four years.

The hon. member can scoff all she wants, but that money is available for hospitals, for technology and for treatment. I hope that those provincial governments follow our lead and put the priority on health care and education.

**Hon. Jean J. Charest (Sherbrooke, PC):** Mr. Speaker, if the provincial governments follow the example of this government it will be disastrous for the health care system.

The Prime Minister has cut cash transfers to the provinces by 35%. Yet, in an interview the Prime Minister gave yesterday, he

*Oral Questions*

said “We have cut some transfer payments. I said that most of it had been restored, not completely, but most of it”.

Will the Prime Minister and his government not recognize today that statement is in fact not true?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I would simply like to point out to the leader of the Conservative Party that in 1993-94, when our back was to the wall, we took some very difficult decisions. One of the first things we did, when we began to see that the climate was improving, was to put \$1.5 billion back into health care.

I would ask the leader of the Conservative Party to speak to the premier of Ontario and ask him why, when our reductions were \$850 million, he took \$4.8 billion out of the health care system and out of the education system in Ontario.

**Hon. Jean J. Charest (Sherbrooke, PC):** I noticed, Mr. Speaker, that the minister did not answer my question.

• (1430)

I would be happy to note for the Minister of Finance and the Liberal government that notwithstanding the 35% cut in cash transfers in Ontario, the Government of Ontario increased its budget for health care in the province. That is a fact.

I would like to know today whether in the province of Nova Scotia for example that is going to receive \$224 million less a year in the year 2002-03 than in 1993-94—

**The Speaker:** The hon. Minister of Health.

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, there is an irony that this question comes from the leader of the party whose platform was to eliminate altogether cash transfers to the provinces.

This is a government that will not take that approach. We will not gut medicare. We will not destroy the role of the federal government in enforcing its standards and its principles because we believe in medicare for now and for the future.

\* \* \*

**GOODS AND SERVICES TAX**

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, I would like to point out that yesterday the finance minister said “all Tory taxes are odious”. For once I agree with the Liberal finance minister. Tory income taxes are odious. Tory surtaxes are odious. Tory bracket creep is odious, that is, repulsive, repugnant, disgusting, disreputable, despicable and detestable.

Let me ask the finance minister one straight question. Does this finance minister think then that this terrible, terrible, terri—whatever it is—GST is odious too?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, Tory taxes are not the only things that are odious, detestable and

terrible. I will tell you what is equally bad, a boondoggle, and I cannot think of anything else. That is in fact that the Reform Party would take \$10 billion further out of spending.

There is only one place where that \$10 billion will come out of. It will come out of equalization. It will come out of health care. It will come out of education. It will come out of all those things the middle class in this country deal with.

Why will the Reform Party not stand up and tell us what kind of a country this would be if they took another \$10 billion—

**The Speaker:** The hon. member for Edmonton North.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the question was about the GST and the finance minister just forgot to answer it. I will remind him one more time that yesterday he said “all Tory taxes are odious”. That is what he said. I think Canadians probably would agree with him and so he probably would want to make some changes in that.

It was about the GST. I will ask him one more time, not to go on the rant but to clarify his position on the GST. If he thinks Tory taxes are so odious, why did he break his promise and not scrap the Tory-Liberal GST?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, first of all if the GST is so odious, why in fact did the Reform Party recommend that there be a harmonized sales tax across the country?

I would simply like to tell the Reform Party that what we did—

**Some hon. members:** Oh, oh.

**The Speaker:** I think we will try somebody else. The hon. member for Lac-Saint-Jean.

\* \* \*

[Translation]

**MILLENNIUM SCHOLARSHIPS**

**Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ):** Mr. Speaker, yesterday, the Prime Minister clearly indicated that his millennium scholarship fund was designed to make his government more visible to young people.

Now that we know what the Prime Minister really thinks, will the government admit that, instead of stating before the Canadian Club that he is not playing politics on the backs of our young people, the Prime Minister should have said that he cares about their future as long as it benefits him politically?

• (1435)

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I am disappointed in the attitude of the hon. member for Lac-Saint-Jean, a young man, toward the Prime Minister, who made a point of ensuring that students benefit

*Oral Questions*

from the 1997-98 dividends to get a post-secondary education at a time when they are getting deeply into debt.

The Prime Minister chose to put young people first and promote the knowledge and skills on which tomorrow's economy will be built. That is what the Prime Minister had in mind in celebrating the millennium, not the political benefits the member referred to.

**Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ):** Mr. Speaker, I am getting tired of these melodramatics. Everyone agrees that this millennium scholarship fund makes no sense.

On behalf of young people, I am asking the government, if it has an ounce of good sense left, to backtrack before it is too late.

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, people spoke out, like André Bourbeau, of the Quebec Liberal Party, who urged the government to sit down at the negotiating table. Mario Dumont, of the ADQ, said the same thing.

The only thing PQ members care about is scoring political points. The two opposition parties in the National Assembly are urging them to sit down with us so that, together, we can see what can be done in this important area to ensure the future of our young people.

There are numerous stakeholders who have absolutely no problem with our action.

\* \* \*

[English]

**HEALTH**

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, after four years of fairly significant cuts to medicare, how does the finance minister have the nerve, the audacity, the chutzpah to say that forgoing the reduction in funds is somehow new money for medicare? Will he admit here today that this new money for medicare is simply a slowdown in the cuts that he himself ordered?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the hon. member can play with words if he likes.

The bottom line is that as a result of our decisions, the very first major decisions taken after we put the fiscal house in order, the provinces are going to have \$7 billion more money than they would have over the next four years. That is money for hospitals, that is money for treatment, that is money for health.

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, here is what the Prime Minister had to say about medicare today. He said "I am not going to give any more money to the provinces because I don't like the way they spend the money. They will probably spend it on something that isn't for medicare. In fact, Ontario spent the money

for tax cuts". But at the same time Ontario cut taxes, it also gave more money to medicare. Since Ontario can walk and chew gum at the same time, why cannot our Prime Minister?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member is quite incorrect in saying that the Prime Minister said there would be no more money for medicare. He did not make that statement. He did not say there would be no more money for medicare or no more money for health care.

What the hon. member is saying is based on an incorrect radio news report and there has been a correction sent out. If my hon. friend wants to be taken seriously by his little friend Zachary, he ought to be accurate when he gets to his feet in this House of Commons.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE FUND**

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Minister of Finance.

Between now and 2000, according to the government's own figures, \$25 billion will accumulate in the employment insurance fund. Much of this money comes from business, including those that hire the most.

Does the Minister of Finance realize that by inflating the employment insurance surplus this way he is slowing job creation, and that because of him—

**The Speaker:** The Minister of Finance.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the member should know that, when we took office, UI premiums were \$3.07. They were to rise to \$3.30. Today they are \$2.70. In other words, we have lowered them substantially, three times.

We lowered them last year by \$1.4 billion and the previous year, by \$1.7 billion. These are the most substantial reductions in the history of the fund.

● (1440)

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the most substantial thing in this is the astronomical surplus, which, this month, will reach \$15 billion.

Does the minister realize that, with this \$15 billion, he could eliminate premiums for a year? He could pay all benefits for a year and still have \$3 billion left? What more could he want?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, this is one of the reasons we were able to waive unemployment insurance premiums over two years for employers hiring young people between 18 and 24. That is what we did.

*Oral Questions*

[English]

**MAIN ESTIMATES**

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, this morning the government tabled the main estimates and we now see that the Prime Minister will celebrate the balanced budget by increasing the budget for his own office by \$700,000 a year.

When Canadians were given tax relief amounting to just a case of beer, why does the Prime Minister need an extra \$700,000 to run his own office?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the hon. member asks a question about the functioning of the Privy Council Office and others. I want him to know that in the last Parliament there were two ministers directly related to the Privy Council Office. In this Parliament there are five because of a realignment of functions. There are now five ministers related to it. That is the reason for the budget increase.

Individual ministers are not increasing their budgets. It is a matter of not having a separate line department and hon. members opposite know it.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, realignment does not mean increase and these are increased expenditures. Not only does the Prime Minister get another \$700,000 for his office, but the PMO duties are taking another 75% increase, \$3.6 million in extra money and there is no decrease in ministerial staff budgets either.

This is extra money and we want to know why, when Canadians are getting no tax relief at all, the Prime Minister is spending all kinds of money on himself.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the individual staff of ministers was increased by one and the individual allocation of members of Parliament was also increased recently. The hon. member opposite knows that. One was used as a precedent to set the other, and he knows that too.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Minister of Human Resources Development says he is very concerned about the decrease in the number of unemployed workers receiving EI benefits.

He supposes this might be because the number of self-employed workers is on the increase. One thing is certain: although 83% of unemployed workers received benefits in 1989, today only 40% do so.

Instead of looking for some obscure explanation, why does the minister not admit that the only thing to do is to make EI more accessible? Everyone knows that is the answer.

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I do not know whether that is everyone's view. Canadians are perfectly happy that we had the courage to change the EI system.

The opposition is asking us to take a step backward to an obsolete system that no longer served them well with respect to the modern labour market. They are asking us to take a step backward.

As a government, we will do the responsible thing. We want to serve Canadians well with respect to the current labour market. I have admitted to being concerned about the people in the system; we are going to look into the matter and make the right decisions.

\* \* \*

[English]

**MULTILATERAL AGREEMENT ON INVESTMENT**

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, my question is for the Minister for International Trade.

Constituents are calling my office and other members' offices regarding the negotiation of the multilateral agreement on investment. Individuals in my riding are particularly concerned about the impact the agreement will have on Canadian culture.

What is the minister's position on preserving our rights to promote and protect Canadian culture during these negotiations?

**Hon. Sergio Marchi (Minister for International Trade, Lib.):** Mr. Speaker, I would thank the hon. member for her question. She is a passionate advocate for Canadian culture.

The very simple and straight answer to that question is that culture is non-negotiable. I have said many times in this House and outside the House the Canadian government would not sign an MAI if it were to include and involve Canadian culture.

● (1445)

I appeal to the NDP, if they care about the culture community, not to misrepresent the position and as well appeal to the Reform Party which is the only party in the House that is advocating opening the deal on culture, health care and social services. Let me reflect—

*Oral Questions*

**The Speaker:** The hon. member for The Battlefords—Lloydminster.

\* \* \*

**THE ECONOMY**

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Mr. Speaker, yesterday the Prime Minister told Canadians to relax and rejoice. Hundreds of thousands of Canadians are waiting for health services, 1.4 million are trapped in the unemployment line, 17% of our youth are searching for a full time job.

Does the prime minister in waiting also believe these people should rejoice and relax?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Prime Minister was confirming that since this government took office unemployment is down by over two and a half per cent. We created some one million jobs. Inflation is gone. Interest rates are down, providing thousands of dollars in the pockets of people buying cars and paying mortgages.

When the Prime Minister wanted to reassure Canadians, he brought out the facts, unlike the hon. member who has overlooked completely how this government has helped this economy move ahead and how the budget that came out earlier this week will add to that progress for all Canadians.

\* \* \*

**THE BUDGET**

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, the finance minister says this budget is going to give tax relief to middle income Canadians, but private sector economists are saying that because of bracket creep, this insidious tax on inflation, that the middle class is going to end up paying a billion dollars more next year than this year.

When the OECD is calling for the reindexation of the tax system, when the finance committee has called for it, when Canadians are going to be paying more, not less, because of bracket creep, why did this minister not act to take this insidious tax on inflation out of our tax system?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, let us take a look at what we have done. In fact, there are targeted tax decreases for students, for families, for poor families, for caregivers. Then there are general tax decreases. We increased the threshold by \$500 for an individual or \$1,000 for a family. We eliminated the 3% surtax for 13 million Canadian taxpayers.

**HEALTH**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, one day the Prime Minister says no new money ever for health cash transfers. The next day he retracts it. It does not matter so much to Canadians who is lying. What matters to Canadians—

**Some hon. members:** Oh, oh.

**The Speaker:** The hon. member for Saint John.

\* \* \*

**THE BUDGET**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, health care is a very important issue in this country. You cannot go to college and get your degree if you do not have your health. You cannot go to work and pay your taxes if you do not have your health.

The medical society in Canada is begging for more money from this government. The Liberal finance ministers from Newfoundland and New Brunswick are saying there is no more money in this budget for health care. P.E.I. is saying the same thing.

When will the Minister of Finance stop the cutting and start the healing because he has devastated the health care system?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, this may come as news to the hon. member, but the health care system in Canada was never in greater jeopardy than when her party presided over this House. We faced a deficit so huge that it threatened to engulf all of our social programs.

For that member to stand in this House and to tell us that we are not acting to preserve it strains the credulity. We are the party that understands how to preserve health care in Canada.

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, the fact is that seven provinces will be receiving less in cash transfers for health care and education according to the finance minister's own staff.

Every maritime government has spoken out against this except for one. That is the Prime Minister's gofer in Nova Scotia, Premier Russell MacLellan. Will the finance minister commit today to ensure that the provincial CHST floors are established on a provincial level or does the minister believe that just because Nova Scotians have a weak premier they should have a weak health care system?

• (1450)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, first of all there are very few political leaders in this country who have defended medicare and who have fought for the social fabric in this country as hard as Russell MacLellan has for Nova Scotia.

*Oral Questions*

The Minister of Health referred to the Conservative program to eliminate cash transfers and go to all the tax points and what affect that would have on the ability to preserve the health care in this country. What the Atlantic members ought to know is if that was done, given the relative value of tax points across the country, the area that would suffer the most is Atlantic Canada. How can—

**The Speaker:** The hon. member for Algoma—Manitoulin.

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, there have been concerns that FEDNOR, which is Canada's economic development agency in northern Ontario, could cease to exist as of next year. This government listened and renewed its commitment to northern Ontario in last Tuesday's historic budget.

Can the Parliamentary Secretary to the Minister of Industry inform the House on the steps which will be taken to place FEDNOR on stable and secure funding into the next millennium?

**Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, first I want to congratulate the Minister of Finance for reaching a balanced budget. This allows agencies like FEDNOR to continue their good work in northern Ontario.

The budgeting for FEDNOR will continue. It will assist small business to improved access to finances, increase access to information about doing business and provide jobs for northern Ontario. This is another excellent initiative by this government.

**Mr. John Nunziata (York South—Weston, Ind.):** Mr. Speaker, my question is for the Minister of Finance.

While the books are now balanced, it has not been done without considerable pain. What message does the finance minister have for the 1.5 million unemployed Canadians? Can he indicate where his job creation plan is and can he advise the House what his unemployment target is for this year?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the entire budget is in fact directed to creating jobs in this country. Whether it be the youth at risk program of the Minister of Human Resources Development which will take care of those students who have left high school and who are looking for job experience, or whether it be the very real relationship between education and job creation, it is the responsibility of a government to equip its citizens to succeed. That is what we have done in this budget.

**Mr. John Nunziata (York South—Weston, Ind.):** Mr. Speaker, can the finance minister please indicate to the House what his target is for unemployment this year? What does he expect the unemployment rate to be at the end of this fiscal year, or the next fiscal year?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, it is very clear. Over the last year this country created 372,000 jobs

and over a million in the last four years. There is no reason why we cannot maintain this momentum.

The hon. member asked what our target is. It is that every Canadian in this country who wants to work can get a job.

\* \* \*

**INDIAN AFFAIRS**

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, the investigation into the breach of privacy surrounding the letter of Bruce Starlight to the Minister of Indian Affairs is now over and the mole is still there, still undetected, still unprincipled, still unworthy and still reading the minister's private mail.

What is the minister doing to rout out this despicable individual hiding in her department?

**Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, this House knows I took the circumstances around Mr. Starlight's letter very, very seriously.

On January 14, I asked the RCMP if it would review the department for the leak. It said that was the responsibility of the department. It was important enough for me to ask someone from outside the department to come in and do a thorough review.

The investigator has completed his report and he has provided the information. As I promised, I presented the results of that report today. We are taking action on the results.

● (1455)

[Translation]

**The Speaker:** The member for Rimouski—Métis.

[Editor's Note: members sang the national anthem]

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**PRIVATE COPYING**

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

The stubbornness of the Minister of Industry, who refuses to enact the clauses of Bill C-32 on private copying, is denying millions of dollars in income to creators.

The Prime Minister already undertook to ensure passage of Bill C-32. Will the minister agree in this House to put an end to the quarrel taking place on the backs of creators by ensuring that the provisions on private copying are enacted immediately?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, there is no quarrel. I spoke to the Minister of Industry on this two days ago.

### Oral Questions

He assured me that he was not holding things up. Second, he said he would look after the matter in the very near future.

\* \* \*

### EMPLOYMENT INSURANCE

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, the minister expressed concern about the drop in the number of participants in the employment insurance program and is even considering extending it to self-employed workers.

That is a good idea, but what will that mean for those who no longer qualify because of the changes introduced by this government?

Premiums dropped by 6.6% between 1996 and 1997. Six unemployed workers out of ten no longer qualify for benefits. We need action now. Will the minister stop hibernating and review the employment insurance plan to provide assistance to all unemployed workers?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I did review the first annual assessment report on the significant reform we initiated with respect to employment insurance.

I think there are early signs that Canadians are adapting to these changes. In fact, there are regions where workers managed to find a few extra weeks of work over the year to maintain their benefit levels. I think that is the kind of incentive we must support as a society.

I have already acknowledged in this House I am concerned about the number of participants in this plan and, as I said, I will address this question again in the next few months.

\* \* \*

• (1500)

[English]

### THE BUDGET

**Mr. Greg Thompson (Charlotte, PC):** Mr. Speaker, the health minister will leave a sad legacy in defence of our health care system. He caved in to the tobacco giants. He caved in to the liquor giants and once again he has caved in to the finance minister. He is quietly and obediently sitting on his hands, allowing the finance minister to take a wrecking ball to our health care system.

My question is obvious. Who is the real health minister, hapless Allan or heartless Paul?

**The Speaker:** My colleagues, I know we are coming toward the end, but I wish questions were not phrased in that way. We can address each other with respect and with dignity. I wish the hon. member would keep that in mind.

I will permit the hon. Minister of Health to answer it, if he so wishes.

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, I will respond notwithstanding the way the member put the question.

Let me make clear to the hon. member that we have no apologies to make for the budget and the investment we have made in health.

If the hon. member would look at the budget, if he knew what he was talking about, he would see \$214 million worth of caregiver tax credit. We believe we should support people who are helping others at home. He would see some \$42 million a year for the next five years on an AIDS strategy. He would see \$60 million for a new blood system. He would see that we are spending \$150 million over the next two years for transition into a new health system.

\* \* \*

### HATE CRIMES

**Ms. Elinor Caplan (Thornhill, Lib.):** Mr. Speaker, today the police reported that hate crimes have increased by 7% in the Toronto area since 1996. I understand the police believe the actual number is greater than that.

My question is for the Secretary of State for Multiculturalism. What is the federal government doing to address this disturbing trend and curb the increases in rising hate crimes?

**Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.):** Mr. Speaker, expressions of hate have no place in Canadian society. Our government has been very proactive on this issue. We have just passed recent legislation that increases penalties for crimes based on hate or biased activity.

A round table was held last April with the solicitor general and the finance minister to meet with groups in the community and victims of hate to talk about a national strategy for hate and biased crimes. We have worked with the Toronto police and the city of Toronto to set about strategies to deal with this issue.

\* \* \*

### NATIONAL DEFENCE

**Mr. Leon E. Benoit (Lakeland, Ref.):** Mr. Speaker, the Canadian forces Hercules involved in the rescue attempt near Little Grand Rapids, Manitoba, illegally dumped over 50,000 litres of fuel on the town and surrounding area. The pilot broke the three cardinal rules of fuel dumping, thus putting at risk the people of the town and the crew of the Hercules.

Has the Minister of National Defence chosen to keep the people of Little Grand Rapids in the dark about this breach of regulations, or has he been kept in the dark by the officials of his own department once again?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, the fuel was dumped at a low altitude because the weather was terrible. The Hercules needed to get in to rescue people, to save lives.

They did not have enough time to go to a higher altitude. They dumped it at a lower altitude in as safe a way as they possibly could. The matter is still under investigation, but they did it so they could get in there and save lives.

**The Speaker:** Colleagues, that would bring to a close our question period.

I am going to entertain two questions of privilege and three points of order, but first I am going to go to the Thursday question.

\* \* \*

### BUSINESS OF THE HOUSE

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, I would like to ask a question of the government House leader related to the business of the House. My question is of interest to all members.

The House is closed tomorrow, in the middle of a very important budget debate, because the Conservatives informed us they have their annual national convention. We now find out that this is not their annual national convention but a meeting with senators and a few other party members.

I would like to ask the government House leader to look at ways to remove one supply day from the PCs as a result of wasting our time and misleading the House.

• (1505)

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, today the House will continue the budget debate. After a week or so of parliamentary recess the debate will resume on March 9 and 10.

On Wednesday, March 11, the business of the House will be Bill C-28, the CHST and income tax bill from last year, followed by Bill C-21, the time sensitive bill involving an extension to the Small Business Loans Act.

On Thursday, March 12, we will have an opposition day.

Responding to the other question of the hon. member, he and all members will know that these items are negotiated by House leaders in what is a confidential meeting.

If the information he is bringing to the House is in fact accurate, I am sure the House leaders will want to look at it at their next meeting, which should occur in the usual time when the House resumes after the parliamentary recess.

### Privilege

I do not think I would like to comment any more on that item because these meetings are usually held in camera for obvious reasons.

**Some hon. members:** Let's do it tomorrow.

**Hon. Jean J. Charest:** We'll sit tomorrow.

**The Speaker:** My colleagues, it has been a rather interesting day and it continues. We had the usual Thursday question and a little extra was added.

The hon. government House leader has offered that the House leaders of the different parties come together and settle whatever the matter is. I would encourage the House leaders to do so. I would much prefer to leave this in the hands of the House leaders in negotiations rather than bring it out on the floor of the House.

If the hon. House leader for the Conservative Party wants to make an intervention at this time, it would be somewhat irregular. I will hear his point of order, after I have heard the questions of privilege of which I have notice at this point.

The hon. member for Shefford on a question of privilege.

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### PRIVILEGE

MEMBER FOR EGLINTON—LAWRENCE

**Ms. Diane St-Jacques (Shefford, PC):** Mr. Speaker, this morning at approximately 6.45 I was using the exercise bicycle in the members' gymnasium when the member for Eglinton—Lawrence passed by me and said "Is not this a men's gym?" I was the only woman present in the gym at that time.

[*Translation*]

The hon. member for Kings—Hants was also there, and will confirm what I am telling the House.

• (1510)

Some people may think this is funny, but I certainly did not see the joke. I was offended.

This is conduct aimed at intimidating other people, and it has no place in the Parliament of Canada. The parliamentary precincts, gym included, are for all members, and whether male or female, they must feel comfortable there.

The parliamentary gymnasium is not only for men. That type of conduct from an MP is both annoying and intimidating, as well as being offensive toward all hon. members of this House.

[*English*]

**The Speaker:** Hon. members, I do not know that this is a question of privilege. However it is a vexatious matter for all members.

*Privilege*

The hon. member for Eglinton—Lawrence is here in the House. He has been mentioned. Because his name has been mentioned, perhaps he could clarify the situation, which he will.

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I regret anything I might have said that might have caused such vexation. Obviously anything I did say would have been in jest. If it offended the member, I withdraw it and I apologize.

**The Speaker:** We will let the matter rest there. I will go to next question of privilege.

CANADIAN MILLENNIUM SCHOLARSHIP FOUNDATION

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, I rise on a question of privilege with regard to a published article reported today in the Toronto *Star* that Yves Landry has already been named as the head of the Canadian millennium scholarship foundation.

Mr. Landry reportedly admits to being head of the foundation and is quoted as saying “I am only one member of the board and my job is to be a facilitator”.

There is no legislation before the House setting up this foundation. Nor has the budget announcement allocating \$2.5 billion in revenue to the foundation been adopted.

My question of privilege will argue that the minister responsible, his department and Mr. Landry are in contempt of parliament since they have brought the authority and dignity of the House and the Speaker into question. Members of Parliament are elected stewards of the public purse.

The government and its departments are making a habit of mocking the parliamentary system in this manner. This was raised earlier this month in the House as a question of privilege by the member for Prince George—Peace River regarding the Canadian Wheat Board.

During that question of privilege, the member for Langley—Abbotsford summed up the history of similar complaints on which I will comment briefly because it demonstrates the need for the House to finally take some action.

The member for Langley—Abbotsford pointed out that the Speaker was asked to rule on a similar complaint on March 9, 1990 regarding a pamphlet put out by the government concerning the GST.

Again on March 25, 1991 another complaint was launched on a similar issue. The member pointed out that a progressively stronger case was made on October 28, 1997 before you, Mr. Speaker, by the member for Fraser Valley.

In that instance the Department of Finance went much further and actually started to take action before the bill authorizing the department to act was passed by the House. The member argued that these actions undercut the authority of parliament.

This led to the Speaker’s ruling which contained a strong statement and a strong warning.

• (1515)

Mr. Speaker said on November 6, 1997: “The Chair acknowledges that this matter is a matter of potential importance since it touches the role of members as legislators, a role which should not be trivialized. It is from this perspective that”—

**The Speaker:** My colleagues, I appeal to you. If you want to have private conversations, I invite you to go to the lobby. I would like to hear this point of privilege and there are a number of points of order after that which I also want to hear.

**Mrs. Diane Ablonczy:** Mr. Speaker, I will continue to quote what you said on November 6, 1997: “The dismissive view of the legislative process, repeated often enough, makes a mockery of our parliamentary conventions and practices”.

The member also pointed out that an earlier warning of the Speaker had been ignored, since in the ruling of November 6, 1997 Mr. Speaker additionally stated: “I trust that today’s decision at this early stage of the 36th Parliament will not be forgotten by the minister and his officials and that the department and agencies will be guided by it”.

Page 250 of the second edition of Joseph Maingot’s *Parliamentary Privilege in Canada* states: “There are actions that, while not directly in a physical way obstructing the House of Commons or the members, nevertheless obstruct the House in the performance of its functions by diminishing the respect due it”.

Here we have a situation which mocks Parliament once again and diminishes the respect due it. How relevant can it be when arrangements to spend massive amounts of public money proceed without so much as a “by your leave” to the elected representatives of the people who are paying for it?

I would argue this time it goes much further than the previous questions of privilege. This time there is not a single line of legislation before this House. In the case of the CPP board there was at least legislation before the House.

How many times must we put up with this sort of mockery of our parliamentary system and disrespect for the Speaker before we take action?

As the Speaker said on November 6, the dismissive view of the legislative process, repeated often enough, makes a mockery of our parliamentary conventions and practices.

*Privilege*

I submit that it has been repeated often enough. It is also becoming more severe, since in this case we do not even have legislation before the House.

At page 225 of Joseph Maingot's *Parliamentary Privilege in Canada* contempt is described as "an offence against the authority or dignity of the House".

There appears to be an alarming trend toward regarding the parliamentary process as a mere formality that can be lightly cast aside, and the official opposition in this House notices a repeated disregard for the proper role of the House being established by this government.

Finally, Mr. Speaker, we would ask that you bear in mind that Canada's parliamentary system of government, combined with its tight system of party discipline, confers enormous executive power on the Prime Minister. With a compliant backbench it is a very simple thing for the Prime Minister and his ministers to disregard this House and subordinate it to his will.

For that reason the Speaker bears a special place and responsibility in this House to protect the parties with less than majority numbers. In so doing, he ultimately protects the privileges of all, government and opposition members alike.

The minister responsible, his department and Mr. Landry have brought the authority and dignity of this House and the Speaker into question. This is not an isolated case and, in this respect, must not go unchallenged. Accordingly, I ask that you rule this matter to be a prima facie question of privilege, at which time I will be prepared to move the appropriate motion.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, with respect, let me first indicate to the House that we had initially agreed informally that we would try to decrease questions of privilege today to allow the third party subamendment to be debated for the full day. Now we are eating up that time, contrary to what had been understood.

● (1520)

The second thing I want to bring to the attention of the House is the fact that the allegation made by the member is incorrect. I have in hand the press release from the Prime Minister which I am fully prepared to table regarding the invitation sent to Mr. Landry, the chairman and CEO of Chrysler, and I will read from it: "The Prime Minister is pleased to announce that Mr. Yves Landry, chairman and CEO of Chrysler Corporation, has accepted his invitation to chair the Canada millennium scholarship foundation".

The document goes on to describe the programs the millennium scholarship foundation will manage, not the programs that are in existence now. Nor does it suggest that this program is already in place.

**Some hon. members:** Oh, oh.

**The Speaker:** Colleagues, I would like hear what the government House leader has to say.

**Hon. Don Boudria:** Mr. Speaker, let me continue briefly describing the document which I am prepared to table, a document issued by the Prime Minister. Nowhere does it suggest that any funds pursuant to the ways and means motion tabled at 4.30 on February 24 will be disbursed prior to any legislation being adopted.

There is nothing that prevents the Prime Minister from inviting anyone to perform a function on behalf of the government. What is at stake here is whether there is intention to disburse funds contrary to or in the absence of specific legislative measures that were permitted. Nothing to that effect exists here.

Finally, need I mention to the House citations 980, 981 and 982 of Beauchesne regarding ways and means motions. A ways and means motion was of course duly tabled in this House at 4.30 on Tuesday, the 24th day of February. This resolution is there to give immediate effect to the possible collection of any taxes that would be necessary.

The document itself has titled in bold "embargo until 1630" the exact time the ways and means motion was tabled.

Finally, in any case there is no intention to give effect to that until such time as the legislation is passed anyway, so all of this would be academic even if it were the intention of the government to disburse funds right away, which it is not.

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, what we heard a moment ago was really just an excuse and not a legitimate reason for this point of privilege.

I do not want to challenge any rulings by the Chair in the past, but I am concerned that if we let this one go unchallenged we will be setting a precedent for future Speakers, which will make it more and more difficult for members of this House to insist on their privileges.

It has been brought up twice now in this early Parliament and two other times during Mr. Speaker's tenure in the last Parliament. All these complaints were legitimate complaints.

With respect to whether these matters constitute a prima facie contempt of Parliament, I point out that the last complaint brought to your attention by the member for Fraser Valley was pretty close to the money.

● (1525)

You even recognized this by your comments, Mr. Speaker. You said that if this sort of thing continues it would make a mockery of Parliament. I think this has gone on often enough and has gone way beyond mocking Parliament.

*Privilege*

Here we are with a case more severe than all the others put together and it takes place for the second time after your warning, Mr. Speaker, of November 6, 1997. The authority to appoint Mr. Landry was based on a statement by a minister of the crown. Based on that statement which, I might add, has not been adopted by this House, the head of the foundation has assumed the position and has set the style for governing such an institution as reflected in his comments to the *Toronto Star*.

The article boldly states: "The foundation will award scholarships to low and middle income students, depending on financial needs, merit and mobility".

There is even a quote from the new head of the foundation: "I am not looking at this with an agenda".

I hate to break the news to Mr. Landry, but he does not need an agenda until he gets a foundation. He will not get a foundation until this House grants one. I do not blame him for forgetting about Parliament because this government and its bureaucrats keep forgetting about Parliament from time to time. If this keeps up, we might as well all go down to Mexico and join Senator Thompson because our roles will become as irrelevant as the Senate's.

I urge Mr. Speaker to review your own words on these matters. We cannot just stand up in this place and bluff any more. We have the authority to act and we should not be afraid to use that authority. All we ask, Mr. Speaker, is that you allow this House to decide this matter. Surely you must find this as offensive as we do.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I want to reiterate the important point made by my colleague, the government House leader. This press release does not speak of something being in place now. It talks of the future. It talks about how the millennium scholarship foundation "will manage the initial \$2.5 billion Government of Canada endowment", et cetera.

With respect to the role of Mr. Landry, on page 2 it states that Mr. Landry will chair the foundation's board of directors. It is clear that we are talking about something that has yet to happen. It is clear we are talking about something in the future. The whole context of this is that the announcement is subject to the will of Parliament.

Finally, I would like to put another point on the record. Mr. Landry has been accused of a breach of the privileges of this House. However, the Reform members who made the accusation have not brought forward any proof whatsoever that Mr. Landry knowingly breached the privileges of this House if such breaches took place.

**Some hon. members:** Oh, oh.

**The Speaker:** Please, colleagues, this is the fourth intervention I have made in this short period of time. We owe it to ourselves to listen to the points that we are making. Surely privilege affects the

House of Commons and affects all hon. members. I would plead with you to please hear out the interveners in this point of privilege. I would like to hear them and I am sure you would too.

**Hon. Herb Gray:** Mr. Speaker, the *Debates* of this House will show that at least one Reform member of the two who spoke mentioned Mr. Landry personally and accused him of breaching the privileges of this House. I think this is an unwarranted and unproven slur on a very distinguished Canadian. Before this House adjourns, the Reform members should not only withdraw their point of privilege, they should apologize to Mr. Landry.

To sum up, not only have Reform Party members made unwarranted and unjustified accusations without proof against a distinguished Canadian, but in making those accusations they are attempting to raise a point of privilege which is not supported by the facts, in particular the language of the press release.

• (1530)

We are talking about something that had already been mentioned in the Speech from the Throne and mentioned again in the budget speech, which at the end and the beginning was based on a ways and means motion.

I say, Mr. Speaker, that the Reform Party has not provided a prima facie case for a point of privilege. I respectfully invite you to totally reject its unwarranted requests.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, I would like to point out that what the government is doing is, having brought Mr. Landry into this mess, trying to hide behind him—

**The Speaker:** On the same point of privilege I will go to the hon. member for Qu'Appelle.

**Hon. Lorne Nystrom (Qu'Appelle, NDP):** Mr. Speaker, I want to make two brief points. I support the member who raised the point of privilege for the following reason.

The press release that was quoted by the two ministers across the way said that the fund will be managed, in terms of the fund will be there, and that Mr. Landry will be the chair of that particular fund. What they are doing is anticipating what Parliament may or may not do.

That is the basic point of the privilege. They are expecting Parliament to rubber stamp a ways and means motion, rubber stamp a statement by a cabinet minister. That is not what Parliament is about. We are the representatives of the people and we make that decision. They cannot anticipate that Parliament will agree with their particular bill. Therefore I think it is a genuine point of privilege.

**Mr. John Nunziata (York South—Weston, Ind.):** Mr. Speaker, this House either means something or it does not.

*Points of Order*

The reason why the Prime Minister's office put out a press release was to inform Canadians of a fact, that Mr. Landry was appointed or accepted the invitation to head the foundation. As a result of that press release the *Toronto Star* ran an article in today's paper. The headline of that article is "Chrysler chief to run scholarships". The sub-headline is "No bias for high-tech training, Landry says". This is the information that those who read the *Toronto Star* are receiving.

That assumes that the announcement made by the Minister of Finance will in fact become law. Not only has legislation not been presented in this House, we do not know the nature of the legislation. This House might decide, for whatever reason, that instead of having a foundation to dispense the millennium fund, it might choose another mechanism. By inviting Mr. Landry to be the head of the foundation, they are in effect assuming that this Parliament will ratify and endorse whatever the plan is for this foundation.

As a member of Parliament, I have not seen the legislation. I do not know how many members will be on this board. I do not know what the provisions are with respect to the head of the foundation.

Not only is this action a contempt of this Parliament, it is also a contempt of the Senate. While the Prime Minister and his majority might be able to make an assumption that they could in effect pass legislation through this House, they cannot assume that the Senate down the way will also give its endorsement to identical legislation.

At the very least, the invitation was premature. The government should recognize that the invitation was premature. If it has any confidence in the integrity of this House, that invitation should be withdrawn pending the passage of that legislation in this House and in the Senate.

• (1535)

**The Speaker:** My colleagues, I intend to take the information from both sides into consideration. The hon. House leader has said that he would table this press release. I would like that to be tabled.

The hon. member over here has an article from the *Toronto Star* and I would like to see that article, please.

I will take this information into consideration and I will study it. I will come back to the House at an early future date.

**Mrs. Diane Ablonczy:** Mr. Speaker, I have a copy of the news release that named Mr. Landry to this position and I would be happy to provide that to you.

**The Speaker:** I would like that information and I order the page to bring it forth to the House. I want to let this point of privilege sit until I get back to the House with my decision.

I am now going to points of order.

[Translation]

The first point of order I will hear comes from the hon. member for Roberval.

\* \* \*

**POINT OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I have eleven years of legislative experience, first seven years in the Quebec National Assembly and now four here in the House of Commons.

In all those years I, like many others here, have been a fighter. The political arena is here. This is the place where the people speak. The political game dictates that we face each other in accordance with certain rules.

During my political career, I have seen members break those rules. I have seen speakers bring down rulings and they were always justified, as their purpose was to enhance the quality of debate in the home of democracy.

It is, therefore, with great sorrow that I rise on this point of order. Never, in all my years as a parliamentarian, have I seen members of this Parliament, the Quebec National Assembly or any self-respecting Parliament show such disrespect to the flag of their country, using it in a demonstration aimed at causing disorder, preventing someone from exercising the right to speak, and disregarding the Speaker's orders.

**An hon. member:** The lack of respect is on your side.

**An hon. member:** Oh, shut up.

**Mr. Michel Gauthier:** Mr. Speaker, it would be a good idea for all of the members of this House to listen, because if this House functions smoothly, if it is viable for you there, for them over there, and for us—and if anyone has not understood it yet, the veterans here can explain it to them—it is because the House leaders speak to each other, co-operate with each other, trust each other. It is because the House leaders, above and beyond differences of political opinion, first and foremost respect democratic values, the forum for debate Parliament represents, and the rules that govern it.

I have always given that co-operation, and am often the one who initiates compromises to make things run more smoothly in this House. For instance, this evening we are finishing earlier to accommodate colleagues who are not of my political persuasion. We are always pleased to oblige, since democratic debate must be carried out in the most correct, most comfortable, most respectful way possible. But that could change.

• (1540)

This is why I am asking members of this House to listen to my point of order, because we can never again let the flag be used to protest or to disrupt the proceedings in this place.

*Points of Order*

This morning, the Chair issued a ruling prohibiting members from using the flag as a tool of protest inside the House of Commons and allowed the hon. member for Rimouski—Mitis to take the floor.

My colleague is fully entitled to rise in this House, like any other member of this place. Liberal members will not change that, at least as long as I am parliamentary leader on this side of the House.

Four years ago, when we arrived here as sovereignists, everyone said we would show no respect for the House of Commons. Yet, if there is a political party that always listens to the Chair, that always co-operates with the Clerks-at-the-Table and with parliamentary leaders, it is the Bloc Québécois. In spite of our diverging views, we have always done our work with dignity, by defending our ideas, and not by doing stupid and inappropriate things like those we have seen today.

Never will we tolerate again people using the national anthem in this House, during Oral Question Period, to ridicule the proceedings of this place, or one of our colleagues, or the national anthem itself. It was quite something to see these great Canadians, who boast about the flag every day, use it as a mere tool of protest. It was quite something to see these great Canadians use the national anthem to disrupt the proceedings of the House of Commons. They must step aside.

In conclusion, I will tell you this—

[*English*]

**The Speaker:** Colleagues, in many of our debates we go not only to the heart of the matter but we go to the hearts of one another. I remind all of us here of the following.

[*Translation*]

I remind all members of this House that we are members of Canada's Parliament. This means we were all elected by Canadians across the country.

That is one thing about which there is no doubt.

[*English*]

When members of Parliament stand in this place, they stand among us as equals. It does not matter what province they come from, it does not matter what region they come from. You have elected me to see that you are respected and indeed that you respect yourselves and the rules of this House.

We have a Canadian member of Parliament on his feet. We are going to hear what he has to say. We do not have to agree with it but he is elected like every one of us in this House. I am going to hear what my hon. colleague from Roberval has to say. The hon. member for Roberval.

• (1545)

[*Translation*]

**Mr. Michel Gauthier:** Thank you, Mr. Speaker. This is the kind of ruling that has earned you the respect of all members and got you re-elected as Speaker.

Indeed, Parliament is the last place where people can talk to one another. The day Parliament goes silent, the country ceases to exist. And so does democracy.

My point was, and I will conclude on that: if our co-operation is expected in this House, never again will we tolerate that our national anthem or flag be used in the middle of question period or any debate to prevent a member of the Bloc Québécois or any other member of this House from speaking.

In closing, I hope that the media will report to all Quebeckers and Canadians the behaviour they witnessed here today, on both sides of the House, unfortunately. I hope Canadians will see what happened. I hope Quebeckers will as well, as they will think "How arrogant these people are. And, just yesterday, they came to Quebec to tell us how much they loved us".

[*English*]

**The Speaker:** Colleagues, there is a point of order. I do not want to get into a debate on wrongs that took place. Colleagues, we heard from the hon. member for Roberval. We are parliamentarians of Canada. We can hear each other. I will listen to all of you.

[*Translation*]

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am almost tempted to say that it is not a bad thing the House is adjourning a day early.

Whatever the case, I think the Chair should consider whether a demonstration in support of a flag or the pretext of one contravenes the Standing Orders of the House.

In any case, I do not think this debate will be resolved through lengthy discussions on the floor of the House of Commons.

In a spirit of calm, the House leaders of the parties will carry on their tradition, as the member for Roberval said himself, of finding some common ground on a number of thorny issues. Our behaviour this afternoon in this matter indicates just how thorny it is and perhaps for obvious reasons—without going into all the details.

For someone like myself who believes strongly in the unity of his country, flag waving is not provocation, but an act of pride. Someone of a different persuasion may see it differently, and I accept that. I find it regrettable, but I accept it.

*Points of Order*

A lengthy debate in the House of Commons will not likely resolve the matter, and I propose that we let the matter rest awhile and allow our emotions to cool and then let the House leaders discuss it further.

• (1550)

I must say that there has been a considerable level of co-operation in this Parliament, and I can agree with the hon. member for Roberval, on that point at least. There has indeed been considerable co-operation by all of the parliamentary leaders, and consequently by all members of this House who have placed their confidence in their parliamentary leaders for settling contentious issues.

I thank my colleagues and the Prime Minister for their trust, and I must also thank the hon. members across the floor. Generally, when one enters this House as a leader and introduces a motion, the members across the way do not even have to hear it to know what is being proposed. They know that if we say in introducing it that the others have agreed, that is true, by definition. Such trust has built up that most of the hon. members no longer read it. They know there was agreement or one of us would not rise in the House to claim there was.

[*English*]

So we have developed that kind of confidence in Mr. Speaker and this Parliament. And I am proud of it, not just for myself although I would like to consider that I contributed to it but all the House leaders and all members of Parliament.

That is why I think if we give it a bit of a rest we can get together and find if there is any common ground on establishing when a demonstration might or might not be perceived or really as being acceptable or not. We can discuss it at that time.

In either case, I want to again use this occasion perhaps on this day with all the questions of privilege and points of order to say that there has been that level of confidence. It has assisted me. It has assisted the government. It has assisted the House. I believe it has also assisted the Chair in fulfilling what I think so far is a very good Parliament notwithstanding.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, on behalf of the constituents, the Canadians of Esquimalt—Juan de Fuca, I was elected to serve this House. The last time I checked, every member in this House was elected by Canadians for Canadians to work in this House, the House of Commons of Canada.

This is not the House of Commons of another country. The flag is the central emblem of this House of Commons for our country. If there is one place where we can sing the national anthem of our country, to wave the flag of our country, it is in the heart and soul of this country, which is the House of Commons.

If there is any member in this House who does not believe that they cannot be a part of Canada or for Canadians or they feel

uncomfortable with our national anthem or holding our national flag in their hand, then they should not be in this House of Commons.

[*Translation*]

Last time I checked, the majority of people in Quebec had decided to remain within Canada.

[*English*]

I ask on behalf of the constituents of Esquimalt—Juan de Fuca, on behalf of all Canadians, that we make a statement here today that the national anthem of Canada and the flag of Canada always be welcome in this House of Commons.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I truly regret that I have to rise in this House today to speak on a matter such as this.

I am not from Quebec. I am a proud Canadian but I am ashamed of what happened today in this House.

We in this House are here for all Canadians. From what I have seen today, however, if we wish to have national unity, if we wish Quebec to stay in Canada, it will be done not by provoking Quebecers but by respecting them. That is one thing that can be said.

• (1555)

I am proud of my flag. I have it here in my office, and in my New Brunswick riding office. But our Canadian flag must never be made a mockery of. I feel really discouraged, and my colleague from Halifax West feels the same way.

If you continue to shout and behave in this way, it indicates that you agree—

[*English*]

**The Speaker:** My colleagues, with respect to the point of order, I think we have a fairly good flavour of what members are thinking in this House.

The hon. member for Roberval has raised a point of order. We have had discussions on both sides.

What occurred today for all of us, as I mentioned, we are Canadian members of Parliament. Look. The flag is here.

Sometimes in enthusiasm things are done in the House of Commons. For example, an hon. member has a particularly incisive question and his party or one side of the House will applaud. A minister on the other side will have a particularly good answer and he or she will be applauded by other members of Parliament.

I think what has been brought up here is a point of order which contains this question: Should we at all times not be permitted, for example, to sing our national anthem in our House of Commons? It

*Points of Order*

would seem to me that could not be acceptable. On the other hand, sometimes we use very important icons to convey other messages.

I would be hard pressed, as a member of Parliament and as your Speaker to say that the Canadian flag cannot be displayed in this House. I would be very hard pressed to do that.

I cannot look into your hearts. I do not know what the intention was of all hon. members. It would seem to me that if it were a matter of pride that we were doing that, that is one thing. If it were a matter of some hon. members using this device to insult or put down someone else, I would say if that was the intention, it is not the Canadian way. It is not our way to do that.

I wonder if we could disengage for just a little while because we have touched on the heart of our country today; we have, as to who we are.

As to the point of order, I want to reserve my decision for the time being. I want to think about it and I hope you do too.

We have had a suggestion from the hon. government House leader that the House leaders of the different parties come together to discuss how these things should be handled—

**Mr. John Nunziata (York South—Weston, Ind.):** Then it is not properly represented, Mr. Speaker. It is a matter for Parliament to decide, not some guys in backrooms.

You should have respect for all members of the House, not just those represented by political parties.

• (1600)

**The Speaker:** The member of Parliament for York—South Weston is correct in bringing that point out. I suggested that we start with the House leaders as a point of reference and I myself will be the representative for the member York—South Weston. He will have a voice through me.

**An hon. member:** Why does he get special treatment?

**The Speaker:** My colleagues, I mean no disrespect to the member for York—South Weston. Know that, because I would speak for him as readily as I would speak for any of you.

[*Translation*]

I would like to take a few days to consider this point of order. At this time, I would like us to stop talking about this point of order. After consultations, after I have thought it over, I will get back to the House.

I hope we will be able to reach a solution to the events of today. Moving on now from this point of order.

[*English*]

I will hear other points of order, starting with the hon. member for Pictou—Antigonish—Guysborough.

NATIONAL COUNCIL MEETING

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, in light of the passion and emotion that was in the last point of order, I do not want to dwell on this point.

We have been discussing, in the context of this last point of order, the House leaders and the integrity of the House leaders. On behalf of my party I take great exception to the reference that has been made to my personally misleading other House leaders at this meeting with respect to the national council meeting that will be taking place in Ottawa this weekend. This is a national council meeting that will involve over 500 people coming from all parts of the country to participate.

The point I would like to make is that this item was put on the agenda by the government House leader, not by the House leader of the Conservative Party. I would appreciate the support of the government House leader in this matter. I am surprised that he did not respond appropriately when he rose in response to the Leader of the Opposition.

The point to be made here is that this weekend we agreed unanimously at the House leaders' meeting that this Friday would not be deemed a sitting day of the House. However, in light of the allegation that has been made, I am ready on behalf of my party to suggest that we move a motion and sit tomorrow.

I would expect when the House leaders for the other parties, including the House leader of the official opposition, want to have their national council meetings that once again they would be prepared to put up or shut up.

This brings into question my integrity and the integrity of my party. This was a malicious, politically motivated point of order, and it is a new low.

**The Speaker:** I think when the Thursday question was asked the other question was piggy-backed on it. When the question was asked and the hon. House leader for the government responded to it, I thought we could clear it up.

Of course the House leaders of the various parties, when they get together for these discussions, have to take a lot on good faith, and I would hope that would continue.

• (1605)

I do not know the discussions that took place on the whole. I would hope that there would be no question of the integrity of the House leader of the Conservative Party.

I think the matter has been dealt with. As far as I know we will not be sitting tomorrow. I would hope, whatever negotiations take

*Points of Order*

place among the House leaders, they will be very fruitful ones but, more than that, they have to be carried on in an era of trust with one another. I hope that will continue.

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, if there was any doubt as to who set the agenda for not only the House leaders' meeting, to which the hon. House leader for the Conservative Party referred, or for that matter any other House leaders' meeting, clearly it was I who placed all the items on the agenda other than the ones that are spontaneously added at the end of each meeting.

Therefore, all the items that are placed on the agenda are placed by me and there is no doubt about that. If there is any suggestion that it was not I who had placed it on, let that be cleared because in fact it was. That is definitely clarified.

[Translation]

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I would simply like to respectfully draw your attention, in connection with your decision to delay a ruling on the suggestion by the government House leader regarding this afternoon's incident, to the fact that the Chair made a ruling on a similar incident early this afternoon when we called for an end to the interruption of our colleague.

I believe I understand, and I agree with you entirely that the question of pride displayed in this House must be given careful consideration. But such consideration must examine whether pride that may be expressed in this House may go so far as to apply to a flag of one of the ten provinces of this great country, as we had thought possible when we were elected in 1993.

[English]

**The Speaker:** It is a bit off this point of order. I am hoping to put it to rest in just a minute.

Does the hon. member for York South—Weston have something to add to this point?

**Mr. John Nunziata (York South—Weston, Ind.):** Yes, I do, Mr. Speaker. Some might consider this to be a frivolous matter, but a few moments ago you indicated to the House that you would be my voice as the only independent member of Parliament with respect to the matter that was discussed at a House leaders' meeting.

As I understand it, Mr. Speaker, you are not present at House leaders' meetings. I know it was not your intent to mislead the House or to mislead Canadians.

As I understand the workings of the House leaders, the leaders of each of the respective political parties get together, not in public but behind closed doors, to make decisions that impact on all members of Parliament in the House, members in their own political party including the member for York South—Weston.

Often, Mr. Speaker, you seek unanimous consent in order to implement the decisions of the House leaders, decisions that I have not participated in, decisions that you have not participated in, and I am expected to expedite the workings of the House.

I simply wish you to clarify, Mr. Speaker, that you are not my voice at House leaders' meetings, that you do not participate at House leaders' meetings—

**The Speaker:** I clarify it and I say it publicly. I was not at the House leaders' meetings, but when it comes for the House to act like we did today during question period I recognized you as a participant in the House with a question and a subsequent question, as is my duty in certain circumstances to do.

That I was at the House leaders' meetings, no, but for the most part I do know what is happening in the House of Commons and for that part I will see to it that not only your rights and privileges are protected but that the rights and privileges of all parliamentarians are respected in this House.

• (1610)

With regard to—

**Mr. John Nunziata:** On the same point of privilege, Mr. Speaker—

**The Speaker:** This is not a point of privilege.

**Mr. John Nunziata:** Well, it is, Mr. Speaker, because—

**The Speaker:** Excuse me. This is not a point of privilege.

I want to deal with this point of order. I would hope that the House leaders would be able to come together to manifest this. Unless we can work it this way the House just breaks down, unless all 301 of us are at all the meetings and that is virtually impossible.

If the hon. member for York South—Weston wishes to pursue this, I will speak with him in my chambers. I would gladly do that.

**Mr. John Nunziata:** On a point of privilege, Mr. Speaker, the place to speak is here in the House of Commons. You referred a matter to the House leaders—

**The Speaker:** I will hear a final intervention on this point of order.

**Mr. Peter MacKay:** Mr. Speaker, very briefly, I am afraid the impression that has been left with the House by the intervention of the House leader of the Reform Party is that we as a party are not willing or do not wish to sit tomorrow.

I would ask that you put the motion to the House for unanimous consent for us to sit tomorrow. We are ready, willing and able to be here tomorrow to sit in this Parliament. I would ask that the motion be put to the House.

**The Speaker:** Does the hon. member have the permission of the House to put a motion?

**Some hon. members:** Agreed.

*The Budget*

**Some hon. members:** No.

**The Speaker:** There is not agreement. It will not be put.

**Some hon. members:** Division.

**The Speaker:** The hon. member did not receive permission to put his motion. Therefore there is no motion to vote upon.

I am very pleased with this. I know that Canadians are in general. I will close by saying that the rest of my time will be taken up by the hon. member for Etobicoke—Lakeshore.

[*Translation*]

**Mr. Stéphane Bergeron:** Madam Speaker, in the spirit of the Speaker's earlier ruling, that is, later consideration of the matter of the relevance of expressing forms of pride here in this House, I would ask you to request members who still have flags at their desks to withdraw them.

**The Acting Speaker (Ms. Thibeault):** As such items may influence debate in this House, I would ask all members to simply put their flags in their desks for the moment and we will go on.

The hon. member for Verchères on a point of order.

**Mr. Stéphane Bergeron:** Madam Speaker, on the same point of order, it appears that some members have failed to act on your ruling, which seemed quite clear to me. I would therefore ask you to require the removal of the flags from the desks of some of our colleagues.

[*English*]

**The Acting Speaker (Ms. Thibeault):** If any members have not put away their flags, I would ask them to please do so. I cannot see every seat right now. I would ask for your co-operation. Would the hon. member for Elk Island put away his flag, please.

**Mr. Ken Epp:** On a point of order, Madam Speaker. Are we then also going to put away those two flags on either side of the chair? If we take those out, I will go out and then we might as well all go out.

[*Translation*]

**The Acting Speaker (Ms. Thibeault):** During a debate, the Chair may not give the floor to a member considered to be putting on a demonstration.

**An hon. member:** I have a point of order, Madam Speaker.

**An hon. member:** I too have a point of order, Madam Speaker.

**The Acting Speaker (Ms. Thibeault):** Are the points of order about the same matter? The Chair has already ruled that there will be no flags, and that a member who keeps a flag on his or her desk will not be given the floor this afternoon.

The member for Broadview—Greenwood on a point of order.

[*English*]

**Mr. Dennis J. Mills:** On a point of order, Madam Speaker, I find this a strange approach from the separatists or from the Bloc Québécois. The Speaker of the House of Commons made a ruling.

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## GOVERNMENT ORDERS

[*English*]

### THE BUDGET

#### FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

**The Acting Speaker (Ms. Thibeault):** The Parliamentary Secretary to the Minister of Veterans Affairs has three minutes left in the debate.

**Mr. George Proud (Parliamentary Secretary to Minister of Veterans Affairs, Lib.):** Madam Speaker, I will conclude by saying that I am very pleased with the budget presented here on Tuesday. I know that the people of Canada will be very pleased with it and that the government has done many things Canadians have been seeking for a long time.

In my short time here, getting on to 10 years, this has been a budget that I was glad to follow and to wait for. I knew it would be a budget that would satisfy many Canadians. As a person from the east coast of Canada, I know that the education budget, as I call it, will be one where students have more access to education. People who have been out of school for some time will have more access to education. Part time and full time students will have more access and more money made available to them. I believe that Canadians are going to be very pleased with what this budget does over the next period of time. We have given tax breaks. As I have said, we have made education more accessible and we have done a lot of things that are going to make Canadians very proud.

• (1615)

The Canadian economy is going along very well. We have created over a million jobs. We are creating jobs for the future by putting in place areas where we can train more people for the millennium and train people to go into the new industries.

*The Budget*

**The Acting Speaker (Ms. Thibeault):** The ruling by the Chair has already been made regarding flags on desks.

• (1620)

We are now proceeding to questions and comments. I recognize the Parliamentary Secretary to Minister of Finance.

**Mr. Tony Valeri:** Madam Speaker, as he was wrapping up his presentation, the hon. member who was just speaking made numerous references to the budget, its benefits and the impact it will have for a number of years as we move forward.

Could the hon. member comment on the Canada education savings grant, which will provide a 20% top up for every dollar up to a maximum of \$2,000 per year? Could he provide some indication to this House of what impact that grant will have for his constituents in particular but also for young people right across this country who would like to pursue further education in universities, colleges, vocational schools and technical institutes?

**Mr. George Proud:** Madam Speaker, I thank the hon. member for his questions. I said earlier in the day in my speech with regard to this fund that this is a way for Canadians to put money into education for their children. It is money that the government will contribute 20% toward. This money will allow an awful lot of Canadians who would not normally have access to education to have that access. It is a tremendous way—

[*Translation*]

**Mr. Stéphane Bergeron:** Madam Speaker, on a point of order.

In the spirit of the ruling you have just made, I recognize that the colleague now speaking does not have a flag on his desk, but it is clear that his colleague behind him, well within view of the cameras, does.

**The Acting Speaker (Ms. Thibeault):** A few moments ago, the Speaker of the House told everyone here that he was going to consider all points of order raised earlier in the House. At this time we must, I think, await his ruling, because it seems to me that this is more of the same.

Until then, I again ask for the cooperation of all parties in the House for the few minutes of debate remaining today.

[*English*]

**Mr. George Proud:** Madam Speaker, I was going to rise on a point of order myself because I assumed this was put to bed 15 minutes ago, that we were through with this point of order. I hope there will not be any more points of order on this issue.

The education fund makes tremendous access to education possible for a lot of people who otherwise would not necessarily have the funds to attend a post-secondary institution. This will

provide funding for an awful lot of Canadian students who otherwise would not have had that.

This budget has in general given Canadians something they have been waiting for for many years. We have not gone all the way. The Minister of Finance has said this many times. We have just opened the door. It will come. Things will get better as time goes on. Canadians will rejoice in that we have given them tax breaks, we have made access to education possible, we have put money into health care, we have done all the things Canadians have asked us to do with the number one and number two issues.

I say to all of my colleagues that this is a tremendous budget. I have been here for almost 10 years and this is one of the best budgets I have seen come down in that time and I will have no problem selling it in my constituency.

• (1625)

**Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I am very pleased to participate in the debate on this 1998 budget.

I would first of all like to congratulate the Minister of Finance, the hon. Paul Martin, for producing a balanced budget, the first we have had in 30 years.

Balancing the budget has not been an easy task. We know it required fiscal prudence, the sacrifice of all Canadians and the commitment of the government to listen and to act on the social and economic priorities of Canadians.

In this budget, our commitment to provide a secure future for all Canadians is reinforced and reaffirmed. I am very pleased to see that the government has introduced new initiatives and has expanded upon existing programs to produce greater support to Canadians.

The initiatives outlined in this budget will provide support for families with children, support for people looking after family members and access to knowledge and skills along with support for persons with disabilities.

These are measures and initiatives essential for economic growth in my constituency of Etobicoke—Lakeshore and other communities across Canada.

The budget is not an end in itself but a means to a better future for all Canadians. We must, therefore, continue to dialogue with Canadians to assess and to address the needs and concerns of all communities.

Last November I held a prebudget consultation in my riding of Etobicoke—Lakeshore. In my discussions with my community groups and various individuals from the business community and others, I heard my constituents say that they want the federal government to do three things in this budget: continue on the path of deficit reduction, use the fiscal dividends to address the social

*The Budget*

and economic needs of Canadians and, third, provide tax cuts and support for young Canadians.

This is the message that I delivered to the Standing Committee on Finance and I am pleased to say to all of my constituents today that the government heard and responded to their concerns.

In Etobicoke—Lakeshore, reaction to the budget has been positive. I and those constituents who contacted me agree that the government has taken a step in the right direction.

My staff contacted community organizations such as the Lakeshore Area Multi-service project that provides front line service to constituents and their families, and Storefront Humber, which is an organization that provides service to senior citizens and others.

Those phone calls were made to gauge my constituents' sentiments on budget 1998. They understand that deficit reduction is the key to putting our nation on the right track to social and economic prosperity.

My constituents also understand that investing in our children's future has to remain one of the top priorities of the government. It is not surprising then that a balanced budget and increases to the child tax benefit are well supported.

I would now like to speak to the priorities of my constituents as they relate to the budget.

First, on deficit reduction, Etobians and all Canadians have every reason to be encouraged by the government's fiscal policy on deficit reduction which has brought us to this point.

In the budget speech, the Minister of Finance reaffirmed the Liberal government's deficit reduction plan. We made a commitment in the red book in 1993 to put our fiscal house in order. We have followed through on this commitment with a balanced budget that will remain balanced in 1998-99 and 1999 to the year 2000.

In 1993, Canada had a \$42 billion deficit, the largest in our history. With this deficit, we were in a period of high interest rates and slow economic growth. Canadians were faced with the prospect of paying those higher interest rates on the debt with few job opportunities.

Thanks to the sound fiscal policy, this \$42 billion will no longer be on the government's books. We have a zero deficit.

• (1630)

We are speaking about a zero deficit budget. This means that the government is making tremendous fiscal progress. It is creating a strong, vibrant economy where interest rates are low and economic growth is high.

A strong economy that is well managed is needed so that Canadians can compete in the global economy. Low inflation and low interest rates give Canadians confidence in their economy. Over the past three years the people of Etobicoke—Lakeshore have

been able to reap some benefits because of reduced payments on mortgages and loans.

Canada will lead the G-7 nations in economic and job growth in 1998 and this is no common boast. Our debt to GDP ratio is decreasing. Our goal is to put the debt to GDP ratio on a downward track and to do so without borrowing and increasing the debt burden of Canadians.

We must stay the course, say my constituents. We have a balanced budget because of tough fiscal discipline and we must not let up.

Secondly, on the Canadian opportunities strategy my constituents agree that young people are the future of our nation. When we invest in their future we are building a stronger nation. There is no better investment in the future than investment in education, in knowledge and in innovation. We are living in a technologically literate, knowledge based economy.

I am the mother of two young women. I was an educator for over 30 years working with young people. I sat on a university board of governors. I know the plight of young people. I have listened to many young people in my riding who have talked to me about the difficulties they face in today's job market. They are in a vicious cycle of no job experience, no gainful employment. This budget will change this cycle.

Youth at risk, students and graduates want the government to take an active role in ensuring that there is equal opportunity to post-secondary education and assistance for debt burdens. The Liberal government is aware of this reality and this is why we are giving support to young Canadians through the Canada opportunities strategy, knowledge and skills needed for jobs now and in the future. Better jobs and higher standards of living for our young people in the 21st century is our goal.

The Canada millennium scholarship fund will remove the barriers for young Canadians to get the post-secondary education or advanced technical training that they will need to get gainful employment.

I want the young people in my riding to know that the Canada millennium scholarships will commence in the year 2000. They will be awarded to over 100,000 full and part time students every year over 10 years through an initial endowment of \$2.5 billion from the federal government.

My colleagues across the floor commented that the start of the fund is not soon enough and that students would be better off if they were given the money now. We are putting the administrative structures in place so that the fund can be administered fairly and efficiently and this will take some time.

Our role is to support young Canadians and we will take on the responsibility of creating the measures to facilitate this role. The

*The Budget*

Canada millennium scholarship fund is an initiative that will benefit Canadians of all ages at various institutions who are undertaking studies under different terms.

The principles of fairness and equity are embodied in the millennium scholarship fund. I believe that this fund will lessen the financial stress that many Etobians face at present.

It is important that young Canadians leaving colleges and universities with heavy student loans which they are often unable to repay get the help that is needed right now. This budget does give them a break.

• (1635)

In conclusion, we must continue to build on our resolve to bring about fiscal order to our country while we focus on the needs of our young people. I call on my colleagues on all sides of this House to support this budget to ensure that all our young people have the future that is important for them.

[Translation]

**Mr. René Canuel (Matapédia—Matane, BQ):** Madam Speaker, I listened very carefully to my hon. colleague's presentation. She is very concerned with helping young people pursue their education; she is a teacher and I was one too. Everyone agrees with this. The situation of a 20- or 21-year old student who has not yet found a job and has accumulated between \$25,000 and \$30,000 in debts is truly difficult. It makes no sense and I agree.

However, everyone knows that, in Quebec, we have had a grants and loans system for 30 years. Why add to something that already exists in Quebec and is extremely well managed? This is a relatively simple situation. Had the government agreed to give money, say 25%, back to the Quebec Ministry of Education, our young people would still have received the money and their debt load would have been lighter. That is what we want. I hope my hon. colleague will address this aspect in her answer. I agree with the objective, but not with the way it is achieved.

This budget is touted as a wonderful thing. Last year, I sat on the Standing Committee on Natural Resources. We did some work on rural areas. In my riding of Matapédia—Matane, we have fishers, foresters and farmers. These are the three main classes of workers in my riding.

Unfortunately, most of their jobs are seasonal jobs. Some of these people need another 10, 20 or 30 weeks of work to qualify for employment insurance. As you know, new claimants are required to accumulate 910 hours of work. It is nearly impossible for fishers to accumulate 910 hours of work.

Forestry workers in my region are as proud and hard-working as anyone else in Quebec. Sometimes, they are short a few hours. There are people in my riding who lost their homes.

This is supposed to be a wonderful, an extraordinary budget. Come and tell the people in my region that this is a wonderful, an extraordinary budget, that there is hope. No. The rural community had suggested that a department of rural development be established, but I, as the Bloc Québécois spokesperson, said: "No, let us not complicate things and cause further duplication; let us just invest in agriculture".

Here is my question to the hon. member: Can she tell me if there is anything in this budget for fishers, farmers and foresters? That is my question.

[English]

**Ms. Jean Augustine:** Madam Speaker, it seems I have about a minute or so to answer three questions. I would again ask my colleague to pay attention and read the budget papers that were so generously sent to our various offices.

I want to focus on one aspect, which is the whole issue of young people and their debt load. I will agree with the hon. member that young Canadians are leaving colleges and universities with heavy debt. I would agree with him that the loan payments for young people at present are burdensome, but I would also direct his attention to the assistance which is given to young people in the budget.

• (1640)

If he is saying to me that people are saying this is a good budget, I want to say to him, yes, it is a good budget. It is not a perfect budget because there is nothing in life which is absolutely perfect, but there are items in the budget which respond to the needs of Canadians. The member must agree that we have covered the issue of women and children, we have covered students at various levels, not just at university but also at college, we have covered the issue of part time workers—

**The Acting Speaker (Ms. Thibeault):** I am sorry, but I must interrupt the hon. member as her time has expired.

**Mr. Gary Lunn (Saanich—Gulf Islands, Ref.):** Madam Speaker, I would also like to split my 20 minutes with a colleague, but I understand that I will only have three or four minutes before I will be cut off for the vote.

First of all, I wish I could be as proud of this budget as I am to be a Canadian and as I am of our national anthem and our flag. I mean that sincerely. I would have liked to have had an opportunity to speak on this issue earlier, but I did not.

I want to talk about the positive in the budget. There is one positive. Canadians taxpayers, all across this country, can give themselves a pat on the back. They balanced the budget.

*The Budget*

Too often we have heard that the Minister of Finance or this government or the Liberals have done it, but there is no question about it, the taxpayers have suffered in order to balance the budget.

Now I will get into the negative side of it. I will focus on three areas. I only have a couple of minutes so I will rush through this quite quickly.

They keep talking about this 50:50 plan. There is absolutely no question that the evidence before this House is that this is 100% increased spending. There is zero debt reduction. There is absolutely zero tax relief. There is no question about it.

Government members will have a few token things to say to suggest that there is tax relief, but there is not. Make no mistake about it, there is no tax relief.

I listened to the constituents of Saanich—Gulf Islands. I sent out a resumé. I am here as their voice to speak on their behalf. I got over 2,000 responses. Ninety-five per cent of those responses said the most important priorities are to pay down the debt and reduce taxes. Five per cent said that the most important priority was to increase spending.

What has this government done? It has not only increased spending in this budget, the \$3 billion—and they do not seem to know where it has gone—has gone into the Prime Minister's or the finance minister's personal slush fund.

I am going to speak specifically to a couple of points because a lot of the points I was going to make have already been made.

This is a Liberal debt. Make no mistake about it. The Liberals have added \$75 billion to the debt since they took office. There is \$5.5 billion worth of interest each year.

This is what I find to be quite amazing. We listen in the House of Commons day after day after day to the Liberals talking about the debt. What do they do all the time? They blame the Tories.

The Minister of Finance points to the Tories and says "The Tories left us this big mess in 1993". But the Liberals started it long before the Tories were in power. They are the ones who brought in this debt under former Prime Minister Trudeau. They started it and look where we are today. The Liberals stand up so proudly and pass the buck over to the Tories. They should be ashamed of themselves.

I want to speak to a point which I think is absolutely shameful.

The Liberals keep talking about families. This government and this budget have absolutely no respect for the stay-at-home parent who looks after their family. They are discriminated against now in this budget.

• (1645)

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Madam Speaker, on a point of order. Some of this information was not available well in advance as it customarily is before we enter negotiations among the parties for unanimous consent for travel.

Earlier today members of the transport committee unanimously approved the following consultation plan expenses in support of its study of passenger rail transportation in Canada.

I will go to the motion directly, keeping in mind the reason the committee is able to reduce its travel plans dramatically by 50% would be by way of taking advantage of a seat sale, and of course those tickets would become non-refundable if they are not purchased within the two days of booking. The clock began ticking yesterday, Wednesday, February 25.

[Translation]

Therefore, I move:

That the House approve the travel budget of the Standing Committee on Transport, in the amount of \$60,000, and authorize 14 committee members and three support staff to travel to London, England, and Paris, France, from April 13 to April 20, in connection with its study of rail passenger services.

[English]

**Mr. John Nunziata (York South—Weston, Ind.):** Madam Speaker, I would like to ask the Chair whether it is appropriate for this motion to be put at this time. As I understand the order of the House, at 4.45 the Chair is required to ring the bells to call in the members to vote on the Bloc amendment to the amendment.

Madam Speaker, could you indicate whether the whip of the government is in order to put the motion at this time?

**Mr. Bob Kilger:** Madam Speaker, I believe I was very close to 4.45 when I sought the floor of the House. I do admit I am guilty of taking a little longer, possibly, in making my submission for unanimous consent, but I did begin prior to 4.45.

**The Acting Speaker (Ms. Thibeault):** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** No.

**The Acting Speaker (Ms. Thibeault):** It being 4.47 p.m., pursuant to order made Monday, February 23, 1998, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

[Translation]

Is the House ready for the question?

**Some hon. members:** Yes.

*The Budget*

**The Acting Speaker (Ms. Thibeault):** The question is: Mr. Martin (LaSalle—Émard), seconded by Mr. Gray (Windsor West), moved: That this House approve in general the budgetary policy of the government.

Shall I dispense?

**Some hon. members:** No.

**The Acting Speaker (Ms. Thibeault):** Mr. Manning, seconded by Mr. Solberg, moved the following amendment: “That the motion be amended by replacing all the words after the word “That” with the following:

“the House of Commons reject the Budget statement by the Minister of Finance because it denies Canadians debt and tax relief by spending away the federal budget surplus, thus killing opportunities for job creation and economic growth; it leaves Canadians saddled with the highest personal income tax rates in the G-7 countries, resulting in systematic brain drain to jurisdictions with lower taxation levels; it allows interest charges on the national debt to consume one third of every tax dollar collected by the federal government and to exceed spending on health care, education, and old age security combined; it continues the steady decrease in real disposable income for the average Canadian through tax hikes; and it does not keep the government’s promise of committing 50 percent of the surplus to new spending and the remaining 50 percent to some combination of debt reduction and tax relief”;

• (1650)

Mr. Loubier, seconded by Mr. Perron, moved the following amendment to the amendment:

Shall I dispense?

**Some hon. members:** No.

**The Acting Speaker (Ms. Thibeault):** That the amendment be amended by deleting all the words after the words “Minister of Finance” and substituting the following:

“because he has, by creating the Canada Millennium Scholarship Foundation, broken the promise to respect provincial jurisdiction over education, he has provided nothing to stimulate job creation, he has not provided for adequate income tax reductions for middle-class families, he has continued to appropriate the huge employment insurance fund surplus, he has obstinately refused to table anti-deficit legislation and he has not returned to the provinces the money he cut from their transfer payments, while pursuing his planned cuts up to the year 2003”.

[*English*]

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

**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.

• (1720)

[*Translation*]

(The House divided on the amendment to the amendment, which was negated on the following division:)

(*Division No. 95*)

## YEAS

## Members

Alarie  
Bachand (Saint-Jean)  
Bergeon  
Îles-de-la-Madeleine—Pabok  
Canuel  
Dalphond-Guiral  
Desrochers  
Dumas  
Gagnon  
Godin (Châteauguay)  
Guimond  
Laurin  
Loubier  
Ménard  
Perron  
Plamondon  
St-Hilaire  
Tremblay (Rimouski—Mitis)

Asselin  
Bellehumeur  
Bernier (Bonaventure—Gaspé—  
Bigras  
Crête  
Debien  
Dubé (Lévis)  
Fournier  
Gauthier  
Guay  
Lalonde  
Lefebvre  
Marceau  
Mercier  
Picard (Drummond)  
Sauvageau  
Tremblay (Lac-Saint-Jean)  
Turp—35

## NAYS

## Members

Adams  
Anders  
Assad  
Augustine  
Bachand (Richmond—Arthabaska)  
Baker  
Barnes  
Bélair  
Bellemare  
Benoit  
Bertrand  
Blondin-Andrew  
Bonwick  
Boudria  
Brisson  
Bryden  
Byrne  
Cadman  
Cannis  
Carroll  
Catterall  
Chamberlain  
Charbonneau  
Chatters  
Clouthier  
Cohen  
Copps  
Cummins  
DeVillers

Alcock  
Anderson  
Assadourian  
Axworthy (Winnipeg South Centre)  
Bailey  
Bakopanos  
Beaumier  
Bélanger  
Bennett  
Bernier (Tobique—Mactaquac)  
Bevilacqua  
Bonin  
Borotsik  
Bradshaw  
Brown  
Bulte  
Caccia  
Calder  
Caplan  
Casson  
Cauchon  
Chan  
Charest  
Chrétien (Saint-Maurice)  
Coderre  
Collenette  
Cullen  
Desjarlais  
Dhaliwal

*The Budget*

Dion  
Doyle  
Drouin  
Duhamel  
Eggleton  
Finestone  
Folco  
Fry  
Galloway  
Godfrey  
Godring  
Graham  
Grewal  
Grose  
Harb  
Harvey  
Hill (Macleod)  
Ianno  
Jackson  
Jennings  
Jones  
Karetak-Lindell  
Keddy (South Shore)  
Keys  
Kilgour (Edmonton Southeast)  
Konrad  
Lavigne  
Leung  
Longfield  
MacAulay  
Mahoney  
Maloney  
Manning  
Marleau  
Martin (Winnipeg Centre)  
Matthews  
McCormick  
McKay (Scarborough East)  
McNally  
McWhinney  
Mifflin  
Mills (Broadview—Greenwood)  
Mitchell  
Murray  
Nault  
Nunziata  
O'Brien (London—Fanshawe)  
Pagtakhan

Discepolo  
Dromisky  
Dubé (Madawaska—Restigouche)  
Easter  
Epp  
Finlay  
Forseth  
Gagliano  
Gilmour  
Godin (Acadie—Bathurst)  
Goodale  
Gray (Windsor West)  
Grey (Edmonton North)  
Guarnieri  
Harvard  
Herron  
Hubbard  
Htody  
Jaffer  
Johnston  
Jordan  
Karygiannis  
Kenney (Calgary-Sud-Est)  
Kilger (Stormont—Dundas)  
Knutson  
Lastewka  
Lee  
Lincoln  
Lowther  
MacKay (Pictou—Antigonish—Guysborough)  
Malhi  
Manley  
Marchi  
Martin (LaSalle—Émard)  
Massé  
Mayfield  
McDonough  
McLellan (Edmonton West)  
McTeague  
Meredith  
Milliken  
Minna  
Muise  
Myers  
Normand  
Nystrom  
O'Reilly  
Paradis

Parrish  
Peric  
Pettigrew  
Pickard (Kent—Essex)  
Power  
Price  
Proud  
Ramsay  
Reed  
Riis  
Robillard  
Saada  
Serré  
Solberg  
Speller  
Steckle  
Stewart (Northumberland)  
St-Julien  
Szabo  
Thibeault  
Thompson (Wild Rose)  
Ur  
Vanclief  
Volpe  
Wasylcia-Leis  
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Wilfert  
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Patry  
Peterson  
Phinney  
Pillitteri  
Pratt  
Proctor  
Provenzano  
Kedman  
Richardson  
Ritz  
Rock  
Scott (Fredericton)  
Shepherd  
Solomon  
St. Denis  
Stewart (Brant)  
St-Jacques  
Strahl  
Telegdi  
Thompson (Charlotte)  
Torsney  
Valeri  
Vellacott  
Wappel  
Wayne  
White (Langley—Abbotsford)  
Williams

## PAIRED MEMBERS

Brien  
de Savoye  
Fontana  
Kraft Sloan  
McGuire

Comuzzi  
Duceppe  
Girard-Bujold  
Marchand  
O'Brien (Labrador)

**The Speaker:** I declare the amendment to the amendment lost.

[*English*]

It being 5.25 p.m., the House stands adjourned until Monday, March 9, 1998 at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

(The House adjourned at 5.25 p.m.)





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