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Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, October 5, 1998

The House met at 11 a.m.

Prayers

• (1105)

[*Translation*]

POINTS OF ORDER

OPPOSITION MOTION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would like to seek the unanimous consent of the House that the opposition motion tabled with the Journals Branch on Friday, October 2, 1998 by Mr. Brien, the hon. member for Témiscamingue, be debated today under Business of Supply, Government Orders.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I rise on a point of order. I understand that this motion is necessary because the motion was not in on time.

I would like to know from the House leader for the Bloc whether he understands by his request that the motion be debated that he is also asking that it be votable. Is that implied in the question? Because if it is, then there is not unanimous consent. If he is only requesting that it be debated, then there is.

The Deputy Speaker: I was going to ask the same question.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with respect to the request as I heard it, we have no objection. We think it is a small technical problem and we have no objection to this motion being debated.

[*Translation*]

The Deputy Speaker: Perhaps the hon. member for Roberval can clarify the situation. Is the request that the motion be debated, or that it be debated and voted on?

Mr. Michel Gauthier: Mr. Speaker, I would have liked it to be votable, but my discussions, particularly those with the parliamentary leader of the New Democratic Party, implied that I could not obtain unanimous consent—unless there was a change—and I was

told that unanimous consent by the House and the NDP would be forthcoming only if the motion were not votable.

The Deputy Speaker: Is there unanimous consent of the House that the opposition motion tabled with the Journals Branch on Friday, October 2, 1998 by Mr. Brien, the hon. member for Témiscamingue, be debated today under Business of Supply, Government Orders?

[*English*]

Mr. Bill Blaikie: Mr. Speaker, with the understanding that it is not votable.

The Deputy Speaker: The motion that I proposed to the House was only that it be debated, not that it be votable. Is that agreed?

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[*English*]

AN ACT FOR THE RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.) moved that Bill C-304, an act to amend An Act for the Recognition and Protection of Human Rights and Fundamental Freedoms and to amend the Constitution Act, 1867, be read the second time and referred to a committee.

He said: Mr. Speaker, once again I am disappointed that my bill has been given second class status in the House. For the second time since I have become a member of parliament this important issue has been denied enough time for a full debate and MPs have been denied a vote for or against strengthening property rights in federal law.

I think it is time to make all private members' business votable. All the private members' business that comes before the House should be made votable.

I want to use the little time I have to explain why a full debate and a vote on Bill C-304 in the House is so important.

I have received impressive public support for my property rights bill, considering that I have had so little time to promote this

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legislative initiative. I have received 491 pages of petitions, signed by 11,292 Canadians from all across Canada who support the bill. I have also received the support of the Canadian Real Estate Association which represents more than 200 real estate boards in every province of this country. That fact alone must surely cause the government to rethink its stand on property rights. It is obvious that this is a very important issue for many Canadians.

• (1110)

As members of this House are no doubt aware, this is the 50th anniversary of the signing of the United Nations declaration of human rights. Article 17 of the UN declaration of human rights reads: "Everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property". Despite the fact that Canada ratified the UN declaration of human rights 50 years ago, the fact is that Canadians are still being arbitrarily deprived of their property.

There are and have been so many examples. The example I am so familiar with is Bill C-68, the firearms act. Other examples are the Canadian Wheat Board Act, the Endangered Species Act, the Pearson Airport Agreements Act, the national energy program of a few years ago, as well as many others.

My colleagues and I will use our time to expose just a few examples of how the government has abused the property rights of millions of Canadians. We will explain why all Canadians should fear a government that is prepared to run roughshod over such a fundamental and natural right.

Professor Peter Hogg in his book *Constitutional Law of Canada*, third edition, wrote: "The omission of property rights from section 7 of the charter greatly reduces its scope. It means that section 7 affords no guarantee of compensation or even a fair procedure for the taking of property by the government. It means that section 7 affords no guarantee of fair treatment by courts, tribunals or officials with power over purely economic interests of individuals or corporations". That was from citation 44.9 at page 1030.

Professor Hogg also wrote: "The product is a section 7 in which liberty must be interpreted as not including property, as not including freedom of contract, and, in short, as not including economic liberty". That was from citation 44.7(b) at page 1028.

Those are powerful words. I ask the members of this House if their constituents are even aware of this lack of protection in the charter. Why are we here? It is our duty as parliamentarians to be sure that the foundation, the fundamentals, of our society are right. That is what Bill C-304 is all about.

Former Liberal Prime Minister Pierre Trudeau argued long and hard for better protection of property rights, first in his 1968 paper

titled "A Canadian Charter of Human Rights", which was tabled when he was minister of justice; second in his 1969 paper "The Constitution of the People of Canada"; and once again in 1978 when he introduced Bill C-60, the constitutional amendment bill.

Mr. Trudeau tried to get property rights included in the charter in July 1980 and again in January 1981. Finally in April 1983 he said here in the House of Commons "I would say that if we can have the agreement of the Conservative Party to introduce an amendment on property rights and to pass it in 24 hours".

Rather than try to amend the charter of rights and freedoms, my private member's bill, Bill C-304, proposes to provide adequate protection of property rights in federal law by strengthening the property rights provisions of the Canadian bill of rights, not the charter.

In the past the government has argued rather poorly that there is no need to strengthen property rights in federal law. The government has argued in the past that the Canadian bill of rights provides adequate protection of property rights. But I ask: If property rights are so adequately protected in federal law, how can the government keep violating article 17 of the UN declaration of human rights by arbitrarily taking the property of Canadian citizens?

The bill of rights only provides rather feeble protection of property rights. Even these can be overridden by just saying so in any piece of legislation passed by this House. My bill proposes to make it more difficult to override the property rights of Canadian citizens by requiring a two-thirds majority vote of this House.

• (1115)

We are not tying the government's hands to legislate, but we are saying that property rights are so important that an override clause should pass a higher test in the House.

Even if the government agrees to abide by the so-called guarantees in the Canadian bill of rights as it currently is worded, it protects only three things; the right to the enjoyment of property, the right not to be deprived of property except by due process, and finally the right to a fair hearing. Unfortunately the bill of rights does not, as I will explain later, prevent the arbitrary taking of property, and that is a very serious matter.

The bill of rights does not provide any protection of our right to be paid any compensation let alone fair compensation. The bill of rights does not provide any protection of our right to have compensation fixed impartially. The bill of rights does not provide any protection of our right to receive timely compensation. Finally, the bill of rights does not provide any protection of our right to apply to the courts to obtain justice.

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Bill C-304 would amend the bill of rights to provide added protection for Canadian citizens from the arbitrary decisions made by the federal government to take their property.

Approval of my amendments to the bill of rights would allow Canadians to celebrate the 50th anniversary of the signing of the United Nations Declaration of Human Rights, knowing that we have finally provided the protection of property rights in federal law that the UN declaration called for so many decades ago. Would that not be a wonderful way to celebrate the 50th anniversary?

I can see a few members on the government looking self-assured and confident that I am wrong and that the government is right. The Minister of Justice's little helpers will soon stand up and proclaim as much. I anticipate that, but I am not wrong. That is why we need a full debate in the House. Not just one hour. That is why we need a vote in the House on this issue.

Voters in the country have to know that the government by its own legislation, the legislation government members have supported, and by the actions of its own Minister of Justice condoned the arbitrary taking of property in direct contravention of article 17 of the UN Declaration of Human Rights.

The people of the country do not know that. They should hang their heads in shame rather than parade around the world claiming to be the defenders of fundamental human rights. Article 17(2) of the UN Declaration of Human Rights states:

No one shall be arbitrarily deprived of his property.

I have only time to cover one arbitrary taking of property by the federal government. I will use the example I know best. As members know I have been working on Bill C-68, the Firearms Act, very actively, in opposition of course. Section 84(1) of Bill C-68 passed by parliament in 1995 and now chapter 39 of the Statutes of Canada arbitrarily prohibited an estimated 553,000 registered handguns: 339,000 handguns that have a barrel equal to or less than 104 millimetres in length, about 4.14 inches, and 214,000 handguns that discharge 25 and 32 calibre bullets.

The government arbitrarily decided that these 553,000 handguns currently safely stored in the homes of law-abiding government registered owners were so dangerous that they had to be banned. The government ignored the fact and the evidence from Statistics Canada showing that unregistered handguns responsible for about 75% of all firearms crimes in the country were already illegal. Why does the government ignore these facts?

In 1994 the government estimated that these 553,000 handguns represented about half of all the firearms in the existing firearms registry. What proof did the government provide that these firearms were dangerous? None. The decision was completely arbitrary.

I appreciate the show of concern that a few members are showing.

What was the extent of the government evidence to justify the prohibition? In the government's opinion these legally acquired properly registered firearms "are not considered to be suitable for organized target shooting and such handguns are produced primarily for use as weapons". No evidence was ever presented showing how many crimes these 553,000 legally owned handguns had been involved in or how banning them would have prevented any crimes or prevent any crimes in the future. In fact neither the RCMP nor the Minister of Justice were able to produce any evidence in parliament that the 64 year old handgun registration system had been used to help solve even one crime.

• (1120)

The government even proved my point about the arbitrariness of its decision to ban hundreds of thousands of legally owned guns by deciding to leave most of the registered handguns it always refers to as Saturday night specials in the hands of registered owners until they die. That demonstrates clearly how arbitrary its decision is. It is then that most of these firearms will be seized because many of their heirs will not be able to comply with the onerous rules and regulations respecting ownership of firearms.

If these handguns are safe in the hands of registered owners, why did the government need to ban them? Not once have we had an answer to that. We do not have property rights in this country. The criminals are already breaking the law by using unregistered guns for their crimes. How did it improve public safety by banning guns in the hands of hundreds of thousands of good guys?

Surely, if this arbitrary ban were to do any good, the government would have to remove these so-called Saturday night specials from the hands of their registered owners. It did not, thereby proving the arbitrariness of its decision and providing all the proof anyone needs to demonstrate its breaking of article 17 of the 1948 UN Declaration on Human Rights.

With the announcement of this ban the government destroyed the value of these 553,000 registered handguns. The government did not have to physically take property to violate the fundamental property rights of these hundreds of thousands of law-abiding Canadians. The government's arbitrary ban destroyed the value of these handguns and took money out of citizen's pockets just as surely as a mugger takes money out of his victim's pockets on the streets of downtown Toronto.

Government is force and this is how it uses it. It uses this force to throw western farmers in jail just because they choose not to sell their wheat to the government. The government uses this force to stop Canadians from receiving television channels the government does not want them to watch.

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Are we really free when this violation of one of our most fundamental rights goes on right before our eyes? Some people will say "what the government is doing is not affecting me", but what will these people say when their government arbitrarily decides to take their property or destroy the value of their property?

Not only did the government arbitrarily ban this legally owned property but it is refusing to pay compensation for the loss in value suffered by this government enforced step. It is refusing to pay compensation for the legally owned firearms that people have and that it is going to confiscate.

At the time the government announced this arbitrary ban on private property approximately 20,000 to 30,000 of these firearms were held in the inventories of government licensed businesses.

Listen very carefully. On May 19, 1998 a firearm's dealer received a letter from the Canadian Firearms Centre in the Department of Justice which said:

Firearms in a dealer's inventory are not grandfathered and will therefore be subject to confiscation as of October 1. There is no compensation scheme planned at this time for dealers or individuals whose handguns become prohibited October 1, 1998 and are confiscated or turned in.

Those are words of our own bureaucrats, our own Department of Justice. On September 1, 1998 the Minister of Justice wrote a law-abiding gun owner in Ottawa. Her letter was commenting on a 1994 gun ban that paid them compensation if they surrendered their arbitrarily prohibited firearms to the government. The minister said:

The surrender initiative was unique. It should be considered an amnesty, rather than an expropriation. Firearms not identified under this initiative are not eligible for payment if surrendered or seized.

There we have it in black and white, confiscation without compensation. I am very familiar with this and I could continue to go on to describe how arbitrary it is.

Let me conclude by saying that in June the Canadian Police Association wrote to the Minister of Justice complaining about her plans to confiscate 20,000 to 30,000 banned handguns from government approved firearms dealers. Here is what the CPA letter said:

We were nothing short of amazed to hear questions of constitutionality concerning confiscation without compensation of property previously lawfully acquired swept aside as non-existent.

The CPA called the minister's actions "unwise in the extreme".

The Deputy Speaker: I am afraid the hon. member's time has expired.

• (1125)

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker,

the bill seeks to elevate property rights protection in the Canadian bill of rights above that of any rights in the Canadian Charter of Rights and Freedoms, let alone the bill of rights.

The government believes that property rights are important and deserving of protection, that they currently enjoy sufficient protection, and that there is no need for this private member's motion.

First I will address the protection already afforded to property rights and then why the proposals to codify further protections in the bill of rights and the Constitution are unnecessary and inappropriate.

[Translation]

Numerous statutes regulate and protect property in Canada. There are common law rules which govern the purchase and sale of land, for instance, or the taking of interest in mortgages or leases. Real and personal property laws govern the acquisition and sale of all property of this nature. There are also laws that protect the right to own various forms of property, from vehicles to copyright.

One of the fundamental rules of law respected by the drafters of bills in the Department of Justice is the principle that property may not be expropriated without compensation. This guiding principle is mentioned on the department's Internet site.

This right must be weighed against society's other values. For example, our thinking about property and the equitable protection to which people are entitled so that they are not deprived of their right to the enjoyment of property has evolved.

The federal Divorce Act and provincial and territorial family laws ensure that women are not deprived of their right to a fair share of matrimonial property, regardless of who has legal title.

[English]

Another source of protection of property rights is the direct declaration in the Canadian bill of rights. The Canadian bill of rights has quasi-constitutional status. A number of its provisions were repeated in specific provisions of the Canadian Charter of Rights and Freedoms. Since the charter contains no specific clause on property rights, section 1 of the bill of rights would continue to protect property rights. It states:

It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,

(a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law.

Thus this clause protects property rights in that a person cannot be deprived of his rights except by regular application of the law.

The bill of rights requires the Minister of Justice to examine every bill before the House to ensure that it is consistent with the bill of rights and to report any inconsistency to the House. It is then up to hon. members, in accordance with the democratic process, to determine whether nevertheless to pass the bill.

[*Translation*]

One of our main concerns about Bill C-304 is that it would give property rights precedence over all other rights protected in the Bill of Rights, as well as in the Canadian Charter of Rights and Freedoms.

As things now stand, Parliament cannot pass bills inconsistent with the charter or the bill of rights without including a notwithstanding clause. Clauses 3 and 5 of Bill C-304, which propose the addition of new paragraphs 2.1 and 2.2, as well as new section 6 to the bill of rights, would require the votes of at least two-thirds of the members of the House of Commons for these provisions to be amended or a notwithstanding clause to be passed.

In principle, our government is opposed to any more protection of property rights than is already provided for in the charter, such as the protection of rights flowing from the act or prohibiting discrimination against disabled persons. This is particularly true when we examine the evolving concepts of property and discrimination.

• (1130)

[*English*]

In a complex society with many interests and competing rights, we must recognize that rights are not absolute. We have and need laws to govern the use of property in the public interest. There is a network of laws not only at the federal level but also at the provincial and municipal levels.

Earlier I mentioned the federal Divorce Act and provincial and territorial laws which ensure that matrimonial property is equitably divided upon the breakup of a marriage. In addition, environmental legislation establishes a whole body of regulations governing everything from the disposal of hazardous waste to cutting down trees. There are also laws that govern ownership of shares of limited companies, bankruptcy, ownership of land by non-Canadians, land use and zoning in residential or farming areas.

In each of these cases and laws there are limitations on property, ownership and use. Everyone recognizes the need for these restrictions. If the government were to consider amending the bill of rights, sight should not be lost of the important limitations on the enjoyment of property.

We should also bear in mind that many of the laws are in the provincial realm, something the opposition often forgets. Under

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section 92 of the Constitution Act 1867 each province has exclusive jurisdiction over property and civil rights in the province. A good example is the recent adaptation by the Ontario Harris government of children under 12 years of age having the right to firearms, something that the opposition has not mentioned. Hunting is under provincial jurisdiction.

[*Translation*]

Since the new property rights protection program would be enshrined in the bill of rights instead of the Canadian Charter of Rights and Freedoms, it would apply only to Parliament, and not to provincial legislatures.

This government feels that the ensuing imbalance would do a disservice to federal-provincial relations. It would also be unfair to Canadians to subject them to two property rights protection programs, one at the provincial level and one at the federal level.

Last but not least, Bill C-304 would amend the Constitution Act of 1867 to allow for the adoption of the new section 6 of the Canadian Bill of Rights which, as already mentioned, would have the effect of increasing to two-thirds the percentage of votes required in the future to adopt laws that could undermine the new protection afforded property rights. The procedure for amending the Constitution is, as we all know, quite complex and time consuming, and the result is far from being guaranteed.

[*English*]

There are many existing protections for property rights in Canada in the Canadian bill of rights and other statutes and through common law. Canadians currently enjoy important protection of property rights.

I would like to address the firearms legislation. The hon. member took most of his time to state to the Canadian public some falsities which have been repeated consistently in the House.

First of all the firearms legislation does not talk about confiscation. It talks about registration. I remind hon. members that the House adopted that piece of legislation and it is in contempt of the House to constantly bring up the issue in my opinion. An election was won on that piece of legislation and a court challenge was won recently on that piece of legislation. Parliament has the right and hon. members of Her Majesty's Official Opposition consistently forget that fact and are in contempt of this parliament to constantly bring up the same piece of legislation. We fought the election. We won the election. It is a law of the land at the moment.

[*Translation*]

The notion of property is much broader than real property. Given how broad the concept of real property can be, we must be careful if we succeed in altering the existing protection for property rights in a quasi-constitutional document such as the Bill of Rights.

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Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, I am pleased to address Bill C-304, introduced by the Reform Party member for Yorkton—Melville and entitled an Act to amend an Act for the Recognition and Protection of Human Rights and Fundamental Freedoms and to amend the Constitution Act, 1867. In short, it is an act to amend the Canadian Bill of Rights.

• (1135)

At first glance, the subject appears appealing. The first clause proposes the following, and I quote:

Paragraph 1(a) of An Act for the Recognition and Protection of Human Rights and Fundamental Freedoms is replaced by the following:

(a) the right of the individual to life, liberty and security of the person, and the right not to be deprived thereof except by due process of law;

This amendment to the existing legislation removes from subsection 1(a) the freedom of enjoyment of one's property. Everyone agrees that the freedom to enjoy one's property is a democratic freedom. One question, however: Is this an unconditional, universal, freedom?

We see what the member is after in clause 3. It proposes:

The Act is amended by adding the following after section 2:

2.1 (1) Subject to subsections (2) and (3), every person has the right to the enjoyment of that person's property.

This is a fundamental statement of this bill: the right to private property. For most of us, private property refers immediately to our home, but it includes many other things, such as a house, car, land, bicycle, to name but a few.

I am no constitutional expert. However, I know that the provinces have jurisdiction over property and civil rights. It is therefore the responsibility of the provinces to legislate in areas involving personal property.

The member's bill therefore aims at establishing recognition of the right to property in federal legislation subject to the Canadian Bill of Rights, since it applies only to federal acts and institutions.

The right to enjoyment of property is found in subsection 1(a) of the Canadian Bill of Rights. So, we may well ask what the point of the bill is and what scope does the member intend for it. I think he is attempting to initiate a general debate on the right to private property based on the following assumption: the right to private property is a natural right and one that is outside of legislation.

But many ongoing situations show that personal rights, especially in connection to property, often have to be restricted for the common good. Take for example environmental issues. Environmental and public health protection require that legislation be

passed that sometimes limits property rights by imposing strict regulations on companies.

Another example everyone, at least everyone in this place, knows about is the speed limit on roads and highways. Such rules limit my enjoyment of my car's performance. Yet, careless behaviour might see me lose the use of my car. Imagine how disastrous this would be.

The Firearms Registration Act is yet another example. I had no intention of ascribing motives to the hon. member for Yorkton—Melville. And I will not do so. But after hearing his remarks, it seems clear to me that, in his opinion, should the Canadian Bill of Rights be amended as proposed in his bill, the firearm registration legislation would be impossible to enforce and would entail prohibitive costs as anyone could demand a hearing before a court of law under clauses 2.1(1) and 2.1(4).

• (1140)

Last century, the era of dyed-in-the-wool economic liberalism, certain decisions prevented the various Parliaments in Canada from interfering with private property either by confiscating it or by destroying it without compensation. Times have changed.

In the 20th century, Parliament can establish laws, and the public has the right to judge their legitimacy and morality.

This is easily illustrated. In the case of the surplus in the employment insurance fund, the current government can try to legalize its use for purposes other than those established. Should it go so far, the public will decide on the legitimacy and morality of such misappropriation.

As you can see, we have no intention of supporting this bill, because we think that the freedom of some stops where the freedom of others starts. This is the price of living in a harmonious and responsible society.

Canadian and Quebec society will never opt for the law of the jungle.

[English]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have just a few comments on the private member's motion by the hon. member from the Reform Party.

I would like to address something that he brought up in his remarks with respect to the conduct of Private Members' Business in this House and the ongoing debate as to whether or not all motions and bills that emanate from Private Members' Business should be made votable.

Just on the history lesson side for a minute, some hon. members but perhaps not all may know that it is only recently speaking in the long term parliamentary history that we have been able to vote on

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anything having to do with Private Members' Business. Prior to 1985, Private Members' Business would come up for an hour, it would be debated, talked out and then would disappear forever to the bottom of the list.

As a result of the reforms that came out of what has come to be known as the McGrath committee, it was decided that this was an unsatisfactory way of doing things and that some bills and motions of private members ought to be able to come to a vote without unanimous consent. Prior to the McGrath committee reforms, it was possible to have a vote on a private member's motion or bill but there had to be unanimous consent and one can imagine just how rarely that took place.

There was this feeling that in order to give Private Members' Business the significance it was due that there should be some process for making sure some private members' motions and bills were made votable. The suggestion at that time was that we would proceed as usual with the lottery to determine which members would have their bills and motions deliberated upon to see whether or not—

An hon. member: We are listening, Bill.

Mr. Bill Blaikie: I am sorry if the Liberals feel I am ignoring them but I am just not used to having anybody over there to talk to. I have grown accustomed to not having Liberals over there to talk to. I acknowledge that they are now making an effort to finally have people in the House, which is nice. I will try to direct some of my remarks their way as well so they do not feel so touchy.

As I was saying before I was so rudely interrupted, there was an attempt to make some Private Members' Business votable. There was a standing committee set up on Private Members' Business. This has now become a subcommittee of the Standing Committee on Procedure and House Affairs.

• (1145)

Some hon. members: Oh, oh.

Mr. Bill Blaikie: I thought it would be safe to talk to you, Mr. Speaker. Could we have a little order?

The Deputy Speaker: The hon. member for Winnipeg—Transcona knows it is always safe to speak to the Speaker, much safer than addressing anyone else in the House. I know hon. members want to hear the remarks of the member for Winnipeg—Transcona, so perhaps he could continue uninterrupted.

Mr. Bill Blaikie: Mr. Speaker, in any event I think the debate continues as to whether or not this process is satisfactory. I must say to the hon. member that I am not convinced at this point that all private members' motions and all private members' bills should automatically become votable.

We now have a system whereby we make some determination at the end of the pipeline as to what will become votable. I would say

to the hon. member that if it were to be the case that private members' motions and bills were automatically votable, I think he would find for that to be the case that there would have to be some kind of selection or some kind of weeding out or screening at the beginning of the pipeline.

I cannot see a situation in which, no matter what the motion, no matter what the bill, it would automatically be votable. I think there would be problems there. That continues to be.

The member for Wild Rose says that it would still have to meet the criteria. That is the point. Right now there are criteria. I hear the hon. member saying that there should not be any criteria; whatever people put forward as a bill or motion would automatically become votable. If that is not what he is advocating then there may be some room for discussion. I am trying to point out what I think some of the problems would be with the hon. member's suggestion with respect to Private Members' Business.

With respect to this bill I would say that I have heard the debate about property rights go on for some years in the House of Commons. It is always cast in the light of people who somehow do not have the same respect for property as those who do and therefore want it enhanced either by way of an amendment to the bill of rights or by enshrining it in the Canadian Constitution.

I remind the hon. member that is not the way the debate has played out when it has been on the floor of the House of Commons. When we debated whether or not we were to have property rights in the Canadian charter at the time of the patriation debate, the main opponents to having property rights in the Canadian Charter of Rights and Freedoms were the provinces. It was the provincial governments, which he was no doubt supportive of at the time or may have been. Conservative governments, NDP governments, the provincial governments themselves were against having property rights put in the charter because they regarded that as a matter of provincial jurisdiction.

Coming from a party that generally is very supportive of provincial jurisdiction and any intrusion by the federal government into provincial jurisdiction, I find it something that perhaps the member should deal with at some point.

The bill we have before us applies only to federal legislation because it only deals with the bill of rights. When I listened to the member speak it was clear that his first preference would be to have property rights enshrined in the Constitution, if he could have it that way. This is really his second preference because he thinks this would be easier and could be done without constitutional amendment.

In terms of the member's own ideal case, the people that are lined up against him are not necessarily colleagues in the House of Commons but provincial governments he normally supports when they expound the rhetoric of protecting provincial jurisdictions.

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That is something to keep in mind when they get up on their high horse on property rights.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am very pleased to rise following the remarks of the learned House leader for the New Democratic Party to take part in the debate concerning Bill C-304, an act to amend an act for recognition and protection of human rights and fundamental freedoms with respect to property rights.

This legislation would afford greater protection in the Canadian bill of rights for the property rights of both individuals and corporations.

• (1150)

I congratulate the hon. member for Yorkton—Melville on bringing the issue of property rights to the floor of the House of Commons again. He has been a strong and consistent advocate of his position.

Ensuring the right of every Canadian to enjoy property ownership has been a long and sacred principle of the Progressive Conservative Party of Canada. The Canadian bill of rights enacted in 1960 by Conservative Prime Minister John Diefenbaker extended protection in the following areas: the right to enjoy property, the right not to be deprived of property except by due process and the right to a fair hearing.

The Conservative Party of Canada has repeatedly supported and recognized the importance of property rights. In 1995 our party from across Canada improved a new party constitution which lists as its principles a belief that the best guarantees of prosperity and well-being for the people of Canada are as follows: the freedom of individual Canadians to pursue their enlightened and legitimate self-interest within a competitive economy, the freedom of the individual Canadian to enjoy the fruits of his or her labour to the greatest possible extent, and the right to own property.

The protection of property rights has long been a recognized and fundamental aspect of social and economic justice. In 1690 John Locke wrote:

The great and chief end of men—putting themselves under government, is the preservation of property.

A century later, Edmund Burke, one of the great conservative philosophers of the British tradition, wrote:

The power of perpetuating our property in our families is one of the most valuable and interesting circumstances belonging to it, and that which tends the most to the perpetuation of society itself. It makes our weakness subservient to our virtue; it grafts benevolence even upon avarice.

In 1948 the Government of Canada signed the United Nations Universal Declaration of Human Rights which included the protection of property rights. Appropriately John Humphrey, a Canadian

law professor who was working as a director of human rights for the UN Secretariat, was a key drafter of the document.

Not only was the bill of rights passed in 1960 but the House of Commons, through a motion passed in 1988 with the support of all parties at that time, indicated its support for property rights.

Sadly the Liberal government saw fit in the last parliament to trample over the spirit of that UN declaration, Mr. Diefenbaker's legacy and his expressed will of the House through the Pearson airport fiasco.

In 1993 the Liberals cancelled the much needed agreement to privatize Pearson International Airport and nobody would dispute a new government's ability or right to reverse the decision of its predecessor. However, a new government has a mandate to take different policy directions. The Liberals decided in this instance that their decision would go one step further, that they would remove the rights of Canadian companies from seeking fair and just compensation from the government for cancelling the Pearson agreement.

Bill C-68 which has been referenced by the member for Yorkton—Melville is another example of where Canadian individual property rights have been trampled. The Liberals have even introduced legislation to do that. It is interesting to know, however, that the Reform and Bloc caucuses in the last parliament did very little to highlight what the Liberals were doing at that time with respect to the Pearson airport debacle.

Thankfully members in the upper chamber, Progressive Conservatives for the most part but with a few Liberals on side, rose to defeat Bill C-22. For all the abuse that the Reform Party inflicts upon the Senate it is paramount for Canadians to realize that those individuals concerned about property rights in the Senate did their job. They recognized that this was an opportunity for them to protect the property rights of Canadians where the Reform Party dropped the ball.

Perhaps the Reform Party in this instance should spend more time working on property rights and less time having its taxpayer funded staff engage in libelling and misrepresenting senators in political campaigns.

I am nonetheless pleased to discuss Bill C-304 and protecting property rights in this context. This is an appropriate forum for us to do so. To cite the Right Hon. John Diefenbaker:

Parliament is more than procedure. It is the custodian of the nation's freedom.

Bill C-304 would accord stronger protection for the freedom of Canadians to enjoy their property. As mentioned by the hon. member for Yorkton—Melville, it would amend the Canadian bill of rights to include protection for the following property rights: the right to be paid for fair compensation, the right to have that compensation fixed impartially, the right to have timely compensation, and the right to apply to courts to attain justice if they feel in

any aspect that their property rights have been denied or infringed upon.

Members will forgive me for highlighting the inconsistency in the Reform member proposing that the courts already have the authority or may be given more authority, given the fact that we have seen in the House repeatedly Reform members stand to criticize the judiciary. Many Reformers have attacked our judges and our courts, have referred to them as greedy little parasitic fraternities and have proposed a U.S. style of justice as a remedy to Canadians' legal problems. It is therefore refreshing to see the hon. member for Yorkton—Melville break from the rhetoric of his caucus colleagues and propose that additional authority be granted to our courts in this important area of protecting property rights.

• (1155)

I express the support of the Progressive Conservative caucus for this piece of legislation. We need to protect the freedom of Canadians to enjoy their property to its full extent. We need to ensure the government respects the property rights of Canadians. We need to ensure there exists a due process through which property is not seized without fair and just compensation and that there is due process to make that determination.

Bill -304 meets those requirements. In light of that and in light of the recent firearms legislation protest on the Hill and other protests, we feel there is an existing trend with the Liberal government abusing its authority. For those reasons we feel there is a need for legislation such as that proposed by the hon. member for Yorkton—Melville and we will be supporting the bill.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I am pleased to speak to the bill. I may be found in contempt if the parliamentary secretary to the justice minister has her way in the idea that I intend to raise some bills that have been passed previously. Bill C-4, the wheat board bill, comes to mind and whatnot.

The legislative rules on property rights do not necessarily protect the individual, which should surely be the intent of a bill of rights. The intent should be to protect individuals from legislative abuse by governments of the day. That is what property rights and a bill of rights are all about. Governments change from time to time and the protection of the individual is paramount.

We can see this with regard to Canadian farmers who are still being thrown in jail for selling their own grain. That is probably a breach of their property rights. It is certainly agreed upon out west where this is being done. The current rules in the legislation certainly did not protect the province's constitutional authority over property two weeks ago in Edmonton when four provinces and two territories argued that the Firearms Act infringed on their property rights and the rights of individuals. The bill of rights and the charter certainly do not protect the provinces. Here again it seems to be the government of the day.

Private Members' Business

I will point out specifically so that everyone is very clear what Bill C-304 is about. The member for Yorkton—Melville said it clearly before but I will reiterate. Property rights are natural, fundamental, and based on hundreds of years of common law.

The government intentionally left property rights out of the charter in 1982. This was to the detriment of each person's democratic rights and economic freedoms. The bill would put forward amendments that would specifically guarantee all people have the right to the enjoyment of their property; the right not to be deprived of their property unless they are given a fair hearing; the right to be paid fair, timely and impartial compensation; and the right to appeal to the courts if their property rights have been infringed upon or denied. Every person's property rights would be guaranteed in law in Canada unless it is expressly declared that the act shall operate notwithstanding the Canadian bill of rights. That should clarify precisely what Bill C-304 is about. Those are the words of the member who proposed the bill.

I am concerned about the inconsistency between the government's position on human rights outside Canada and its position at home. We recently saw an active demonstration of this at the APEC summit in Vancouver.

• (1200)

Also in Canada we continue to have a lack of accountability concerning basic human rights in our First Nations. This is related in part to the lack of a fully democratic institution that provides checks and balances between constituents and elected chiefs and councils. For example, there is no effective access to information legislation and labour legislation to protect a reserve employee from arbitrary dismissal from a position. These are basic democratic rights. They involve property rights. These are things that all Canadians should be entitled to in this country.

I speak in support of Bill C-304. This bill would begin to correct the inconsistencies between international human rights and practices at home.

Before we can ask for protection of property rights we must define property ownership rights. Quite simply, I would define property ownership as the right to transfer property, the right to control how a property is used, the responsibility for the benefits and the costs associated with the property, and the right to compensation when property is taken by governments.

This is not a long definition. The vast majority of people likely assume that when they own something they have these three simple rights. Sadly, this is not the case. I only have to look at grain farmers in western Canada, which is probably the biggest example at the current time, to see that all Canadians do not have these rights. Farmers produce wheat and barley, but they do not have the right to transfer their property. They are obligated by law to sell their produce to the Canadian Wheat Board. It gets down to the very basics of human existence when someone produces food and

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wants to trade with another person or another country and they are not allowed to do so.

Similarly, producers of wheat and barley in western Canada do not have control over their property. They must deliver their produce to the Canadian Wheat Board when the Canadian Wheat Board tells them to deliver. Most Canadians believe that they have the right to accept higher risk in exchange for the possibility of higher returns. This basic principle of a free democratic economy is practised every day on the nation's stock exchanges in commodities.

This bill is a move in the right direction toward protecting the property rights of individuals in this country, as well as supporting the very Constitution that protects the rights of provinces to the property which is under their control.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, first I would like to thank all of those who have participated in this debate.

I have a couple of questions for the parliamentary secretary for justice. If what she was saying is true, why does the Canadian Real Estate Association support my property rights bill? Second, why did the Department of Justice say that there would be no compensation for confiscation?

The minister's argument that "we won the election so we have the right to run roughshod over the property rights of a certain group" smacks of a dictatorial attitude. It is most undemocratic and I object to the words that she used in this House.

The parliamentary secretary should read Bill C-68 where it says that, in the opinion of the governor in council, they can prohibit any firearm. The Canadian Police Association called the actions of this government unwise in the extreme. We ought to listen to what the police say about Bill C-68.

Finally, while a remote possibility exists for judicial review of a prohibition order, it would be virtually impossible for any court to substitute its opinion for the opinion of their governor in council, a few cabinet ministers. In fact, lawyers from the Library of Parliament confirmed this when they wrote "The courts would be loath to find that the governor in council acted in bad faith".

Even the standing committee on justice proposed an amendment to section 117.15(2) of Bill C-68 to remove the words "in the opinion of" and to keep the wording the same as it has been for years, requiring an objective test of what constitutes firearms that are commonly used for hunting and sporting purposes.

• (1205)

I would like to emphasize this next statement. The justice minister ignored her own committee, dominated by government

members, and rejected that amendment. Consequently, we have a completely arbitrary prohibition power for the cabinet entrenched in the Criminal Code of Canada; a power, I might add, that completely bypasses parliament and cannot be appealed or overturned by the courts.

I have a few more quotations. In 1903 Pope Pius X wrote to his bishops, saying "The right of private property, the fruit of labour or industry, or of concession or donation by others, is an incontrovertible natural right; and everybody can dispose reasonably of such property as he thinks fit". That does not exist in this country and that is a pity.

This quotation is from a recent ruling of the Alberta Court of Appeal. Madam Justice Conrad said with regard to Bill C-68 "It establishes an administrative process, with broad discretion conferred on the administrative authority affecting property rights. The discretion and broad right to regulate enables the federal government to limit and control the property rights of law-abiding citizens. It does not prohibit existing potentially dangerous conduct, or conduct related to a serious risk of harm". That the parliamentary secretary to the justice minister should claim this as a victory for the government rings very hollow when we read that decision.

I would like to cite one final quotation from Ayn Rand, who wrote in her book *Capitalism: The Unknown Ideal*: "The concept of a right pertains only to action—specifically to freedom of action. It means freedom from physical compulsion, coercion or interference by others. The right to life is the source of all rights—and the right to property is their only implementation. Without property rights, no other rights are possible. Since man has to sustain his life by his own effort, the man who has not right to the product of his effort has no means to sustain his life. The man who produces while others dispose of his product, is a slave". Let us listen to those words.

This is a very serious matter. I fear we are taking it much too lightly. My bill strengthens property rights in federal law. It does not tie the hands of government.

Because Bill C-304 on property rights meets all the criteria for making private members' bills votable, I would like to respectfully request the unanimous consent of the House to make this bill votable.

The Deputy Speaker: Does the House give unanimous consent to make this bill votable?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is not consent.

*Supply**[Translation]*

The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the order paper.

[English]

Mr. Garry Breitkreuz: Mr. Speaker, seeing that the government has denied that this be made votable, I would like to make a second request for the unanimous consent of the House that Bill C-304 be referred to the subcommittee on human rights for further study.

The Deputy Speaker: Does the hon. member have unanimous consent for the proposal that he has put forward?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is not consent.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—PROPOSED SOCIAL UNION

Mr. Pierre Brien (Témiscamingue, BQ): moved

That this House recognize the very harmful effect of federal cuts to the Canada Social Transfer (CST), particularly on health services in Canada, and that it support the consensus achieved by the provincial Premiers in Saskatoon on a project for social union, with the following main components:

- re-establishment of federal government contributions to health care services by means of the CST for social programs;
- support from a majority of provinces before new federal initiatives are introduced in areas of provincial jurisdiction;
- the right for a province to opt out, with full compensation, of a new or modified Canada-wide federal government social program in areas of provincial jurisdiction when the province offers a program or introduces an initiative in the same field;
- new co-operation mechanisms in order to avoid conflicts or settle them equitably.

Mrs. Madeleine Dalphond-Guiral: Mr. Speaker, on a point of order, I want to let you know that our first 20 minutes will be split into two 10-minute sections. The remaining interventions will be 20 minutes long.

● (1210)

Mr. Pierre Brien: Mr. Speaker, this afternoon, we are debating a Bloc Québécois motion about two related issues. The motion first calls on the House to condemn the massive cuts made by the

federal government in the health care sector, specifically since it took office three years ago.

Second, it calls on the House to recognize and support the consensus achieved by the provinces in Saskatoon this summer on the social union. I will have an opportunity later on to define what is meant by social union, and what this summer's consensus was about.

So, there are two goals. Why do we want to address what is going on in the health sector today? Let us be very objective. The figures speak volumes.

Let us go back to when the Liberal Party came to power in 1993-94—and my figures come from the review published by the Department of Finance—and look at cash transfers to the provinces, that is the money transferred by the federal government to the provinces and on which the health, post-secondary education and welfare systems essentially rely for their funding. Total spending under these three programs, now known as the Canada social transfer, was over \$17 billion, \$17.9 billion to be specific, when the government came to power. The following year, provincial transfer payments dropped to \$16.9 billion.

What are they this year? This year, cash transfers will be \$12.5 billion. This is a drop of close to \$6 billion. The provinces are receiving a total of \$6 billion less than they did four or five years ago when this government took office. That is a big chunk of money, and the effects are serious.

Canada's entire health care system is experiencing great difficulty. It has been weakened, and provincial governments have had to push ahead much more quickly with necessary reforms, with the result that they are now facing problems in the management of the health system.

But there is an underlying cause. The present government made the decision to slash provincial transfer payments, knowing full well that a very large portion of these payments was used to fund health care. For Quebec alone, this means an annual shortage of several hundreds of millions of dollars that were meant to be distributed to each of the province's regions to fund our health care system.

There used to be someone here who would put it very well. I am referring to the former leader of the Progressive Conservative Party. During the last federal election campaign, he kept reminding people wherever he went that the federal government was primarily responsible for the cuts in the health care sector. That gentleman changed his tune when he moved from the federal to the provincial scene. People will pass judgment on him when the time comes, but the fact remains that he did make those comments at the time.

As far as I know, these views are shared by all the political parties, which are condemning the devastating impact of these cuts on our health care system. The provinces have decided to form a united front against the federal government. Now that this govern-

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ment has achieved its goal of a zero deficit and is enjoying a surplus, it is very tempted to put money back into certain areas deemed to be priorities by the public. Unfortunately, it wants to do it alone, by implementing its own initiatives, merely to increase its political visibility.

● (1215)

It must be realized that the Canada social transfer, through which transfer payments are made, was somewhat annoying to the federal government, because there was no visibility associated with the money being transferred.

What matters to the public is not visibility, but the program's effectiveness which, simply put, means receiving the services for which they are paying. The people who pay taxes to Ottawa want that money to be returned to them. Of course, one may wonder about the need to send money to Ottawa, only to get it back afterwards. It would be better to send it directly to the Quebec government and to get it directly.

We fully realize that the Canadian federal system likes a big, huge bureaucracy. There is a very sizeable health department in Ottawa, in an area of jurisdiction that normally belongs to the provinces. This is why the provinces decided on an agreement in Saskatoon.

What is there is this agreement on social union? Essentially, there are four components. The first one, which is in our motion, is as follows: now that the federal government has achieved its zero deficit objective, let it set as its primary priority the re-injection of funds into the health system via the Canada social transfer, which is already in place, using the transfer payment mechanism that is already in place.

There is no need to launch initiatives, new programs, left and right. What we are saying is that the priority is to service what is already in place, a system with which everyone is familiar, and that the provinces could promptly inject this money into the system in order to enhance the reforms they have put in place, and solidify the health system. All the provinces are calling for this. There is unanimous consent.

The second point is telling the federal government: before launching any new initiatives left and right, before launching any new initiatives relating to areas of provincial jurisdiction, make sure there is support from a majority of provinces. The provinces are very polite; they could have told you to stay within your areas of jurisdiction. But they are telling you, if you want to get involved in initiatives that fall under provincial jurisdiction, to ensure a minimum of co-ordination and to have the support of a majority of provinces.

The third point, linked to the second, is that if the provinces want to opt out—that is, to administer these programs themselves, because they already have all the infrastructures in place, because a

similar program already exists, because it already addresses these priorities, and all they need to do is inject a bit more money into it—they are saying: give us the right to opt out with full financial compensation, provided we put the money into the same already defined areas.

The last point: the provinces had the great wisdom to add a new component, which is rather a thorn in the side of the federal government, calling for new co-operation mechanisms in order to avoid conflicts, and particularly to settle disputes, so that Ottawa will not be the sole judge of whether or not priority is being given to spending the money in the defined areas.

Obviously, Ottawa will always have its own interpretation of all this. Ottawa will say that the provinces fail to meet the criteria for exercising their right to opt out. A mechanism should therefore be put in place to settle such disputes, and to do so quickly and more objectively than on the sole basis of the federal government's assessment.

There seems to be a great deal of wisdom in this approach that is supported by all the provinces. They are asking the federal government to show some good faith. However, this request was initially given a very cold welcome in Ottawa, starting with the Prime Minister, who kindly advised his provincial colleagues that, if they wanted to become the Prime Minister of Canada and run the country, all they had to do was to get themselves elected Prime Minister of Canada.

In his mind, he is in charge and makes decisions, and if they are not happy, they should run against him in an election. One was actually considering doing just that, so he got rid of him by sending him to Quebec City. Now, he is calling on the rest of them to do the exact opposite he urged the leader of the Conservative Party. That is quite odd. Eventually, his old Liberal guard in this place could even stop supporting him. We shall see.

Second, the Prime minister took a strong stand in denying this request, making people wonder how real his support is for flexible federalism, for a system capable of adapting to the new realities.

What the provinces are asking is that the health system in Canada, in Quebec and all the Canadian provinces, be managed more efficiently, that more money be poured into the system and that each province be allowed to further its reforms.

Can anyone here object to that? One has to wonder about the real intentions of the people across the way. I am convinced however that, today, all parties—at least on this side of the House—will support the key principles.

● (1220)

There may be a few questions here and there on certain points, and the provinces will have the opportunity to explain their position in the process. But you will see that this approach, reinvesting money in our health system and respecting the prov-

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inces in what they do—and they do it pretty well with the resources available to them—will find some level of support.

Hopefully a number of people on the government side will wake up and put pressure on the Prime Minister. Hopefully some of them will be a little more modern in their approach to the Canadian system and will adapt to this reality.

This motion is not a votable item, but I hope many members rise in this House today to express their support for the premiers' initiatives and to say that it is high time the federal government reinvested money in the health system, which needs it badly, and recognized the damage it has caused over the last few years. The drastic cuts that were made in the health system were a mistake and they adversely affected the lives of many people both in Quebec and in Canada.

[*English*]

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I thank my colleague opposite for his remarks which I listened to with great attention.

The issue we are debating is very important to us all. If we believe that all Canadians from sea to sea, and Quebeckers, deserve the same minimum standards of health care, do we not need to have the federal government set some kind of standards or parameters and enforce them in the provinces when it gives money under the health and social transfers? How can we do it without the federal government demanding something of the provinces?

[*Translation*]

Mr. Pierre Brien: Mr. Speaker, first of all, it must be pointed out that the Canada Health Act exists with its fundamental principles. Nowhere in the agreement do the provinces question that. We could ask ourselves whether the Canada Health Act is properly worded, but this is not the purpose of the debate we are having today.

Nobody has indicated a willingness to go against these fundamental objectives. The premiers, in the first sentence of the press release issued following their meeting in Saskatoon on August 7, confirmed their resolve to maintain and improve the universal health care system for all Canadians. That was the first sentence of the premiers' press release. It seems to me that there should be something in there to satisfy the member.

This being said, it is one thing for the Liberals to rise in this House and say they want to protect the fundamental principles of the Canada Health Act. However, this borders on hypocrisy if the provinces are not provided with the means to meet the criteria.

What good does it do if, in theory, you have some strong legislation, but, in practice, you do not provide the means to enforce it. I have absolutely no doubt that all of the opposition

parties will agree on this issue and that several government members will share that vision or, at least, will hopefully realize that, while they talk about setting standards, they do not provide the money needed to meet those standards.

The best people to watch over the quality of our health care system are not the hon. members of the Liberal Party, but the citizens who, along with the various provinces, will put pressure on the government and their local representatives who are involved in the health care system. The best watchdogs for our health care system will always be the people and not some opportunistic politicians who do not put their money where their mouth is.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I would like to take this opportunity to recognize the good work my hon. colleague is doing on these issues.

On the subject of the framework agreement on social issues and its enforcement, I wonder if he could tell me whether or not, in his opinion, social realities in health, education and other areas are closely linked to economic development, especially since harmonious and efficient economic development makes social support possible.

Would he not consider an economic and social framework agreement an interesting proposal on the part of the government? This might—and I am sure this will please his colleague, the champion of social issues—result in liberalizing interprovincial trade once and for all and in dramatically improving this country's economic performance, because it all starts with us.

As strange as it may sound, free trade agreements are being signed just about everywhere except between Canadian provinces. So, I think this could not only improve our social performance but also address a major issue.

• (1225)

Mr. Pierre Brien: Mr. Speaker, I thank my hon. colleague for pointing out in his preamble that what happened affected not only health care but also education.

I could have made similar remarks about the education system, where the government had the nerve to put forward an initiative like the millennium scholarships, meddling in a provincial jurisdiction, when Quebec's priorities might have been slightly different from the federal government's, had the same amount been available. But that is another debate.

I thank him anyway for pointing out that what is true for health is also true for education and, I might add, for social assistance.

As for an eventual framework agreement on economic development, no one can be against that. I come from a border riding. Across the lake from us is Ontario. For many of our businesses in Quebec, it is easier to trade with the United States than with a Canadian province. Standards and regulations governing trans-

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portation for instance are often extremely complex. This creates somewhat artificial trade barriers, which nevertheless make some aspects of our system archaic.

The objective is good, but it is very difficult to reach an agreement on an issue identified by all Canadians as a priority, namely health care. This government is not very responsive. Imagine what it would be like with interprovincial trade. In this respect, I have greater confidence in the provinces and their ability to come to an agreement among themselves than in the federal government.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to address the motion introduced by the hon. member for Témiscamingue.

My comments will deal primarily with the first part of the motion, which reads:

That this House recognize the very harmful effect of federal cuts to the Canada Social Transfer (CST), particularly on health services in Canada—

Everyone knows the strategy applied by the Liberals to eliminate the deficit. Year after year, the Minister of Finance deliberately underestimated his revenues and overestimated the costs of servicing the debt. This allowed him to slash social programs, while underestimating the deficit by several billions of dollars.

After that underhanded ploy, the federal government started a war of flags with the provinces, to promote its visibility while ignoring things such as the loss of efficiency, overlap, waste, not to mention its own constitution and the primary interests of the public.

Social transfers are at their lowest in 20 years. By the year 2003, cuts to cash transfers will total \$42 billion. These cuts have a major impact on our current health care system, in terms of access to quality care.

Everyone now agrees that the massive cuts made by Ottawa to the health care system are the primary cause of the very difficult times that our system has been going through in recent years.

We are not the only ones saying that. I will quote some comments made by a few groups, including members of the former National Forum on Health, who are considered to be reasonable people by politicians.

Let me begin with the Canadian Medical Association. It says that the “cuts to federal transfers to the provinces for health and social programs have been the main obstacle to access to quality care for Canadians, and the reason for the most serious crisis of confidence regarding our health care system since the implementation of medicare, in the sixties”.

That comment by the Canadian Medical Association can be found in a release published in *La Presse*, on September 22, 1998.

The association is asking that the amounts cut by the federal be restored and indexed to take into account the cost increase for new technologies and the fact that the population is aging.

● (1230)

The Canadian Healthcare Association issued a press release on August 5, 1998 that included the following statement:

[The federal government must] provide an immediate injection of cash and an appropriate growth mechanism for the Canada Health and Social Transfer to help meet the health needs of a growing and ageing population [—]

Even the members of the former National Health Forum felt the need to clarify their recommendations, and I quote:

We recommended that \$12.5 billion be the floor, not the ceiling. [—]The increase in transfer payments to the provinces should strengthen the health care system and this money should be invested where it has the greatest chance of producing positive results.

In an article in the May 7, 1997 *Journal de Québec*, Jean Charest blamed the Prime Minister for the cuts that have affected the health care sector, and exonerated the Premier of Quebec. This is what he said:

Mr. Bouchard, just like Messrs Harris, Filmon and Klein, has been forced to contend with Ottawa's unilateral cuts.

He pointed out that, during the last three years, the Liberals cut health and education transfers to the provinces and territories by 35%. He said this represented at least \$6 billion.

So Mr. Charest was right: all the provinces are feeling the effects of the federal government's cuts. Here are some of the headlines from the rest of Canada.

On April 13, 1998, the CBC reported the following: “Manitobans are travelling to Dakota to seek treatment in mobile hospitals working out of tractor trailers along the American border. To avoid the four-month wait in the public health care system, Manitobans are paying \$1,300 US (\$2,000 CAN) out of their own pockets for two MRIs, an amount that will not be reimbursed.”

On June 6, 1998, *La Presse* reported: “Military medical officers are lending a hand in Newfoundland's overburdened emergency departments. Thirty medical teams, made up of one physician and one assistant, will be providing services in rural and urban areas of the province starting in July. An agreement has apparently been signed between the province and the federal Department of Defence in order to compensate for the physician shortage. Doctors are complaining they are insufficiently paid”.

To quote a French CBC report from April 6, 1998: “The government of Prince Edward Island will be calling on the private sector for construction of a new hospital. According to the Minister of Health, the project will not be possible unless there is partial

private-sector funding. She refused, however, to disclose the amounts required”.

Another French CBC report, from February 25, 1998: “Anaesthetist shortage in New Brunswick. The northeastern New Brunswick hospital corporation is seeking a second anaesthetist for the Acadian peninsula. Hiring this specialist will enable the Tracadie-Sheila hospital to provide day surgery, which the committee working to save the hospital has been demanding for two years”.

According to another French CBC report on February 27, 1998: “Edmonton hospitals have cancelled all non-emergency surgery. Emergency rooms and intensive care units are at full capacity in Edmonton, in large part because of the high number of cases of flu. Some patients from the northern part of the province have had to be taken to Calgary or to Saskatchewan”.

The present government is telling us the provinces do not know how to administer their health care. I want to tell it that the problem is not bad management by the provinces, but the huge cuts in the Canada social transfer. All provinces have had to review their health systems. Their reform was necessary.

• (1235)

What is more, they had to do so under difficult conditions, because the government cut the funds that would otherwise have supported these health care reforms.

This is going on all over Canada, and not only in Quebec as some would like to think. The health care system has been hit with massive cuts by this government. Attributing all these problems to bad decisions and poor management by the provinces is an act of bad faith.

In Quebec, the health care reform was needed because the preceding Liberal government had refused to do it for nine years. The reform should have taken place before the PQ government came to power, but the issue was a political hot potato. Mr. Bouchard had to implement measures to stabilize the system and he did so under unacceptable conditions, as I mentioned a few minutes ago.

I would like to go on and really describe the adverse effects on the provinces, and Quebec especially, of the cuts to the health system, but unfortunately I am short of time. I would like to say to the Prime Minister, the Minister of Finance and the Minister of Health that they should make amends and return to the provinces the money they so massively cut.

[English]

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, in reply to an earlier question the member for Timiskaming—Cochrane said that health care should be in the hands of citizens.

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This is part of the problem as health care in the provinces is not in the hands of citizens. It is administered mainly by hospitals which are either charities or incorporated non-profit organizations. As such, there is a very low level of transparency among hospital organizations and in the implementation of medical care across the country.

An hon. member: What is happening in Quebec?

Mr. John Bryden: I would like to put a question to the member. We are taking this debate very seriously. I realize the Conservatives cannot take a debate in the House seriously but I think Bloc Quebecois members will listen to me.

There is a problem. It is not the provinces that are mismanaging health. The problem is there are no good, on the ground rules and standards of transparencies at the hospital level. In my riding we know there are problems in the hospital where there are real inefficiencies and money being misspent and not enough money spent on services instead of administration.

Would the member for Drummond agree that some standard from the federal government would be useful before the money is spent to ensure that all the provinces manage health care through their hospitals equally across the country?

[Translation]

Mrs. Pauline Picard: Mr. Speaker, I would like to tell my hon. colleague that every hospital has a board of directors. Regional Health and Social Service Boards have one too. Citizens can tell those boards and their administrators what their needs are. Citizens are very well represented.

The federal government is using every excuse in the book not to pay the provinces what is owed them. It is ironic that it managed to find millions of dollars to improve its visibility, fund its flag war, buy second-hand submarines and ram its millennium scholarship fund down our throats, while lacking political will. It has the arrogance to tell the provinces what to do and force them to come begging on bended knee. In the long run it is Canadians who are paying the price.

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, earlier the member for Drummond mentioned the Canadian Medical Association. I would like to know whether she agrees with the CMA's proposal to earmark part of the CST for health care since, as we know, it currently includes health care as well as education and social assistance.

• (1240)

Our friends in the Bloc Quebecois forgot to mention education, but I am sure it is an area close to their hearts.

Would the member agree to an initial transfer payment formula that would guarantee a certain amount for health services in order

Supply

to avoid the kind of situation she mentioned? And if so, what percentage of the transfer would she like to see guaranteed for health care?

Mrs. Pauline Picard: Mr. Speaker, I thank my colleague for his question. I think it is very difficult to determine what portion of the transfer payment should be earmarked for each province.

The federal government cut the cash portion of the Canada social transfer to Quebec. It is extremely difficult to calculate which portion goes to education, social assistance or health care. In my speech today, I wanted to urge the federal government to restore the \$2 billion it savagely cut from the Canada social transfer to Quebec. That is what I wanted to ask the federal government.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I want to thank you for recognizing me. I am very happy to rise today in the House to tell you why I do not agree with the assumptions made in the Bloc Québécois' motion concerning the Canadian social union.

In fact, I am glad to have this opportunity today to explain to our fellow citizens throughout Canada how the motion before us is linked to previous federal-provincial-territorial discussions where there are winners and losers and where everyone tries to see where everybody else fits in.

With social union in Canada, there should only be winners, no losers, and these winners should not be one level of government or the other, but the people of Canada themselves. In this respect, social union in Canada has made huge progress which I would like to address.

But first, I want to talk a little bit about our public finances, since the hon. member for Témiscamingue stated earlier that Quebecers would rather pay their taxes directly to the province of Quebec which could, in turn, use this tax revenue to support health services and education.

I want to point out to the hon. member for Témiscamingue that the taxes Ottawa sends back to the province of Quebec are much higher than the taxes collected in Quebec. For instance, with only 25% of the population in Canada, the province of Quebec gets 31% of the Canada social transfer. As far as equalization goes, Quebecers, who account for 25% of Canada's population, receive 47% of the equalization budget, which means \$4 billion each year for the Quebec government to spend as it pleases to make sure that Quebecers have access to quality services.

If Mr. Bouchard's government, whom the members opposite are trying to defend, has chosen to make more cuts in health care than in other areas, that is its problem, its responsibility, and it will be accountable for that to the voters of Quebec. But I do not like it when the members opposite use the House of Commons to support Mr. Bouchard's campaign, saying that the health care situation has

absolutely nothing to do with mismanagement by Quebec's health minister and by Mr. Bouchard's government and with the bad choices they made.

In the area of manpower and active employment measures, Quebecers pay 23% of the employment insurance envelope but receive 31% of the budget under the manpower agreement that we have signed. It is another area where Quebecers receive a lot more than the federal taxes they pay.

• (1245)

I will say a few words about the ice storm, which gave the Canadian social union concept a very tangible meaning in our cities and villages in Quebec. The government of Canada will pay 90% of the costs.

I know the funding we owe to the municipalities is being withheld by the Quebec government. This subject comes up constantly at Treasury Board. But I would like to say how useful the Canadian social union is for Quebecers, who receive a substantial share of federal funds. As the member for Papineau—Saint-Denis, I benefit from the social solidarity that we enjoy in Canada and I am very proud of that.

I want to tell members about five improvements that were negotiated with the provinces in recent years, including the national child benefit. The two levels of government in this country wanted to do something about child poverty. This is why, in the current three-year period, we will be allocating an additional \$1.7 billion to fight child poverty, through the national child benefit system that was negotiated with the provinces, which are partners of the federal government regarding this initiative. This shows the flexibility displayed by our government to renew Canadian federalism, while helping solve the problem of child poverty.

The Quebec government will benefit from a budget increase of \$150 million to implement its family policy and day care program, thanks to the increased flexibility provided by the federal government's national child benefit.

The labour market agreements helped us settle an old dispute, while the new Employment Insurance Act enabled us to better help the unemployed get back to work. In the next five years, will give to the Quebec government an annual amount of over \$500 million to help its unemployed get back to work.

The Canadian social union is working very well, and I should repeat that while Quebecers make 23% of the total contributions to the employment insurance fund, they get 31% of the budget spent through active employment measures and training funds. This means a net gain for our fellow Quebecers. We are pleased about this because this is what Canadian solidarity and the Canadian social union are all about.

Supply

We also re-established the employment ministers forum so as to work on, among other things, the matter of unemployment among young people, which is dividing the country and hurting us. We are determined to beat the problem of high unemployment among the young. This is a priority of the labour ministers forum. We meet regularly. This priority around our Youth Employment Strategy and the provincial programs where we co-ordinate our benefits much more effectively also represents significant progress in the Canadian social union to the advantage of our friends in Quebec, once again.

We also have a new employability assistance program for persons with disabilities. This employability assistance program replaces the former occupational rehabilitation program for persons with disabilities, a program that expanded from \$168 million to \$193 million.

And what about this assistance to help people with disabilities readapt? It is a framework agreement, a broad and multilateral one, that covers all of Canada, but within this agreement, we have signed individual agreements with each of the provinces so that the framework agreement applies differently within each of the provinces, according to the priorities each has set.

This then is the state of the Canadian social union at the moment. It represents real solidarity among Canadians. It is totally flexible and attuned to the needs of each of the provinces in Canada.

• (1250)

Last year, we also considerably improved the student loans system in Canada. The level of debt is very high in Canada, as you know, and we took major steps in the latest budget to improve the student loans system in Canada, a system that is receiving greater funding. To improve our system of student loans in Canada, we consulted with the provinces, the banks and student associations. I think we came up with a student loan system that will help to considerably reduce student debt.

We are modernizing the country and we are building real social partnerships. I would like today to thank all the provincial ministers I have had the opportunity of working with in recent years. Together, we have shown that, for children, for persons with disabilities and for students across the country, the two levels of government can rise above petty partisan squabbles and narrow debates over jurisdictional issues. What all governments really want in this country is to serve our fellow citizens so they may have a bright future.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the minister began his speech with the old refrain. I have the feeling I have been listening to the same tape for a number of years now. It all sounds the same. He is even using the same figures, when in fact things have changed.

One of the things the minister mentioned was fluctuations in the EI fund. I would have liked him to tell us that, in Quebec's case,

the fluctuations are all on the positive side of the ledger, with that province contributing \$475 billion more than it receives in EI. Quebec contributes to the EI surplus but the government leaves it out of those programs where we receive more than we pay. This is simply not right, and he knows it. Quebec does indeed make a contribution, leaving us behind and the federal government ahead, with our money to throw around as it sees fit.

He cleverly avoided saying anything about the Saskatoon consensus. Nowhere in his speech was there any reference to it. Will he tell me which of the four principles in the motion about the Saskatoon consensus is not worthy of implementation? Which of the four components in the motion—which he probably has in front of him—is he unable to approve and support? I would dearly love to hear what he has to say about this.

Hon. Pierre S. Pettigrew: Mr. Speaker, I thank the hon. member for Témiscamingue. I would invite him to carefully reread what I said from my notes just now. What I said—and he says my figures were wrong—is that Quebecers contributed 23% of the employment insurance fund and were the recipients of 31% of the envelope in active measures.

What is extremely important is that these people, who are constantly complaining of not having their fair share, receive more than their share in several areas. The hon. member for Témiscamingue did not mention the \$4 billion Quebec receives in equalization payments, close to \$4 billion, which represents 47% of the equalization payment budget. That is a sum Mr. Bouchard could have invested in health or education, had he wanted to, for those \$4 billion are given by the Canadian government with no conditions attached.

Last week, I followed the work on social union very closely, because my colleague, the Minister of Justice, was there representing the Government of Canada. I was very pleased that, at the end of the day, this federal-provincial discussion ended on an optimistic note.

• (1255)

I am confident that we will manage to modernize the Canadian social union for the benefit of Canadians. There has been concrete progress at the sector tables to which I have referred, namely improvement in measures against child poverty. The national child benefit that was negotiated with the provinces in a superb partnership.

We have a new employability program for the disabled, a framework agreement but one that is renegotiated individually with each province. I have already mentioned some of the others.

The progress already made in each of these sectors encourages me to believe that, where social union in general is concerned, we definitely have an agreement that will serve our fellow citizens, not to try to play one level of government against another.

*Supply**[English]*

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Madam Speaker, I have two questions for the Minister of Human Resources Development.

The first one is he mentioned that the federal government's program is flexible and adaptable to the provinces. If that is the case, why have both British Columbia and Alberta been fined for being flexible in their programs?

My second question is he referred to his government as modernizing the federation, a true partnership. My understanding is that the Liberal government since taking office has cut transfers to the provinces by 23%. True partnerships are 50:50. He has reneged on his commitment of that partnership. When is he going—

The Acting Speaker (Ms. Thibeault): The Minister of Human Resources Development, a very short answer.

Hon. Pierre S. Pettigrew: Madam Speaker, if the official opposition had voted for the legislation, it would have helped the House a great deal in proceeding the way that she wants to go. But that is typical of Reform.

The flexibility I have described is absolutely remarkable. It is absolutely the way we have applied it to every program that I talked about. Whether we are talking about the national child benefit or employment for disabled Canadians, these are national frameworks which are adapted to the realities of each province.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Madam Speaker, it has been interesting listening to the debate on the motion this morning. The motion is basically in support of the provincial premiers and the provincial governments that met in Saskatoon in drafting up the social union and then coming to an agreement.

The debate seems to have narrowed down to wanting more money for health care. I do not deny that is an important issue, however I feel this is far greater than just a debate on whether or not we get more money for health care. This is a debate on the future of our country and the relationship between the federal and provincial governments.

I suggest that the relationship we have had over the past 30 years has not worked very well. What we are looking for is a relationship between the federal government and the provincial governments that will be progressive, that will be futuristic and that will work in the 21st century.

It was interesting to listen to my colleague across the floor, the Minister for Human Resources Development talk about this government modernizing and being progressive. I suggest that just is not so. This government is dragging its feet. It is looking at the old way of doing things, the old way of domination. It is not looking at

a new progressive partnership with the provinces. It is incumbent upon the government to listen to the debate today on how we are looking for a new progressive partnership with the provinces.

The Liberals are not showing leadership. They are not showing Canadians that they know what leadership is all about when they refuse to accept the premiers' outreach in changing the relationship between the federal and provincial governments so that it will work better in the future.

• (1300)

The Liberal government really should reconsider its opposition to what is being proposed by the premiers. I find it amusing that even the separatist party in the House of Commons, the Bloc, seems to be doing more for national unity than the Liberal government of the day.

I would like to introduce to the House some comments out of the new Canada act which the Reform Party presented to the House in the spring. This is an attempt by the Reform Party to deal with some issues to modernize our government so it will be ready for the 21st century. We suggested a few things and in Saskatoon the premiers seemed to agree with our intent.

We suggested that there should be limits on federal government spending power. The federal government should not just walk in and take over provincial jurisdiction because it has money to spend. We felt that the federal government should not be financing new programs unless there is support from the provinces. We used a figure of seven provinces having over 50% of the population. The premiers have agreed to a lesser mark than that. The premiers are being very generous in saying it just needs the majority of the provinces.

We feel that any province that chooses not to participate should receive a grant equal to the population of the province multiplied by the per capita spending of the federal government for that new program. The provinces have agreed to something even more controlling and more definitive than that. The provinces are being very generous in agreeing to this partnership with the federal government.

We go on to mention other things in this resolution. We mention a dispute resolution mechanism. We feel it is necessary to establish the parameters of how a disagreement is going to be handled up front before getting into that situation. Again we are far more stringent in our presentation than the premiers. The premiers have agreed to something that is more generous with the federal government.

I find it very interesting that the premiers seem to be reaching out. They seem to be willing to accommodate. The premiers are willing to be flexible, to use the minister's word. I find no flexibility in the federal government's approach. I find no flexibil-

ity in this old way of doing business with the provinces, this old concept that someone has to be in charge.

The government talks about partnerships. A partnership is when people work together on an equal basis, respect each other's authority under the constitution and respect each other's position at the bargaining table. That is missing from the federal government. It does not seem to be willing to be a true partner.

My colleagues have talked about the cuts to transfer payments and that is a fact. That is something the other side cannot argue. It is a fact that in the last four years this government cut 23% of transfers to the provinces.

I do not consider that to be a fair partnership. When the federal government originally got into the Canada Health Act, a fair partnership was an agreement of 50% funding. The federal government said to the provinces "We want you to do this; we agree to do this and we will fund you 50%". Now the federal government is only funding 23%.

Where is the commitment to that partnership, to that relationship? I would suggest it does not exist. Because it does not exist, because the federal government is fronting less than a quarter, it has lost the moral right to place demands on the provinces. The federal government has lost the moral right to have the controls it insists on. The government has no moral authority to be taking the leadership position when it is only a minor shareholder in that partnership.

It is time for this government to take some leadership, to recognize the fact that 10 provincial premiers met and discussed this social union and lo and behold all 10 of them agreed. That must have been a very momentous occasion, something we do not see very often in this country. Ten premiers, 10 provinces agreeing to look at the fundamentals of an agreement.

• (1305)

Ten provinces have recognized the need to work together not for power or control, but because that is the best way they see of providing services to their people. Like all of us, they have to seek election, seek the support of their electorate. They are accountable to the electorate for their actions.

Ten premiers have reached a consensus and what do we have? A federal government holding out and saying it does not care what the 10 have agreed on. It is unbelievable what our Prime Minister has said. To quote the Prime Minister, he said "If they"—the premiers—"do not want to take what I am offering, they take nothing". For somebody who is negotiating and trying to get a partnership working, that kind of an attitude does nothing for co-operation.

The government has to change its attitude. It has to be more willing to change the way it does business with the provinces. If

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the federal government wants to show leadership to keep this country together, in developing new meaningful partnerships with the provinces not only on the social union but in other things as well, it will have to have the attitude to make it work. If it will not let it work and if it is going to turn its back on something that 10 provinces have agreed to, I do not consider that to be a partnership at all.

I would like to caution the Bloc members. I think that they are using this as an attempt to show that Canadians will not support them when the government, hopefully does not, but it looks like it is not going to be co-operative. I caution the Bloc because what I see here with the 10 premiers coming up with a consensus is that the process does work within confederation.

The process of negotiating for the best for our citizens does work. The problem is the players. The problem is people like the Prime Minister and his cabinet and the people on that side of the House who refuse to modernize their thinking and change the way of doing things, of governing the country.

I would suggest to the Bloc that there is a process. Canadians can work these things out within confederation. We can be equal partners. We can respect each other's positions and it can happen within Canada. We need to make sure that we have a government on the other side that respects that position and is willing to work within it.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, the member spoke repeatedly about partnership and leadership. As I understand it what the 10 premiers agreed upon was that they would take no leadership from the federal government in the matter of how they would spend the social and health transfers.

I would suggest to the member that surely as we do live in a country that is an assemblage of provinces and territories we should expect leadership from the national government and the national government should demand to have representation in how the national government's money is spent. Otherwise how will we ever have high standards of health care that are universal across the country?

Would the member at least consider allowing that the Government of Canada should have a say in establishing standards of health care all across the country?

Ms. Val Meredith: Madam Speaker, I think the member has it all wrong. That is not at all what the provinces are saying.

The provinces are saying that in a partnership there has to be a consensus as to where the money is going and that the federal government has no business buying its way into provincial jurisdictions. It has no business going into another social program, another health program, without the approval and the support of the

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majority of the provinces. That is a realistic thing to ask of the federal government.

The provinces are not saying they do not want the federal government involved and they will not let it determine where it is going to spend, but talk to the provinces and get some consensus at the provincial level so that they are on board. It is this dictatorial way of coming in, spending the money and telling the provinces where in their jurisdiction the money will be spent that is the problem. I will say that from my own experience, the provinces often have a better idea of where that money should be spent than somebody sitting here in Ottawa 3,000 miles away.

• (1310)

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Madam Speaker, I suspect what we are really discussing here is a matter of economics, that at some point, the federal government look—

Mr. Bill Blaikie: Madam Speaker, I rise on a point of order. I sought to be recognized by the Chair. The tradition in the House with respect to questions and comments is that if a person from a party other than the member who has spoken—

The Acting Speaker (Ms. Thibeault): I am afraid that is not a point of order. The hon. member for Nanaimo—Cowichan.

Mr. Reed Elley: Madam Speaker, the hon. member will realize that you win some and you lose some.

It seems to me that this is a case of sheer economics. At some point the federal government looked at its piggy bank and decided it did not have enough money to pass on to the provinces. Its own fiscal house was not in order. It was in serious trouble, in debt and its budgets were not balanced.

There was no other recourse for the provinces. They knew they had to get the money from some place. What the provinces then have to do is tax the people even more with all kinds of ingenious taxes, ones we have never heard of.

If this is a problem of economics and it is the federal government that has caused this problem with its own fiscal mismanagement, could my colleague make any suggestions how the federal government could have taken care of this problem without putting the burden on the provinces? Could the government here in Ottawa have done something to change that?

Ms. Val Meredith: Madam Speaker, this is more than an economics problem. I appreciate what people are saying. Yes, the government could have found the money by more carefully spending it in other areas which took priority.

This is much more than an economics issue. This is a question of respecting the jurisdictions that were given to the provinces and the federal government under the British North America Act, our original constitution. It is about respecting the foresight of our Fathers of Confederation when they were trying to bring all these entities together as a country.

If we go back to respecting that issue, it is about money but it is about far more than money.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Madam Speaker, I would like to begin by saying that it is timely that we have the opportunity to debate the social union. A lot is happening. There is the Saskatoon consensus of the premiers. There are ongoing discussions between parties in this House with respect to how we might come together, particularly the opposition parties if it is possible to arrive at a working position that we can advance together.

We are all reacting to a reality that has been imposed on the Canadian public by the Liberal government. That is the massive cuts to federal transfer payments to health and post-secondary education which came in the form of the creation of the Canada health and social transfer, the cover under which the federal Liberals moved to do what they said they would never do and that is to massively undermine medicare.

This is a great irony in the sense that the Liberals often want to take credit for the creation of medicare. They do not tell us that they first promised it in their platform of 1919 and did not deliver it until 1966 when they were in a minority parliament under pressure from the NDP. It took them that long to bring medicare into being. It has only taken them a couple of years in government, five years, since 1993, to almost completely destroy medicare and create conditions in which the provinces now come together to advocate a radically different way of dealing with health care in this country with respect to the establishment of national standards.

• (1315)

Even though one is disinclined both individually and as a party toward this kind of so-called decentralization, one almost has to agree with them. As another member said, there is no moral high ground left on that side of the House when it comes to the federal authority to regulate health care. They have completely abandoned their share of financing our health care system. Yet they parade around like they are the great saviours of medicare and like they have the moral high ground when it comes to health care. They have no moral high ground at all. They are in the gutter when it comes to this.

They are the ones, contrary to everything they ever promised, contrary to everything they ever said, who have become the architects of medicare's demise if the country, other political

parties, the provinces and all of us together cannot act in some way to wake up these people as to what is happening in our hospitals.

Across the country people are not getting the kinds of services they need. People are having to wait longer for surgery and for diagnostic services. There are all kinds of horror stories, anecdotal but nevertheless persuasive and convincing, because the federal government is not exactly funding a study to see how its cuts have affected health care and post-secondary education.

We certainly agree with that element of the motion which condemns the government for its cutbacks in transfer payments to the provinces. We condemn the Prime Minister for rejecting out of hand the work the premiers have done. He does not have to agree completely with the premiers, but he does not have to be so cryptic and so dismissive.

He could say yes, very interesting; some good ideas there; let us have a look at them. Instead we get the same kind of arrogance from across the way that we see with respect to APEC and numerous other examples that the Prime Minister has provided for us in recent years.

The motion also talks about support from a majority of provinces before new federal initiatives are introduced in areas of provincial jurisdiction. This is very general language. I have to say I am not completely comfortable with it in the sense that we would not have had medicare if we had to wait for a majority of provinces to agree because a majority of provinces did not agree.

I am very leery about this kind of language. I would like to know more about what it means before I would certainly agree either personally or on behalf of my party and caucus as the intergovernmental affairs critic. I will read from the motion:

the right for a province to opt out, with full compensation, of a new or modified Canada-wide federal government social program in areas of provincial jurisdiction when the province offers a program or introduces an initiative in the same field.

My concern is that this actually goes beyond Meech and beyond Charlottetown because it says "new or modified". In Meech and Charlottetown it talked about new programs. My concern is about the introduction of the word "modified" Canada wide program. It seems to me that some people might want to argue that if any changes were made to the Canada Health Act or to medicare this would be a modified program and that this might create the conditions under which some provinces could argue that they would be able to opt out of medicare. I would certainly be against that. I am sure all my colleagues share my concerns about that.

There is some tricky language here. I am not sure exactly what it means, but it certainly goes beyond other proposals which have created a lot of concern in the country in the past. I think this language, new or modified programs, would certainly create those concerns again and perhaps in an even more significant way.

Supply

I am not surprised that my colleague from the Reform Party does not seem to be as worried about the language as I am. Frankly I think they would like to see medicare broken up into 10 different systems with very little, if any, national participation whatsoever. The motion continues:

new co-operation mechanisms in order to avoid conflicts or settle them equitably.

We would have been much happier with this aspect of the motion if it had intimated or, even better, said that we are talking about new ways to set and to enforce national standards.

• (1320)

Given the total lack of moral high ground on the other side and given the diminishing participation of the federal government, I would agree that there may be a case now for the provinces having more say, in conjunction with the federal government, in mutually defining what national standards would be when it came to health care, when it came to medicare, and how those are to be enforced. However that is not what this says. It may be that the hon. member for Témiscamingue was being deliberately general in this in order to have a more broadly based discussion. If that is the case then that was an admirable goal, but if it was a deliberate attempt not to talk about national standards then this would be a matter of concern for us.

As someone who has argued in the past for the ability of the federal government to set standards, to enforce the five principles of medicare and to punish provinces for not adhering to them, I find it very difficult in this context, not in theory, to continue to defend that position when the Liberals have cut so much from federal contributions to health care. It becomes a weaker and weaker argument every time they do that, and I regret that very much. I wish they regretted it and I wish they would put more money back into health care, recover the high ground and be able to say with some confidence and some authority that they want to have a strong voice in the setting of national standards.

Another concern that needs to be expressed in any debate about the social union is the ongoing concerns of the aboriginal community with respect to how the development of any social union might impinge upon its relationship with the federal government which it sees as having, and rightly so, a fiduciary responsibility or relationship that it feels would be undermined by a social union which did not take account of that in some particular way. I see nothing in the motion that reflects that particular concern either.

For all these reasons I think the debate should continue about the social union. I think there is opportunity here for Canadians to work together. The premiers have already demonstrated this. The opposition parties are working together on this to some degree. I think it is time for the federal government to realistically engage in this debate instead of just posturing as the great defenders of medicare and acting as if the rest of us are all just beyond the pale.

Supply

It is not so. These people are culpable in many respects for the current situation. They need to face up to that reality and to deal with all Canadians in answering the question of how we can improve our health care system and how we can maintain it in such a way that Canadians have access to the same quality of service no matter where they live in the country.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, the member for Winnipeg—Transcona is an experienced member of the House. He will remember, particularly during the Mulroney years, that the federal government transferred a large proportion of tax points to the provinces for social spending.

I would suggest to the hon. member that this has seriously eroded the ability of the federal government to intervene in the delivery of health care and social spending by the provinces. At the rate we are going with the transfer of actual tax points, the that federal government would have little to say in this entire debate would be quite academic.

Would the hon. member support a return of those tax points? If after due debate the House decided that we wanted to reverse the process of giving provinces absolute control over federal money, how they would spend it in social spending, and turn the calendar back so that the federal government had more power and could intervene in setting standards and play a more active role than appears to be the case now, would the member support that?

Mr. Bill Blaikie: Madam Speaker, I thank the hon. member for his question.

The fact is that tax points were part of the federal-provincial fiscal relationship long before the Mulroney government. It would be quite wrong to suggest that somehow this was a new development, something that developed after the Conservative government in 1984.

If the member wants to go back, maybe he should go back to the first unilateral cutback in federal transfer payments to the provinces which was done by a Liberal government under Allan MacEachen in 1982. That was the beginning of the problem we have now.

• (1325)

In 1977 we had an agreement that set up block funding which was different from the 50:50 arrangement that existed from the time of the creation of medicare. There were people who warned then, notably the NDP, that the creation of this block funding would eventually lead to the erosion of medicare and the erosion of the ability of federal government to maintain and enforce national standards.

The creation of the block funding led to a crisis in the late 1970s and early 1980s which led to the Canada Health Act. Tax points are

part of the equation. Our position would be that there needs to be a strong and much more significant than we have now cash portion of the federal transfer payment, so much so that it would give the federal government the ability to speak with some moral authority when it came to the maintenance of national standards.

I am sorry but they just do not have it any more. They gave it away as a result of successive cutbacks to the CHST.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I thank the hon. member for sharing his concerns about the social union. I am sure we will have an opportunity in the coming weeks to address some of his concerns, particularly those regarding aboriginal peoples.

On the subject of compliance with the Canada Health Act, we will let the provinces speak for themselves. However, the provinces have been saying all along that they want to maintain a universal health care system, which should alleviate the member's concerns as to how the health system would be managed if they were to become more actively involved than they are now in its management.

I am sure we agree on the need to put new money into health care. I would like to know if the member thinks the priority to put new money into the health system is best met through the current Canada Health and Social Transfer or if he supports the federal government's plan to initiate new programs on its own. For instance, if \$2 billion were to be invested in health care next year, should it go into the existing Canada Health and Social Transfer or into some new initiative unilaterally put in place by the federal government? I would like to hear him on how new money should be invested in health care.

[*English*]

Mr. Bill Blaikie: Mr. Speaker, with respect to any decision by the federal government to inject new money into the health care, it should be done by restoring cuts. That by definition would be money that would go to the provinces.

Unless the government is to put billions and billions of dollars back into the system, I would not regard anything as new money. I would regard it as money that never should have been taken away that is being given back.

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC): Madam Speaker, I am pleased to rise today on an issue that members of the Progressive Conservative Party know well. We are talking about the social union, but we used to call it the Canadian pact. This, of course, was part of our 1997 election platform. If I have enough

time, I will be pleased to indicate to the House the similarities that exist between the two.

Some members pointed out earlier the advantage for the provinces to have worked together and reached an agreement. That is the positive side. It was the same for the Calgary declaration. It was a small starting point. The provinces and territories are doing the work. Why? Because Liberals are not doing their job. The success achieved by the provinces in the social union is linked to a lack of leadership from the government. It is a causality link. Liberals are not doing their job, so the provinces are doing it for them. The Liberal government should show much more inclination and willingness to greet positively what is happening in the provinces.

The message that we want to send, both to Quebec and to the rest of the country, is that, if there are problems in federal-provincial relations, it is not necessarily because of the provinces. Perhaps we should look at the other side of the House, where the Liberals are sitting. But there is hope if the provinces are able to talk to each other. That is the interesting thing.

The other point I would like to make—and I did so earlier in a question I asked this morning—is that the social union is not only a health issue, but also an education and a social assistance issue. It is not only a money issue.

• (1330)

The idea behind social union is not only to say that we want six, seven or eight billion dollars more. It is a way of putting in place a new and effective system of federal-provincial relations. We must see beyond money and health issues, even though they are also very important. The health issue was raised this morning by my colleagues from the Bloc. I share their view. Education also is important.

So, what we are saying is that social union must go a little further, but, as I indicated, I will talk about that later.

I would like to talk to the motion put today by my colleague from Témiscamingue. Of course, it talks about money. The provincial ministers of finance proposed many solutions involving cash and tax points over three, four or five years. These are all very interesting solutions provided that the so-called team captain, in this case the Prime Minister, agrees to co-operate. But that co-operation is not there at the moment.

The deadline for the social union is December 31. Madam Speaker, I do not know the state of your personal finances, but if you have money, do not bet on that, unless the federal government decides to be more open. The social union project appears to be in jeopardy. Can we already talk about failure? No, because the very fact that the provinces and territories reached an agreement is a

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great success. But since the federal government is not there, that achievement seems likely to be turned into a failure, unfortunately.

Now, I would like to come back to the social issue, more specifically to the circumstances leading to the need for more money. But there is the principle of clarifying federal-provincial relations.

I would like to talk about the points made in the motion presented by my colleague from the Bloc. Restoring the level of contributions is a question of money, of course, and it is important. I agree with 98% of the Bloc's arguments, which says it is Ottawa's fault. In effect, Ottawa is the one behind it all. But I disagree—and I rate this at 2%—with its arguments because the Quebec government is doing to municipalities what the federal government is doing to the provinces. I know, I was a mayor long enough. So, it is sometimes neither black nor white, but grey.

What is interesting, though, is the support of a majority of provinces before initiating new federal incursions into sectors under provincial jurisdiction. It is fantastic. But what could first be clarified is what is neither under federal nor provincial jurisdiction. It is said that health care falls under provincial jurisdiction. That is all fine and good, but how many hundreds of millions of dollars in health research are funded by the federal government? The tens and hundreds of millions of dollars spent by the federal government in research seem to be accepted by Quebec and the other provinces. And what about the granting councils? Do they come under federal or provincial jurisdiction?

We must sit down and look at all areas of jurisdiction, and not necessarily make constitutional changes—we have not reached that point yet—but maybe establish correctly the different areas of jurisdiction and, after that, look at how we can manage them for the benefit of Quebecers and Canadians.

So, it is important to clarify the areas of jurisdiction, because some people always consider our country as being upside down or the other way around. Maybe we should liken this country to a tree, with the roots meaning we are all working toward a common goal, and the leaves representing the whole population. Maybe that is how we should look at it. The federal government and the provinces alike want to be at the top of the pyramid, to have jurisdiction over it. But ultimately, the most important in all this is the population we are here to serve.

As I said earlier, there is also the provincial right to opt out with full compensation. I am not sure we really understand what it actually means. Opting out means you take your money and leave. But it seems now that it is not quite that simple. You take the money, but you somehow have to spend it in the same jurisdiction and to work toward the same goals.

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This is not really opting out, except administratively. If we really want what the Progressive Conservative Party calls a Canadian pact and the provinces call social union, there cannot be any opting-out, because we have to agree on certain rules or standards.

• (1335)

My NDP colleague raised concerns about the national standards to be set by the federal government. That is not our position. We are suggesting instead a Canadian pact office with federal and provincial representatives who are going to first set and then implement the national standards.

When we have standards, if for some reason a province should decide to opt out, it should still abide by the standards of the Canadian pact or social union.

Some real progress has been made and I congratulate the people and premier of Quebec on this. This is not the same concept of opting out we had back in the 1970s or the 1980s. It is a right to opt out because some things, some programs have been put forward. This will be done in the same spirit, except that we might like to manage things. And why not, since the provinces have often shown they can manage things better than the federal government. I do not have a problem with that.

It must be well understood that we are saying that, if we agree on the rules, the standards, the basics relating to the Canadian pact or social union, we cannot have a right to opt out, pure and simple. Should it be an administrative opting out? Sure, why not, as long as we abide by the rules. It is nonetheless important.

It is so important that if we do not have that, we cannot have a dispute settlement mechanism. How can we have a dispute settlement mechanism without agreeing on the main points? What we are proposing is a Canadian pact office which, once it has decided how it should work, and decided of course on the funding, will set the rules so we can settle any potential problems. Of course we do not like conflicts. That is why we need well established rules.

If a province chooses to opt out, or if a province that opted in mismanages a program, there will be enforcement mechanisms with teeth—not only a slap on the wrist.

Some people seem to have a problem with that. I apologize for talking about Quebec in particular, but I feel it is important. Even though any analogy is lame, may I remind the House that, when the free trade agreements were negotiated, a dispute settlement mechanism was put in place. Everybody agrees on this.

If we have an agreement on social union, what we call a Canadian pact, it is normal to have a dispute settlement process inasmuch as we agree on the terms of this social union.

In conclusion, I would like to stress the fact that the provinces must persevere. If I am not mistaken, the next meeting will be held

in Winnipeg two weeks from now. I hope the Minister of Justice will be more voluble. Of course, she had to understand what was going on at the provincial level. Perhaps this proves once again that there is a dichotomy between what goes on here in Ottawa and the reality.

I say to the provinces that they should persevere and resist temptation, and I ask the federal government to start showing more leadership.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, the debate on the social union initiated this morning by the Bloc Québécois is taking place against the backdrop of an economic downturn, which makes it all the more urgent to adopt a series of measures to reinvest in the economy the money accumulated at the expense of everyone but the Minister of Finance to stimulate economic growth.

We have suggested, and we are doing it again in this debate, that an increase in the social transfer could, in part, serve that purpose, particularly to finance social security, post-secondary education and, of course, health.

Since mid-August, the Bloc Québécois has been warning the federal government that a major economic downturn and even a recession could be expected in the next few months. In August, we could already see some signs of this, since the growth in the GDP had been slowing down for three consecutive months, that is in April, May and June.

• (1340)

Last Thursday, Statistics Canada announced a decrease in the growth of the GDP for the fourth month in a row, which means that, according to the figures registered or estimated by Statistics Canada, the Canadian economy lost over \$5 billion in the last four months, which means about \$200 per person in Canada. In four months, due to negative growth, \$200 from our pockets were completely squandered.

Two more months of economic downturn will usher in a full recession. Six months in a row of reduced growth of the GDP is the very definition of a recession.

Two major factors explain the downturn in the economy we have been seeing in the past four months. First, there is the Asian crisis which is exacerbated by the crisis in the former countries of the Soviet Union, mainly Russia. Those two crisis combined have resulted in an increase in uncertainty all over the world, in a decrease in the value of our exports of raw materials, especially to Southeast Asia, which in turn resulted in a decrease in the demand for the Canadian dollar and therefore a fall in the value of our currency.

In the face of this world uncertainty, speculators have turned to what are called safe havens, in particular the U.S. dollar which they have bought in large quantities. They shied away from the

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Canadian dollar, thus accentuating the downward pressure on our currency.

Everywhere, the consequences of this crisis have been enormous. The fall of the Canadian dollar may be profitable in the short term for the tourism industry, for example, but it is not profitable in the long run in the high tech sector, in particular in those sectors where inputs have to be bought in the United States, in those sectors where high tech electronic equipment must be bought at higher prices. Since Canadian business must pay more for this equipment, we become less competitive at a time where we are already facing an economic downturn not only nationally, not only in Quebec and in Canada, but also internationally.

The second factor responsible for the decrease in Canada's GDP is the federal government. For several years we have been telling the government that it cannot make deep cuts in social programs, such as health care, post-secondary education and welfare, and in transfers to the provinces in general, help itself to the employment insurance fund surplus and maintain artificially high taxes without causing an economic slowdown.

In four years of Liberal government, taxes going into the federal treasury increased by \$37 billion. Individual taxpayers had to pay \$20 billion more in federal taxes, and businesses had to pay \$17 billion more. These \$37 billion taken out of the economy inevitably contributed to the economic downturn.

The artificially high employment insurance premium rates are just another tax in disguise, adding to the tax burden of businesses. In a situation where the economy is slowing down and where the cost of buying foreign goods has increased because of our falling Canadian dollar, now is not the time to maintain premium rates at the current high level.

The government is responsible for the economic downturn because it has failed to substantially reduce EI premiums and because it has chosen to maintain high taxes. It is also responsible because of the billions of dollars it took away from the unemployed two years ago with its employment insurance reform.

The government cannot continue taking more money from taxpayers. It cannot maintain all kinds of taxes in disguise, such as EI premiums for employers, and think the economy will keep on going.

Moreover, the debt reduction policy is also partly responsible for the low Canadian dollar and for the harmful effects of its fall.

• (1345)

Taking a lot of money, billions and billions of dollars, to pay back part of the debt, can look good. That is what the Prime Minister bragged about last summer. In 15 months, the federal government used \$20 billion, which amounts to the surplus found

in the employment insurance fund, because the premium rates are too high, or to one and a half times the health budget. They used \$20 billion to pay back part of the debt.

What impact did this \$20 billion payment have on the Canadian and world markets? It flooded the money market with new Canadian dollars, which reduced the value of the loonie. That is what this federal policy did.

To understand the situation, one has to know who the Canadian debtholders are. In Canada, 25% of debt securities, bonds, etc. issued by the federal government are held by foreigners, almost half of whom are American. What did these people do when we bought back our securities, as the Minister of Finance did? What did they do? They exchanged their new Canadian dollars for US dollars, because they are Americans, and by doing so they flooded the Canadian money market with new Canadian dollars, which, in turn, decreased the value of the loonie.

The other debtholders are chartered banks, pension funds, insurance funds. These people were looking, especially last summer, for the best return possible and for less uncertainty. What did they do when the federal government bought back their securities in Canadian dollars? They took the money and either exchanged it for US dollars, which is a sure bet in these times of uncertainty and crisis in Asia, or bought shares in American companies or US bonds, which is a better investment in these turbulent times throughout the world.

The Minister of Finance, who asked the Bank of Canada to step in, especially in August, to support the Canadian dollar, was himself responsible for the precipitous drop of the Canadian dollar and for all its impacts on the competitiveness and on consumer confidence.

The monetary policy and the interest rate policy of the Bank of Canada are the third reason that makes the federal government responsible in part for the economic downturn and, indeed, for the recession that could happen next year if the data continue to show the same sluggishness observed during the first four months.

While we learned, last August, that the GDP had fallen for three months in a row and that other indicators hinted to a major economic slowdown, the Bank of Canada decided to raise its interest rates by 100 basis points or 1%. This 1% raise may seem insignificant, but when there is already an economic downturn, one can deal a death blow to the economy simply with a 1% shock on the monetary market, through an increase in the interest rates.

When the Bank of Canada did that, which was very stupid, the Minister of Finance said that he still trusted the governor of the Bank of Canada, even though the latter is stopping—and I would even say throttling—economic growth in Canada. Gordon Thiessen, the governor of the Bank of Canada, not only made a mistake

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when he raised the interest rates by 1%, but recently he also sent contradictory signals.

Last Thursday, when the US Federal Reserve Bank lowered its interest rates by 20 base points—it could do so because large economies like those of Germany and the United States must lower their interest rates—the Bank of Canada followed suit in exactly the same proportions. That was nonsense. The Bank of Canada should have done nothing.

That is precisely what is being asked of the governor of the Bank of Canada: to stay put and do nothing. He should lock himself in his office, and think up more intelligent measures than the ones he is taking to stimulate Canadian economic growth.

Why be stubborn, like the Minister of Finance and the Prime Minister who, all summer long, made light of the fall of the Canadian dollar, and even of the economic downturn?

• (1350)

On the contrary, he should admit there is a downturn, that all the experts now agree with the Bloc Québécois who raised the alarm the very first week of the financial crisis. All the experts are now saying there is no sign that next month or the following one—I am still talking about economic statistics—things will pick up. As I mentioned before, we are talking about the first four months of the current fiscal year, or April, May, June, and July. In August and September, unless one is as short-sighted as the Minister of Finance, the economy did not do better.

In August, the Canadian dollar dived to an all-time low. Businesses were beginning to complain about the increasing costs of American equipment and high technology as a result of the decline in the value of the Canadian dollar. If there was an economic slowdown in April, May, June and July, we should expect the same in August and September. We will then have, according to the technical definition, a recession.

For the last month and a half, we have been asking the finance minister to use if not all, at least most of the actual surplus to promote economic growth instead of using the entire amount to repay part of the debt—we are not against repayment of the debt but it makes no sense in the current climate of economic uncertainty. We are not asking him to spend money recklessly as the Liberal government used to do in the old days.

I remind you that the current Prime Minister was once the Minister of Finance and that he was responsible for one of the largest deficits in Canada, back in the days when the federal government used to run deficits. We are not asking him to fall back into the same bad habits. Neither are we asking the Minister of Finance to repeat his Prime Minister's old mistakes. Since the budget surplus will reach between \$12 billion and \$15 billion by March 1999, we are simply asking him to take these funds and announce imminent tax reductions and measures that will boost the

economy and restore the confidence of consumers, which is now badly eroded.

What is the greatest threat? It is that in a few months consumers, whose savings are unusually low right now, facing uncertainty, a falling dollar, and the do-nothing attitude of the Minister of Finance and the Prime Minister, will decide not to spend, to postpone all their purchases. As I said, with their unusually low savings, they are quite likely to postpone their purchases, and that will be the end. As early as 1999, we will be in a recession, and it will be because of the Prime Minister and the Minister of Finance, who did not take seriously the early signs of a major slowdown in the economy in the last four months. They did not listen to the Bloc Québécois which, for a month and a half, has been mapping a plan for government action.

What could the government do to stimulate the economy? We are asking for three things. First, implement a series of fiscal measures within a special budget. These measures would include, among other things, a substantial tax break for middle income earners.

We are also advocating a reduction of EI premiums to help employers go through the economic slowdown and help middle income earners who are likely to spend the extra money made available through income tax cuts and premium reductions, thereby stimulating the economy.

And on the heels of the debate on the Canadian social union, we also ask for an immediate increase in social transfers to the provinces. Spending on social programs can also result in economic growth.

Then we are asking the government—this is our second demand—to ask the Bank of Canada to stop making erratic decisions and creating shock waves in the economy. Nobody knows where the Bank of Canada is going anymore. Gordon Thiessen told us “We are independent from the U.S. Federal Reserve Bank”. This does not hold true anymore. Last Thursday, when the Federal Reserve Bank lowered its basic rate by 25 basis points, Gordon Thiessen blindly followed suit, something he should not have done.

• (1355)

A better way to manage the monetary policy would have been to wait and see. His 1% rate increase at the end of August has hurt the economy, but what is hurting the economy even more is that we do not know where he is heading. He has put us in an uncertain situation. He is putting the financial markets in a situation where we expect the worst. Things may not be at their worst, but they could certainly be better. We in Canada are just keeping our heads above water.

Gordon Thiessen should keep quiet and lock himself up as I was saying earlier. Perhaps the Minister of Finance could reconsider Mr. Thiessen's future, for he is the one responsible for our greatly

reduced options in terms of monetary policy and interest rate management policy.

Our third request to the government in this economic slowdown scenario is to hold a full public debate on the best way to spend the budget surpluses derived from employer and employee contributions to the employment insurance fund, from the substantial tax increases imposed on middle income Canadians in the last four years, and from cutbacks in transfers to the provinces.

There should be a public debate on these issues as well as on debt management. Why is it important to talk about debt management? Because the government is lying through its teeth. In the latest budget, at page 58, in table 1.13, we read:

We established a debt reduction plan for the next three years. We will use the contingency reserve.

This is a reserve to provide for the unforeseen. It amounts to \$3 billion a year. What the Minister of Finance said in his budget is that if this reserve were not used in the three years, it would simply go to repay the debt.

If we calculate—and we are able to do calculations—\$3 billion this year, \$3 billion next year and \$3 billion in two years add up to \$9 billion in three years that the Minister of Finance had promised to apply to the debt.

He applied \$20 billion in 15 months totally contrary to the promises in his budget and the electoral promises made, whereby 50% of the surplus would go to repay the debt and 50% to reducing taxes and increasing social transfers, especially to support health.

The government has yet again reneged on its promises, as it did with its shamefaced lies over the GST. This is why we have to have a public debate. There is nothing but a wad of lies between what they write, what they do and what they say.

STATEMENTS BY MEMBERS

[English]

TEACHERS

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, today is world teachers day. Around the globe we are paying tribute to those who educate our children and who at one point educated us. I take this opportunity on behalf of all Canadians and especially my constituents of Waterloo—Wellington to thank the teachers of Canada and the world for their hard work and dedication. As a former high school teacher, I realize the profession is being constantly scrutinized by many people. I also realize it is becoming more and more difficult to do the job efficiently. It is for these reasons that I would like to thank the teachers for sticking by today's youth and I would like to commend them on their strength and courage in this area. Our youth is the future and it is with

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teachers' help that our young men and women will be able to continue in our footsteps and proceed beyond our accomplishments. Once again, I thank teachers everywhere in Canada.

* * *

• (1400)

TOUR DE ROCK

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, on Friday, October 2, the Tour de Rock was in Saanich—Gulf Islands as their long ride neared an end.

Tour de Rock was the 1998 Cops for Cancer Campaign. Fifteen Vancouver Island law enforcement officers undertook a 1,000 kilometre bike ride from Port Hardy to Victoria, raising awareness for childhood cancer research. Along the way more than \$260,000 was raised in support of this worthy cause.

I applaud these individuals, who endured a gruelling physical test over the past two weeks, braving poor weather in the coastal mountains in pursuit of their goal.

Every day police officers put their lives on the line in the service of their communities. Often these efforts go unnoticed. Congratulations to the Tour de Rock as an example to us all. Their hard work is an inspiration in the fight against cancer.

* * *

[Translation]

WORLD TEACHERS DAY

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, UNESCO has designated October 5 World Teachers Day, in order to make people aware of the vital role played by teachers, who dedicate their lives to educating our children.

Throughout Canada, many organizations representing teachers, local associations and schools have planned specific activities to mark this special day.

[English]

Teachers today are confronted with some of the greatest challenges they have ever faced. In a world of rapid social and economic change brought about by new information technology and globalization, in a world of wealth for some and excruciating poverty for millions of others, education is our hope for the future.

[Translation]

As the vanguard of the education sector, teachers play a remarkable role in preparing and training future generations.

[English]

Education is an investment in the future of individuals and societies.

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[Translation]

I wish to commend teachers for their valuable work.

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[English]

CANADA SAVINGS BONDS

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, over the years millions of Canadians have used Canada Savings Bonds to build a more secure future for themselves and their families. Today marks the first day of sales for the new Canada Savings Bonds.

[Translation]

Many Canadians are currently filling out application forms to buy the new Canada Savings Bonds. In so doing, they are joining the more than 7 million Canadians who already own such bonds.

[English]

This year's Canada premium bond offers a higher interest rate compared to the original Canada Savings Bond.

[Translation]

For the first time in over 50 years, Canadians will be allowed to buy Canada Savings Bonds and Canada premium bonds over a six-month period, from October 5, 1998 to April 1, 1999.

I invite all members of this House to follow my example and take this opportunity to invest not only in their future, but also in the future of our great country.

* * *

[English]

IRELAND

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, as president of the Canada-Ireland Interparliamentary Friendship Group, it is my pleasure to welcome the President of Ireland, Mary McAleese, and Dr. Martin McAleese to Ottawa as they begin the first official state visit of an Irish president to Canada.

[Editor's Note: Member spoke in Gaelic]

[English]

During this 12 day tour President McAleese will visit all four Atlantic provinces, as well as Toronto, Montreal, Quebec City and Grosse Ile. In her meetings with MPs, senators and members of the Irish community she will discuss the many cultural and economic ties between our two countries.

President McAleese has expressed the deep gratitude of the Irish people for Canada's support of Ireland during the peace process.

We hope that the peace we enjoy here will now be a reality in the ancestral land of so many Canadians.

* * *

LABRADOR HELICOPTER ACCIDENT

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, it is difficult for words to describe the shock and horror Canadians felt upon hearing that six armed forces personnel died when the Labrador helicopter they were flying in crashed Friday in Quebec's Gaspé region.

The memory of that terrible incident tears at our hearts. It makes us ask why over and over again and finally leaves us with a deep feeling of sadness. It also gives us a great urge to reach out to the families and friends of the fallen in the hope that somehow, in some small way, we can share in their inconsolable grief and irreplaceable loss. We cannot say that we understand the pain that is theirs, but in our own way we do grieve with them.

• (1405)

To the spouses, parents, brothers, sisters, sons, daughters, friends, the armed forces personnel at CFB Greenwood and all those who supported these brave fallen crewmen who gave of their time, energy and their very selves in serving our country, our thoughts, our prayers and our deepest sympathies are with you all.

* * *

WORLD HABITAT DAY

Mrs. Claudette Bradshaw (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, the United Nations has designated the first Monday in October as World Habitat Day, a day to reflect on our communities and their importance in our lives.

This year's theme is safer cities, a theme that offers an opportunity for people living in cities to consider the current state of their cities and to explore how existing problems can be overcome to make them more equitable and sustainable.

[Translation]

The conditions in which people live determine, to a large extent, their health, productivity and well-being. Our enviable position is largely due to the co-operation of organizations such as the Canada Mortgage and Housing Corporation and its various partners.

[English]

This morning a Habitat for Humanity Canada "blitz build" was started in Moncton. They will be building a duplex for two families to enjoy. I am a strong believer in the Maslow hierarchy of needs and I believe that housing is one of our basic needs.

Congratulations to everyone.

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[Translation]

WORLD TEACHERS DAY

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, October 5 is World Teachers Day. The Bloc Québécois is pleased to join with all Canadians and Quebecers in paying tribute to the vital role teachers play in our children's lives.

Teaching means awakening a taste for knowledge, guiding learning, encouraging reflection, independence and freedom. It also means helping our young people acquire the tools to become responsible and competent citizens in a constantly and rapidly changing world.

Today the profession of teaching, of which I was once a member, is undergoing upheaval as a result of changing technologies and dwindling budgets. The federal government must restore transfers to the provinces, so that they may reinvest in education and thus contribute to building the foundations for a better world.

* * *

[English]

RIGHT HONOURABLE ELLEN FAIRCLOUGH

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, Women's History Month gives us the opportunity to recognize the contribution of great women who played a vital role in our national heritage.

I have the distinct privilege to take this opportunity to pay tribute to a great Canadian, my predecessor as the MP for Hamilton West, a personal friend and constituent, the Right Honourable Ellen Fairclough.

First elected in 1950, Mrs. Fairclough was only the sixth woman to sit in this Chamber. On June 21, 1957 she became Canada's first woman cabinet minister. First as secretary of state, then as citizenship and immigration minister and finally as Postmaster General, she came to be one of the Diefenbaker cabinet's most resilient ministers.

Mrs. Fairclough is credited for such initiatives as introducing legislation to give status Indians the right to vote and reforming immigration policy to eliminate racial discrimination. Having no role models for guidance, Ellen Fairclough always made her own rules and chartered her own course. She was a pioneer in virtually everything she did and today she is a model for parliamentarians and all Canadians.

* * *

FISHERIES

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, on September 25 native commercial fishermen from Campbell River, B.C. were refused a meeting with the Minister of Fisheries and Oceans.

A statement from the native fishermen says in part: "Pilot sales of salmon under the Aboriginal Fisheries Strategy must stop. Pilot sales are unenforceable and unmanageable. Harvests of salmon on the Fraser River from which pilot sales occur are completely out of control".

Native fishermen claim that pilot sales are an extremely serious threat to all the salmon resources in B.C. and do not provide effective control over fishing. They noted that aboriginal and non-aboriginal people alike are suffering.

Native fishermen demanded that the minister put a stop to the pilot sales program. They stated that not only does the pilot sales program threaten the management of the salmon resource, but it is also crippling the businesses and families who cannot access available harvests.

Native fishermen are angry and incensed that the ministry keeps telling them that this misguided program will continue.

* * *

BREAST CANCER

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, I want to congratulate the 5,000 Vancouver area residents who participated in Sunday's run in support of a cure for breast cancer.

They raised more than \$200,000 for the Canadian Breast Cancer Society's largest special event.

● (1410)

I want to extend personal congratulations to residents in my riding of Port Moody—Coquitlam—Port Coquitlam for producing the largest team, 223 friends neighbours and colleagues who ran in support of breast cancer sufferer Dulce Huscroft. Dulce could not participate. She is far too weak.

Mrs. Huscroft is a wife, a mother, a school trustee, a community leader in Port Moody and a very brave person.

The run for the cure took place in 23 communities across Canada. Breast cancer is the largest cause of death among women in Canada between the ages of 34 and 54.

More people join the run each year because cancer knows no boundaries.

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LABRADOR HELICOPTER ACCIDENT

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, once again Nova Scotia has been visited by an air tragedy.

A month ago it was Swissair Flight 111. This time a search and rescue Labrador helicopter returning to its home base at Greenwood, Nova Scotia crashed in Quebec, killing all six of the crew.

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Some of the victims of the crash had been part of the Swissair rescue mission. They were angels of mercy. It is very sad. I wish to extend my deepest sympathy to the family and friends of the victims.

The CH133 helicopters are old. They have had a long history of engine related problems and a string of accidents over the last six years. Experts say that these copters are now too risky to fly.

As defence spokesperson for the NDP, I deeply regret the delay that has been shown by the government in replacing these helicopters. A number of replacement helicopters could have been purchased off the shelf for emergency use. Instead we must wait another two years before delivery of a new fleet.

I call upon the government to ensure that no more lives of our search and rescue squadron are risked in the meantime.

* * *

[Translation]

QUEBEC ECONOMY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, according to the *Globe and Mail*, Quebec ranks first in Canada for the vigour of its economy.

Quebec's rapid recovery from the ice storm is a good illustration of the ability, flexibility and determination of the province, and of its people.

We were quickly able to transform a disaster into a catalyst for economic growth. As Minister Landry said at the time, "This ice storm ranks as a catastrophe, of course, but we are trying to make the best of it by ensuring that Hydro-Québec's reinvestments in equipment generate as many economic benefits as possible". And that is just what the people of Quebec have done.

Let us hope that the federal government will not undo all the efforts made by the Government of Quebec by maintaining its dangerous do-nothing attitude, which is liable to plunge the Canadian economy into a recession.

* * *

[English]

GUN REGISTRATION

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, recently in the House, Reform and Conservative members vigorously spoke against gun registration, arguing that licensing firearms was a massive intrusion on individual rights. Some MPs even raised the spectre of a police state, suggesting that registering guns was a prelude to their seizure by a government fearful of citizens with arms.

Later the same Reform and Conservative MPs spoke equally vigorously in favour of DNA sampling of individuals on arrest by

police. In the interests of efficient law enforcement, these same MPs argued that police should be enabled to force individuals to surrender the most intimate physical data possible without their consent, without their being charged with any crime and without them having been convicted by any court.

This is big brother big time. The opposition wants to take away the most fundamental liberties of Canadians: the right to privacy and the right not to have to submit to arbitrary arrest.

No wonder Reformers and Conservatives like their guns. In their world they need them.

* * *

LABRADOR HELICOPTER ACCIDENT

Mr. Mark Muise (West Nova, PC): Mr. Speaker, on behalf of all members of the Progressive Conservative caucus I would like to express my most sincere sympathy to the families of the six brave military search and rescue officers who were killed on the weekend while on their way back to their home base at CFB Greenwood.

Captains Darren Vandencilche and Peter Musselman, Master Corporals Glen Sinclair, David Gaetz, Darrell Cronin and Sergeant Jean Roy were members of our elite Nova Scotia based search and rescue squadron.

These brave individuals often ignored their own personal safety by rushing to the scene of an emergency, often in very adverse weather conditions, in the hope of being able to save a life. Their selfless devotion for the safety of others deserves the respect and appreciation of all Canadians.

The tragic loss of these six individuals is obviously devastating for their families and friends, as well as for the people of Greenwood and surrounding areas.

I join with all members of the House in remembering these six brave men.

* * *

● (1415)

YUGOSLAVIA

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, it is elementary to state that Canada as a country respects the rule of law and guarantees human rights and fundamental freedoms to all who live here. In the republic of Yugoslavia both of these basic principles are being violated daily. The situation has deteriorated beyond a level that can be tolerated by Canadians.

While the UN security council deliberates and waits for the Annan report, the New York based human rights watch yesterday blamed the international community for failing to take any serious actions to stop the killing of Albanian civilians.

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The chances of finding a political solution to this rapidly deteriorating situation are fast disappearing. Pressure is mounting for military intervention with its all attended risks. The free world has no appetite for a repeat of Bosnia yet we continue to remain transfixed and inert.

We have grounded the 12 Labradors but they can be used in the case of life threatening conditions. There are Hercules, Griffons and other aircraft used in search and rescue missions. We will continue to provide Canadians with that service.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the minister talks about life threatening conditions. Obviously these helicopters do pose a life threatening situation for the crew. There are search and rescue needs in this country which have to be met.

The Labradors are grounded. The Griffon helicopters with some search and rescue capability have some communication problems that are very serious. The Hercules have a limited capacity.

Again I ask the minister what alternative plan does he have for search and rescue equipment should an emergency arise.

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I indicated, we have a number of assets to be able to provide search and rescue missions. We will continue to do so.

There are many reasons aircraft crash. Sometimes they are new aircraft as well as ones that have been in service for a number of years. The one thing we make absolutely sure of is that we do our utmost to make sure that all aircraft in the air are safe.

We will continue to provide a search and rescue service with our personnel across this country and with the various aircraft we have.

* * *

APEC SUMMIT

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, this morning the chairman of the public complaints commission said they will follow the APEC fingerprints wherever they lead.

● (1420)

So far those fingerprints seem to lead directly to the doorstep of the Prime Minister's office.

Why wait for the subpoena? Why does the Prime Minister not just volunteer to appear before that commission immediately?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the commission has not asked the Prime Minister to appear. The member's question, as usual, is totally hypothetical and besides, the commission is just beginning its hearings today.

Let the commission do its work. This is what the protesters want. Let the hearings take place in an active and thorough atmosphere. Why does the hon. member not want to support that sensible approach?

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the sensible approach is that this commission seems to be going a little further than just checking into RCMP activities. I think the Canadian public is looking forward to that. If our Prime Minister

ORAL QUESTION PERIOD

[English]

SEARCH AND RESCUE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, Canadians were deeply saddened to learn of the deaths of the Canadian Forces airmen killed in the line of duty.

Our members in the Canadian Forces deserve safe, reliable and up to date equipment to do their jobs effectively. Now that the Labradors have grounded and the new Cormorant search and rescue helicopters will not be in service for another two years, what safe rescue alternative will the forces use to pick up the slack should another emergency arise?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I know all members of the House join with me in expressing our sincere sympathy and condolences to the families and friends of the six crew members who lost their lives and to the 413 squadron which has been part of the provision of this service out of Greenwood and has done so with great distinction for a great many years.

We want to let the investigators get on with determining the cause of the crash so that the appropriate action can be taken.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I asked the minister what alternative plans he has if another emergency arises.

The Labradors are grounded, the main thrust of our search and rescue efforts. There are other helicopters, other aircraft available, but they are all flawed. They all have problems either mechanical, communication or whatever.

With all these problems plaguing the present search and rescue aircraft we have, will the minister consider an urgent lease of helicopters even if it means going beyond our borders to find them?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we will not fly flawed aircraft. We will fly only aircraft that is certified as being safe to be used.

We have a very extensive inspection program, maintenance program and overhaul program to ensure we are putting aircraft in the air that are safe.

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refuses to appear before this commission if he is subpoenaed, Canadians will never know what the truth of this story is.

I would like the Deputy Prime Minister to answer my question for a change. Why will the Prime Minister evade this? Will he voluntarily appear before the commission or will he let Jean Carle be the fall guy for him?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the weakness of the assertion in the hon. member's question is shown by her admission that a former senior staff member and a current senior staff member in the Prime Minister's office are going to appear before the commission.

Let us allow the commission do its work. Why does the hon. member want to hamper the commission before it even begins its work? Let the work continue. Let us see what happens as a result.

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[Translation]

THE ECONOMY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, according to the Minister of Finance, the United States and Japan are the key players in the economic crisis we are currently experiencing. Nothing new there. What matters is that everyone here knows that all economic levers necessary to effectively counter the threat of a recession are available to the government.

Does the Acting Prime Minister not realize that, when all indicators point to a downturn in the economy, the government has a duty to take action to boost the Canadian economy and avert a recession?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I think the figures are pretty good. Two hundred thousand new jobs have been created since the beginning of the year. Our interest rates are low. There is no inflation. We have a balanced budget.

We are in a good position to ward off the effects of the international crisis. Our prudent policy must be recognized as a good policy for the future of our country.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): We are doing very well indeed, Mr. Speaker. The Canadian dollar is worth 65 cents US; the GDP has dropped for four consecutive months. But all is well.

An hon. member: We are doing very well.

Mr. Gilles Duceppe: The king is happy.

As I said, we must act and act now. Does the Acting Prime Minister not understand that action is urgently required because taking immediate action, as we suggested, will produce positive

results in the long term? Does he not agree action must be taken now to ensure the results are not postponed indefinitely?

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, one thing is certain. The Bloc's proposals would certainly plunge us back into a deficit which would be the worst possible signal that we could send to the financial markets.

Here are the straight goods. Immediate tax cuts would have no short term effect on the economy. Heavy spending on social programs is what got Canada into our fiscal troubles in the first place, and a return to that practice would leave us even more vulnerable. It is nothing but bunk coming from the Bloc.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the government says it would like to use several billions of dollars from the EI fund to make general tax cuts and stimulate the economy.

My question is for the Acting Prime Minister. Does he not realize that using the EI fund to lower the taxes paid by the rich, a cut which would be funded primarily by workers earning \$39,000 and less annually, is the most unfair, most illegal and most immoral course he could choose?

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, let us be very clear that when we turned the corner with respect to the deficit reduction, what did we do? We started to reduce taxes for those most in need at the bottom end. All the Bloc is talking about is trying to bring us back to where we were left by the Tories who tried to bury this country.

● (1425)

This government through its policies ensured that Canada has a bright future and we will stick with our policies.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the Prime Minister wants to protect the economy of Quebec and of Canada against the risks of recession, why does he not immediately lower EI premiums, which would be an effective, fair, morally acceptable and, above all, legal way of creating jobs?

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, we will certainly take that as representation from the hon. member. We are in the middle of a debate among Canadians. We have repeatedly talked about our priorities, our health care, tax reduction, debt elimination and continued cuts to EI premiums. The premier of Saskatchewan

seems to agree that Canadians require a debate. We have the best interests of Canadians at heart and we will continue to do what we have done in the past, ensure this country has a bright future.

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APEC SUMMIT

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, my question is for the solicitor general. For weeks now the government has been giving assurances that the RCMP commission will get to the bottom of the Spray-PEC inquiry.

Why then did the solicitor general say that the Prime Minister will not be attending the inquiry because he would only become the focus of it but instead the solicitor general will act as cover for the Prime Minister? Why did the solicitor general say "I'm the cover" for the Prime Minister on this issue?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I do not know where the hon. member is getting his information but I never said such a thing.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the solicitor general has been saying do not prejudge the outcome but wait for the inquiry. Why did he then ignore his own advice?

Is the solicitor general denying that he said last Thursday: "This inquiry will reveal that four or five Mounties used excessive force and overreacted"? Does the minister deny saying I wanted to go to the World Series, to New York, but I can't because "I'm the cover" for the Prime Minister?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I have no idea where the hon. member is getting his information but none of it is true.

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[Translation]

NATIONAL DEFENCE

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, as members know, the crash of a search and rescue helicopter cost six Canadian Armed Forces members their lives last Friday. This is a tragedy.

Knowing that an investigation is under way, I offer the Minister of National Defence an opportunity to tell us when the House will be informed of the investigation results and of the contents of Master Corporal David Gaetz's journal. What sort of assistance is being given to the families and what will be done to prevent future such catastrophes?

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[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, first of all, the investigation is underway and I cannot say how long that investigation will take. As soon as we can get the results, the better.

As for the diary kept by the engineer, Mr. Gaetz, apparently the family is in possession of it. If the family members can make that available, that could be quite helpful. If they can make it public that would add to the body of information that could be useful in this.

Meanwhile, there is assistance being provided to the families. There are people in touch with them on a daily basis. We want to support them in their time of grieving.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, the Conservative Party has learned that Boeing has made an offer to loan the government search and rescue helicopters until the time the new ones arrive. Will this government be accepting this generous offer?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I said earlier, we have other assets involved in search and rescue and if we need something more, such as taking up this offer, we are happy to have a look at that.

I will certainly be discussing with the chief of air staff our operational requirements with respect to continuing search and rescue in Canada, which we are committed to doing.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the RCMP in British Columbia is facing a financial crisis.

According to an internal document written by Assistant Commissioner Johnston, all coastal patrol vessels are to remain tied up at the docks, all aircraft are to be grounded and only those transfers absolutely essential for the delivery of minimum police services will be approved.

Is this the Liberals' idea of fighting crime in B.C.? What are the people of B.C. supposed to do? Hope that all the crimes occur outside police stations?

• (1430)

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the RCMP has assured me that the actions being taken in British Columbia are ones that will not affect essential services. We are looking at ways particularly in the area of contract policing of making it more efficient. That is essentially what is happening in British Columbia.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, let us talk about essential services. The memo further states that

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all policing overtime and standby is now suspended but it is critical for smaller communities where understaffed detachments have been providing 24-hour coverage by being on standby. What about undercover drug investigations and stakeouts?

Criminals do not operate on a 37.5 hour work week. How can the solicitor general guarantee safe homes in B.C. when instead of criminals, his government is taking the police off the streets?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said we are right now in an exercise of making sure the contract policing in British Columbia is as effective and efficient as possible. I have every confidence in the RCMP that it is operationally responsible and is doing its job.

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[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, a draft of a report prepared by Statistics Canada and commissioned by the Minister of Human Resources Development confirms that the unemployed who are not getting benefits are primarily young people, women and independent workers.

How can the Minister of Human Resources Development sit idly by and let down those he is supposed to protect, while everyone is discussing how to spend the EI surplus?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I will soon receive the report from Statistics Canada. The hon. member referred to a draft of that report. We will have to check the accuracy of that draft.

I personally requested that report, precisely to find out why the number of employment insurance claimants has dropped.

We are monitoring the situation very closely. We had to introduce a very important reform, and I am confident this reform serves the interests of Canadians well.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I repeatedly asked the minister to do something about the excessive number of people who do not qualify for his employment insurance plan. I raised that issue on March 10 and October 2, 1997, and on February 26, April 27 and September 28 of this year. Each time, the minister replied that he did not understand the problem and that he was waiting for an explanation from Statistics Canada.

Is the Minister of Human Resources Development not failing to fulfil his most pressing duty by refusing to act to protect young people, women and independent workers?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, this is unbelievable. The hon. member does not even know how the employment insurance system works.

That system was never intended for independent workers. In its present form, the system is not supposed to include independent workers, and the hon. member is fully aware of that.

It is true that, if those not currently covered by the employment insurance system were not meant to be covered in the first place, such as the chronically unemployed, these people are no longer covered after a while. But that was understood from the start. This is what we have to look at.

[English]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the government should get its story straight on the economy. A month ago we had the finance minister saying do not worry, it is okay, he has a steady hand on the tiller. Now it is every man for himself and we have the sorry spectacle of the finance minister pushing women and children out of the way as he runs to the EI lifeboat.

Instead of threatening Canadians, why does he not just obey the law and return the EI funds to workers and employers?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the government obeys the law. As we said earlier, we are in the middle of a debate. Part of that debate is hearing from Canadians and talking about Canadian priorities.

Certainly Canadians want to see reinvestment in health care. They want to see personal income tax reduction. Canadians may want to see continued cuts to EI. We have cut \$7 billion from EI over the years. No one is saying we will not continue to cut EI. We are engaged in a debate and I welcome the hon. member's intervention in that debate.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the only debate going on is in the member's head. This is absolutely incredible. The finance minister is supposed to be a sound money manager, Mr. Fiscal Prudence, but now in order to balance the budget, he has to rely on raiding the EI fund.

• (1435)

How did the minister manage to bungle the economy so badly that he has to rely on workers and employers to bail him out? How did that happen?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the hon. member talks about bungling the economy. Getting rid of a \$42 billion deficit; leading the G-7 in job creation over the next couple of years; continuing to keep

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inflation in check; interest rates at the lowest level in 20 years. If that is what he calls bungling the economy, let's go Canada into the next century.

[*Translation*]

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the Minister of Human Resources Development recognizes the problem of the drop in participation in the employment insurance plan, but he continues to refuse to acknowledge that his government is responsible for excluding most of the unemployed youth from it.

When is the minister going to re-establish eligibility criteria that will enable young people to once again receive benefits?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am always saddened when I see a young member of the Bloc Quebecois rise to ask about unemployment for young people, when this government is trying to give them work and a better entry into the labour market.

As regards participation in our employment insurance system, we have to realize, and Statistics Canada's preliminary data indicate this, that those not covered by employment insurance are perhaps those who—

The Deputy Speaker: The member for Rosemont.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, I am always surprised to see a baby boomer of his age trying to get the young people in Quebec to pay. And they will get their own back.

How does he explain the fact that, since his government's reform, barely one young unemployed person in four is entitled to benefits? If this is not exclusion, what is it?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I can assure you of one thing and that is that young people from Quebec like those from the rest of the country are benefiting from the Youth Employment Strategy, which is vital to helping them into the labour market, to fight this barrier—transition from school to the labour market.

We have adopted general policies as well to enable young people to remain in school longer. The best guarantee of a job in the future is to remain in school as long as possible.

This government wants a future for young people, not unemployment and passive assistance, which is what the members of the Bloc Quebecois wants for them.

[*English*]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, this government talks about a debate. Let us talk about using insurance premiums for other government programs and the overcharging of workers and employers.

Is part of the debate going to be whether the government is going to change the name from insurance to just another tax?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the EI debate is more than just about premiums, as the hon. member wants to keep talking about. It is about making choices.

I will use the hon. member's terms. In terms of payroll taxes, our country's are one of the lowest of the OECD nations. We will continue to ensure that this country has the right fundamentals in place to continue to grow. Canadians want to see sound, stable investments and continued success. We are prepared to deliver that on behalf of Canadians.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I am glad the member talked about choices because in the province of Ontario, workers and employers are paying \$4.5 billion more in premiums for unemployment insurance than they are getting back in unemployment benefits. This is a province that is represented by Liberal members of parliament.

What choice do the citizens of Ontario have in getting back their \$4.5 billion overpayment in UI premiums?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member should also point out the hundreds of thousands of jobs created in the province of Ontario because of Liberal policies.

• (1440)

If the member wants to focus on something, let her focus on the word employment in the EI program. Let her focus on our priorities for job creation in Ontario and all over Canada. Then she will understand what we are trying to do and what we have been doing.

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[*Translation*]

APEC SUMMIT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the acting Prime Minister.

The documents on the Peppergate affair handed over to the commission by the offices of the Prime Minister and the Minister of Foreign Affairs are apparently incomplete and censored. In the opinion of the Deputy Prime Minister, does not providing the documents requested do anything to improve the image of the Prime Minister's transparency?

Is the government pulling another Somalia on us here?

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it is quite the contrary. There has been a lot of compliance with these requests for information. Large volumes of information have been made available. More information continues to come forward. There has been no allegation from anybody at the public

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complaints commission that they are not getting exactly what they are asking for.

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CANADA POST

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the minister of public works.

Franchise operators of Canada Post have complained that revised compensation packages have been implemented without their input and at a considerable economic hardship to them. Will the minister tell this House how he intends to deal with this matter? It has wide ranging effects on postal services in both rural and urban centres of our country.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am pleased to announce to the House and to all Canadians that Canada Post has decided to postpone the date of implementation to December 1. I thank all members on both sides of the House for their co-operation. In the meantime from now until December 1, Canada Post will meet with every franchise in order to explain how the new system will work.

Canada Post is providing a fixed commission amount from \$6,000 to \$25,000. The new system will continue to give the same good service it presently gives to Canadians. Canada Post wants—

The Deputy Speaker: The hon. member for Souris—Moose Mountain.

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TRANSPORTATION

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I have a question for the Minister of Transport.

The Canadian Transportation Agency released a decision a few days ago on a complaint from the Canadian Wheat Board about grain transportation. The CN has admitted to some of the blame. The CPR is partly to blame. By now most prairie branch lines are abandoned or in the process of being abandoned. It is up to the farmers now to drive hundreds of kilometres on torn-up roads to get to the mainline terminals.

When will this government spend our federal fuel tax revenue where it should be spent, on improving roads so farmers can get their grain to market?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. member should know that it would be inappropriate for me to comment on the Canadian Transportation Agency issue and the wheat board complaint. It is subject to appeal. The hon. member should also know that Judge Estey is studying this

entire issue. So let us not come to some prejudgment here in the House.

On the issue of railway line abandonment, I have assured the hon. member and the people in his home province that the railways have the right to abandon these lines but that they are going about their business in a very careful way so as not to prejudge Judge—

The Deputy Speaker: The hon. member for Cypress Hills—Grasslands.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, the prairie highway system was designed to supplement the railroads, not to replace rail hauling. It is being destroyed especially in Saskatchewan where it is already a shambles. Each year \$635 million is being sucked out of the prairies in fuel taxes while \$13 million is being put back. Does the minister want us to go back to moving our grain with horse drawn wagons, or will this government put some of its fuel loot back where it belongs, into highways in the provinces—

The Deputy Speaker: The hon. Minister of Transport.

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I know the hon. member is sincerely concerned about transportation in general, in particular in transportation for the grain industry in his home province. We will be having this debate in the coming months. I do not believe we can actively engage in that debate at this point, not until we have Judge Estey's report. We will see what he recommends in dealing with some of these serious issues.

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APEC SUMMIT

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, when the solicitor general prejudices the outcome of the Spray-PEC inquiry, as my colleague clearly heard him do on an Ottawa to Fredericton flight on Thursday evening, confidence in the inquiry is severely undermined.

● (1445)

To remove any doubt about whether the solicitor general or anyone else is covering for the Prime Minister, will the Prime Minister commit today to appear before the public complaints inquiry?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, many times in the last two or three weeks I have stood in the House and very much protected the process to get to the truth of this matter for everyone to hear, and here it is: we will not interfere with that process. We will get to the truth in exactly the manner the House set up the public complaints commission to do.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, too bad the solicitor general has totally compromised this process now. Our

justice system depends upon the scrupulous impartiality of the solicitor general. He is one of the senior law officers of the land.

Is it a proper role for the solicitor general to cover for the Prime Minister? Is it a proper role for the solicitor general to be a party to four to five RCMP officers taking the rap?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I can only say that I have stood in the House many times and said exactly what I have said just now.

We will get to the truth. The public complaints commission is doing its investigation. I wish hon. members would let it do its job.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, week after week Canadians have witnessed the dodging and weaving of the Prime Minister in an effort to avoid accountability for his actions at APEC. Yet Prime Minister staffers like Jennifer Lang are allowed to comment at random on the APEC allegations, dismissing Chief Gail Sparrows as not credible.

My question is for the Deputy Prime Minister. Why is it that Liberal spin doctors are allowed to comment on APEC outside the public complaints commission while the Prime Minister continues to hide? Why the double standard?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the first thing I want to do is check the accuracy of the hon. member's assertion. Certainly, as the solicitor general has said, we want the hearings to begin. We want them to be carried out thoroughly and effectively.

I do not see why the hon. member raises this kind of question if he really wants these commission hearings to succeed. Let them continue and let us see what the result will be.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, William Kaplan's recent book *Presumed Guilty* outlines many disturbing details about the Liberal government's politicized relationship with the RCMP. One such detail is a briefing note in August 1995 on the Airbus investigation for the then solicitor general.

In light of documented intervention of the Prime Minister's Office into RCMP security at APEC, I ask a question of our current solicitor general. Did he receive a similar briefing note from the Prime Minister's Office instructing him on the role of the RCMP during the APEC summit?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the security arrangements around APEC were completely and entirely the responsibility of the RCMP. I have been assured by the RCMP since the conference on many occasions that it is entirely security decisions. The RCMP will be speaking to these questions during the hearings that have started today.

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ENDANGERED SPECIES

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, Canada has an obligation to protect its endangered species and to meet our international commitments.

How is the Minister of the Environment ensuring that we protect endangered species in Canada today?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, I thank my colleague for this important question because certainly the issue of endangered species is of great concern to Canadians at large.

My department for many years has put in place policies, legislation and regulations to protect endangered species. Part of my staff in the Canadian Wildlife Service has also worked hard to develop science and encourage stewardship on the part of Canadians, but a lot more has to be done.

I am working with the stakeholders, the provinces and the territories to develop a national accord which will put in place an effective and meaningful safety net for all endangered species, and I will introduce legislation—

The Deputy Speaker: The hon. member for South Surrey—White Rock—Langley.

* * *

SOCIAL UNION

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, I am surprised that the Liberals continue to get away with misusing question period.

Canadians are watching a unique debate in the House of Commons where four opposition parties are joining with all 10 premiers in the country to promote the social union. Only the Prime Minister and his federal Liberals oppose this initiative.

• (1450)

I ask the Deputy Prime Minister why the government is doing less.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it certainly takes a lot of nerve for a Reform member to complain about the misuse of question period. When it comes to misuse of question period they have set a standard which I do not think has been matched by any party in the past for low level or degree.

I further want to say that the government wants to work with the provinces on a sound social union concept which protects the national interest.

Why does not the Reform want to support—

Oral Questions

The Deputy Speaker: The hon. member for Témiscamingue. [Translation]

* * *

[Translation]

SCRAPIE

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Agriculture.

The Minister of Agriculture has announced that there would be no retroactive compensation for sheep farmers whose flocks are affected by scrapie.

Does the minister consider it acceptable that the people first affected by this problem, those who respected the law and reported the problem to the department, thus preventing spread of the disease, are those ones now getting the least compensation and being penalized by this government?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as I have said a number of times in the House, we are treating sheep farmers who had their flocks destroyed to some extent, and some of them completely I will admit, because of the reportable disease in Canada in exactly the same way in which we treat reportable diseases in livestock and flocks across the country.

We had an excellent meeting with the industry on Friday morning. I continue to look forward to a very good resolution of this issue.

* * *

APEC SUMMIT

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the solicitor general.

This minister who said on Thursday that he would cover for the Prime Minister at the APEC inquiry is the same minister who denied legal funds to students at the inquiry trying to get at the truth about the role of his friend, the Prime Minister.

In view of the fact that the minister's cover has now been blown and his critical independence as solicitor general is gone, will he do the honourable thing and resign as solicitor general?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I am sure the hon. member understands there is a process in place to get to the truth. It is a process that I have defended in the House quite consistently for the last couple of weeks.

That process has to be allowed to get to the truth. I am sure they will speak to whomever they need to, to get to the truth.

INDUSTRIAL DEVELOPMENT

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, my question is for the President of the Treasury Board.

While the government is reaping the benefits of free trade, of the GST which was never scrapped, of the surplus contributions to employment insurance, I would like to ask the minister whether he intends to reinstate a program of industrial development.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, there are several industrial expansion programs throughout Canada. This is a rather odd question.

* * *

[English]

INTERNATIONAL AID

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, as Canadians our sympathies always go to people caught in desperate situations as a result of national and natural disasters.

Recently thousands of people have been left homeless and without food in southern Mexico as a result of extensive flooding. Could the Minister for International Cooperation tell us if and what our government is doing to help the flood victims in Mexico?

Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, CIDA has been working with NGOs for many years in Mexico to address poverty alleviation and human rights.

As a result of the recent floods, CIDA has offered additional humanitarian help in the form of about \$150,000 where we will work with the Pan American Health Organization to help alleviate some of the problems faced there.

* * *

● (1455)

THE SENATE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, in two weeks hundreds of thousands of Albertans are going to democratically vote for the next senator. However the Prime Minister and the justice minister from Alberta have scoffed at this democratic initiative calling Alberta's dream a joke.

I want to know, other than just mindlessly insulting any idea that comes from Premier Klein, what exactly would the minister from Alberta suggest to make the Senate more democratic?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, speaking of abusing question period, what is the hon. member

Oral Questions

doing by creating the impression that a minister can answer because she comes from a region? That is contrary to our rules.

As far as making the process more democratic, the hon. member might explain why Premier Klein's party is not running a candidate and why the federal Conservative Party is not running a candidate. He might explain why this election has no provision for re-election. It makes things democratic when one has to stand for re-election.

* * *

[Translation]

KOSOVO

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, during the summer, the Minister of Foreign Affairs said he was exasperated by the international community's slow response to the inhuman situation in the Kosovo region. In a motion adopted last week, the House of Commons reiterated its consternation with regard to the atrocities inflicted upon the people of that region.

Can the minister tell the House now if Canada is ready to disregard Russia's objection and to take part in NATO's military strikes in the Kosovo region?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I had the opportunity in New York on Friday to meet with the Secretary General of the United Nations to talk about the Kosovo situation, as well as a number of members of the security council.

At that time it was indicated very clearly that the secretary general would be tabling a report today from the security council. It is certainly our opinion that the security council ought to live up to its responsibilities to deal adequately with the humanitarian tragedy that is taking place. We will wait to see what the security council does this week before we decide.

* * *

AUTOMOTIVE INDUSTRY

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, my question is for the Deputy Prime Minister.

For 35 years the Volvo assembly plant has been in Halifax. It has now built a vehicle that has been proclaimed the number one car built in North America for two years in a row.

Because of Bill C-11, the auto tariff reduction bill, this money making plant is moving to Mexico, throwing 223 hard working Nova Scotians out of work.

Why are the Prime Minister and the Liberal government destroying auto industry jobs in this country? What are they going to do to help the 223 workers they have now put on the unemployment line?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first of all the plant is not moving to Mexico.

Second, it has nothing to do with Bill C-11.

Third, let me say that it is true the government does want to do whatever is possible to work with local organizations in the Halifax region, work with Volvo and work with the workers to try to find solutions to the situation there.

However, it is not helpful to hear empty and false rhetoric from the NDP that has nothing to do with the reality of the situation.

* * *

[Translation]

INDUSTRIAL DEVELOPMENT

Mr. André Harvey (Chicoutimi, PC): Madam Speaker, I persist in putting my question to the President of the Treasury Board knowing how familiar he is with program review.

Since there are many projects in Quebec waiting for federal support and since we can no longer count strictly on the good faith and goodwill of the minister responsible for economic development, does the minister intend to co-operate with his colleagues in restoring an industrial development program?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I think my colleague is talking about an infrastructure program. I believe we have already indicated that infrastructure projects that meet the needs of the three levels of government have been chosen in conjunction with the provinces, including Quebec.

There may be another infrastructure program in a future budget, but that has yet to be determined.

* * *

[English]

TRANSPORTATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, since my riding of Bramalea—Gore—Malton—Springdale encompasses Pearson International Airport as well as many major roads and railway lines, I am concerned about the computer systems associated with transportation.

Could the Minister of Transport say what he is doing to promote industry awareness of the potential transportation problems associated with the year 2000 computer problem?

Routine Proceedings

• (1500)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, that is a good question and the opposition would do well to listen to the answer.

The government is very concerned about the millennium computer bug and, as members know, the government is looking at its own computers as well as working with industry across the country.

A couple of weeks ago I convened a conference with transportation stakeholders from surface, marine and air and was certainly assured and comforted by a lot of the work they have been doing in order to be well prepared to deal with this issue. They do have some concerns in areas such as the electrical power supply to certain industry components that they use.

This is a matter of utmost priority for our government.

* * *

PRESENCE IN THE GALLERY

The Deputy Speaker: I wish to draw to the attention of members the presence in the gallery of Dr. Nikolaus Michalek, Federal Minister of Justice of the Republic of Austria and President of the European Union Council for Justice and Home Affairs.

Some hon. members: Hear, hear.

The Deputy Speaker: I also wish to draw to the attention of members the presence in the gallery of His Excellency Nguyen Manh Cam, Deputy Prime Minister and Minister of Foreign Affairs of the Socialist Republic of Vietnam.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

QUESTION PERIOD

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wish to rise on a point of order resulting from a question asked by the hon. member for Wild Rose in question period.

He asked the Minister of Justice, in her capacity as a minister from Alberta, to answer a question based on that premise. In other words, it was in reference to the portion of the country that she represents in the House.

I want to remind the Chair that citation 412 of Beauchesne's sixth edition at page 122 states:

A question may not be asked of a Minister in another capacity, such as being responsible for a province, or a part of a province, or as spokesman for a racial or religious group.

Furthermore, Mr. Speaker, you will also know that it is improper to ask the Minister of Justice for a constitutional opinion on the floor of the House.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, surely the member from the other side of the House recognizes that what I used was a quote from the Minister of Justice from Alberta who called the Senate election a joke. I thought maybe she had a better idea.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, there are times when the government House leader should get his nose out of Beauchesne's and look at the facts.

The facts are that the member from the Reform Party was looking at statements, as he said, that the minister had made. There is absolutely nothing in the standing orders or Beauchesne's which prevents that. If he would like this to be a point of privilege, the Reform Party would be happy to do so. Perhaps he should look at what really happens in the House of Commons rather than getting his nose into the technicalities of the issue.

The Deputy Speaker: The Chair is mindful of the comments and thanks hon. members on every side for their very useful contributions on this point. I may say that the citation from Beauchesne's that the hon. government House leader referred to is perfectly correct, sound and based, I am sure, on long practice in this House.

However, I think the question that the hon. member for Wild Rose asked had to do with the constitutional niceties of Senate elections. While it may have been directed to the Minister of Justice incorrectly in her capacity as a regional minister—and I agree with the citation that questions ought not be directed in that way—it did concern something of her duties as Minister of Justice in some vague way.

The Deputy Prime Minister chose to answer the question and I think everyone was satisfied with the answer, as they were with the question.

• (1505)

Everybody is happy. Beauchesne's has been complied with, the rules have been complied with, and we will continue with another question period on another day.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

INDUSTRY

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the government's response to the sixth report of the House of Commons Standing Committee on Industry: "The year 2000 problem: where is Canada now?"

JUSTICE AND HUMAN RIGHTS

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I have the honour to table, in both official languages, pursuant to Standing Order 109, copies of the government's response to the ninth report of the Standing Committee on Justice and Human Rights regarding forensic DNA warrants.

PUBLIC ACCOUNTS

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I also have the honour to table the government's response to the 11th report of the Standing Committee on Public Accounts having to do with the custody of inmates.

* * *

[Translation]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made recently by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[English]

PETITIONS

MARRIAGE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, pursuant to Standing Order 36, it gives me pleasure to present a petition signed by approximately 100 signatories from the area of Canmore, Alberta and the Calgary area.

The petitioners are calling upon the House of Commons to enact Bill C-225, an act to amend the Marriage Act (Prohibited Degrees) and the Interpretations Act in order to define in statute that a marriage can only be entered into between a single male and a single female.

GRANDPARENTS' RIGHTS

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, it is a pleasure to introduce a petition signed by many constituents of the National Capital Region and elsewhere which deals with the rights of grandparents to see their grandchildren.

Routine Proceedings

The petitioners are supporting Bill C-340 which will make it easier for grandparents to see their grandchildren.

[Translation]

HEPATITIS C

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to table a petition signed by 1,600 people in my riding and several other ridings in eastern Quebec in response to a visit by Mr. Joey Haché, who told the Prime Minister that he was his conscience.

Mr. Haché has hepatitis C, and this petition seeks adequate compensation for all victims of hepatitis C.

[English]

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present a petition signed by hundreds of British Columbia citizens who draw to the attention of the House the fact that the multilateral agreement on investment will disproportionately expand and entrench unprecedented rights to transnational corporations and foreign investors at the expense of the Canadian government's ability to direct investment policy.

The petitioners raise serious concerns about the implications of the MAI and they, therefore, call on parliament to consider the enormous implications to Canada with the signing of the MAI. They want it to be openly debate in the House and they call for a national referendum so the people of Canada can decide.

• (1510)

BILL C-68

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am pleased to present a petition, pursuant to Standing Order 36, on behalf of the constituents of Pictou—Antigonish—Guysborough, which contains hundreds of names.

The petitioners call upon this government to not enact Bill C-68 and waste hundreds of millions of tax dollars, but instead to put that money toward frontline policing and more effective means of reducing crime in this country.

DRINKING AND DRIVING

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, the petition I wish to introduce was initiated by Ken Roffel of Langley, British Columbia. It has been signed by more than 25,000 people across Canada and more will follow.

Routine Proceedings

These people want the House of Commons to change legislation to ensure that people do not drink and drive. It is called zero tolerance. Surely the justice committee looking into this matter will listen to so many people.

IRAQ

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from residents of Peterborough riding, particularly from village of Bridgenorth.

The petitioners are concerned about the conditions in which the Iraqi people find themselves, particularly the children of Iraq. They call upon parliament to reject any military action against Iraq and to call for an end to the embargo against necessities of life for the Iraqi people.

BILL C-68

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a second petition from the people of Peterborough riding, particularly from the village of Havelock. These people are concerned about violent crime in urban and, in particular, rural areas. They call upon parliament to repeal Bill C-68.

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am pleased to present today, pursuant to Standing Order 36, a petition on behalf of constituents of mine from the communities of Strasbourg, Silton, Regina, Duval and Lumsden.

The constituents are concerned that the MAI is a very bad document. They are very worried about Don Johnston, who is trying to stick it to all Canadians and other international governments. They are concerned that the MAI will expand the powers of multinational corporations at the expense of the powers of government to intervene in the marketplace on behalf of our social, cultural and environmental goals.

They ask parliament to reject the current framework of MAI negotiations that Mr. Johnston is undertaking. They are instructing the government to seek an entirely different agreement by which the world might achieve a rules based global trading regime that protects workers, the environment and the ability of governments to act in the public interest.

ABORTION

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is an honour for me to present three petitions on two different subjects.

In the first, the petitioners ask that the House of Commons bring in legislation, in accordance with the provisions of the Referendum Act, 1992, which would require a binding national referendum to be held at the time of the next election to ask voters whether they are in favour of government funding medically unnecessary abortions.

THE FAMILY

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, these two petitions deal with the same subject.

The petitioners request that government bring in legislation, in accordance with the provisions of the Referendum Act, 1992, which would require a binding national referendum to be held at the time of the next election. They ask that parents be allowed to raise their children in the way they see as being appropriate. They ask, in particular, that the government recognize the fundamental rights of individuals to pursue family life free from undue interference of the state, and to recognize the fundamental right, responsibility and liberty of parents to direct the upbringing of their children.

The petitioners urge the legislative assemblies of the provinces to do likewise.

MARRIAGE

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, pursuant to Standing Order 36, I rise to present four petitions on behalf of the communities of Lower Sackville, Jed-dore, Wellington and Mount Uniacke in my riding.

The petitioners pray that parliament will enact Bill C-225, an act to amend the Marriages Act (Prohibited Degrees).

PROPERTY RIGHTS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have a large number of petitions, so I ask for your patience as I present them.

I am pleased to present 150 pages of petitions with the signatures of 3,564 concerned Canadians from Quebec, Ontario, Alberta, B.C. and my home province of Saskatchewan.

● (1515)

These Canadians are concerned that there is no provision in the charter of rights and freedoms that prevents government from taking anything they owned without compensation and nothing in the charter which restricts the government in any way from passing laws which prohibit the ownership, use and enjoyment of their private property or reduces the value of their property.

The petitioners request parliament to support Private Members' Bill C-304 which would strengthen the protection of property rights in federal law, which died today after only one hour of debate in this House.

FIREARMS ACT

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the second group of petitions I am pleased to present contains 60 pages with 1,493 signatures from responsible law-abiding gun owners from coast to coast who are calling on the government to repeal Bill C-68, the Firearms Act. These citizens are from

Saskatchewan, Alberta, B.C., Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland.

The petitioners are concerned that the billion dollar licensing and registration scheme will do nothing to curtail the criminal use of firearms, is not cost effective in addressing the crime problem in Canada and is opposed by the majority of police on the street. These petitioners therefore request that parliament repeal Bill C-68, the Firearms Act, and direct their hard earned tax dollars to more cost effective measures to fight crime.

In keeping with my constituents' request that I keep a running total of petitions on the repeal of Bill C-68, this presentation brings the total number of signatures this year to 18,835.

CRIMINAL CODE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the next group of petitions I am pleased to present contains 716 signatures from concerned Canadians from coast to coast who are calling on parliament to retain section 43 of the Criminal Code which affirms the duty of parents to responsibly raise their children according to their own conscience and beliefs.

ABORTION

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, it is my privilege to present two petitions containing a total of 818 signatures from citizens across Canada who are calling on parliament to support Motion M-268 which would require a binding national referendum to be held at the time of the next election to ask voters if they are in favour of government funding for medically unnecessary abortions.

MARRIAGE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am also pleased to present a petition containing 131 signatures from my constituents in Yorkton—Melville who are calling on parliament to enact Bill C-225, an act to amend the Marriage (Prohibited Degrees) Act and the Interpretation Act. The purpose of this enactment is to ensure that a marriage is void unless it is a marriage between one unmarried man and one unmarried woman.

PARENTAL RIGHTS AND RESPONSIBILITIES

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the last petition I am pleased to present contains the signatures of 2,369 Canadians who support Motion M-33, parental rights and responsibilities, which I introduced in 1997.

The petitioners call on the government to authorize a proclamation to be issued to amend section 7 of the Canadian Charter of Rights and Freedoms to recognize the fundamental right of individuals to pursue family life free from undue interference by the state

Routine Proceedings

and to recognize the fundamental right, responsibility and liberty of parents to direct the upbringing of their children.

MARRIAGE

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I am honoured to present a petition on behalf of 35 constituents residing on Salt Spring Island in beautiful British Columbia.

The petitioners ask parliament to support Bill C-225 which is an act to amend the marriage act. Basically what it would do is ensure that a marriage can only be entered into between a single man and a single woman.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

[English]

The Deputy Speaker: Is the hon. member for Delta—South Richmond rising on this question?

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, yes. As yet I have not received a response to Question No. 91. Question No. 91 was asked on March 27 so the 45 days have long since passed. I have other questions I would like to ask and I would like to get this one off the paper. It is of some significance and importance to me. As well, the auditor general who is doing a study on the health protection branch has indicated an interest in these responses.

• (1520)

Mr. Peter Adams: Mr. Speaker, I want to assure the member that following his last inquiry which was a couple of days ago, I looked specifically into the status of Question No. 91. I can assure him it is at the very last stages of processing and will be presented in the House very shortly.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I rise on this point of order with respect to the answering of questions.

At one time members were able to submit all kinds of questions and of course it took forever to get the answers. Sometimes people never received answers. The idea of going to the 45-day answering period was that in return for actually getting answers to some questions, there would be a limitation on the number of questions.

What has happened now is that we have the limitation on the number of questions and we still wait forever for answers. The government for many years now has been systematically violating

Supply

the spirit of that reform, whereby the ability of members to submit many, many questions was traded away in return for a guarantee that within a certain period of time there would be answers.

We have a bureaucracy over there the size of the Titanic. Surely it could come up with answers to these questions within 45 days and respect the standing orders of the House in this respect.

Mr. Peter Adams: Mr. Speaker, I must say I did not know the history of these questions. I would mention that we have been asked well over 140 questions and there are in fact seven outstanding.

The Deputy Speaker: I know that the hon. member for Winnipeg—Transcona raises a point that when I served as a member of the opposition in this House instead of in a capacity in the Chair I found irksome as well. I of course wanted to ask a lot more than three questions at a time but was unable to do so.

I know that he knows that the place to raise this issue is not here on the floor with the parliamentary secretary who is of course bound by the rules of the House, but in the procedure and House affairs committee. I am sure that the hon. member who is addressing in the course of his remarks the chairman of the procedure and House affairs committee and likely the next chairman if the tradition continues, will be able to have this matter placed on the agenda before that committee at an early date and deal with the matter there instead of here.

Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

AGRICULTURE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I seek leave under Standing Order 52(2) to propose an emergency debate to address the crisis in Canadian farm incomes.

The incomes of Canadian farmers are in steep and rapid decline. This constitutes an emergency for farm families in every rural community in Canada. The situation has become desperate and many family farms are facing economic disaster.

With declining global farm commodity prices, the Canadian Federation of Agriculture is now predicting that farm incomes may fall by as much as 40% this year alone and perhaps even more on the prairies. Statistics Canada has reported that farm cash receipts for all Canadian farmers in the first half of this year already declined by 5% and prairie farm incomes were down by between 10% and 13%. These earlier numbers do not reflect the most recent declines or the quickly evaporating demand for Canadian products

in the wake of the economic meltdown in Asia that is now spreading around the world.

Canadian farmers do not receive subsidies like European and American farmers receive from their governments.

An emergency debate is required to allow us, as elected representatives, to inform the government of the gravity of the situation and to have parliament consider what urgent measures are needed to address the looming crisis on the family farm.

The minister of agriculture in this House on Friday indicated he would welcome any comments with respect to this particular farm crisis debate.

I thank you, Mr. Speaker, for your careful consideration of this very important and urgent matter.

The Deputy Speaker: The Chair has considered the request the hon. member has put forward and of course has read with care the letter submitted in support of this request and has heard the hon. member's representations here today.

In the opinion of the Chair, this request does not meet the exigencies of the standing order. It does not appear to be a matter of such urgency that it requires the House to set aside its proceedings at the moment.

While it may become such, I do not believe that is the case now. Accordingly the Chair rules that it is not meeting the terms of the standing orders.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—SOCIAL UNION PROJECT

The House resumed consideration of the motion.

• (1525)

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I want to begin my comments by noting that the motion by the hon. member urges the Government of Canada to accept the provincial governments' initial position in the social union framework negotiations and put forward no principles or objectives on behalf of all Canadians. This is wrong. With the greatest of respect, the hon. member should know that all the provincial and territorial governments recognize that this is a process of negotiation. They understand that there will be give and take between the two levels of government before we come to an agreement.

Supply

The hon. member seems to think of this in terms of who should give in to whom. That is the old way of looking at things. This is not the way we are proceeding today.

Our overall goal is to figure out how we can serve Canadians better by working together. This is after all what Canadians have asked us to do. I am surprised that the hon. member does not recognize this fact and conduct himself accordingly. Perhaps I should not be surprised.

The Government of Canada has tabled a position and we are respecting the protocol agreed to by all the governments involved in negotiating in public. However, the motion before us indicates that the hon. member does not wish to acknowledge that the Government of Canada has any interest in or responsibility for the social union.

Let me address this question of the social union and what it represents then.

First, what is Canada's social union? It is the means by which we as Canadians share our resources and help one another. It means collaboration and it means solidarity. This after all is the Canadian way. Newfoundlanders help Ontarians, Ontarians help Manitobans, Manitobans help Quebecers, Quebecers help British Columbians; making sure that we all have access to the basic social services we need when we need them, like education, old age pensions, social assistance and health care; making sure that we all help each other in times of crisis, like the floods in Manitoba and the Saguenay, and the ice storm in southern Ontario and Quebec.

First and foremost, the social union defines what it means to be a Canadian. It represents part of our values, our institutions and our symbols which define us as a people and unite us as a nation. It represents our values, values that include sharing and compassion, fairness, respect for the dignity of individuals, and a sense of collective as well as individual responsibility for our mutual well-being.

Our social union is the way in which we as Canadians pool our resources, act on our shared values and look out for one another. It distinguishes us from any other nation in the world. We are very proud of what this means for us as a country. It is why year after year Canada is judged by the United Nations as the best country in the world in which to live.

Because it transcends provincial and territorial boundaries, the strengthening of the social union is a fundamental responsibility of all governments, but of course it is of special concern to the Government of Canada. After all, this is the only government elected by all Canadians and therefore accountable to all Canadians.

How did we get to this social union? It was not by sheer luck or by happenstance. We built it together piece by piece. Provinces, working to meet the social needs of their residents and constituents, pioneered new programs. The Government of Canada encouraged

other provinces to try similar programs and help make the benefits available to all Canadians.

That is how medicare started in Saskatchewan. Today it is how we are building the child tax benefit. Look at Quebec and its innovative family policies for example. Programs help people get back into the labour force. We have a lot to share and a lot to learn one from the other.

Building the social union then was not an easy process. There were challenges and disagreements along the way. But we have ended up with one of the world's best social security systems and that is partly due to the fact that there are differences of view between different levels of government. These differences have forced us to be more imaginative and to work harder to design better programs that suit everyone. In the end, working out our differences with respect and accommodation on both sides has made our social union stronger. This is true just as much today as it ever was.

Over more than half a century, our social union has evolved so that both orders of government now have a range of distinct responsibilities. In general, provincial governments are responsible for education and the delivery of health services and welfare. The Government of Canada's responsibilities include pensions, employment insurance, health protection, interprovincial mobility and the redistribution of wealth and resources across the country through equalization payments to provincial governments.

• (1530)

There are shared responsibilities as well. Both orders of government, for example, have a constitutional responsibility to promote equality of opportunity for all Canadians. Securing equality of opportunity is a responsibility that the Government of Canada takes very seriously. This is a value that is very dear to Canadians from all parts of the country.

One of the main instruments that can be used to promote equality of opportunity is federal spending power. Every major federation in the world provides for this kind of spending power for the federal government, but nowhere in the world is this power used more flexibly and with fewer conditions than in Canada; not in the United States, not in Switzerland, nowhere. This is a point that is always lost on the members from the other side of the House. They cannot contest it so they simply do not discuss it.

This is a good thing. No country as large and diversified as Canada could function as well as we do any other way. We must have strong provinces that can try out solutions that fit their own populations and cultures.

However, it is no secret that provincial governments have been demanding changes in the way that spending power is used. I remind the House that the Government of Canada has made changes. As a government we have been sensitive and responsive to the various demands of people throughout Canada, and rightfully so.

Supply

This government has committed itself not to create new cost sharing programs in areas of exclusive provincial jurisdiction without the consent of a majority of the provinces. This government has committed to compensate non-participating provinces provided they establish equivalent or comparable programs.

At the same time, we have to make sure we do not put too many constraints on the use of spending power. This would lead to paralysis. We would be unable to keep up with changing needs and with circumstances.

Premiere Romanow stated: "The federal spending power gives the federal government the opportunity to encourage all provinces to adopt ideas that have been broadly supported throughout the nation so that all citizens can benefit from equal access to new social programs".

This supports the contention that the Government of Canada must preserve its capacity to use spending power to promote equality of opportunity for all Canadians. However, as we have just said, we are fully committed to using it in a way that respects the provincial governments' legitimate responsibilities in many areas of social policy.

In recent years we have made real progress working with provincial governments to design and deliver new social programs for Canadians. This work has been carried out in the spirit of co-operation and mutual respect. We have begun to implement the national child benefit which is providing more federal income support benefits to low income families with children. This enables provincial governments to invest in new programs and services for these families. Nutrition, child care and readiness to learn programs are but examples.

We have signed agreements with provincial governments on labour market and employment programs. This has removed overlap and administrative duplication and has been successful in addressing a major irritant in federal-provincial relations.

What are the challenges facing our social union in the future and what should we be preparing for now is a very important question. What are the pressures we face down the road that a social union framework agreement would help us deal with?

We live in an increasingly interdependent world. Today's social and economic policies intersect like they never have before. Those who argue that we can have an economic union without a social union in this day and age are sadly mistaken. One only has to think about adapting to a knowledge based economy and ensuring that individuals, especially our young people, have the skills they need for the jobs of tomorrow. This is a social and an economic issue.

There is globalization and the need to stay competitive in the international marketplace to secure our standard of living; an aging population and new demands on social programs associated with people living longer and healthier lives; innovation and new

technologies, particularly in health care, which we want to ensure benefit all Canadians; the need to continue maintaining a balanced budget and reducing debt.

● (1535)

We must emphasize that we can modernize our social programs and services and create new social programs where required that will address these pressures.

It means governments working together to clear the way for more rapid progress, to modernize and strengthen medicare, working together to help us move forward more quickly with new and better programs for children and persons with disabilities, working together to do more to address youth unemployment and learning.

Despite the assertion implicit in the motion of the hon. member, provincial governments recognize the participation of the Government of Canada is required to sustain progressive social programs that will benefit all Canadians.

What is the Government of Canada looking for? Where are we in negotiations to develop a social union framework agreement?

The Government of Canada has three objectives. The first is to promote equality of opportunity for all Canadians wherever they live or move in Canada. The second is to ensure that governments are working collaboratively on the social union. The third is to make governments more accountable to Canadians for the results achieved.

There is no question that the social union framework agreement would help to strengthen our social programs and services if designed to meet those objectives. To ensure quality of opportunity for all Canadians through our social programs we must then reaffirm the principles that underpin our social security system.

We must agree on some fundamental principles that would guide us in strengthening social programs. These principles include access to comparable basic services. They include freedom of mobility so that Canadians can move within their country without fear of losing important social benefits. Finally, they include making sure Canadians are treated fairly by their governments.

There is the principle of flexibility. Our social union cannot mean uniformity. It cannot mean one size fits all or identical programs. It cannot mean one level of government dictating to another.

We must respect the principle of flexibility to ensure that social programs can be designed and delivered in ways that respect Canada's diversity. This includes the unique character of Quebec society arising notably from its French speaking majority, its culture and its tradition of civil law.

We believe that taken together, these principles will ensure Canadians have the best of both worlds, the flexibility of programs tailored to meet the needs at the community level with principles that ensure access and fairness for all Canadians wherever they live or move in Canada. In short, this is the genius of the Canadian federation.

[*Translation*]

Canada is the envy of the world. The federal government remains committed to act in the best interests of all Canadians.

[*English*]

Canadians are concerned about social issues. They are worried about the integrity of our health care system. They are worried about child poverty. They are worried about the employment prospects facing Canadian youth in an uncertain global economy. They are worried about the well-being of elderly Canadians.

The time has come to stop playing politics with these concerns. While there is a legitimate place for differences of view between the two levels of government, Canadians' tolerance for federal-provincial feuding has worn thin.

Confrontation only diverts attention from the issues that really matter and is an insult to the Canadians who are struggling to cope with change. It undermines the public's faith in the government's capacity to serve the public interest. Quite frankly, it must stop.

This is an important goal for the Government of Canada and the social union framework agreement. We must work out our legitimate differences in a manner that is constructive and non-confrontational. We must find ways to continue building our social safety net together, putting new programs in place to address changing needs in an amicable, dignified and respectful manner.

To do so obliges both levels of government to share more information, to provide advance notice of any new initiatives or planned changes to current programs and to consult and to plan together. It obliges governments to always put the interests of Canadians first.

• (1540)

Canadians want their governments to be more responsive and accountable. As citizens, clients and taxpayers, Canadians want more of a say in how programs are designed and run and they want to know more about results. Canadians want taxpayer dollars spent wisely and they are concerned about the health and well-being of their fellow citizens, particularly children.

Canadians want to know that what we are doing is working. They want hope. They want to see evidence that our social programs and services are making a difference. They want to be sure we are

Supply

improving the health of Canadians, that fewer Canadian children are living in poverty, that our young people really do have the skills they need for the jobs of tomorrow and that our elderly citizens are living out their lives in dignity.

This requires public reporting on outcomes. This way Canadians can decide for themselves whether their governments are living up to the commitments made.

These are just some of the benefits that we believe a social union framework agreement could lead to. But in these negotiations the Government of Canada has only one bottom line and that is what is good for Canadians and good for Canada. It does not have to be more complicated than that. The social union is not something we can cut up and divide. It is the very foundation of our society and we must build on it together.

I point out to the hon. member that his colleagues in Quebec are now full participants in the social union framework negotiation. The Government of Quebec recognizes that this is a process of give and take and that we are in fact making progress. As recently as last Friday the new Quebec minister for Canadian intergovernmental affairs said he is confident that the process is moving forward.

So what is the hon. member hoping to achieve by his motion? For the good of Quebecers and all other Canadians I urge the hon. member to follow the lead of his colleagues and work for collaboration instead of confrontation. This is what Canadians everywhere, no matter where they live in this great country of ours, want and deserve.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, the member for Waterloo—Wellington has spoken abundantly about the social union, justice and social equity. To that end, he dragged out the old response of his Prime Minister, who has said time and time again that Canada is the most beautiful, the greatest and the best country of the world, a country that offers the best social equity. But when he is not happy with his opponents, our Prime Minister grabs them by the neck and throws them down.

I would like to ask the member for Waterloo—Wellington what he answer he would give, about social equity for example, to one of my constituents, Louis-Philippe Roy, a former worker of the BC asbestos mine, who received his employment insurance benefits on his first application. He has served 15 times as a pallbearer. He was paid \$22 each time.

Having worked on 15 occasions and earned \$375, he saw his employment benefits reduced by \$102 per week on his second application. Since he still had 17 weeks of eligibility, Louis-Philippe Roy has been penalised by its government, which brags about its sense of social equity, to the tune of \$1,734 because he had earned \$375 for having served 15 times as a pallbearer.

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Do you intend to encourage people on employment insurance benefits to find work and get themselves out of that black hole? When I hear the good member for Waterloo—Wellington, I have the impression he is living in a bubble, that he is completely disconnected from the reality of those workers on employment insurance benefits. What has become of his sense of social equity?

• (1545)

[English]

Mr. Lynn Myers: Mr. Speaker, I thank the member opposite for his question.

Canada has a tremendous social safety net in place to help people in need from time to time and to help people who require it throughout the term of their life, or whenever it is needed at the appropriate time.

Perhaps the hon. member is disconnected. This is really all about a social union framework that will assist Canada and make it work better. It will strengthen the federation. It is part of partnerships and it is part of the kinds of things that Canadians, no matter where they live in this great country of ours, want us to do in a co-operative fashion.

Perhaps the hon. member fails to realize that we as the federal government since 1993 have taken over 17 definitive and fundamental steps in ensuring this would happen. This is absolutely key for wherever one lives in this great country of ours, knowing that our government is making the changes necessary to make the social union work.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I was interested in hearing the speech of our Liberal colleague, the same rhetoric that we have heard for quite some time. There is a question I would like to ask him in terms of priorities.

We know the transfer payments to the provinces were decreased by a large amount, up to 35% I understand in many provinces. That put the pressure on them and they have had some difficult times providing their health programs, education programs and so on.

I happen to be one of the people who got into a line-up for heart surgery, as the member may well know, back in June 1997. I waited for approximately four and a half weeks before I could have my operation. A couple of people died in that same line-up just shortly before my operation. It is really hectic out there.

In 1993 it was quoted in the House that there were one million children living in poverty. For years now we know that on the reserves in our nation there is nothing but third world conditions. I have been in the homes of grassroots natives all across the country. I have sat on their crates and in their non-electric homes with no water. They are living in absolute poverty, yet billions of dollars are being poured into that area.

I would like to know where is the accountability for all of this. Why are we having all these problems? Why are there so many homeless on the streets of Toronto? Why are there so many in Calgary? Why is this all going on if the government is doing such a wonderful job? To me, it has not done anything. I would like this member to explain. Where are the priorities?

Mr. Lynn Myers: Mr. Speaker, I thank the member opposite for his question. I know he has some firsthand evidence with respect to his own situation and I appreciate that he brings that to the debate.

However, I listened in astonishment to the sheer hypocrisy of the kinds of things he said when in fact it was the Reform Party in its fresh start and in its so-called 1995 taxpayer's budget that called for a \$3 billion cut in transfers to provinces for health, post-secondary education and welfare.

Added to that was another \$3.6 billion to other transfers. On top of that, as if that were not enough, there was another \$7.4 billion slashed from programs funded directly by the federal government for things like seniors' pensions and employment insurance and another \$1 billion in cuts to social security, for a grand total of \$15 billion.

The sheer audacity of the member opposite to get up and raise that kind of garbage is beyond comprehension. It is the Reform Party that should take a look in the mirror to see what programs it would cut and decimate in the process Canada and our social union.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I say to the hon. member that the Liberal government has nothing to crow about. When he talks about the Canadian social safety net, when he talks about putting the interest of Canadians first, the record is very clear. It is the Liberal government that has destroyed the social safety net in the country.

• (1550)

He talked about his concern for poor children. What about the 1.4 million kids who are living in poverty as a result of the abandonment of social programs as a direct result of government policies?

I would like the member to come to my riding of Vancouver East to see the people who are living in slum housing because of the abandonment of social housing. I would like him to see the people who are on the street. I would like him to see the kids whose parents are unemployed.

What does the member have to say about that?

Mr. Lynn Myers: Mr. Speaker, I thank the member opposite for the question. I can say to her that we as a government have not destroyed. Rather we have built on a strong foundation that over time is the foundation of the very country we call Canada, and rightfully so.

We are a nation of builders who have done the right thing in terms of our social safety net and other issues. Quite frankly we have a record to which we can point and we can prove it.

In terms of where the hon. member is coming from, is she today wooing the labour people or is she wooing business? I find it a little galling to take all this from the member opposite and her party, a party that would promise significant spending on health and social programs while cutting the GST and trying to balance a budget. I would take a little exception to the fact that she would try to promote that kind of nonsense. It really makes no sense.

We on the government side have made the kind of sense that Canadians want. We have done it in a manner consistent with Canadian values and Canadian institutions. That is something we can be enormously proud of.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am very happy to speak today to the opposition motion of the Bloc Québécois, because it is directly linked to the mission of the Bloc Québécois in this parliament, namely to, first, defend the interests of Quebec and, second, promote the sovereignty and autonomy of Quebec.

Our motion reads:

That this House recognize the very harmful effect of federal cuts to the Canada Social Transfer, particularly on health services in Canada, and that it support the consensus achieved by the provincial Premiers in Saskatoon on a project for social union.

First, I would like to talk about the value of the social union agreement that was signed in Saskatoon. Members will recall that in Quebec and Canada, there has been for many years a major debate as to whether the Canadian Constitution gives Quebec sufficient authority to administer its own social policies.

In the past, there have been interesting examples proving that Quebec is capable of administering its social programs. Let us take, for example, the student loans and bursaries program. It is the best in Canada. Moreover, it is the only one that includes scholarships in the basic funding for studies. There is also the Régime des rentes du Québec, which was taken as an example by the federal government last year for correcting the Canada pension plan. So, there are some interesting examples to show that Quebec has the means and the capacity to manage social programs in an appropriate fashion.

What is interesting in the motion is that, in a sense, there was an evolution from 1971 to 1998. In 1971, Quebec was not able to accept a constitutional amendment because Canada was not ready to give it the necessary leeway. The federal government is still not ready to do that and the statements from the Prime Minister on that

Supply

subject are not very reassuring. He finally said that it was necessary for the federal government to continue to administer its money, to assume these responsibilities and that it was not ready to let the provinces administer these programs on their own.

But this time, he is facing a coalition resulting from the goodwill of the provincial premiers, including the Premier of Quebec, who have finally said that we should have the right for a province to opt out, with full compensation, of a new or modified Canada-wide federal government social program in areas under provincial jurisdiction, when the province offers a program or introduces an initiative in the same field.

Let us take an example, not in the social area, but in the area of education.

• (1555)

Had such a model been applied, we would not be stuck today with the millennium scholarships. In this case, the model used was the Prime Minister's model, which says "I have an idea and I am right; everybody else may disagree, but I will do it my way anyway".

As a result, we end up with two parallel systems: the Quebec loans and bursaries system and the millennium scholarships. There will be two administration systems. This is the typical federal program duplicating something that already exists at the provincial level.

We do not want this kind of action. We want the right to opt out with full compensation. This way, the Government of Quebec could implement its own programs where necessary, and it is prepared to undertake to do so in areas where the federal government intends to invest.

Take the home care program for example. If it went ahead with its plan to develop a home care program without co-ordinating its action with the provinces, the federal government could end up putting in place a program that totally fails to meet the needs of one province or another, a program that does not meet the needs of Quebec, while Quebec would receive its share of the federal funding if the Saskatoon agreement were applied. The Quebec government would undertake to invest in health but would have the necessary leeway to ensure its needs are met. It is this leeway the provincial premiers agreed on in Saskatoon.

Last weekend, the premiers met with the federal spokesperson. We are waiting to see what will come out of these discussions.

Today, the motion before us basically says that a step could be made in the direction of allowing Quebec to defend its interests and move toward greater autonomy while respecting the right the rest of Canada to act differently. Positive results could be achieved

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if the federal government showed a willingness to move in this direction.

One thing this would mean is that when there is "support from a majority of provinces before new federal initiatives are introduced in areas of provincial jurisdiction", Canada's nine provinces could take action, because Quebec would have the right to opt out with full compensation. It would no longer hold everything up.

It would be interesting to adopt this approach, which would provide a way out of the difficult situations that now arise and the systematic opposition between the federal government and the provincial governments, particularly Quebec, because the federal government has always been more interested in achieving the desired visibility than in coming up with the best possible program. The best proof of this is the millennium scholarships I mentioned earlier.

It was the same with child care. Election after election, the federal political parties promised a universal child care system. The stumbling block each time was the wide diversity of situations in the various provinces. There is no one solution.

Quebec has done something about the problem in recent years. It has introduced \$5 day care. This is very attractive. Now, people can send their child to day care for \$5 a day. This program has been tremendously successful. It is now available for all three and four year olds. This will make good day care available.

An attempt to find one program for all of Canada will produce solutions that will not work for Quebec, but there is no way around this because provinces may not, at the moment, opt out with full compensation, as provided for in the Saskatoon consensus.

The consensus contains a number of dynamic, forward-looking components. This parliament could make a valuable contribution by requiring the federal government to add its support so that an agreement can be worked out as quickly as possible. This is important.

There are four main components in our motion on the project for social union. I mentioned the right to opt out with full compensation. There was also agreement that a program could be implemented with support from a majority of provinces, and that there should be "new co-operation mechanisms in order to avoid conflicts or settle them equitably".

• (1600)

This is a fundamental issue. We are asking federal players to get down off their pedestal, to get down to the same level as the provinces and find mechanisms so that we will no longer see unilateral decisions as in the past; instead decisions would be taken by all parties concerned ensuring in the long run that the choices made are in keeping with the wishes of Canadians and Quebecers.

This is a far cry from the federal government saying it knows best, and others should just listen. Essentially, it amounts to challenging the federal government's view of the provinces as mere branch plants. As a result of the Saskatoon agreement, everyone would be sitting on the board. There would be decision making mechanisms to ensure that decisions are arrived at properly.

Quebeckers will be able to assess the federal government's good will, the ability of the Canadian parliament to suggest solutions and of the Canadian government to follow through with them while respecting the provinces' wishes.

It has often been said "As long as there is a sovereignist government in Quebec, we will get nowhere". The Quebec government has shown its good faith saying "Yes, we are willing to be part of the social union as long as we have the right to opt out with full compensation; we are going to take a step forward by promising to spend this money in the area it is intended for".

This is what cemented the consensus. The only thing missing now is the federal government. We brought this motion forward today because we believe it is very important for the Canadian parliament to be aware of this issue and clearly indicate its willingness to accept a solution giving Quebec greater autonomy with regard to the management of social programs.

It is very clear in our minds. It is the goal we are pursuing. Quebecers are seeking complete autonomy to be able to make all the decisions concerning their future. They will do it globally when they opt for sovereignty. In the meantime they are seeking greater autonomy in order to provide their fellow citizens with the best programs possible. It is in such a context that provincial premiers put this constructive proposal on the table.

In the past, the Canadian social union had co-operative mechanisms to avoid or settle conflicts. Things did not work out quite that way in the last few years, especially as far as health care is concerned. The federal government, and especially the present government, decided unilaterally to make drastic cuts in health care. For each dollar that has been cut in health and education in Quebec, 75 cents were due to cuts in federal transfers to the provinces.

It means that when hard decisions had to be made in Rimouski, La Pocatière, St-Pascal, and Rivière-du-Loup, where significant cuts were made in health care because changes were unavoidable, basic budgetary constraints were one consideration, but there was also that constant and terrible threat of federal cuts in transfer payments. Billions of dollars have been cut, and each and every province had to fully absorb those cuts.

As far as health care is concerned, we should examine more carefully what that means. Everywhere in Quebec and Canada, the problem of financing health care is not a provincial problem made

in Quebec, in Ontario, in Manitoba or any of the other individual provinces. The problem is the same throughout Canada.

Certain decisions were made in order to fight the deficit. One of the easiest decisions they came up with was to collect all the money they could through the employment insurance system and then to tell us today that was not why they collected it. The other decision was to cut transfer payments. This was the easiest way to do it: to offload the problem on the provinces who would have to make do with what they got. This is a very bad example of how our country should work for those who believe it should be a federation. We have tests for these things.

• (1605)

When Quebecers wonder whether to stay within the Canadian system or not, obviously these are some of the issues they seriously consider, especially when they see their taxes going to Ottawa and coming back in ways they do not appreciate.

For the first time ever, the province of Quebec is faced with a \$475 million shortfall on cash from the EI fund. In 1997, Quebecers got \$475 million less in EI benefits and administration fees than what they paid in premiums. This EI program is a bad choice for the future. The federal government collected a surplus of \$6 billion on the backs of each of the provinces.

Mr. Robert Bertrand: Those are your figures. That is awful.

Mr. Paul Crête: Madam Speaker, would you ask the member opposite to listen while I speak?

Some hon. members: Oh, oh.

The Acting Speaker (Ms. Thibeault): Order, please. I would ask members to pay attention to the hon. member's speech.

Mr. Paul Crête: Madam Speaker, if there is one region where the employment insurance problem exists it is in the Pontiac region, where people are having problems qualifying for it, where they did not three or four years ago. They are now running into this problem. It is a problem particular to all the resource regions of Canada, but it is present in the Pontiac region as it is in all the other regions of Canada.

Therefore, the Bloc motion focuses particularly on showing its good faith and that of the other parties in this House by pointing out clearly that the social union is an attractive route to the future. It would permit sufficient autonomy, both for a province wishing to withdraw from a program and for another with an original idea wishing to implement it, so long as the majority of provinces were in agreement. I think the federal government would do well to listen to this program and arrive at results that would enable Quebec to assume greater autonomy.

Supply

If we want to achieve other successes in the future such as we did with the loans and bursaries system and the Régime des rentes du Québec, I think we have to develop some mutual trust. The federal government would be taking a positive step by saying "Yes, we think that, with a social union, we could achieve results if those with unique needs or problems are allowed to set up individual programs in these same areas".

It is not a foregone conclusion that health care problems in Quebec are to be managed the same way as those in Ontario. Each province may have its own needs and priorities. One province may decide to put the accent on prevention and the other on cure. These situations occur. If the House were to adopt a motion such as the one proposed by the Bloc Québécois today, it would solve any future problems associated with federal duplication of existing Quebec programs.

In conclusion, there are two issues here. First, the actions of the federal government in recent years should be strongly condemned, including the way it has slashed health care, thus depriving the provinces of funds that were sorely needed. Second, the provincial premiers have extended a hand, in that they collectively put on the table a proposal on which they agreed in Saskatoon, and which will allow each and every province to find what they need to implement the programs they feel are appropriate.

In Canada, we have been looking for a long time for a formula that would allow, for example, the nine predominantly English-speaking provinces to adopt a specific type of program, and let Quebec implement another one, while having the necessary flexibility for all these initiatives to be legal, wanted and justified. We are now in the last month of the period during which it would be possible to achieve this.

• (1610)

We urge the federal government to forget the inflammatory remarks the Prime Minister may have made a few months ago and to admit that there are some interesting ideas in the Saskatoon proposal.

That concludes my speech. I urge the Liberal majority in particular to pay attention. Quebec could develop its own social programs, with full compensation, and the rest of Canada could do as it saw fit, implement the programs it wanted, without the battles we have seen for the last 40 years.

Let us remember that, in Victoria in 1971, Robert Bourassa, as Quebec's representative, rejected the constitutional amendments because this issue had not been resolved. We have an opportunity to move forward, and I hope that Parliament will approve the Bloc Québécois' recommendation.

*Supply**[English]*

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, I will be splitting my time with the hon. member for Oak Ridges.

I am thankful for the opportunity to address the motion of my colleague on the subject of the social union. The truth of matter is that Canada is the envy of the world. We have consistently been rated among the top countries in the world for our standard of living and quality of life. Canada stands number one among the nations of the world in this year's United Nations human development index. We are respected worldwide for the country we have built by working together.

[Translation]

What are the reasons for this envy and respect? There are several, but I would like to take this opportunity to point out two in particular.

The first is the exceptional quality of our social programs. We need only look around us to realize how fortunate we are to have the social system that we do.

[English]

Health care is one of the main subjects of the motion before us today. Let us take a minute just to get back to basics. Through the combined efforts of federal and provincial governments all Canadians have access to health care insurance that enables them to seek timely and high quality medical care anywhere in the country without worrying that each minute of a doctor's time or each step of a particular procedure is costing them their savings. It sounds so simple.

We can compare that brief description with the situation faced by our close neighbours to the south. The United States is a wealthy and powerful country and still many people, particularly low income families, live without access to medical care even for routine check-ups and much less serious interventions because they cannot afford medical insurance.

This is not to say that there is not always room for improvement even in a system as good as Canada's health care system. Nor is it to deny that there have been some challenging times over the last few years while all governments, the provincial governments as well as the federal government, have fought to bring our deficits under control. That fight was necessary to ensure a solid future for Canada and for Canadians. It was necessary to ensure the future stability of our social programs including health care.

Canadians are not interested in seeing their governments finger pointing or hurling recriminations or fighting over their roles and responsibilities. Canadians want their governments to work together co-operatively to make improvements in health care as well as in all other areas that form the fabric of Canada's social union.

It is for that reason the Prime Minister agreed with his provincial and territorial colleagues that the moment was now for discussions on how all governments might collaborate to make the social union work better for Canadians. I stress that I have been speaking about all governments and about collaboration and co-operation.

• (1615)

This brings me to the second source of the envy and respect that Canada garners throughout the world, our success in co-operative federalism.

[Translation]

Canada is a federation. And it is true that the purpose of federalism is to protect and encourage the development of the diversity of Canada's regions and provinces. In particular, federalism makes it possible for Quebeckers to enjoy greater protection for their language, their culture and their civil law system than would be possible in a unitary state.

[English]

However, it must not be forgotten that Confederation was not about creating a customs union or a free trade zone among provinces. Confederation was about creating a new country, Canada, for a group of people with a shared identity as Canadians. The creation of a Government of Canada that would be elected to represent all Canadians was a critical part of the design of the new country. The federal government continues to play a pivotal role in the federation and part of that role is to ensure in co-operation with the provinces that there is a strong social union that works in the interests of all Canadians.

As the government elected to represent Canadians everywhere in the country, the Government of Canada has a responsibility to represent the national interest of Canadians in the negotiations on the social union. This means working together with all the provinces to come up with a proposal that is in the best interest of all Canadians.

It is for this reason that as Minister of Justice I have been given the responsibility of negotiating for the federal government on the social union and I continue to negotiate with all my provincial colleagues. It is also for this reason that the federal government is trying, one step at a time, to ensure that Canadian federalism works as well as it possibly can by taking care that each level of government undertakes its constitutional responsibilities in the most efficient fashion.

For example, this government has entered into agreements with the provinces concerning labour market developments to ensure the best service possible to Canadians who require assistance during transitions in their working lives.

At a more general level the federal government has made a commitment that it will not undertake any new national shared cost programs in the areas of exclusive provincial jurisdiction without the consent of the majority of the provinces. That same

commitment includes a right to reasonable compensation to provinces that choose not to participate in the national program.

The importance of co-operative federalism cannot be overstated. This government has always said that constitutional reform is not necessary in order to achieve the common goals of all Canadians. The federal and provincial governments may together take an approach to the exercise of their constitutional powers that respects what the Supreme Court of Canada recently described in the reference on Quebec secession as the federalism principle.

A good example of the success that has already been achieved through co-operative federalism in recent years is the national child benefit system. This system was the result of negotiations between the provincial and federal governments and has two main elements: increased federal benefits for families with low incomes through the Canada child tax benefit, and provincial and territorial reinvestments in services and benefits for children in low income families.

Between the two levels of government, each working in a collaborative fashion in their areas of jurisdiction, we have devised a program that will help to combat child poverty in Canada.

In conclusion, I can do no better than to quote the words of the governor general in the Speech from the Throne in September of last year:

As we look forward to the beginning of a new millennium with new challenges and new opportunities, we can look back at the last century of Canadian history and state with certainty that Canada is rightly regarded, the world over, as an extraordinary success. Canada represents a triumph of the human spirit, bringing together the best of what people can do.

• (1620)

The future is ours if only we continue to exemplify the spirit of co-operation that has already brought us so far.

I look forward to seeing the results of the meaningful negotiations between the federal and provincial governments on Canada's social union because I am sure that together those governments will arrive at a plan for strengthening the social union that puts Canadians first, both at home and in the world.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, I want to take part in today's debate on the Bloc Québécois' motion concerning a project for social union, following the remarks made by the Minister of Justice.

When the government wants to right a wrong, very often it will change a name. Unemployment insurance quickly became employment insurance. When protesters shout too loud in front of the Prime Minister, he does not hesitate to grab them by the throat, to throttle them, to throw them to the ground and to let his bodyguards

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break their teeth. You will agree with me that such behaviour certainly helps drive his point home.

In this social union where the Minister of Justice talks about equity and social justice, I wonder what kind of justice she sees in the employment insurance program. The fact is that the government has accumulated a \$20 billion surplus in the employment insurance fund over the last four years, mainly on the backs of the unemployed since they pay EI premiums, and yet, when they lose their jobs, 58% of them are not even eligible for benefits.

It is just as if 58 out of 100 people paying car insurance found out, after a car accident, that they were not covered. I find this totally unfair.

Premiums are much too high at \$2.70 for every \$100 of insurable earnings, especially since a reputable actuary said last week that \$1.81 would be enough. I would like to know the opinion of the Minister of Justice on this.

[English]

Hon. Anne McLellan: Madam Speaker, I am not sure there was actually a question contained in that statement.

As everyone in the House knows, the Minister of Finance and the Minister of Human Resources Development have begun a discussion with Canadians and have held consultations with Canadians in relation to employment insurance.

Let me remind the hon. member that employment insurance is one part of the social union framework in this country that makes our nation the envy of the world.

Having said that, let me remind the hon. member that he and other members of the House, as well as all Canadians, will have an opportunity to participate, and I urge them to participate, in the debate on employment insurance in this country. It is an important debate. None of us would deny that. It is a debate on which many Canadians, many of my constituents, have views which they want to express.

I would ask the hon. member not to forget that employment insurance is part of the social framework in this country that provides all of us and our families with a needed sense of security.

Therefore, I simply conclude by encouraging the hon. member to partake in this debate.

• (1625)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I listened with great interest to the erudite and very articulate presentation of the minister. I would like to ask her a very specific question.

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With respect, she did not seem to give a lot of substance regarding the social contract itself. I am asking about a dispute resolution mechanism or anything to do with clarifying the rules of intergovernmental co-operation, or specifically the issue of tax transfer points as contemplated by Mr. Charest's platform in the Canadian covenant.

Hon. Anne McLellan: Madam Speaker, let me reassure the hon. member that as the federal negotiator for the social union framework, my provincial and territorial colleagues and myself have had a number of very promising meetings. We had another meeting last Friday.

Let me assure the hon. member that those discussions are going very well. Flexibility is being displayed by all levels of government and by all ministers around the table. I was heartened by the discussion on Friday.

Indeed, let me reassure this House that provincial, territorial and federal ministers around the social union framework table are working with one common objective. Everybody needs to remember what that objective is. It is to develop, to maintain, to enhance and to build upon our social programs in this country for the benefit of all Canadians.

Mr. Bryon Wilfert (Oak Ridges, Lib.): Madam Speaker, I appreciate having the opportunity to speak to the opposition motion. In particular, I would like to clear up some apparent misconceptions regarding how spending on social programs has fared under the Canada health and social transfer.

The federal government's actions in the area of transfers to the provinces clearly demonstrate that social programs are a top priority. This is fact, not partisan rhetoric.

Under the previous longstanding system of transfer payments to the provinces, support for social programs came in two forms. The first was a cash component. In other words, direct funding. There was a tax point component, where the federal government let provinces step in to collect a share of taxes that would normally have been levied by Ottawa.

This is not an abstract issue. Under the formula agreed to, as the economy grew it meant that the value of these provincial tax points would grow. That meant that the amount of direct cash funding could shrink because the total value of that funding would remain constant.

However, this previous approach spelled a problem for the provinces because the cash portion was scheduled to gradually decline. In fact, the cash portion was on track to dry up completely and there was nothing to prevent it from doing so until this government acted in the 1995 budget.

In that budget we replaced the Canada assistance plan and established programs financing with the CHST. In spite of enormous fiscal constraints that we faced at that time, we saw to it that

this new transfer system would include a five year guaranteed cash floor of \$11 billion in addition to tax points. In other words, the cash floor is the minimum amount of cash that the provinces receive for health, education and other social programs.

We did more than guarantee sizeable and certain cash transfers to substantial social programs such as health care. At the earliest possible opportunity, as soon as we got our fiscal house in order, we increased this cash flow to \$12.5 billion per year. This measure, announced in 1997, means that the provinces will receive an extra \$7 billion over six years.

The interesting thing about this increase is that we brought it into effect one year earlier than we originally planned. We were able to increase our commitment to assisting the provinces in vital social programs because this government's progress in deficit fighting has given us some leeway to allocate more money toward new health initiatives.

For example, the 1997 budget provided \$150 million to the health transition fund and \$50 million to the Canada health information system over a three year period. Our budget of 1996 set aside \$65 million for the health services research fund and our most recent budget increased funding for the Medical Research Council by \$65 million.

None of this would have been possible without drastic spending reductions during the early years of the government's mandate, cuts which we made sure were deeper for the federal government than for our provincial transfers.

The most severe cuts were in the area of direct program spending, which included the operating costs of government departments, business subsidies, department transfers and appropriations to crown corporations.

• (1630)

The federal government also made cuts in transfers to the provinces. When the government has an annual deficit in excess of \$40 billion and an accumulated debt of over \$500 billion, and when 20% of spending is on transfers to other orders of government, that is to say \$1 out of every \$5 spent, the choices are limited. There is not the option of cutting transfers to the provinces.

There are those who would argue very different numbers because they refuse to recognize the value of federal tax points in their calculations. They ignore the fact that this is a contribution to provincial revenues that keeps growing year after year.

Has one provincial spokesman suggested a willingness to give the tax points back? This issue is not often debated but it is extremely important one.

Canadians owe it to themselves in our national policy debates to understand the issues involved. Over the years as federal-provincial social programs were developed the federal government contribution has taken two forms. One is the commitment of direct

contribution, but as of 1977 we also have to provide the provinces with tax points.

What is a tax point transfer? It simply means that the provinces can collect a portion of taxes that would otherwise go to the federal government. In other words, provincial tax revenues increase, federal revenues decrease and the national taxpayer still pays the same rate.

There are good reasons for provinces to accept these tax points because as the economy grows so does the value of these points. While there have been economic ups and downs, each of these tax points is worth much more today than the programs we funded when they were introduced.

Let us consider for a moment the tax points transfer to the provinces in 1977 to support health and social programs. In 1977 these tax points amounted to about \$3 billion in revenues. Today they are worth about \$12 billion. In other words, if the federal government did not transfer these tax points it would have some \$12 billion more in its coffers to spend on health and social programs.

When we hear calls for the federal government to hand over billions more for health and social programs, we must remember that this ignores the fact that provinces enjoy significant additional revenues from tax points they have already collected in previous years. That is why we continue to calculate the value of tax points in the final calculation of our transfers to the provinces.

This being said, I would not deny that we asked the provinces to share the fiscal sacrifices that governments had to make. Nor would it be fair for me to belittle or to understate the burden of restraint that was imposed by necessity on these governments and indeed on all Canadians.

The opposition must also be fair that the motion we are debating today fails the test of fairness in two areas. First, it fails to acknowledge the sheer lack of choice that we faced earlier in our mandate, and I have already elaborated on that. Second is the point I would like to address further. The motion suggests that the funding policies of the federal government have single-handedly imposed harmful consequences for health care and other social programs.

Quite simply the opposition motion does not tell the whole story. I would like to put it in some perspective. Earlier in my remarks I demonstrated that health and social programs were a top priority of the government. What are the priorities of provincial governments?

Looking at the province of Ontario as an example, in the current fiscal year the CHST is \$850 million less than in 1993-94. Yet Ontario has brought in a tax cut amounting to \$4.5 billion. If Ontario can afford a \$4.5 billion tax cut then it can afford to cover the \$850 million it is missing in transfers.

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I realize that what the provinces do with their money is beyond the scope of this debate, but nevertheless to have a fair, meaningful and informed debate about how social programs have been affected by savings under the CHST we must remain mindful of what we are doing as a government, what we can and what we cannot do.

Can we as a federal government balance the federal budget? The answer is yes. In fact we have already done that. By restoring order to our finances can we as a federal government do our part to ensure that the provinces have more money for health and social programs? Clearly the answer is yes, and we have already done that. We raised the CHST cash floor to \$12.5 billion and we did it a full year ahead of schedule.

As a federal government are we in a position to increase direct funding to key health initiatives? The answer is yes. As I have already indicated our last three budgets have allocated more money toward the health transition fund and other programs.

• (1635)

Can we as a federal government force the provinces to balance their budgets? The answer is no. It is up to them. Some have and some have not.

Can we as a federal government demand that provinces use any budgetary surplus for spending on health care? The answer is no. Again that is up to them.

Can we as a federal government insist that the provinces treat health care rather than tax cuts as a top spending priority? The answer is no.

The answer to these questions are quite revealing. For one thing they reveal that even though spending on social programs may be the top priority in Ottawa, it does not necessarily follow that spending on social programs is the top priority of the provinces.

The mark of leadership is the ability to accept responsibility for decisions, even unpopular ones. The record of the federal government speaks for itself. We have no problem accepting responsibility for the tough spending decisions we have made. The wisdom of these decisions has been borne out by the dramatic turnaround in the fiscal health of our nation.

We cannot accept blame for weakening the social safety net through our restraint measures. In fact the opposite is true. As a government that is once again in control of financial destiny we have been able to put in place a sound financial foundation. Our fiscal turnaround has meant significantly lower interest rates for all governments. That helps business growth and tax revenues. Together this means lower costs for governments themselves and that we are better placed than ever before to enhance the quality of life and security of individuals.

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The policies I have outlined clearly demonstrate the government's commitment to sustaining and improving social programs.

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, there is one comment the hon. member across the way made that I agree with. He said that the record of the federal government speaks for itself. In reality the record is very different from the record the hon. member has described.

While we hear on the one hand that the transfer of tax points to the provinces over the years has somehow been something that has mitigated the damage done by the federal government, let us be clear that the situation we are in today in terms of the provinces now proposing radical changes to the social union is a direct result of the \$6 billion cut by the federal government from the Canada health and social transfer. It is a direct result of the abandonment of the Canada assistance program that laid out the entitlements and rights to Canadians in social programs. That is what the Liberal government has abandoned.

My question is for the hon. member who gave the same line as the hon. government member before him, that somehow Canada is the envy of the world. If that is true then why is it that the UN committee studying the economic, cultural and social covenant to which Canada is a signatory is asking Canada why we have the second worst incidence of child poverty in industrial nations? Why is it that we have increasing homelessness that now constitutes a national emergency?

Those questions are coming from the UN and are being directed to the Canadian government. I think they speak to the true record of the government in terms of abandonment of social programs.

What will the hon. member say to the 1.4 million children who live in poverty or the 5 million Canadians who live in poverty and do not get any of the benefits that he speaks about today?

Mr. Bryon Wilfert: Madam Speaker, Canada is a federation and therefore there is power sharing among other orders of government.

I certainly am not pleased to see that we have a homeless situation, that we have people who go to bed hungry. However that is why the government has been working with other orders of government in the country to improve the living standards of all Canadians.

There is no question that the responsibility is at the ground level but Ottawa can only do so much. As I pointed out in my comments, moneys are transferred to the provinces. What the provinces in some cases are doing with those dollars is open for debate.

We still have the most liveable cities not only in North America but probably in the world. I would point out to the hon. member across the way that the government is committed to working with our counterparts across the country. We are committed to improving the standard of living of all Canadians. We have demonstrated

that. Certainly the comments I made show that we are putting our dollars to work in conjunction with our counterparts.

• (1640)

In order to renew the federation, rather than pointing fingers we are trying to get all provinces to work with us to improve the state the hon. member talked about just a few moments ago.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): I cannot believe it, Madam Speaker. People must know that, in the 1970s, when the federal government and the provinces entered into an agreement providing for equalization payments for health, the federal government unilaterally cut transfer payments to the provinces.

These transfers, per capita, were drastically cut year after year. More recently, billions of dollars were cut from transfer payments for health.

While the federal government kept the money paid by taxpayers in Quebec and the provinces, this money was not available to the provinces to provide health care and post-secondary education. That is a fact. And the consequences can now be seen from coast to coast.

Does the hon. member opposite not agree that the federal government abdicated its responsibility, diverted public funds and brought the provinces to their knees? It is time for a change.

[*English*]

Mr. Bryon Wilfert: Madam Speaker, I would not agree. The provinces were not brought to their knees. The national child benefit system is an example of redirecting resources toward new programs to assist low income families.

Obviously this promotes the fact that we are not hearing that message from the other side of the House. When we work together that message does not come from the other side. Only the sovereignists, the separatists, continue to say that they want the money, they will take the money, but we will not have any say in terms of how those dollars are spent.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I will be sharing my time in this pressing debate with the hon. member for Edmonton—Strathcona.

I rise on behalf of the people of Surrey Central to address the motion of the Bloc Québécois. Briefly the motion talks about the House recognizing the disastrous impact federal cuts to social transfer payments have had, particularly on health services in Canada, and that the House support the consensus reached by the provincial ministers in Saskatoon on the social union project.

The four principles mentioned in the motion are: to reinstate federal health transfers, to require support of the majority of provinces for new federal initiatives, to provide an opt out option for the provinces, and to provide new mechanisms of co-operation to avoid conflict.

Last week federal-provincial discussions took place to change the way social programs are developed and delivered. Our new Canada act introduced these concepts earlier this year. This indicates that the federal government and the provincial governments are somehow getting their ideas from the official opposition.

The new Canada act unveiled by the official opposition in May 1998 is a proposed blueprint for building a stronger federation in the 21st century. That act incorporates some of the Reform Party's best ideas on strengthening the federation and puts them into a new legislative format. It works on two of the main founding principles of the Reform Party of Canada: reform of the federation and democratic accountability.

The new Canada act outlines how our federation can be transformed into a true partnership between the provinces and the federal government. It balances existing powers, strengthening the federal and provincial governments in several key areas.

The present Liberal government has shown no leadership on one of the most important issues facing the country. When it comes to strengthening our federation, the Liberals have been unable to reach beyond the status quo. Our leader has said that it is our duty as the official opposition to fill this leadership vacuum.

• (1645)

The social union discussion on the weekend was the first where Quebec was a participant and not just an observer. It makes me proud that the new Canada act introduced by our worthy leader with a true vision of Canada is an alternative that federalists as well as separatists will embrace. Therefore I will be voting to support this motion.

I remind the House that the Liberal government has been making massive cuts to transfer payments to the provinces, amounting to about \$6 billion or 23%. This has completely destabilized the social safety net. As a result it has placed greater pressure on provincial governments. It has forced cuts in hospitals, medical staff and pharmacare programs. All the while the Prime Minister and the finance minister, the prime minister wannabe, shed crocodile tears and pose as the champions of medicare. Our health care is suffering. Just yesterday the old Calgary General Hospital building was demolished.

Cuts to health care by this Liberal government have affected the delivery of health services in Surrey Memorial Hospital in my constituency. Patients have even died due to lack of adequate equipment and services. All schools, hospitals and medical or

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health care facilities across Canada have been hurt by the government's efforts to balance the federal budget.

The Liberals have not reduced or eliminated waste and duplication in government spending. Immediately upon balancing the federal budget, the government announced new spending initiatives.

It is important to emphasize that the Liberals balanced the budget by raising taxes. They did it on the backs of Canadian taxpayers. They did it by giving Canadians the highest tax burden in the G-7 countries. Nothing is sacred. The Liberal finance minister is eagerly and desperately searching for a way to take and spend the \$20 billion employment insurance surplus. I warn the Liberals that Canadians will not stand for that.

Surrey Memorial Hospital is supposed to be providing hospital services for our community. Many people in Surrey Central tell me about the long waiting time, sometimes one to five hours, in the emergency ward. The situation is so bad that many of the people I talk to say they will go to a hospital in Vancouver if they need emergency medical attention.

Surrey is probably the fastest growing city in Canada. Our hospital services have not kept pace with our growth but the cold-hearted finance minister, the legal-talking lawyer health minister and the know nothing Prime Minister do not care about that.

We do not have a health care system in Canada. We have a sickness care system. The system does not help you stay healthy or get healthy; the system only serves you if you are already sick.

Turning to the question of the House supporting the consensus on a social union project reached by the provincial ministers in Saskatoon, we know that the only stumbling block to support for the project is the Prime Minister. The provinces want to limit the federal government's power to launch new programs in areas of provincial jurisdiction, such as health and education, without their support. They want better collaboration in launching new social programs and rules established in the event that collaboration fails.

This desire to establish rules is magnified because of concerns about remarks made by our Prime Minister last month. His willingness to give up some control over social programs was not made clear. His remarks in an interview claimed that "if the premiers do not want to take what I am offering, they take nothing". This is completely unacceptable. The Prime Minister prefers fighting the old battles and maintaining divisions rather than bringing people together. No one is free to disagree with the Prime Minister. If you do, you will get fired or pepper sprayed.

Reinstating federal health transfers has been a Reform Party policy for at least as long as the Liberals have been cutting the transfers. In our fresh start platform we promised \$4 billion more

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for health and education. We would have gone through our federal government's expenditures department by department, program by program, and if necessary, desk by desk to reduce and eliminate wasteful spending and duplication of work. On the contrary, Liberals preferred to fund the old pork barrel programs and sometimes invent new ones like the millennium scholarship fund. As the government we could find taxpayers' money to redirect to health and education.

● (1650)

Again, requiring the support of the majority of the provinces before starting new federal initiatives that are under provincial jurisdiction is a proposal found in the new Canada Act. Why would we want our federal government to implement a program that six of the provinces did not want? The new Canada Act calls for the federal government to have the support of seven provinces and 50% of the population before foisting a program on all of us and forcing taxpayers to finance it.

The Bloc motion also asks the House to support providing an opt out option for provinces with full compensation from new or modified federal social programs in the provinces' jurisdiction when that province offers a program or initiates a project in the same field of activity. The new Canada Act that the Reform Party is promoting offers an unconditional opt out clause.

The Bloc asks us to support providing new mechanisms of co-operation to avoid conflicts to deal with them fairly. No room for pepper spray here. I presume the Prime Minister will not be able to support this one. This is a well-known legal tool used to reduce levels of conflict. The goal is to replace the adversarial system of conflict and dispute resolution with a more co-operative system. Arbitration can protect both sides in a dispute.

I will be happy to support this motion. As hon. members know, the Liberals have been sneakily recycling our ideas and the other opposition parties have been learning from us as well. Now the Bloc has shown some interest in us.

I am proud of my leader and Canadians will be proud when he is the next Prime Minister of Canada.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I would like to congratulate my colleague on the comments that he has made. I encourage him to continue in that direction.

There are a couple of issues I think we should explore a little further. There have been accusations made by other members of the House. They suggested that what we really want to put together is a potpourri of the social service programs so that each province has its own special little program which is different from any other, so

there will be no continuity of programs and everything will really be chaos and there will be no standards.

One of the references in the new Canada Act says very clearly the establishment of national standards with regard to social programs and things of this type. It seems to me that we need to be very careful how we do this. There seems to be a borrowing of ideas by the Liberal Party in particular. It seems that the Liberals forget completely to study the concept and to understand what we are really trying to do.

I am wondering if my hon. colleague could help the Liberals understand what we are really trying to do so that they are not taking things on the surface and forgetting totally what this is really all about.

Mr. Gurmant Grewal: Madam Speaker, I thank the hon. member for the wonderful question.

The new Canada act is a draft. It is there for public consultation. It is so good that everyone is embracing it and we are getting very positive responses from every corner in the country.

On the other hand the remarks of the Prime Minister who is supposed to lead this country are very arrogant. Can anyone believe the Prime Minister of Canada making these remarks when he says that if the premiers do not want to take what he is offering, they take nothing. I do not expect that from the Prime Minister of Canada. Probably the prime minister of Indonesia could make that kind of comment. It is very arrogant and is not acceptable in our society.

● (1655)

The new Canada Act which we introduced in the early part of this year is working and we are getting responses from every corner. I am sure that the other parties are getting these ideas and I am very happy and proud that they are learning from the Reform Party.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, I listened to the hon. member across the way recite Reform dogma. I am wondering if he really understands what tax credits to the provinces mean because that was part of his speech.

We have watched the economy grow because we have the deficit down to a zero balance and we have the government budget under control. The rest of the countries in the world see that we are serious about fiscal restraint. We have had economic growth of 4% in the last few years and this year looks like it will be around 3%. That means to say that the provinces have got 4% more and 3% more. Interest rates are at a 30-year low which means the servicing on their debt is lower. Does the member really understand all this?

Mr. Gurmant Grewal: Madam Speaker, the question speaks for itself as to how the Liberal Party understands the important issues in the House.

The transfer payments to the provinces were cut by the huge amount of 23% which is more than \$6 billion. It affects health care and education in our provinces. The provincial governments and the municipal governments are under pressure.

I invite the hon. member to come to my constituency and talk to the people who are not offered emergency services. How long is the waiting period? How many hospital beds are closing? I ask the member to wake up and listen to Canadians to understand the situation in the country.

The member talked about balancing the budget and eliminating the deficit. Anyone can balance the budget. They could have balanced the budget 29 years ago if it was to be balanced on the backs of the Canadian taxpayers. We are paying 28% higher taxes than the average of the G-8 countries. We are paying higher taxes than the Americans south of the border. Look at the effect on the Canadian dollar. The Canadian dollar is diving. The hon. member needs to understand all these things before he asks that kind of question.

Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.): Madam Speaker, I am pleased to rise in the House to speak to the Bloc Quebecois motion on the social union.

[*Translation*]

I have had the opportunity to work with the hon. member for Témiscamingue and I admire his passion for politics, his political smarts and his dedication to his constituents. I think this motion clearly shows the failure of the status quo and how this failure hinders the delivery of social programs in Canada.

At a discussion forum in Quebec City and a similar meeting in my riding of Edmonton—Strathcona, everyone realized that the hon. member for Témiscamingue and I were proposing a slightly different approach to resolving the national unity problem. But we both understand that this problem is mainly the result of federal mismanagement of constitutional affairs and social policy.

[*English*]

The federal government has overstepped its jurisdiction and has entered into areas that rightfully belong in the domain of the provinces. This federal intervention is seen as a kind of insulting paternalism in Quebec, Alberta and the rest of Canada.

As is being discussed today, the federal intervention has also led to the deterioration of Canada's social programs. The federal government promised a centrally planned and administered solution to our social needs. It has not been able to live up to that promise.

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[*Translation*]

With all due respect, I would like to remind my colleagues in the Bloc Quebecois, whom we should congratulate on their motion, that we can build a new partnership within Confederation if we keep trying to break the federal government's monopoly. We must bring about changes that will ensure every province has the level of autonomy it demands.

• (1700)

[*English*]

This motion addresses among other things the very serious problem of underfunding of our national health care. When the federal government established the Canada Health Act there was an understanding that it would pay 50% of the costs. In exchange the federal government was able to implement the nationwide health care program that legally bound the provinces to implement health care according to dictates of Ottawa. Many Canadians viewed this as a fair exchange. The provinces lost some autonomy but Canadians saw the benefits of a nationwide comprehensive health care system.

This system is no longer working the way it was supposed to. Since 1994 cuts to health care and social transfers have reached 23%. The federal government does not even meet half the commitment to the provinces it said it would commit under the Canada Health Act. The same federal Liberal politicians who claim to care about health care are starving the provinces of health care dollars.

The irony in this is that premiers Ralph Klein, Mike Harris and others have received criticism for trying to work creatively within a cash strapped health care environment. This has meant some tough choices but the Canadian people should remember that it is the federal government that has broken its health care promise to the people and not our premiers. The Prime Minister has let us down and the premiers are working to fix the problem.

The Prime Minister has not only broken his promise to the people of Canada, he has ignored the legal opinion of the supreme court which over the summer stated that the federal government has a duty to enter into good faith negotiations with any provinces dissatisfied with the status quo. When the first ministers get together defers to old style political bullying. The Prime Minister wants to call the shots without making a fair contribution.

There is a new reality in Canadian politics that the Liberals are going to have to understand. There is now widespread support for the rebalancing of powers and widespread dissatisfaction with overcentralized, out of touch Liberal style federalism.

My colleague from the Bloc has brought attention to an issue Reformers have campaigned on for some time, the need to reinvest in health care. Reformer has proposed a \$4 billion reinvestment that would come from cuts to programs we believe are not core government services. Any politician who does not believe there is

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at least \$4 billion of waste in the federal government is either dishonest or asleep.

The problem is not finding the waste. The problem is convincing Liberal politicians to stop playing politics with the paycheques of average Canadians and to start spending taxpayer money on programs taxpayers actually support. Why is the Liberal government spending money on the millennium fund when health care remains underfunded? Why has it once again interfered with provincial jurisdiction?

Another important aspect of the social union is the suggestion that the federal government should actually have to work to gain the support of 50% of the provinces before pursuing a new program. Imagine a system where the federal government has to find support for federal programs before moving ahead with them. This would be truly revolutionary in Canadian politics.

The Reform Party has outlined in the new Canada act a provision that seven provinces must give their support before a federal initiative can be implemented. But the provision in front of us today calling for six provinces to commit to a program is definitely a good place to begin. If the federal government goes ahead with the program after six provinces have signed on, those provinces that are not supportive of the federal initiative can pursue their own programs with full compensation. This is very important. For too long the federal government has used its powers of taxation to ignore constitutionally protected jurisdiction.

If the federal government is interested in seeing quality programs implemented it should not be concerned if they are being implemented at the provincial level or the federal level. It should be argued that programs administered locally better meet the needs of the people.

The motion also suggests some form of conflict resolution strategy should be created in cases where the federal government and the province or provinces disagree as to what qualifies as an equivalent provincial program. I have looked into a prospect of a national standards tribunal, a proposal that goes beyond what is mentioned in the new Canada act and what is being offered today by my hon. colleague from Témiscamingue. It is a project I will continue to work on, as I believe there is clearly a dilemma between the rebalancing of powers and the establishment of national standards.

Canadians are not prepared to accept extreme regional disparity. Nor are they prepared to accept poor federal mismanagement of social programs. Therefore some dispute mechanism must be created that addresses the question of jurisdiction in the context of national standards.

• (1705)

I say this not to qualify my commitment to the realignment of powers and the return of many powers to the provinces but to

reaffirm my commitment and to find a way to remove the obstacles currently standing in the way of the success of the new Canada act and the proposal put together by the premiers in Saskatchewan.

The Liberal failure to understand that Canadians want to see fundamental changes to the administration of Canadian social programs will very likely become the single most united force in the united alternative effort. Status quo federalism is a failure that Liberals continue to hang on to, despite the damage it is doing to national unity and despite the damage it is doing to the Canadian social fabric. It is a shame that Canadians have to suffer, but I am optimistic that this issue will unify Canadians in opposition against an arrogant, out of control Liberal government that refuses to listen to the people, the provinces, the courts or anyone else who disagrees with it.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, as my hon. colleague said, this is really a speech that we have to take with a grain of salt from what I have heard.

Reform's 1995 taxpayers' budget, which Reformers have cited so many times, called for \$3 billion worth of cuts in transfers to the provinces for health, education and welfare. Their plan also called for a further \$3.6 billion to cuts in other transfers, including equalization payments. On top of that, the \$7.4 billion that the Reform wanted to slash from programs was funded directly by the federal government such as seniors pensions, employment insurance and an additional \$1 billion worth of cuts to social security spending. That is \$15 billion worth of cuts in social programs. I think the member is talking through his hat.

Mr. Rahim Jaffer: Madam Speaker, obviously the hon. member needs some clarification because he is probably reading those statistics upside down, as Liberals normally do.

If I can take a moment to clarify our position. The Reform Party has always campaigned that there should be more money made available especially for health care and education. That is in all our campaign material from the last election and we continue to say it is possible.

The reason we say that is we all know, as I mentioned in my speech, this government fails to see what exactly it needs to prioritize when it comes to spending. If we would sit down and put partisan politics aside, as we continue to hear from that corner of the House, and say what is best for Canadians perhaps we could find the solutions that the Reform Party has put forward when it comes to putting more money in areas of health care and education.

I will not get into the specifics, but we have outlined areas where we see enormous amounts of waste in the way the federal government spends its money. I would take the time with the hon. member any time to show him that waste and hopefully we can come to the conclusion that the Reform Party has the answer.

We want to work with the provinces, unlike the heavy handed way of central government we have seen from the Liberals. We want to work with the provinces to actually achieve their goals in the best possible way.

I encourage the member to take a close look at those figures and look at himself and see that the Liberals have done more to hurt the social union in Canada than the Reform has ever done in its history.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, to the member, is it not true the Liberal government slashed transfers to the provinces by about \$7 billion in the last two years, 35%, and closed more hospitals than all the provinces combined?

• (1710)

Given that, does it not make sense to try to work with the provinces as we proposed in the new Canada act?

Mr. Rahim Jaffer: Madam Speaker, I thank the hon. member for Medicine Hat for his well stated question. I agree with him totally. It has been unfortunate that the Liberals and governments of the past have managed in such a poor fashion to cut over \$7 billion in transfers to the provinces. Shame. That is what I say. I agree with the hon. member that it is a terrible thing.

What we propose and what we have always said, as the hon. member questioned, is there needs to be a stronger commitment from the federal government to deal with the provinces.

We heard from a number of members that the tax points are an element that the provinces can use in order to spend money within their provinces. There still remains a problem of flexibility that comes with this argument of tax points. If the provincial governments do have increased tax points, as many members opposite argued, what good are those tax points if they do not have the flexibility to actually implement the programs that would work best within their provinces?

I think the core of the debate is also addressing the fact that the federal government needs to move outside of this domain of central, heavy handed politics and start working to create a real sense of unity, start working to entrench the transfers that were initially taken out of the system by this government and build stronger unity in this country.

[Translation]

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I have just a few comments on the motion before the House. I will make a few remarks on the federal government and its initiative.

We have clearly shown Canadians that we are not interested in turf wars. The Government of Canada wants first and foremost to offer equal opportunities to each and every one of its citizens. We are absolutely convinced that all Canadians have an irrevocable

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right of access to comparable social programs and services, regardless of the region in which they live.

Our government has implemented a variety of initiatives aimed at redefining the roles and responsibilities of the federal government and the provinces, and has contributed to renewed federalism. On the leading edge of these initiatives is the federal-provincial-territorial council on social policy reform, a forum which enables the government to strike productive partnerships for joint solutions to the most common social problems facing Canadians.

The council on social policy reform has met four times since its establishment in June 1996. Over that short time, our country has witnessed unprecedented co-operation.

The innovative initiatives that have ensued are clear evidence that the elements uniting us outnumber those dividing us. More specifically, they demonstrate that governments are at their most effective when they pool their efforts.

The national child benefit is a perfect example of this new collaborative approach. In the summer of 1996, the premiers made child poverty one of their priorities and agreed to co-operate with the Government of Canada to provide an integrated child benefit system.

As soon as the government negotiators focused on the real goal, which is to provide children with a good start in life to help them become healthy, educated and productive adults, partisan politics were set aside.

Madam Speaker, I am sorry. I forgot to tell you that I will be splitting my time with the hon. member for Wentworth—Burlington.

• (1715)

Negotiators of both levels of government realized that it was important to ensure that poor children have a chance to make it. They realized that the fight against child poverty requires a national effort based on a constructive partnership between the federal government and the provinces and territories.

In January, we started to put \$800 million back in the pockets of middle income working families with children. An additional amount of \$850 million will be given to them in the year 2000, for a total of \$1.7 billion handed out every year to the middle income working families. And that is in addition to the \$5.1 billion we now allocate to families with children.

I remind my hon. colleagues, and in particular the sponsor of the motion before the House today, that, thanks to the increased Canadian child tax benefit, the province of Quebec now has access to an additional \$150 million a year to provide programs and services that can meet the particular needs of Quebecers.

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Following the agreement reached on the national child benefit, a working group made up of federal, provincial and territorial representatives started to develop a national action plan for children to promote the well-being of Canadian children through new policies and procedures in terms of social services, health, justice and education.

Canadians are fed up with federal-provincial bickering. They know we live in a democracy and differences of opinion are unavoidable, but coexistence is possible. As a matter of fact, they want us to work in co-operation to establish efficient and sustainable social programs for the 21st century.

If anybody has doubts about the determination of the Government of Canada to take this approach, he should consider the agreements on labour market development we have signed with the provinces and territories in the last two years.

The hon. member for Témiscamingue will certainly agree with me that our unprecedented offer to transfer to provinces and territories the jurisdiction over labour market development has allowed Quebec to design and implement training programs suited to its particular needs.

These agreements fulfil the Canadian government's commitment to get out of labour training, and they show that the Canadian federation changes to meet the needs of Canadians.

For example, we are going to transfer \$2.7 billion to the Quebec government under the terms of the Canada-Quebec agreement on labour market development for active programs to help the unemployed re-enter the labour force.

These agreements give new opportunities by reducing duplication and overlap. Even more important, they yield concrete results. They allow governments to improve employment opportunities for Canadians by providing them with good services at the right place and time, and at the lowest cost possible.

This new distribution of powers shows that, with a few mutual concessions, governments can effectively consolidate the social union. Thus, we can co-operate to achieve common social goals and, in doing so, create governmental programs that are better targeted, improve the delivery of services and make considerable savings.

• (1720)

As we all know, the most recent talks on the social union were held in Edmonton last Friday. I learned with great pleasure that this meeting was very productive, the province of Quebec being represented for the very first time at the negotiating table.

The media echoed comments by the Quebec minister of Canadian Intergovernmental Affairs, Joseph Facal, who said that he was

confident about the outcome, which hints at the possibility of new developments in the next few days.

The negotiations on the social union are tangible evidence that it is possible to live together in harmony, thanks to the respect and trust that we have for each other. It is possible to share the same values of generosity and social justice, without giving up traditions and approaches exclusive to each region in the area of social development.

I take this opportunity to congratulate all my colleagues from both sides of the House who took part in this very important debate.

[English]

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I would like to make a couple of comments and to question the hon. member.

I listened very carefully to what he had to say about the social union. He made it sound like a very positive affair. However, I think one concern expressed by Canadians right across the country is that basically the deliberations taking place between the provincial premiers and the federal government on the social union have absolutely no context in terms of a public debate.

There is no involvement by the Canadian people as to what should constitute a social union in Canada, what the relationship should be between the provincial governments and the federal government when it comes to jurisdictions of the provinces or the federal government.

Why does the hon. member believe that such a closed door, backroom process that has basically cut out and censored the Canadian people from that debate is something to speak of so positively?

If the hon. member believes the social union that is being developed is something so positive, why is it that basically in Canada the social safety is in complete tatters? We have growing homelessness and growing poverty as result of his government's policies.

What do he and his government propose to say to Canadians who have now been placed at increasing risk and are very vulnerable because of the \$6 billion cut to those programs?

Mr. Mac Harb: Madam Speaker, I hope the hon. member is not suggesting that the two provincial NDP governments from Saskatchewan and British Columbia have entered the meetings unprepared and without consulting their people. One would assume that the premiers, the NDP government and the other representatives of the other political parties would at least have some understanding of what their people want.

As for us at the federal level, this is an ongoing discussion and debate. Many of my colleagues and I on a regular daily basis hear from our constituents that they want a framework which responds to the needs of the people, a framework which is flexible and

maintains the integrity of social programs from one end of the country to the next.

I remind the member it was not too long ago that one of our ministers responsible for the transfer payments to social programs threatened not to give one of the provinces the transfer payment for social services. That was the province of British Columbia. The province decided on its own to tinker with the social program the federal government had set up and it threatened not to give the money for it.

We will continue to maintain a social program that is flexible, that is national in scope, and that responds to the needs of the people.

• (1725)

I want my colleague to remember that many of the provinces at the table are New Democratic. I presume they have consulted with their people.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, I begin by observing that politicians are the representatives of the people. We are supposed to hear from the people and carry on a debate such as this one in a forum like this place. This is democracy in action.

I congratulate the member for Témiscamingue for putting his motion on the order paper and giving us an opportunity to debate it today on behalf of all our constituents and all Canadians.

I am pleased to take part because I would like to take the debate around the corner and deal with another aspect of the problem of transferring money from the federal government to the provincial government for health and education.

One idea we have not debated much in the House today—and it has not been much of a debate at all—is that we should be examining, among other things, how efficiently that money is used by the end users, principally education and medical institutions.

It is certainly true that the federal government cut social transfers and that the Ontario government passed that cut on to hospitals and universities. This is not to disparage the Ontario government. Indeed I hope it is listening. One of the problems with what it did is that it basically cut approximately 20% out of the funds available for hospitals and universities as a result of the cuts in transfer payments by the federal government.

The problem with that is when an efficient organization running at 100% efficiency is cut by 20%, the organization gets hurt. On the other hand, if institutions that are running at 50%, 60% or 70% efficiency are cut by 20% they are not hurt. In fact they become even more inefficient.

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The question I would like to raise is whether or not, particularly the hospitals and the universities and especially the hospitals, are using the money they receive from all levels of government as wisely and effectively as they should.

The money involved is big. It is not just the \$12.5 billion in social transfers from the federal government. It is also from the provincial governments. It amounts annually for hospitals alone from government sources to \$17 billion a year. When we include universities and other higher education institutions the amount is \$34 billion per year. That is a lot of money.

The difficulty is that the institutions receiving this money, again particularly hospitals and universities, are charities. They are usually incorporated as non-profit organizations under the Canada Corporations Act. These two business entities or organizational entities that comprise hospitals and universities have very little requirement in law for the kind of transparency that other institutions have which leads to accountability.

It might amaze members to realize that a non-profit corporation, for example, does not need to have, certainly under the federal statute, a chartered accountant perform its audit. It does not have to submit annual financial statements to the government as do non-profit organizations. There is a serious omission here.

The board of governors of a non-profit corporation has no standards set by any level of government to explain what it does. When they are charity boards of governors the only legislation that pertains to them is no legislation at all. It is case law.

We have this very big difficulty about whether a charity or non-profit organization, the collective of these, is actually spending the money it is receiving from both the provinces and the federal government in a way that the public can monitor effectively and know that money is being well spent.

The member for Témiscamingue earlier in the debate said that we should let the control of health care and education be done by the citizens, those who are closest to the situation. We cannot do that if the citizens do not know what is happening.

When it comes to hospitals I will give a few examples from my own area, although there are anecdotal examples across the country. The Hamilton Health Sciences Corporation in my riding is in a bit of a controversy. It was contracting out brain injured patients to a facility in Texas which turned out to have such a bad reputation for treating patients that the state of Texas would not use the facility. When the Hamilton Health Sciences Corporation was challenged on this by local journalists and the local MPP, its chief executive responded that it was not the obligation of the institution to monitor what was happening in Texas. This is the problem of a hospital contracting out without careful due diligence as to

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whether it is a good facility and the public does not even know this is happening.

• (1730)

We must ask ourselves if we want to know in detail how hospitals and other institutions are carrying on when they contract out services. I suggest that this is only the tip of the iceberg of a very big problem. It is not just a matter of health care and care for the patients, it is a matter of the effective use of taxpayer dollars.

There are other areas concerning compensation which have created another major problem in my riding. Chedoke-McMaster Hospitals gave a severance package to their chief administrator worth \$818,000. That is an incredibly unacceptable use of taxpayer dollars, but that was done. I will not go into the details of this controversy because it is the subject of litigation, but when the chief executive was hired in 1991 she immediately hired onto the staff a close personal friend. This is a case of nepotism.

One might say that the board of directors of the hospital should be in control of this. But I challenge members to talk to politicians and citizens who have served on hospital boards of directors. They will say that trying to get information out of the administrators of hospitals is near impossible. The reason is that there are no standards. There is no countrywide standard for the administration of charities and non-profit corporations which would apply in the case of hospitals that are spending \$17 billion a year as of 1993.

There is a great deal of anecdotal information about how hospitals contract out for goods and services. Hospitals do not have to issue tenders. They can do it however they want, and indeed this happens. Gifts are received by people in the business of purchasing for hospitals. I do not know about universities, but certainly for hospitals there is a lot of very negative information about how goods and services are purchased and gifts are exchanged. This is all because of a lack of transparency.

The cuts originally made by the federal government and the cuts that were inevitably and maybe properly passed on would have worked. I do not know whether the Ontario government had much choice or whether any other provincial government did. Those cuts would have been efficient if only we could have rid the institutions of the inefficiencies. These institutions cut nursing staff and beds when they should have been cutting administrators. They should have been cutting the fat out of their bureaucracies. The machinery is not there and the transparency is not there to enable this to happen.

I would encourage and seek the support of other members of the House for any initiative that might come in this House that would involve bringing a greater level of transparency and accountability to charities and not for profit organizations. It is imperative that we

re-examine the Canada Corporations Act and require at least the same level of transparency that exists with for profit corporations or, at the very least, the same level of transparency that exists now with bureaucracies. That would be an important first step.

The next thing would be to re-examine the government's obligation to oversee charities across the country and perhaps to write new legislation that defines the standards of accountability and transparency for charities. That would go a long way to making the cuts in social transfers acceptable to Canadians.

• (1735)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I will be brief.

I would like the member to tell us whether he is in favour of the part of the motion we moved today, which would give a province the right to opt out with full compensation when a federal program does not meet its needs.

Is the member willing to push the proposal which was unanimously approved by all the premiers in Saskatoon, giving a province the right to opt out with full compensation, provided it reinvests in the same area, and sell it to the Prime Minister, who seems to have his mind made up on the matter, in sharp contrast with the consensus reached in Saskatoon?

[*English*]

Mr. John Bryden: No, Madam Speaker, I would not support the motion, simply because if we are going to have a standard in every province across the country then it has to be the national government which sets that standard.

The problem with the provinces is that they all seem to want to go it alone. Ontario made a 20% cut. However, it did not think to create efficiencies in the institutions that it was cutting. I think that leadership has to come from the federal government so that we can give all Canadians the same opportunities to health care.

I am the first one to admit that Quebec, if it can go it alone, may do it better and more efficiently, but what about the rest of the country?

I think it is very important that the national government be a national government and show leadership in this.

[*Translation*]

Mr. Paul Crête: Madam Speaker, I would like to remind my colleague that the Saskatoon proposal provides for the right to opt out with full compensation, but it is also possible for five provinces representing the majority of Canadians to set up different programs.

This forms a whole. This would allow English provinces to have the federal government agree to their program while Quebec would set up its own. Would it not be a way to allow every province to develop programs meeting its particular needs?

My colleague said earlier that we cannot do away with leadership. It should not be forgotten that our proposal includes decision making mechanisms. The provinces could not do it alone, but they could have some influence to avoid a repeat of what we saw with the millennium scholarship fund when, because of its autocratic attitude, the federal government created a system parallel to the existing one in Quebec, the loans and bursaries system.

Is my colleague adamant in his view that it is unacceptable for Quebec to exercise its right to opt out with full compensation, and that, basically, he would rather see Quebec leave Canada?

Mr. John Bryden: Madam Speaker, we are all in the same boat. We must work together on that boat. In my opinion, the federal government must show leadership in this matter.

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, I am somewhat amazed to hear the Liberal member answering my colleague by saying we are all in the same boat and need to all row in the same direction.

He does not know his history and he does not respect the constitution. In the constitution, we in Quebec had rights as a people. When the government interferes in an area that comes under provincial jurisdiction, as it does in Quebec, we are not in the same boat.

• (1740)

I would also like to tell the hon. member that, in this the finest country in the world, as it pleases the Prime Minister to call it, there are one and one-half million poor children at the present time. If children are poor, this is because parents and women are poor. I would like him to think about that.

[*English*]

Mr. John Bryden: Madam Speaker, I strongly feel that if any province is disadvantaged in this country then it is the duty of the federal government to come to its rescue.

Right now things are fairly good in Quebec. Elsewhere in the country they are not so good. It is true that, given the money, Quebec does have the expertise to manage it well. I do not doubt that for an instant.

However, as Canadians we must look to the entire country. This is federal money we are talking about. It is all very well to talk about provincial rights, but we are talking about federal money. As long as this money is coming from the federal government, then

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surely the federal government should make sure that it is used in the interests of all Canadians.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, I am pleased to rise and speak to this opposition motion introduced by the Bloc Québécois. I would like to reread the first paragraph:

That this House recognize the very harmful effect of federal cuts to the Canada Social transfer (CST), particularly on health services in Canada, and that it support the consensus achieved by the provincial Premiers in Saskatoon on a project for social union, with the following main components,

I will deal with those components later.

I would like to return to the very harmful impact of federal cuts on the Canada social transfer. I would first like to point out that, before the transfer, there were inter-regional subsidies, if I may put it that way. There used to be the Régime d'assistance publique du Canada, the RAPC, the Canada assistance plan or CAP. There were programs that subsidized individual Canadians equally in matters of health and education.

Under the Canada assistance plan, need determined the level of funding. In other words, since the end of the 1960s, the poorer provinces received more of the money set aside to fight poverty.

What has the Liberal government done since it took office? It eliminated the Canada assistance plan and the established programs financing and came up with a single amount for essentially equal redistribution among all the provinces. In other words, Quebec, which had been entitled to 34% of the Canada assistance plan because of its needs, found itself with a share of the Canada social transfer that was equal and proportional to its population. The first cut was on needs.

Quebec was relieved to not be held back any more by a set of standards that some regretted, but that others regretted less, because they prevented what happened under the Canada assistance plan.

• (1745)

This set of standards precluded among other things the reimbursement of the difference between the salary paid to individuals who chose to work to earn a living and social assistance allowance paid out by Quebec since 1975, in 1976 under the PQ government, to encourage those who wanted to not go on welfare and to stay in the labour force. Incentives were provided, so that workers would not be penalized for working instead of going on welfare.

This system, which was introduced in Quebec after 1976, in 1977 I think, and was still in place when the Canada health and social transfer was announced, has never been compensated by the federal government. In other words, Quebec could get 50% of its social assistance expenditures refunded by the federal government, out of the Canada assistance plan account, but it had to make up the

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difference out of its own pocket for the working poor. There is no doubt the Canada assistance plan needed to be changed.

The Canada health and social transfer was the first form of cut sustained by Quebec. The following year, the federal government slashed funding across the board bringing social transfer payments down from \$19 billion to \$11.7 billion, imposing an initial cut of \$7 billion. In the last election, it gave us back \$1 billion, claiming to be increasing payments when in fact it was reducing the cut by \$1 billion. With these drastic cuts, being made in often difficult circumstances because unemployment was high, Quebec ended up paying a high price for the adjustments made by the federal government in its fight against the deficit. The social transfer, in itself and as a channel for making more cuts, has taken its toll.

When, in its motion, the Bloc asks that the federal government put money back into the Canada social transfer, it seems to me that members on all sides should applaud. It is essential that now that the federal government, to a much greater extent than it cares to admit, has eliminated the deficit by taking money—that is what we said, and it is true—from those who could least afford it, return the money to the health, education and welfare sectors through the Canada social transfer. It must not start dreaming up new programs like the millennium scholarships, regardless of whose ego is in need of stroking.

These are the people who have been hurt, and who are still hurting. Seventy-five cents of each dollar cut in Quebec last year was because of federal cuts in health and education. The Government of Quebec was stuck with actually making the cuts and is the one being blamed.

I think the entire House should agree that the money should be returned to the Canada social transfer and nowhere else.

But the motion goes further. It says:

That this House—support the consensus achieved by the provincial Premiers in Saskatoon on a project for social union, with the following main components:

—re-establishment of—contributions

I talked about this.

—the support from a majority of provinces before new federal initiatives are introduced in areas of provincial jurisdiction.

• (1750)

The members opposite who are so fond of saying that Canada's federalism is the most flexible and "federalizing" of all are demonstrating their great ignorance.

Several federations I know cannot even conceive of the central government—which is not the best government, not a more intelligent government with greater compassion, but just another level of government—deciding unilaterally to interfere in areas

that, under the terms of the Constitution, belong to another level of government—which is not inferior in level, intelligence or compassion, but merely has different responsibilities.

The motion says that there should be "support from a majority of provinces before new [federal] initiatives—" We could have gone a lot further. Everyone should have no problem agreeing with that wording.

But I am sure there will be a problem with a fundamental issue, since the notion of the social union is no longer a meaningless expression coined for Quebec. Indeed, the provincial premiers agree on "the right to opt out, with full compensation, of a new or modified Canada-wide federal government social program—because, as we know, some amendments can change the nature of things—in areas of provincial jurisdiction when the province—and here Quebec made a concession considering what has existed for 30 years—offers a program or introduces an initiative in the same field".

This right to opt out with full compensation is essential, not for Quebec's sovereignty, but so that the existing constitution—which has been terribly twisted, transformed and tainted—may have a minimum of meaning, and so that in the social sector—which, historically, was strictly a provincial jurisdiction—there would be no question of imposing on a province—and I am thinking of Quebec of course—programs and amendments regarding which a province could not opt out with full compensation.

Why? Why Quebec? Because in the social sector people can make different choices. These choices are all legitimate, but they are different. In Europe, some countries have the same level of social spending, but the choices they make are different. It is a matter of culture, because culture also involves that aspect.

In the social field, the key word for effectiveness is integration. Quebec can have a co-ordinated range of social policies because this is what it wants given its priorities, the priorities set by the National Assembly—not by one party or another, but by the National Assembly. It wants this integration to ensure a better use of the money and a greater effectiveness of the resources.

When this government was elected, the Standing Committee on Human Resources Development was asked to conduct a comprehensive review of social policy. From the outset, it was felt that the integration of social policies would be a priority. It is strange how all researchers and, I might say, the rest of Canada—that expression "the rest of Canada" is not from us—were hoping that the integration would be implemented by the federal government.

• (1755)

The rest of Canada wanted policies to be harmonized at the federal level, whereas Quebec always wanted to integrate its own

social policies. That is precisely why it agreed for the most part with the Canada social transfer.

This right for a province to opt out with full compensation is absolutely fundamental. In Quebec, it has been defended equally strongly by Liberal and PQ premiers. It is the expression of Quebec's cultural desire to integrate its own policies.

I mentioned that Quebec made one concession. The right to opt out with full compensation as historically applied did not require any kind of commitment from Quebec to spend that money in a particular area. Therefore, to show that it was willing to compromise, Quebec agreed that this would apply only when the province offers a program or introduces an initiative in the same area.

This proposal is extremely important because it is fundamental to the recognition of Quebec as a distinct society, not only in words but in practice. It is fundamental to the recognition of the right of Quebec to do as it pleases in areas of provincial jurisdiction under the Constitution. This is something Quebec cannot give up.

I followed the work of intellectuals, because they are the ones who initially worked on the social union concept. I know that, in Canada, they wanted to adjust to our changing society. I also know some of them wanted to reach out to Quebec.

I am sure that when the premiers agreed on these proposals, they must have been very happy because they were looking for a way to reconcile Quebec's social objectives with those of the rest of Canada.

Members of the Bloc Québécois and Quebeckers have always respected the other provinces' opinion that social and economic policies must be integrated by the central government. We have no choice but to recognize this right. But, in the same way, we have always wanted others to recognize Quebec's right to integrate its own social policies and to define its own priorities as it sees fit.

As long as the federal government has this spending power, which means that it has the power to impose taxes, Quebec intends to get its full share.

Social policy has been deeply affected by the cuts the Government of Quebec has been forced to make as a result of the federal government's cutbacks and its battle against the deficit. Although there were still social democratic concerns, there was not enough money to meet all of the needs, and we had to make some painful and difficult choices.

• (1800)

As I, and others, have said, people have suffered, people needing health care, welfare and education. How many young people have had to go further into debt, how many resources have had to be cut at all levels of education, up to and including post-secondary

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education? Some universities have been left seriously short of funds.

Now that we have brought the deficit under control, which we always agreed was the prudent thing to do, and that the federal government, which already has a budget deficit of over \$7 billion for the first four months, is headed toward a sizeable surplus, it is urgent that this House recognize that this money must be put into the Canada social transfer. This House must also accept the right of the provinces to opt out, which is essential if this Constitution, which does not make much sense, is to have a least a modicum of meaning for Quebec.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I would like to thank the hon. member for Mercier for the history lesson she just gave us on what I would call the social evolution of Canada. She clearly described how the premiers came to the consensus they have reached, especially on the right to opt out with full compensation.

All the information she gave us about our history and our evolution shows why the federal government has to get on board, agree to this consensus and allow Quebec and every other province in Canada to make their own choices in order to meet their particular needs.

The question I want to put to the hon. member is the following: Would this right to opt out with full compensation not provide the people with a better way to assess the efficiency of their governments? We have seen significant federal cuts in health care, especially in the last few years.

Taxpayers, at least in Quebec, do not ask themselves each and every day who is responsible for what. With this proposal to allow the provinces to opt out with full compensation, would the people not be in a better position to clearly assess, at the end of a mandate, if a government made the right choice and did a good job in this or that area? Could the hon. member for Mercier give us her views on this issue and tell us if she thinks this would help to improve the quality of democracy in Quebec and Canada?

Mrs. Francine Lalonde: Madam Speaker, I thank the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his question.

I think the question refers to the notion of integration I mentioned. If policies could be integrated, they would be more effective. The government that integrates is in fact in a better position to be accountable and to say why it used money and then it can be judged in this regard.

It is a very bad thing when the public is unable to see how government decides. Canadian federalism today certainly lacks clarity. I was saying earlier that the government in Quebec cut

Supply

deeply. However, what the public does not know is that for every dollar cut, 75 cents went to the federal deficit.

The deed was done to health, education and social assistance, but it went to reduce the Canadian deficit. So, it is vital to democracy that people know that government is accountable and that the details of management are revealed.

● (1805)

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am pleased to have the opportunity to speak to the opposition day motion.

I have been sitting in the House all day listening to the debate. I have found it very interesting. The subject matter we are covering is called the social union in Canada, the discussions between the provincial premiers and the federal government. This is something of critical concern not just to the House but certainly to the people in every region of Canada. It would be very interesting to hear the kind of discussion that has taken place.

I would like to make a couple of observations to begin. First, it is very clear from the motion before us and from the debate that has taken place that the premiers of Canada and the territories are involved in a debate on what they would like to see as a new social union or their relationship with the federal government as a direct result of the massive cutbacks in the Canada health and social transfer that have been experienced in Canada. There is no getting away from that reality.

I listened very carefully to the debate by hon. government members who tried to persuade us or convince us that the social safety net in Canada is alive, well and healthy. They tried to convince not just the House but the people of Canada that we are the envy of the world. I have heard cabinet ministers say that today.

The reality is something different. Being involved in the debate today I would like to draw the attention of members to the fact that Canada was a signatory to the UN international covenant on economic, social and cultural rights.

What is very interesting about that covenant is that the UN committee assessing the record of member countries in carrying out the covenant has recently sent the Government of Canada a very tough list of 81 questions outlining its concern about where Canada is not meeting its obligations.

I would like to quote from some of the questions the UN committee has put to the Canadian government that have to be responded to by Canada. For example it says:

The committee has received information that food bank use has continued to increase in Canada and has approximately doubled over the last 10 years—Does the

government consider the need for food banks in so affluent a country as Canada consistent with article 11 of the covenant?

We are all waiting to hear that answer. It goes on to ask another question:

—Child poverty is at a 17-year high of 20.9%, meaning that nearly 1.5 million children live in poverty in Canada. Although the last recession ended in 1991, poverty rates have risen since then. Please—explain how this unacceptable situation has been allowed to occur.

This is not me asking the question. This question comes from the UN committee on economic, social and cultural rights and is to the Canadian government. It asks another of its 81 questions of the Canadian government:

—At what point would the government consider homelessness in Canada to constitute a national emergency?

I know the answer to that question. I only have to look at my riding of Vancouver East to see that there are more than 6,000 people living in slum housing. There are people living on the street. We only have to look at the city of Toronto or the city of Winnipeg or any major urban area. We only have to look at the status of aboriginal people in Canada to know about homelessness, the lack of shelter and the lack of food security. It is a very desperate situation.

There is no getting away from the fact, no matter what government members try to convince us of, that this is a direct result of the abandonment of the Canada assistance program in 1996 and the federal government running for cover under the Canada health and social transfer and slashing \$6 billion from social programs in Canada.

● (1810)

I would like to speak about that a bit because it signalled the beginning of a new era. Clearly the federal government was abandoning its national responsibilities, which has resulted in the proposals we hear from the premiers of Canada who are saying that the federal government is not relevant any more. They feel the government has cut them back so much that they want to take what they can and set their own standards and programs. They want the federal government to butt out.

The Canadian people and members of the House, certainly those of the New Democratic Party, have a different view. We believe it is very important there be an increasing and strong role for the federal government in terms of a social union, a social charter, and the establishment of national standards in Canada.

It simply is not good enough to say that there will be a transfer of funds to the provinces and there will be no conditions attached to it. We only have to look at things like the child tax benefits or the state of post-secondary education to know that the Canada health and social transfer has been a dismal failure, not only in relation to the lack of funding and the retreat of public funding it has signalled in

Supply

Canada but also because it has not been accompanied by the conditions, standards and guidelines we need to have.

For example, when we look at social welfare programs, the much touted child tax benefit by Liberal members is something that is quite appalling when we consider that the poorest of the poor, the people on welfare, will not be able to benefit from the child tax benefits.

There is absolutely no assurance that provincial governments which save money as a result of this benefit from welfare payments will put that money back into welfare programs to actually help people on welfare. There is no assurance that those moneys will not end up in workfare programs where people basically lose their entitlement to social assistance as a result of the demise of the Canada assistance program.

When we look at the reality of what has come about with the advent of the Canada health and social transfer, is it any wonder that the provincial premiers are now convening their own meetings and trying to draw up their own framework of what they think their relationship with the federal government should be?

We in the federal NDP believe that the federal government not only has to be at the table but has to reinstate the funding that has been lost from our health care programs, our educational programs and our social programs.

In the last budget we heard a lot of hype about the budget being an education budget that would help young people. Again the reality has been something very different. I only have to speak to young people in my own riding, students who are suffering from an enormous debt load, some of them \$25,000, \$30,000 and \$40,000 as a result of skyrocketing tuition fees.

This begs the question: Why have those tuition fees gone up so much? It is because of the retreat in public funding by the federal government which has abandoned the area of education. Post-secondary institutions have been left with no recourse but to increase tuition fees so that now the tuition fees in Canada are higher on average than tuition fees at publicly funded universities in the United States, a situation that is very shocking.

We have the millennium fund that was unilaterally announced by the federal government with no consultation with the provinces, no consultation with the stakeholders and no consultation with the experts in post-secondary education. It is being touted as the future for students when in fact it is a foundation that is increasing the privatization and corporatization of the post-secondary education system. The money that has been put into that fund does not even begin to make up for the funds that have been taken out by the federal government in its support for post-secondary education.

• (1815)

There is no question there has been an abandonment of federal responsibility and a complete absence of national standards and national programs that historically have helped hold this country together. This is something we should be aware of as we begin this debate of a new social union.

We have to demand that the federal government take up its responsibility not just in terms of a fiscal framework but also its responsibility in setting, with the co-operation of the provinces, a sense of national purpose, a sense of national accessibility whether it is health care, social programs or post-secondary education.

The other very disturbing aspect is the lack of accountability and public debate around the issue of a social union. The provincial premiers have been meeting and may feel they are having productive discussions and have their own process of dealing with their own jurisdictions. However on an issue as fundamental and critical as this one which really deals with the future vision of our country, it is critical that the federal government and this House ensure there is accountability for the way the process unfolds.

Just before the provincial premiers met in Saskatoon, the result of which is this motion before us today, some of the leading representatives from the social justice, civil society and labour movements wrote to the provincial premiers. These included the Canadian Health Coalition, the National Anti-Poverty Organization, the Child Care Advocacy Association of Canada, the Canadian Labour Congress, the Canadian Centre for Policy Alternatives and the Canadian Federation of Students.

What did these groups have to say? These organizations have been involved as watchdogs. They have monitored the shocking and appalling situation that has unfolded as a result of the retreat of public funding under the Canada health and social transfer. To quote from their statement to that conference in Saskatoon, they said:

Such fundamental change to the way in which Canada's national social programs are managed is of great importance to the Canadian public, the labour movement and the vast array of social justice organizations dedicated to a vision of progressive social policy for Canada.

The social union has already undergone significant change. The implementation of the Canada health and social transfer marked a massive restructuring of national programs for health, education and social assistance. The block funding approach and the elimination of national standards for social assistance put us on a path toward 'no strings attached federalism' and further devolution of federal responsibility for national programs.

As a result of the elimination of national standards for social assistance, abysmally inadequate rates of assistance have been cut in many provinces and workfare is flourishing, putting Canada in shameful violation of the United Nations Covenant on Economic, Social and Cultural Rights requiring that work be freely chosen, a fundamental tenet of democracy.

Supply

They went on to say in their statement:

As members of the public and organizations committed to the preservation and enhancement of national social programs, we are concerned that the Canadian public has had no opportunity to discuss and debate the vast changes to the social union which have already taken place nor is there any process in place through which the public can participate in these and future negotiations on the social union.

In the interest of democracy, closed door, backroom federalism must end.

That is a very significant statement which has come from these groups. Not only have they been the watchdogs of the federal government in what has gone on, but they are now sounding the alarm in terms of this debate that is taking place. They are making it quite clear that this type of critical debate about the relationship of the provinces to the federal government and how it encompasses our social values and our national programs must be a debate that includes organizations such as those which I mentioned and others, key stakeholders that do have a significant contribution to make.

• (1820)

In closing, the motion before us today raises some very key points about what has gone fundamentally wrong and is clearly at the feet of the federal government as it brought in the Canada health and social transfer. We have to be very careful. We have to make sure that we do not embark on a new kind of proposal and a process that excludes the Canadian public and sets us on a course where we will no longer have a framework of national programs and national policies, whether it is education, social programs, welfare or health care.

We have a lot of concern over the fact that the premiers are suggesting that there would be a right to opt out of any program that was new or modified. What does that mean exactly? What does a modified program mean? Does it mean that if the federal government provides some modification to our medicare system the provinces can opt out in some way?

We have to insert into this debate the sense that there will be national standards that can provide a sense of universality, a sense of security and significantly provide a fiscal framework. When the committee at the UN on the covenant on social, economic and cultural rights writes to the Government of Canada and asks at what point will we be declaring homelessness a national emergency, we have to be able to demonstrate that we have national programs that will ensure we do not have those kinds of emergencies. They should not exist in a country as wealthy as Canada.

One of the most harmful things that has taken place in Canada in the last few years has been the destruction and abandonment of our social housing programs by the federal government. In my riding people are literally on the street. People are living in slum housing as a result of the lack of federal funding for social housing.

I just came back from a mission to Indonesia and Thailand with the Canadian Council for International Co-operation. We looked at

the conditions in those countries as a result of the economic crisis there. There is no question the impact has been devastating.

I was shocked by the reality that some of the conditions there are not dissimilar from what I have witnessed in my riding. People are at incredibly high risk as a result of the demise of the role of the federal government and the abandonment of the sense of a national focus in these programs. We are at a very critical point. We have to hold this government accountable for the damage and havoc it has created for the people who could least afford it: people who are unemployed, people who are homeless, people who are living in poverty.

We now have the second highest poverty rate of any industrialized nation. I heard the Minister of Justice say that Canada was the envy of the world. We have five million people who live in poverty and 1.4 million children who live in poverty as a result of her government's policies. That is nothing to be proud of.

If we want to talk about social unionism, we should talk about social unionism in a way that respects social entitlements and human rights in this country so that no person goes hungry or homeless. We should make job creation a priority. We should not abandon the unemployed by cutting back on UI benefits. That is what real social unionism would be if we were to take the time to sit down and bring about the new kind of co-operative federalism many of us would like to see.

• (1825)

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I certainly agree with some of the things my colleague mentioned, in particular with the fact that the Liberal government is responsible for the chaos in the health sector coast to coast.

I would also like to comment on what she said regarding national standards. At first glance, national standards seem to make sense, but when you start thinking about it and look more closely, you realize that such a vast country, made up of provinces and of Quebec from coast to coast, and to another coast since there is the Arctic, cannot have a single standard. You cannot impose the same norm across the board.

There are differences in needs between the Atlantic provinces, Quebec, Ontario and the West. National standards might do more harm than good. In fact, the proposal of the premiers assembled in Saskatoon provides that a province, Quebec or any other, can withdraw from a new federal program, if judged inappropriate to its particular environment.

It would be an excellent thing, because the government would transfer to the province enough fiscal points to generate the same amount of money the federal government was willing to offer. That

way, the province could set up a similar program, but better tailored to its own needs.

If we had followed this kind of approach over the last decades, we would not have experienced the troubles we have. I would like to give an example, and I will ask my colleague for her comments on the matter.

A case in point is the millennium scholarship fund; \$2.5 billion of taxpayers' money will be entrusted to a private body headed by the president of Bell Canada. What for? To give scholarships to students. This seems great and it is for the rest of Canada, but not for Quebec.

For over 30 years we have had a scholarship system which has been running smoothly. Our situation is different. These millennium scholarships deal with a problem we do not have. Statistics prove it: Quebec students graduate from university with an average debt load of \$11,000. In the rest of Canada, it is \$25,000. Why? Quite simply because CEGEP is free; the last year in CEGEP is first year university in other provinces, a very expensive year since tuition fees are much higher than in Quebec. In some places they are more than double what they are at Laval or in Montreal.

The problem is when you want to make a system universal, it is very difficult to meet everybody's needs. How is the member who raised these issues earlier reacting to this? Does she not understand the opting out clause is fundamental to meet everybody's needs?

[*English*]

Ms. Libby Davies: Madam Speaker, it was a very long question and I know the debate is going to finish in two minutes, so I will try to give a very short answer.

Supply

I thank the member for his thoughtful question. He says that national standards sound good, but somehow they have not worked in the past. I would not agree with that opinion.

I think it is because we have had national standards in the past that we have been able to produce very good national programs such as medicare, social programs that have helped bring Canada together.

I agree that there is huge diversity in this country. But it is precisely because of that that we need to have some sense of a base of what it is Canadians can expect as an entitlement to services and programs, whether they live in the west, the maritimes or Quebec. That is precisely why we need to bring back those national standards.

• (1830)

[*Translation*]

The Acting Speaker (Ms. Thibeault): The time allotted to debate on the motion before the House has expired.

[*English*]

It being 6.30 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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