



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, November 19, 1998**

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**Speaker: The Honourable Gilbert Parent**

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## OFFICIAL REPORT

At page 10144 of the English edition of *Hansard*, November 18, the first translated line after the heading "Administration of the House of Commons" under Routine Proceedings should have read:

**The Speaker:** I have the honour of tabling the performance report on the . . .

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# HOUSE OF COMMONS

Thursday, November 19, 1998

The House met at 10 a.m.

[English]

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*Prayers*

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## CRIMINAL CODE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present another petition on behalf of the citizens of Peterborough who are concerned about drinking and driving.

They pray that the Parliament of Canada will immediately amend the Criminal Code so that any crash resulting in injury constitutes reasonable and probable grounds for blood or breath testing on drivers; that the federal government provide strong support and encouragement to jurisdictions to continue to introduce administrative sanctions that are user pay, such as ignition interlocks, vehicle confiscation, graduating licenses; and that impaired driving laws are regularly reviewed for their effectiveness.

## NUCLEAR WEAPONS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present another petition on behalf of the citizens of Peterborough who are concerned about nuclear weapons.

They request that parliament support the goal of abolition of nuclear weapons on earth by Canada, advocating the immediate de-altering of all nuclear devices; that Canada join the nations of the New Agenda Coalition; that Canada advocate within NATO that nuclear weapons have no militarily useful role; and that additional financial support be allocated to Russia to ensure the safe and secure disarmament of its nuclear arsenal.

• (1010)

## YOUTH VIOLENCE

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I am pleased to present a petition from constituents throughout the Cariboo—Chilcotin riding.

My constituents are concerned about the prevalence of violent crimes committed by youth. They encourage parliament to enforce and encourage the enforcement of legislation already enacted so that this problem might be dealt with in a more equitable manner.

## MARRIAGE

**Mr. Cliff Breitkreuz (Yellowhead, Ref.):** Mr. Speaker, I am pleased to present a petition on behalf of the constituents of Yellowhead.

## ROUTINE PROCEEDINGS

• (1000)

[English]

### INTERPARLIAMENTARY DELEGATIONS

**The Speaker:** Pursuant to Standing Order 34 I have the honour to present to the House the report in both official languages of the parliamentary delegation that visited Lithuania, Latvia and Estonia from October 11 to 17, 1998.

\* \* \*

• (1005)

[Translation]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 24 petitions.

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### PETITIONS

#### BOATING REGULATIONS

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I have the pleasure of submitting a petition signed by 164 residents of the riding of Chambly, who are asking the government to legislate or regulate boat traffic on the Richelieu River, from the municipalities of Beloeil and Saint-Hilaire at one end, to the town of Notre-Dame-de-Bon-Secours at the other end, which are all fine communities in my riding.

These 164 petitioners are primarily asking the government to regulate boat traffic with regard to speed, noise, craft condition, safety and garbage disposal.

*Supply*

The petitioners come from the community of Neerlandia. They pray that parliament enact legislation such as Bill C-225 so as to define in statute that a marriage can only be entered into between a single male and a single female.

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, I also have some petitions to present to the House today. I have three fairly large ones from my constituency.

They in fact reflect the same message that parliament enact legislation so that marriage can only be entered into between a single male and a single female.

## HEALTH

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, I also have a petition that asks parliament to pass the Reform health freedom amendment which is a private member's bill that would not allow the government under the Health Protection Branch to refuse sale of health products in Canada unless there was proven harm, proven side effects or proven contamination.

\* \* \*

[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 ask that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[Translation]

## SUPPLY

## ALLOTTED DAY—HEALTH CARE

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ)** moved:

That this House endorses the provincial consensus reached in Saskatoon on August 7, 1998, that the federal government must restore, via the existing provisions of the Canada Health and Social Transfer (CHST), its contributions to front-line health-care services, starting with a payment of at least \$2 billion, given that the federal government has already recorded an accumulated surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

**Mr. Stéphane Bergeron:** Mr. Speaker, I simply want to point out that the Bloc Québécois leader will share his time with the hon. member for Lotbinière.

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

**Some hon. members:** Agreed.

**Mr. Gilles Duceppe:** Mr. Speaker, there is a very specific context for today's motion; for the first time in three decades the federal government has a surplus—I shall return to this point shortly—at the very same time as all the provinces, and more specifically all the people in Quebec and in Canada, are faced with serious problems in the health area.

There is a connection between the surplus accumulated by the federal government and all these social problems, those relating to employment insurance and health, in particular, and that is why we are proposing this motion.

• (1015)

Six months into this year, the government had already accumulated a surplus of \$10.4 billion. The Minister of Finance told us so last week. Yet, one month ago, the Minister of Finance himself told us he did not foresee any surplus this year or next year, just as he had done last year and in the past five years.

This minister wants us to believe that things are going better than he predicted. In my opinion, it is impossible within three weeks for a Minister of Finance not to have noticed this \$10.4 billion difference, unless he is totally incompetent. Incompetent, or cooking the books. What is more, those two possibilities are not mutually exclusive. It is possible that the minister is incompetent, and that at the same time he is hiding the truth from us.

This \$10.4 billion surplus was built up in the following way. Over all those years, the employment insurance fund was building up a surplus, one which has now reached \$20 billion, and seems likely to reach \$7 billion this year alone.

What we do know is that it has already reached the \$5.1 billion mark, that is one-half of the total surplus. This is money that has been taken from the pockets of the unemployed, money that has been taken from the provinces, since this year alone \$6.3 billion has been cut from the transfer payments for health, post-secondary education and social assistance.

The government took this money as well from the pockets of the middle class, since, for the past year, that is since this government has been in office, personal income tax has increased by \$20 billion—simply because personal income tax is not indexed. The government wants us to believe that it has lowered income tax, but by not indexing the tax tables, it increased taxes.

This is where the surplus comes from. The consequences for the provinces in terms of health care are enormous. For the country, it means that since 1993 cuts have totalled some \$17.2 billion. In Quebec alone, the cuts represent \$4.6 billion. A huge amount.

For this year—as I said earlier—the cuts total \$6.3 billion, and for Quebec, \$1.8 billion. In Quebec the curve is climbing. It will not be long before the proportion of federal cuts to the Canada social transfer aimed at Quebecers reaches 30%.

*Supply*

Last year, the Government of Quebec had a deficit of \$2.1 billion, if I remember rightly, and this year the federal government cut \$1.8 billion. Had it not been for this government, there would have been no deficit.

Then there are the remarks by the Quebec Liberal leader, Jean Charest, so vigorously supported now by the federal Liberal Party. In the 1997 election campaign, in a leaders' debate and here and there across the country—and he was right to say it—he said “The problems in health care are not Harris' fault, they are not Klein's fault, they are not Rochon's fault, they are not Bouchard's fault, they are the fault of the Prime Minister of Canada”. That is what Jean Charest said.

I hope he will continue saying it now that he wants to be the great defender of Quebec's interests. He can replay this speech he used throughout Quebec in an effort to win votes. He was right then. But I would not say this applies only to Quebec. This problem is occurring everywhere in Canada.

Newfoundland, for example, is reduced to asking army doctors to replace civilian ones. Brian Tobin, “Captain Canada”, is now critical of his former colleagues in the federal government, saying “Enough health care cuts, I cannot handle any more in Newfoundland”.

He is having such a hard time that, in his economic statement yesterday or the day before in St. John's, his minister of finance gave no figures.

• (1020)

This is reminiscent of the health minister here, in Ottawa, who addresses health issues without showing any compassion for the victims of hepatitis C and responsibility to the provinces.

What is true in Newfoundland is also true in Manitoba. People in Manitoba now have to cross the border, to Dakota, to get treated, and they end up in some shack. In Manitoba, moving toward ambulatory care means going to the U.S. to seek medical care in some shack because of the cuts imposed by the Canadian government. So, this is also happening in Manitoba and just about everywhere else across the country. That is why the premiers signed an agreement when they met in Saskatoon.

I would point out that the premiers of all the provinces except Quebec are staunch federalists. This is not a sovereigntist conspiracy. The social union agreement is predicated on something Quebec has been demanding for a long time, a principle it has been fighting for, that is the right to opt out with full compensation, in provincial areas of jurisdiction like health and education.

All premiers agreed on this. They also asked that funding for health be restored following last year's \$6.3 billion cutback in transfer payments. All the premiers are calling on the government to reinvest in health care, starting with \$2 billion right away.

For Quebec, \$2 billion represents the wage envelope for all nursing personnel. Members can therefore well imagine the hardship caused by this bunch of irresponsible politicians. That is what lead the Prime Minister to say, when he met President Chirac in France at a time when there were demonstrations in that country: “We do not have these kinds of problems in Canada because we have found the perfect solution: we make the decisions in Ottawa and then force the provinces to implement them. We wash our hands of everything”. That is exactly what he said, and he was right.

For once, Jean Chrétien expressed himself clearly, without pepper spray and without a baseball bat. He spoke his mind.

You are giving me the sign, Mr. Speaker. I am sure it is the victory sign because that is what is coming in Quebec.

**Some hon. members:** Hear, hear.

**Mr. Gilles Duceppe:** The present government is an arrogant and cynical government that has made a surplus at the expense of the provinces and of the unemployed. It has adopted a very pernicious strategy, passing itself as the country's saviour.

It pretends to be the saviour, saying that it will solve all the problems. Of course, it created these problems. Rather than trying to solve them, could it not stay within its own jurisdiction? We have had enough saviours. We even have one in Quebec who was sent to us by Ottawa. He came as the saviour and now he is playing bogeyman. He is trying to scare people. The saviour has become the bogeyman while trying to save his own hide.

By making all these cuts, the government is playing with the lives of workers, of the unemployed and of the sick. It has shown no compassion. It is a cynical and arrogant government that has the choice of being responsible and listening to all the opposition parties that are telling it to be responsible and do something, or staying in its own bubble, like the Minister of Health who remained totally insensitive to hepatitis C victims.

• (1025)

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, today is a very impor-

*Supply*

tant opposition day, because in the speech of the leader of the Bloc Québécois, we are delivering the message sent by all Quebeckers and some Canadians.

We consulted people. People do not necessarily understand the meaning of billions of dollars for their corner of the country.

I would ask the leader of the Bloc Québécois to comment on the cuts announced to the transfer payments. We want it reinvested in the budget. The billion dollars that that implies for Quebec could mean \$34 million in the Lower St. Lawrence. It could mean hospitals in one region, services for people that will be returned, that the people are calling for, are demanding and that are justified. This is money that the federal government has taken away from the provinces, putting all the provinces in Canada in a difficult situation.

Was the Bloc Québécois leader not speaking on behalf of the people of Quebec and of Canada on this issue when he said that the federal government must put the money back in the economy and into the health sector? If the government does not and insists on putting it on the debt, the people who have contributed to the fight against the deficit will continue to subsidize and those who did not will see their interests promoted.

**Mr. Gilles Duceppe:** Mr. Speaker, generally on opposition days the government asks the first question, when it thinks it has a good position. There is not much chance it will be asking any today. It is not putting questions to us because it is aware that it does not have a leg to stand on as far as health is concerned.

I will list a number of facts. I am sure that my colleagues from the rest of Canada, whether Reform, Conservative or NDP, will have similar comparisons to make.

Out of the \$6.3 billion, there is a social transfer cut to Quebec of \$1.603 billion. Most people do not have billions in their pockets. Perhaps the ship-owner minister playing around with these figures does, but certainly not the average person.

One billion represents 20% of the cost of all hospitals in Quebec. Or, it represents the closure of half the hospitals in Montreal. It also represents 370,000 people hospitalized. Or the pay of one-half of the nurses in Quebec. Or the cost of all the CLSCs; \$924 million, almost a billion. Or twice the cost of all services provided to young people in Quebec, which is \$500 million.

Those are the facts. They are more than just cold figures. In the speech the Minister of Finance will be giving us in February, he will surely say "I have done far better". As if we did not know where the surplus had come from. It is unbelievable that, in three weeks, he did not notice \$10.4 billion. I am sure he pays more attention to detail when his ships are involved. For this minister his ships count more than all the people of Quebec and of Canada put together.

That is why we are saying they are arrogant and cynical. They are not facing up to their responsibilities. To do so would be to expose the truth and to say "Yes, we accumulated this surplus on the backs of the most disadvantaged members of society, the unemployed, the ill. But we will present a special measure. We will immediately put \$2 billion back into health and we will let the provinces administer it." As long as it is health that is concerned, everyone will accept that.

There is no question of "Ottawa knows best". That does not work. Every time Ottawa interferes in things that do not concern it, it does not work. We have had the experience of "flex-o-matic" ministers cutting where it hurts. Well, we do not need any more of that.

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, in light of all the debates that have taken place in the past few months, and even years, I wonder if anyone can reason with this government and make it understand what the facts are.

• (1030)

On August 7, 1998, a historical consensus was achieved when all the premiers, including Quebec's Lucien Bouchard, asked the federal government to reinvest in health.

For some time now, opposition parties in this House have been doing likewise. They have constantly asked the Minister of Finance, the Prime Minister and the Minister of Health to give money back to the provinces for health. But they have yet to get an answer.

During the prebudget consultations that will end in a few days, I travelled across Canada—I went to Vancouver, Calgary, Toronto and Montreal. Everywhere, the chambers of commerce, unions, administration officials and hospitals were asking for the same thing.

More specifically, what did we do in Quebec? When the Bloc Québécois realized that this government would only allow us one day to make representations on behalf of Quebeckers, it conducted a vast prebudget consultation in which most of my party colleagues took part.

This is what we found out. Whenever the Minister of Finance opens his mouth, two or three days later he changes his tune, with the result that we never know which figures or numbers are true. It was said at that time that the budget surplus would be between \$12 and \$15 billion, and that these figures were supported by many respected economists in Quebec and in Canada, including those of the Mouvement Desjardins.

We consulted our people. It was not the kind of fake consultation that we often see in the rest of the country. It was a serious consultation process that led to a summary report on the opinions of the people in 26 ridings and 10 regions in Quebec. More than

2,500 people took the time to come to see us or to call our offices to say how outraged they were by the federal government's attitude.

Among those people were three provincial colleagues of mine, Jean-Guy Paré from Lotbinière, Jacques Baril from Arthabaska and Michel Morin from Nicolet—Yamaska. They took the time to contact us because they also have to deal every day with people coming to them with health problems. They took the time to tell us that they had had enough of the federal government's attitude. That goes to show that the consensus arrived at in Saskatoon is strong, real and credible to Quebecers.

But I am not at all surprised to see our dear Liberal government act this way. The things it has done over the past year and a half speak for themselves. It is just the result of the unhealthy partisan strategy behind the throne speech made in the House in October 1997.

I will now say a few words about the credibility of the Minister of Finance. What credibility. In February 1998, when he brought down his budget, the minister announced "a zero deficit this year, 1997-98; a zero deficit next year and a zero deficit in the year 2000". In fact, what the finance minister said really means he foresaw that his marks as an administrator for those three years would be zero. That is what this finance minister's score in administration is. Zero.

Let us now take a look at the credibility of the saviour from Sherbrooke, Jean Charest. He has a strong tendency to take after the finance minister, as evidenced by the way he announced his budget forecast a while ago; I think it was in Rimouski. On the very same afternoon he made his announcement, Liberal fiscal and financial experts were wringing their hands in desperation; it just did not make sense. He had not realized that, while he thought it was for four years, the forecast put out by Lucien Bouchard and his government, by Quebec's minister of state for economy and finance, Bernard Landry, was in fact for five years.

• (1035)

Some credibility. Shall we talk about his credibility? During the debate Tuesday, how did Mr. Charest respond when Premier Lucien Bouchard pointed out to him that he was \$1.5 billion short in order to deliver on his promises? He was unable to say where the money would come from. He really could not say.

This means that, should the people of Quebec put their trust in this individual, he will have no problem working with the current Minister of Finance of Canada. It means that we in Quebec will be taking a step backward, that we will be the losers.

Therefore, we must impress upon Quebecers and upon all stakeholders the importance of keeping Mr. Bouchard at the helm so we have a strong voice and so he can continue to put pressure on

### *Supply*

the Canadian government to obtain what we have a right to expect from that government.

Now we will move on to the real problems in our health care system, not those Jean Charest has been trying to bring to light since the beginning of the campaign. He goes around talking about billions of dollars, but we have no idea where that money is going to come from. In any case, I already said that he has no credibility. He is like our federal Minister of Finance. That Liberal leader speaks only about concepts. He has all the rhetoric, but no figures.

At this stage, I am pleased to move an amendment, which reads as follows:

That the motion be amended by replacing the word "a" with the following:  
"an immediate"

That is the change I want to make to the main motion brought forward by the leader of the Bloc Québécois.

**The Acting Speaker (Mr. McClelland):** Debate is now on the amendment.

**Mr. André Harvey (Chicoutimi, PC):** Mr. Speaker, first I want to say that our party will support the Bloc Québécois' motion. We feel that it meets an essential need for all Canadians.

However, we should stick to the motion, because this is not the place to actively take part in a provincial election campaign. The provincial leaders are mature enough to take their responsibilities and conduct their own campaign. They too have the confidence of all Quebecers, and they can assume their responsibilities, including Mr. Charest, who has always strongly defended Quebec's interests.

• (1040)

The motion is asking for a massive transfer to maintain health care, especially in Quebec. A number of Bloc Québécois members, including myself, represent outlying areas in Quebec, where the health reform has had the most devastating impact.

There is no need to go on and on about the fact that the Saguenay—Lac-Saint-Jean region, and most regions in Quebec, were greatly affected by this reform, which resulted in a significant shortfall.

In today's debate we should try to draw the attention of the Quebec government, among others, to regional needs in the health care area.

In recent years the Saguenay—Lac-Saint-Jean region has suffered a deficit in the social sector, which, of course, has resulted in a huge shortfall of over \$100 million for health care. This affects all our communities, and it is with this in mind that I ask the hon. member if he intends to promote a greater decentralization of the budgets related to health care.

*Supply*

**Mr. Odina Desrochers:** Mr. Speaker, I got a bit carried away because I am convinced that the present government will be the best one to represent the interests of Quebec.

I am, of course, very much aware of all the problems affecting the regions, particularly the one I represent, Chaudière-Appalaches, and the one right opposite, the Quebec City region.

In recent months and in recent years, and even before I was in politics, I was already aware of the great damage being done by federal cuts to health services in the Quebec City and Chaudière—Appalaches regions.

The consensus of all political parties, including our own, and of the premiers, is that there is indeed a problem on the federal side. We must continue to fight, and we must gang up on the Prime Minister, the Minister of Finance, and the Minister of Health, so that health services will be equitable once and for all and meet the needs of each of the regions of Quebec.

As a result, our health sector employees, our administrators and the recipients of each of our services will finally be entitled to health services that are humane, and above all fair.

**Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP):** Mr. Speaker, first of all I would like to thank my colleague from the Bloc Québécois for today's motion. We are all aware of how important this is.

Since I just have a few minutes, I can only skim the surface of this issue. In New Brunswick, there are certainly major problems in health care, particularly affecting seniors. The elderly often have limited access to and pay more for health services. Since in-hospital services are being cut, they are often sent home with insufficient care.

I wish to thank the Bloc Québécois for moving this motion in the House today so that we may discuss it.

**Mr. Odina Desrochers:** Mr. Speaker, if the Canadian government returns the money it has cut over the past few years, whether in Quebec, in Acadia or in any Canadian province, this will give people some breathing room and they will have the money required for health services that really respond to the needs of the entire population.

[English]

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, on the surface today the opposition motion calling for an immediate \$2 billion boost in federal transfers to the provinces for health care is certainly both timely and constructive. It is timely and useful because the government is right now engaged in its annual pre-budget consultation, a process spearheaded by the finance committee.

It is clear that the issue of health care will be a top priority in the upcoming budget. We welcome advice on the design and amount that this support for health care should take. But what can seem like good intentions does not necessarily guarantee good policy.

• (1045 )

Good intentions when they ignore the basic realities and constraints can often lead somewhere very unpleasant, and that is the problem with today's motion. To justify their call to add billions of dollars to federal transfers with an initial jump of \$2 billion, the opposition cites a mid-year figure showing a federal fiscal surplus of \$10.4 billion. The logic seems clear. The opposition would have Canadians believe that the government is awash in extra funds, so why not open the purse strings right now.

I think we need to be clear. Good policy demands looking beyond the narrow now to tomorrow and the day after. Good government cannot afford to ignore real economic risks in the pursuit of election style spending promises. That is the reason why our government cannot and will not support this motion. It would involve making dramatic spending commitments based on superficial numbers at a time when the global economy faces significant risks and uncertainty and Canada cannot break away from the global economy and ignore the impact it may have on governments and their fiscal outlook in the months ahead.

I welcome the opportunity to address the key issue of the supposed surplus this year. But before I do I want to make clear something about which there is no question and no debate. Health care is at the top of the list for Canadians in every region of the country. It is at the core of how we define ourselves as a national community and it is one of fairness and compassion.

That is clearly why, as the Prime Minister has said, the government will invest more of our resources in the years ahead to reinforce our public health care system. That is to my mind an absolute and unequivocal commitment.

But we also have an absolute and unequivocal commitment to good fiscal stewardship. We will not risk putting Canadians back into the cycle of deficits and debt that put our health care system and our entire social safety net into jeopardy in the first place. That is why in making decisions on further support for health care we will make sure that Canadian priorities are addressed with prudence, not just passion. In other words, we will take the sort of effective long term action that can be sustained year in and year out and not just based on a potential short term windfall.

This takes me right to the issue of the \$10 billion mid-year surplus and to the criticism which is implicit in this motion today, that the federal government should not be so cautious about making spending commitments.

One of the reasons our government came to office and was returned last year was that Canadians had seen what happens when

*Supply*

government relies on rosy forecasts and wishful thinking. The result was the \$42 billion deficit that we inherited and the second largest debt burden in the G-7. We recognized that we had to apply caution to budget planning for a very good reason, so that we could restore confidence in the ability of the government to manage the country's books. That is why we set the two year rolling targets, so that the public could keep our feet to the fire.

As important, we used economic assumptions that were much more prudent than the average of private sector forecasts. This is reflected in a fundamental fact, that with Canada's high debt burden we could not simply rely on assumptions that had only a 50:50 chance of being right. If we were wrong it was the Canadian taxpayer and the Canadian social safety net that would bear the burden and feel the pain.

Now after years of efforts and sacrifice by Canadians to clean up the mess, and despite the fact that our debt burden is still high, there are critics who want people to believe the government should be less careful with the nation's finances. They refer to recent numbers as evidence that the government is being overly cautious and potentially hiding large amounts of money.

Today's motion is a case in point. The hon. member is trumpeting the fact that the results for April through September of this year have been quite strong, with a cumulative surplus to date of \$10.4 billion. His implication is clear. Whatever happens in the coming months, he wants us to believe there will obviously be a substantial pile of funds at year end that should have been drawn on now to boost health care. It is easy to jump to the conclusion if we are not responsible for the results. But for a government it is both dangerous and misleading to do so.

First, given the recent downward revisions to the Canadian economic outlook as a result of the global economic situation, there is a real risk of a significant deterioration in the fiscal situation. We have already seen the preliminary indications of the impact of slower economic growth on government revenues. Since June we have had only one month in which the surplus was larger than that recorded a year earlier. The weakness in the economy could easily reverse the gains that we have made to date.

• (1050)

Second, the hon. member does not seem to realize that the government receives between 25% and 40% of corporate income taxes in February and March. That is the settlement period for large corporations. There are some real implications for this year's ultimate fiscal situation. It means that the full impact of slower growth in corporate profits will not be evident until the end of the fiscal year.

Third, the income tax cuts announced in the 1998 budget just started to come into effect in July. This will reduce personal

income taxes by \$1 billion this year alone and by \$2.3 billion next year. In other words, the first half's surplus involves a mixture of apples and oranges when it comes to the full year revenues.

Finally, spending measures announced in the 1998 budget for this fiscal year are still being put in place. That means they have not shown up yet.

All these considerations explain why, at the time of the finance minister's October economic and fiscal update, already showing a surplus of \$8 billion for the period of April to August, that led to private sector forecasters such as the Royal Bank, CIBC and Nesbitt Burns to revise down their expectations for this year's surplus to about \$5 billion.

There is even a more dangerous flaw in a motion that takes a six month surplus and extrapolates this into the longer term spending capability. Fiscal results are for a single month or a quarter or for a year. But spending like the CHST continues year after year. A \$2 billion increase now means providing that additional \$2 billion next year. In other words, whatever the final outcome for the current fiscal year, the 1999 budget must be based on the fiscal situation that will prevail in 1999-2000 and beyond. New spending programs and tax changes, both of which by their very nature are a permanent expense, can only be financed if an ongoing fiscal dividend of sufficient size is available.

One of the vital skills of good government and effective leadership is to expect the unexpected. In today's volatile world economic environment, large differences between a government's original forecast and final outcome for a particular year are not unusual or unique. For example, the United States February 1996 budget originally projected a deficit of \$196 billion U.S. for 1997-98. By last February the government was projecting a \$10 billion deficit U.S. Both projections fell far short of the final result, a surplus of \$70 billion U.S. by the close of the fiscal year.

At the time of our last budget many criticized our government for too being prudent. But the dramatic downward revision in the private sector forecasts since then clearly illustrates why we must stick to our plan.

We are not going to let Canadians return to the deficit house of horrors, not after having balanced the budget for the first time in 28 years. Fiscal prudence is not something we embrace when times are tough and throw out the window at the first sign that our income may be going up. It is a principle that has to be pursued all the time.

There is no doubt there is a need to further support health care in Canada. That need is real. We will make that support a priority. We have said that before. But we will do it in a way and in the amounts that the health care system in Canada can count on. That is why I urge the House to reject today's motion, not because it means rejecting new support for health care but because it means showing

*Supply*

Canadians that the support for the health care system we all cherish must be real, reasonable and reliable in difficult times as well as in times of prosperity.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, after listening to my colleague's remarks, I thought of several questions I would like to raise officially in this House. Could we get confirmation that the cumulative surplus for the first six months of fiscal year 1998-99 is \$10.4 billion, whereas a few weeks ago, as budget forecasts were being prepared, the Minister of Finance said "There will be no surplus of that amount". But that is not the reality. Could he confirm that the figure is indeed \$10.4 billion for the first six months?

Second, could he not act on the unanimous request of the provincial premiers, including the Liberal premiers?

Last week Brian Tobin and Russell MacLellan again asked the federal government to put money back into the transfer payments as soon as possible.

• (1055)

Today, the matter is clear for all Canadians: if the government simply pays back the debt and puts no money into health care transfer payments, the cost is once again passed on to those who fought the deficit, and the finances of those in the middle class and of the disadvantaged will not improve.

Are Canadians not entitled to quality health care through the injection of considerable funds, starting with the \$2 billion requested in this area, to ensure that our health care system can have some breathing room?

With the \$10 billion surplus in the first six months, which the Minister of Finance hid, could the government not be compassionate and ensure Canadians get proper health care by contributing fairly?

[English]

**Mr. Tony Valeri:** Mr. Speaker, I guess the hon. member did not have an opportunity to listen to what I said, even though he said he did.

What I said in my intervention was that the \$10.4 billion is there. If he reads the *Fiscal Monitor*, which goes out to Canadians, he would see the figure.

The part he did not listen to, though, was that the government does receive between 25% and 40% of corporate returns the first half of the year and that private sector economists are saying that \$10.4 billion surplus there today will not be there at the year end.

They see a deterioration of that number because of the second half of the year. There are private sector economists like Robert Normand from Quebec who are pessimistic about 1999, indicating that the GDP is probably going to be on a bit of a downward track.

We are not going to hit a wall or anything. All we are saying is that the economy will experience a bit of a slowdown because of what is going on around the world. No one is denying it. I do not think the hon. member can say that I in any way indicated that health care was not a priority of all Canadians and that the government, through the prebudget consultation, is hearing from Canadians that health care is a priority. The government has not said that there would be no additional resources to health care. But I think it is responsible of a government to wait until there are the hard numbers on resources before making these types of decisions.

We spent the last 28 years and more in deficits. We were in a situation in 1993 of a \$42 billion deficit. Canadians clearly do not want to enter that era again. The argument we are putting forward is that it is foolhardy to Canadians that we make an initial investment of \$2 billion today, in fact immediately was the amendment, based on a mid-term number that may not hold up by the end of the year.

It is okay for opposition parties to make those statements, but government cannot be irresponsible, as I suggest the hon. member is being.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.):** Mr. Speaker, it is my pleasure to speak on the motion today.

I start by stating the motion so that Canadians clearly understand what we are debating, that this House support the unanimous resolution of the provinces as agreed at Saskatoon August 7 to the effect that the federal government must reinstate, through the current mechanism of the Canada health and social transfer, at least \$2 billion immediately in contributions to primary health services, considering that the federal government has already accumulated a budgetary surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

I refer to a press release by the premiers in Saskatoon on August 7. They reaffirmed their commitment to maintaining and enhancing a high quality universal health care system for all Canadians.

• (1100)

The premiers observed that every government in Canada but one, the federal government, has increased its funding to health care. The premiers are committed to directing additional federal funds to core health services.

The premiers also pointed out that since 1994-95, the Liberal federal government has introduced cuts that now represent \$6 billion per year. These cuts to the Canada health and social transfer amount to 33%. The government cut 33% of the transfers of federal

*Supply*

funds to the provinces but it only cut 6% in its own federal program spending. For every dollar the government cut out of federal program spending, it cut \$5.50 out of money transferred to provinces for health care, education and social services.

The hon. member for Stoney Creek assured Canadians that health care is a top priority for his government. He said that it is irresponsible to make dramatic spending commitments in an economy subject to international changes. He also said that although health care is at the top of the list of priorities for Canadians, spending must be addressed with prudence and that it is foolhardy to make a commitment of \$2 billion.

I want to share with Canadians some of the prudence with which this government is spending their money. The department of agriculture spent \$200,000 on an information kit for members of parliament called "At Work in Rural Communities". The Canadian Consul General in Shanghai felt that a 5,000 square foot house was no longer acceptable, so Canadians are paying \$15,000 U.S. per month so he can rent a downtown apartment in Shanghai.

There is more foreign affairs spending. Canadians are spending \$3,500 U.S.—and we all know how that translates in currency exchange—per month to store furniture at one location although that furniture is only valued at \$1,000. Although one ambassador's residence is two times larger than the guidelines allow, the extra large house is costing Canadians \$37,000 a year to maintain.

There are many golf courses included on this list but I want to point out some of the more outrageous support that this Canadian government feels is a priority. The Ontario Lawyers Association, \$95,000; the Canadian Bar Association, \$46,532; the Manitoba Trucking Association, \$70,000; the British Columbia Trucking Association, \$42,900; and Imperial Oil Limited, \$120,601. Here are some more examples. The Canadian Imperial Bank of Commerce, \$25,000; General Electric Canada, \$1,239,268; Novem BV Credit Lyonnais Bank Nederland NV, \$125,368. We do not even believe in keeping the money in Canada. Nutek Sparbankernas Bank, I believe in the Netherlands, \$10,810; Technical University of Denmark, \$5,692.

These are only a few examples of the Liberal government spending priorities over spending on health care. We have to question the sincerity and honesty of the Liberal commitment to health care for Canadians.

• (1105 )

All of this has a trickle down effect. When the federal government cuts transfers to provinces and the provinces have to make up those cuts to ensure Canadians receive a high quality health care system, they have to cut spending in other programs. One of the expenditures they cut is the transfers to municipalities. That is

downloading expenses onto the local governments that normally would have had assistance from the provincial government. It is not just the provincial governments that are feeling the effects of these kinds of changes and the miscued priorities of this federal government.

I want to share with Canadians the accountability of this government. The government has tried to claim that it is not its fault that the health care system is suffering and that Canadians are having difficulty getting access to health care, hospitals and doctors. The government says that it is the provinces' fault.

The health minister has on more than one occasion blamed Mike Harris, the premier of Ontario, for the lack of health care services in the province. I would suggest to the health minister that he should look in the mirror if he is looking for a villain. Maybe with a bit of luck the finance minister will be standing behind him and his image will also be there and he can share the responsibility. The health minister cannot possibly blame the provinces for having to struggle to make up the difference. We are talking about a 33% cut under this Liberal government.

I know the health minister has made comments that it was the Liberal government that brought in the Canada Health Act and it was the Liberal government that brought in medicare. Yes, he is right that it was a Liberal government but at the time when it brought in health care there was a commitment to fund at 50%.

In Alberta there was great consternation that it had to go along with this program even though it was provided with a much more superior system to what was being offered because it was assured that it would be 50% funded. The Alberta health minister of the day knew that the time would come when the federal government would renege on that promise and would not support it at 50%. However, he had no choice but to bring Alberta into the program.

It is interesting to see this government has shown that the Alberta health minister was right that the federal government would renege on its responsibility and commitment. I know very well who that health minister was because he was my father. He resigned his post as the minister of health because he knew that the Canada Health Act would bankrupt the provinces. It is being shown today that is exactly what is happening.

I would ask this government where its commitment is to health care. Where is the government's commitment to Canadians that this is a priority when the commitment the government made when it was introduced of funding at 50% has been reduced to just over 11%? Where is the government's commitment to Canadians that health care is a priority and not spending on foreign affairs and public relations documents for members of parliament on agricultural issues in rural communities? Where is the government's commitment to Canadians that health care is its priority?

*Supply*

I would suggest to the House that there is no commitment and no sincerity in that commitment. This government has shown by its arrogant attitude that it is not going to support the demand and desire of Canadians for a secure health care system in the future.

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, it is always interesting to hear from the Reform Party. Depending on what day it is, some days it is tax cuts, EI and pay down debts and other days it is health care. It just depends I guess on which way the wind is blowing.

The first point I want to make concerns the reference to the 33% cut. The hon. member should come clean. If she is going to stick with a 33% cut, then in essence what she is saying is that the tax points that form part of the total entitlements to the provinces have no value.

• (1110)

Is the Reform Party now advocating that the provinces should in fact give back that tax room that was given to them by the federal government since in the eyes of the Reform Party it has no value and then the federal government would give that back in cash? I am not sure, but when we talk about transfers to the provinces, the tax points have to be included. They form part of that total entitlement, it is tax points in cash.

I want to illustrate that point. The hon. member is from British Columbia. No one has denied that cuts were made. Cuts had to be made. We were facing a \$42 billion deficit. We cut \$1.5 billion from the CHST cash transfers between 1993-94 and 1998-99 for British Columbia. Tax points grew by \$1.2 billion. When that is offset, the actual cut that British Columbia experienced was some \$300 million between 1993-94 and 1998-99.

If the hon. member does not want to recognize the tax points, I ask her to stand up in this House and advocate that the federal government take that room back.

**Ms. Val Meredith:** Mr. Speaker, I do not speak on behalf of the Reform Party when I say this. This quote is from the press release by the premiers in Saskatoon on August 7: "They expressed concern about unilateral federal cuts to the Canada health and social transfer, CHST, beginning in the 1994-95 fiscal year that now represent more than \$6 billion per year. This is the transfer to provinces which helps support core health care services, post-secondary education and other social programs for Canadians. The federal government cut its funding for social programs through the CHST by 33% while at the same time spending on federal programs fell by just 6%".

I would like to know whether the hon. member thinks the premiers across the country are playing with figures and are not

being forthright in saying that this is how they see how the federal government unilaterally cut money that it had promised to the provinces.

**Mr. Tony Valeri:** Mr. Speaker, I would be saying the same thing to the premiers. I asked the hon. member whether she was advocating that the provinces give back the tax points.

The premiers in their press release are also focusing on the cash transfers. The reality is that transfers are made up of total entitlements: cash and tax points.

I ask the hon. member again, what is her position, not the Reform Party's, but her own?

**Ms. Val Meredith:** Mr. Speaker, my position is that when the federal government encroached on provincial jurisdiction in 1968-69, it made a commitment to those provinces in order to get them to buy into the new program it was proposing. That commitment by that Liberal government was that the federal government would in perpetuity fund it at 50%. That was the agreement the government had with the provinces at the time when they agreed to, or were forced to go into this program.

That is what I would like this federal government to do. Forget the 11%, the 14%, the 16% or whatever number it comes up with and return to the 50% commitment that it made to the provinces at the time. I am speaking on my own behalf that I think the government should follow through with the promise it made.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I am very pleased to participate in this debate. I indicate at the outset the support by the New Democratic Party for the ideas and the concept behind this resolution.

Today we are dealing with the number one issue facing the Canadian people, the number one issue that should be before parliament. I commend the Bloc for bringing this issue forward and want to indicate how I feel we need to devote our time and effort to address this most critical issue.

I also want to set the record straight. It is very important to do so in the face of the comments by Liberal members over the last number of days. They are suggesting, implying, that Liberals are in fact the pioneers of medicare and the greatest defenders of medicare at the very time when they are responsible for the demise of this very important universal program for all of Canada.

• (1115)

It is absolutely appalling and unacceptable for us to sit in the Chamber and hear the words of the Minister of Health and to see that kind of mischievous behaviour when in fact it is the policies of the government that have clearly put us in the difficult position we are in today.

*Supply*

I also want to set the record straight when it comes to the Reform Party. The Reform Party likes to evoke the name of Tommy Douglas on a regular basis. In one breath it talks about Tommy Douglas and in the same breath it talks about support for a two tier, parallel private health care system.

That was the antithesis of everything Tommy Douglas stood for and everything the CCF and the NDP fought for when they brought forward the idea of a universally accessible, publicly administered single tier health care system. Let us not forget that and let us not be fooled by the Reform Party. It pretends to be great defenders of medicare when it is firmly committed to destroying medicare as we know it today. Let us juxtapose the comments of both the Liberals and the Reformers with the rhetoric we have heard from previous and present Liberal and Reform members.

Let me remind Liberal members that when we went through the big fight 30 years ago to get a universal health insurance program they were the biggest obstacles to that whole development. I refer specifically to a Liberal MLA in the province of Manitoba who actually said that state medicine was a Frankenstein that people had created. That member went on to say that the medical professionals would soon be sucked into the jaws of a voracious socialist monster. We have to compare that to what members of the Reform have said in the House, in particular one member who said "I can get better health care in Florida than in socialized Canada".

Canadians have to remember who is standing up for medicare. We have to think very hard about convincing both Liberals and Reformers about what we truly mean by medicare and what has to be done. Since we are setting the record straight with respect to the pioneers of medicare, I remind members of the words of Tommy Douglas because they are the essence of what we are dealing with:

Had I been a rich man's son the services of the finest surgeons would have been available. As an iron moulder's boy, I almost had my leg amputated before chance intervened and a specialist cured me without thought of a fee. All my adult life I have dreamed of the day when an experience like mine would be impossible and we would have in Canada a program of complete medical care without a price tag. And that is what we aim to achieve—the finest health service available to everyone regardless of ability to pay.

That is the origin of medicare. That is what we are trying to protect. Let me also remind members of the House about the words of Stanley Knowles who passed away almost a year and a half ago. He was also one of the strongest defenders of medicare. I quote from his speech in Gimli, Manitoba, in 1958:

The day will come when never again will any man, woman or child in Canada have to worry about a hospital bill, a doctor's bill or other health costs.

This is the aim and purpose of the overall health insurance which this party advocates. He went on to say:

Will there be any loss of freedom when all health care is available as one needs it? On the contrary, this will mark the beginning of a new and greater freedom, freedom from

worry over health costs, freedom to enjoy the best health that medical sciences can make available to our people.

That is the legacy that we are trying to carry on today. We are faced with enormous pressures and obstacles from the Liberal government and the official opposition, the Reform Party. Our party will be devoting our time in parliament to preserve medicare and to do whatever we can to ensure that we maintain the idea of a universally accessible publicly administered single tier system.

It will not be easy. All we have to do is look at the situation today. We know the facts. We have heard over and over again how consecutive Liberal and Conservative governments at the federal level have eaten away at payments for health care. We know that this Liberal government took the biggest chunk out of health care spending in the history of medicare in 1995 when it introduced the Canada health and social transfer. We know about the \$7 billion that it eliminated. We know the impact that had on health care systems across the country. We only have to open our newspapers wherever we may live to find out just what is happening.

I refer to an article that appeared in the *Winnipeg Free Press* yesterday. It talks about how nurses are in tears because they are overworked, stressed out and not able to provide the quality care they envisage giving to their patients.

• (1120 )

Whether we are talking about long waiting lists for diagnostic services, overcrowded emergency rooms, hospital beds being cut, or people being released from hospital without home care services, we know it is a result of serious cuts in health care spending that has happened across the country by the federal government and by many provincial governments.

I think specifically of my province of Manitoba where the provincial Conservative government has worked hand in hand with the cutback agenda of the federal government and has contributed to a very inadequate health care system. This is a very scary situation for the people of Manitoba.

The same can be said for the provinces of Alberta, Ontario and many others where governments are not committed to putting resources into health care and to trying to move the system to a holistic, preventive health care system.

All provinces are now saying the same thing. They are all saying that we need to stabilize the health care system. We need an immediate reinvestment in the transfer payments for health care. Not only are the provinces saying this, but for the first time in our history every major health care organization, every stakeholder, is saying the same.

In the last few days we have been lobbied by all major groups: the Health Action Lobby representing 27 national health and community organizations; the Canadian Health Care Association representing 1,000 regional health authorities, hospitals, health

*Supply*

facilities and health service agencies; the Canadian Medical Association representing 46,000 doctors; the Canadian Nurses Association representing 11 provincial and territorial nurses associations; the National Federation of Nurses' Unions representing three-quarters of health care providers in our system that are nurses, thousands and thousands of nurses on the frontline; and the Canadian Health Coalition which has been fighting desperately to wake up the government to the need to restabilize our system and move forward.

It is clear that the opinion in the country is united and unanimous. There is only one message the government must hear. It must hear it today and must act immediately. As a minimum \$2.5 billion must be put immediately into the transfer payments for health care to stabilize the system, to deal with the crises that we are all hearing about and perhaps deal with ourselves on a personal basis, and to bring some order to the system so that we can then build upon a solid foundation, go forward and implement the important goals we have talked about and heard about time and time again from the Liberals: the idea of a national home care plan and a national drug plan.

We cannot go forth with those important ideas until we stabilize the system and have the commitment of the federal government to work in co-operation with provincial and territorial governments to ensure we have the ability to go forward.

Let me conclude by bringing us back to our origins, to the pioneers of health care and specifically the words of Tommy Douglas. Let us not forget the true meaning of those words and the kind of direction he gave all of us. He said that he would not allow for the demise of medicare:

—because when we're talking about universal health care, we're talking about our sense of values and asking the questions: Do we think human life is important? On what moral basis should the wealthy receive greater access to medical care? Why should a stockbroker have more discretion over something as vital as health care than a teacher or a non-wealthy mother of four?

The only answer for you and me is that the best medicare which is available is something to which people are entitled by virtue of belonging to a civilized community.

**Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.):** Mr. Speaker, I do not want to question the support of the NDP for medicare but I believe a little bias is showing through. The reality is that the Liberals brought in the Canada Health Act and the Liberals defended it. I can speak from experience when I say that some of the same NDP governments did not always support it as avidly as the party in Ottawa.

It is a known fact that we said we would reinvest in health care. We have already reinvested \$1.5 billion so the cut is not really \$7 billion any more. It is much lower than that.

• (1125)

Part of ensuring that medicare can continue is the fact that we have managed the finances of the country very well. In all this debate no one mentioned that all these provinces have benefited because of our good management.

Does anyone have any idea how much money the provinces have saved because interest rates are so much lower? It is a very large number. If all the savings the provinces have been able to make were added, they would at least become the equivalent of what we had to cut, not just from health but from all social programs.

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, once again the Liberals are playing games with statistics. We know very well that the \$1.5 billion they like to tout as some new money injected into health care is just nonsense.

All the government did was not move ahead on a cut that was promised for this year. We are still dealing with a base of \$12.5 billion. That is \$2.5 billion short of the \$15 billion in the system when the government brought in its drastic changes and cutbacks in 1995.

Let us deal with the facts. Let us also remember that when it came to the origins of medicare, it was under a Liberal government that the Canada Health Act was brought in. History will not dispute that if it were not for the pressure and work of the CCF and NDP, people like Stanley Knowles and Tommy Douglas, the Liberals would not have acted. It took that kind of pressure to make it happen across the country.

Some would even say that the Liberals had to be dragged kicking and screaming to bring in this program. Today we have a Liberal government that is dismantling health care. I tell the member that we will make sure we do everything to keep the Liberals from eroding and killing medicare, even if it means taking them kicking and screaming to that point.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I agree with about 98% of what the member said. The 2% I do not agree with was the cheap shot about Reform.

What will surprise her is that I was attracted to the Reform Party because of its commitment to the health care system. I invite all members in the House to pay attention. We are spending, thanks to the governments of the last 30 years, about \$40 billion a year on interest because they could not manage the fiscal affairs in such a way as to keep us out of debt.

Just imagine what \$40 billion a year would do in terms of providing educational opportunities and health care. What attracted me to Reform is that it listened to the people who said health care was the highest priority to them. Therefore it is to us, but we also are committed to running our financial affairs so that we can deliver on that.

*Supply*

My aunt is in hospital. She fell out of bed—

**The Acting Speaker (Mr. McClelland):** I am sorry, but your time has expired.

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, I am glad that there is some common ground. We all are committed to convincing the Liberal government to reinvest in health care.

I am very concerned, though, about the clearly enunciated policies of the Reform Party around approval for a parallel private health care system. That would be absolutely the death of medicare, no matter how much money the federal government could be convinced to put into the system.

The Reform Party has not fully thought through what allowing for a two tier health care system would mean. I urge them to consider that position and to look at working together to preserve a universally accessible, publicly administered single tier system which is the envy of the world, in particular the envy of the United States. This was recently clearly stated by physicians from that country who said "Don't lose what you have". We fought hard to get medicare. Do not let them take it away.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, it is a pleasure to debate the motion before us today because it fits in very well with our platform leading into the last election under the leadership of Mr. Charest.

• (1130)

Obviously we support this motion. We think it is critical that funding be restored to deliver good quality health care to Canadians.

One of the things I want to note, Mr. Speaker, and I think you have probably noted this as well, is that the health minister is not here for this debate. Can you believe it? The health minister is not here for this debate.

**The Acting Speaker (Mr. McClelland):** I would remind the hon. member for New Brunswick Southwest that it is an established practice of the House that we do not refer to the presence or the absence of other members.

**Mr. Greg Thompson:** Mr. Speaker, I do not think too many people know who the health minister is because it is not the first time this has happened.

More important is the fact that the parliamentary secretary to the finance minister is the person leading the debate today. Does that not tell us something about the government, where its head is at in terms of health care and what is important? Obviously the most important thing to the government is the finance minister's position as it relates to health care. It has nothing to do with the health minister. This health minister has to be the weakest health minister we have had in parliament for many years.

Given the fact that the parliamentary secretary to the finance minister is carrying the debate on behalf of the government, and understanding that the health minister is not doing it, nor is the parliamentary secretary to the health minister doing it, and given the fact that the finance department is handling this debate today, I want to go back to 1993. This will give us an understanding as to why the finance department is leading the debate and not the Minister of Health, although I cannot obviously allude to his absence in the House, as you pointed out so clearly in your ruling, Mr. Speaker.

I am quoting from the red book of 1993. This was the book which helped the Liberals get elected in 1993. It basically outlined what they were going to do.

**Mr. Murray Calder:** It is good literature.

**Mr. Greg Thompson:** A member opposite says that it is good literature. That is exactly what it is. It is just literature and words. It has nothing to do with reality and implementation. It is a corporate plan. Corporate Americans are going to take over our health care system in Canada. Give them time and they probably will.

I am quoting from page 77 of the infamous red book of 1993. It describes how a Liberal government will face the challenges of health care:

A Liberal government will face these challenges squarely, thoughtfully, and with confidence. Our approach will be based on our values. Our solutions will be predicated on our commitment to the five fundamental principles of our medicare system, and on our commitment to the continuing role, in financing and in other aspects, of the federal government in health care.

It worked. They were successful in winning the election of 1993. But what did they do? They came in with sort of a scorched earth policy in terms of health care. That is exactly what they did. Immediately they slashed \$7 billion from the system.

The question is: How could they get away with it? Name one government in the history of this country that could ever get away with slashing \$7 billion unilaterally from the health care system. The Conservative government, despite all of its faults between 1984 and 1993, could never have gotten away with that. It did not even try.

**An hon. member:** They just left us with a \$42 billion deficit.

**Mr. Greg Thompson:** We will talk about that as well. I was a member of the finance committee and I will talk about any of those issues. I will stand to defend everything that we did.

They slashed \$7 billion from the health care system. How did they get away with it? It was simply because they did not have any opposition here in the House of Commons. There was none.

*Supply*

• (1135)

There has to be someone in the House with a social conscience. In the last parliament the official opposition was the Bloc. Bloc members were focused and are still focused on one issue and one issue only. They did not fight for health care in the House of Commons between 1993 and 1997. Never. They are only using it today as a political ploy.

The other major party in the House of Commons at that time was the Reform Party. In terms of its strategic position, the Reform Party was somewhere to the far right of Attila the Hun. There is nothing the government could do to health care that would concern it. Its position was to scrap the Canada Health Act. The only time in the House when I actually have a smile on my face when I hear the Minister of Health speak is when he reminds the Reform Party of what its policy is in regards to health care.

They get away with it here on the floor of the House of Commons.

The other thing that is interesting is that the Liberals' provincial cousins back home were nodding in silent agreement as they cut the \$7 billion. They were saying "What more can we do for you?" Premier Frank McKenna did not open his mouth when these cuts were coming down. Why? Because it was his friend Jean Chrétien who was doing it. He did not open his mouth. So they got away with it.

**The Acting Speaker (Mr. McClelland):** As the hon. member undoubtedly knows, we do not refer to members presently sitting by name. We refer to them by their portfolio or by their constituency.

**Mr. Greg Thompson:** Mr. Speaker, the person I was talking about, whose initials are JC, would be the Prime Minister of Canada, often referred to as JC by the solicitor general in conversation.

The Prime Minister was allowed to do it. The provincial premiers silently nodded in agreement as the Liberals extracted \$7 billion from the health care system. There is no government on the face of this earth that could get away with that in a parliamentary democracy.

I endorse exactly what the member for Winnipeg North Centre has articulated. It is correct. Every major medical association in Canada has told us the same thing. To be precise, the Canadian Medical Association has said that there has to be an immediate injection of \$2.5 billion in the system. The nurses' associations are telling us the same thing, within degrees of dollars here and there.

Health care is delivered by human beings. That is what the minister forgets. At the end of the day, human care has to be there. That has been articulated well by the nurses' associations and the

doctors across the country. Sadly, because of these draconian cuts in health care, some of our brightest, most highly educated, most dedicated workers are having to go elsewhere to seek their profession.

I support an injection of funds in health care. It is purely and truly consistent with our position as a party. I look forward to questions and answers from my colleagues.

• (1140)

**Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.):** Mr. Speaker, I can always look forward to a bit of levity when the member for New Brunswick Southwest gives his speeches. There are not a lot of facts, just levity.

Let us get down to the facts. We inherited from the hon. member's government a \$42.5 billion deficit that we cleaned up in five years. His government was in for nine years and it just made things worse.

The hon. member said that we cut money to the provinces. Here is what happened in Ontario. What he says is partially true. We did in fact cut transfer payments to the province of Ontario by \$5.9 billion. But we gave Ontario extra tax points which amounted to \$4 billion. As well, we have the lowest interest rates in 30 years, which represent \$1.3 billion worth of savings—

**The Acting Speaker (Mr. McClelland):** I am sorry, we are going to have to be quick here. The hon. member for New Brunswick Southwest has 50 seconds for a response.

**Mr. Greg Thompson:** Mr. Speaker, the member has selective memory, because we did not add a nickel to the debt. The deficit was caused by the compound interest on the debt that his party left us. That is a fact. When Pierre Trudeau became Prime Minister of Canada in 1967-68 Canada was debt free. But that is an old argument and I will not get into it.

I have given the government credit in terms of deficit reduction. Unfortunately, it has done it on the backs of the provinces, hence the \$7 billion extracted out of the system. Now it is balancing its books on the backs of the unemployed.

[Translation]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, I will take a minute to tell the member from the Conservative Party that some of his remarks were a great disappointment to us. For instance, he alluded to the fact that the government acted because it was not facing any opposition.

I want to make it clear that, the very first time a budget was introduced that cut back transfer payments, the Bloc Québécois stood up to denounce the situation while the Conservative Party was all but absent from this House, and its only two members were not here very often to support us.

*Supply*

The hon. member has us to thank for having the opportunity today to rise and speak on this issue, because the motion we are debating was moved by the Bloc Quebecois. He should add his voice to ours today, he should congratulate us instead of condemning us and trying to divide the opposition.

We must face this government and denounce a difficult situation. I think the hon. member is in no position to lecture anybody.

[*English*]

**Mr. Greg Thompson:** Mr. Speaker, there is nothing like a lynching in the morning to focus the mind.

These people are obviously playing politics with health care because of the upcoming election in Quebec. They sat here in the House between 1993 and 1997 and never said a word about the cuts to health care back in their home province.

It was a slash and burn policy and they sat here in silent agreement and did not open their traps when it came to health care.

Now they find that their own premier is in deep trouble on health care, right up to his eyebrows, because he mismanaged health care from day one, starting right here in the House of Commons when he was sitting in the front row.

Bloc members are trying to salvage his career—

**The Acting Speaker (Mr. McClelland):** The hon. member for Winnipeg North Centre.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I am tempted to ask my colleague, the Conservative health critic, a question about the metamorphosis of the Conservative Party, since we all know that the huge cuts in transfers began with the Mulroney Conservative government. However, I think that issue has been dealt with.

I would simply ask the member, since he is very familiar with the whole area of costs as a result of things like tobacco, is it not a factor here that we are dealing with a government that is not only cutting huge amounts out of the transfer payments, but is also contributing to the costs in the health care system by not dealing effectively with tobacco addiction and not dealing with proactive legislation dealing with the tobacco industry?

**Mr. Greg Thompson:** Mr. Speaker, both myself and the member for Winnipeg North Centre have been on our feet probably more than anyone in the House this week in terms of government legislation and what is coming down, including this opposition motion today.

She is right.

• (1145)

The government had a chance yesterday to do something about health care which at the end of the day would have saved the

Canadian public \$3 billion a year. I am talking about Bill S-13, Senator Kenny's bill, which would help to reduce smoking among teens. That is costing us 40,000 lives a year in Canada at a great cost to the health care system. I do support what the member is saying.

[*Translation*]

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, it is my pleasure to rise today to speak to the opposition motion of the Bloc Quebecois. I would like to remind you that it reads as follows:

That the House endorses the provincial consensus reached in Saskatoon on August 7, 1998, that the federal government must restore, via the existing provisions of the Canada health and social transfer (CHST), its contributions to front-line health care services, starting with a payment of at least \$2 billion, given that the federal government has already recorded an accumulated surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

That is \$10.4 billion just for the first six months of the 1998-99 fiscal year. Where does this money come from? How did the government manage not only to eliminate its deficit but also to register a budgetary surplus?

The government achieved this surplus by misappropriating employment insurance funds, at the expense of the unemployed. It did this by cutting the Canada social transfer, which is the budget for health, education and welfare, and by going after the sick and the disadvantaged.

Since it came to office, the federal government has drastically slashed transfer payments to the provinces. In 1994, these payments amounted to \$18.8 billion, compared to \$12.5 billion in 1997-98, a decrease of \$6.3 billion.

For example, in 1994, social transfers averaged \$678 per capita. In 1998, this average has dropped to \$386, the lowest in 20 years.

The provinces are faced with very serious problems in the health area, as the cost of health care keeps rising because of the ageing population and because of increasingly expensive drugs and new technologies. The impact of the cuts in health care are being felt not only in Quebec but across Canada.

Here are some examples. We are told that the people of Manitoba are going to Dakota to get medical attention. In Newfoundland, army doctors have been called upon to help relieve the pressure in emergency wards. We recently learned about the difficult situation facing hospital administrators in Ontario. Health

*Supply*

ministers throughout Canada are telling us that they are feeling the impact of all these cuts.

Last August, in Saskatoon, the premiers reached a consensus and agreed to urge the federal government to pay back the \$6.3 billion a year in transfer payments, now that the federal government has a surplus. All of them want the federal government to restore funding to the 1993-94 level of \$18.8 billion.

• (1150)

They also asked the federal government to respect their jurisdiction. We hear that the federal government intends to reinvest in health care in the next budget, but it wants to do so without respecting provincial jurisdiction.

We are told about some kind of national infrastructure including a drug plan, home care and all kinds of other programs. The provinces will be told: "Here, we are giving you this money for these programs, but you have to abide by our standards. You are not going to be able to run your own show. We are offering you this money to put in place the programs we think you need". Yet, the Constitution clearly states that health care is an area of provincial jurisdiction.

This is the reason why last August in Saskatoon the premiers asked the federal government, instead of creating new programs, to restore transfer payments to the level they were at when the government was elected. If the federal government insists on setting up such programs, the provinces should have the option to accept or reject them—this is what we call the right to opt out with compensation. If a province decides to opt out because, as is the case in Quebec, it already has such programs, it should be fully compensated.

I am sorry, Mr. Speaker, but I forgot to mention that I will be sharing my time with my colleague from Quebec.

I would now like to speak about the impact the cuts have had in Quebec: cuts to health care in Quebec amount to at least \$1 billion a year.

Looking at the \$6.3 billion in cuts to the Canada health and social transfer, Quebec alone has been hit by close to 30% of the federal cuts, which represents close to \$2 billion yearly. It is estimated that 50% of the federal transfer of \$2 billion, or \$1 billion, goes to health.

When health care reform was being carried out in Quebec, a reform that was not absolutely necessary, but we were lagging behind the other provinces, imagine if we had been able to benefit from an additional \$1 billion per year for health in Quebec. That would have meant more money for home care, more money for day surgery, more money for long term care, more for pharmacare, more for in-patient care.

The Quebec government had to react rapidly, as I have already said, because we already lagged behind the other provinces.

I think the Government of Quebec has succeeded where others failed, or dared not even try. In Quebec we succeeded, despite all the difficulties that can go along with such a reform. We succeeded while undergoing cuts in the Canada social transfer.

Had an extra \$1 billion a year been available to the Quebec government for this reform, the Mauricie and central Quebec region, in which my riding is located and which receives approximately 6.2% of the total health budget, would have received \$62 billion to be reinvested in my region.

• (1155)

The Saguenay—Lac-Saint-Jean region could have used another \$38 million from the \$1 billion claim against the federal government. Comparing this with the \$34.4 million the Jonquière hospital receives, we realize we could use this money. This amount is almost equivalent to the entire budget of the hospital.

I therefore close by saying that the Liberals used the billions of dollars stolen from Quebecers and Canadians to eliminate the deficit. Now it has to give us back the money we are owed.

[English]

**Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, again and again we hear the rhetoric. The hon. member talks about jurisdiction.

I wish for once, instead of worrying about jurisdiction, they would be concerned about the impact on Quebecers and Canadians. They are so focused on jurisdiction. What this is all about is a reinvestment in health care, a reinvestment in Canadian priorities.

I would like to set the facts straight. Let us be clear. The decrease in transfer payments accounts for less than 3% of Quebec's revenues. The cuts that Quebec has imposed on the municipalities account for close to 6% or almost double the amount of the federal cuts.

Quebec in its 1997-98 estimates announced its intention to cut health care and education spending by 3.2% and 5.8% while at the same time indicating that other spending has increased by 4%.

While the hon. member might be arguing that health care is a priority, obviously as shown in Tuesday's debate health care is not the priority of the provincial government. I do not know why the hon. member is up here arguing for more money for Quebec.

[Translation]

**Mrs. Pauline Picard:** Mr. Speaker, I would like to ask my Liberal colleague what sort of surplus he foresees for next year. If there is one, could part of it not go to health care?

I think the Constitution provides clearly, on the subject of provincial jurisdiction, that health care and its administration are

*Supply*

provincial matters and that the federal government's role is to transfer funding for health, education and social assistance.

But the Liberals made cuts, and they still have the gall to tell everyone that they reinvested in health. They wanted to cut \$48 billion, but they were pressured into cutting only \$42 billion. That is not money reinvested in health. They just cut less. People are not dumb.

This government, which flatters itself on its ability, came up with a budget surplus that exceeded its objective of a zero deficit. That is all very well. Is there no way, though, that part of the \$10.8 billion surplus could go to health? Could it not go to the sick via the provinces?

**Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.):** Mr. Speaker, the hon. member is very passionate about health issues and I can understand that. But is she not forgetting that, despite cuts to social programs, Quebec has clearly benefited from a \$1 billion increase in equalization payments and that Quebec is currently getting \$3.9 billion in equalization payments?

Quebec has also benefited from very low interest rates. So, I think Quebec is still ahead and still has a lot to gain from being part of Canada. It has a lot more flexibility to work with its social programs because of the \$3.9 billion in equalization payments that are being paid by Ontario, Alberta and British Columbia, since they are not getting any equalization.

• (1200)

**Mrs. Pauline Picard:** Mr. Speaker, the minister is in no position to lecture anyone, because she was health minister when the first cuts were made throughout Canada. She was health minister when the Canada social transfer was slashed. She is really in no position to lecture anyone.

I would like to remind her that Quebec's share is 25% compared to the rest of Canada. We pay \$32 billion in taxes and we do not get our fair share back. Since the Liberals came into office, we have lost \$7 billion in social transfers. Can members imagine what the people of Quebec could have done with that \$7 billion?

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I am very pleased and enthusiastic about taking part in today's debate on the motion moved by the leader of the Bloc Québécois, the hon. member for Laurier—Sainte-Marie.

It is not the first time that I speak, but this issue is of particular concern to me as the member for Québec. There is a high rate of unemployment and people on welfare in my riding. Since 1993, I have taken part in all the debates on the cuts made to the Canada social transfer.

Today's motion deals with an important issue for Canadians and Quebecers. Let me briefly remind the House of what it says. The motion asks that this House endorse the provincial consensus reached in Saskatoon on August 7, 1998, to restore the Canada health and social transfer and to give back the contributions to front-line health care services, starting with a payment of at least \$2 billion, given that the federal government has accumulated a surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

This debate is the logical result of consultations. On September 16 and 17, we held prebudget consultations in the Quebec City region to ask what the federal government should do with budget surpluses. These prebudget consultations were held throughout Quebec, under the guidance of the member for Saint-Hyacinthe—Bagot. As I said, these consultations were held throughout Quebec. Hundreds of organizations representing thousands of Quebecers came to deliver a message to the Minister of Finance regarding what should be done with budget surpluses.

To fully understand how appropriate the motion before us actually is, it is important to see how the wealthy owner of Canada Steamship Lines—I am of course referring to the Minister of Finance—managed to generate surpluses which he is still trying to hide. There is no way to find out whether there are surpluses. The minister's account always shows a zero balance. No deficit, no surplus. The account always has a zero balance.

The federal government forces the provinces to do the dirty job of implementing cuts to health, education and income security. The government shifts the blame for the cuts to the provinces by secretly digging into the pockets of the most disadvantaged, because it will not index taxation, and by misappropriating money that belongs to the workers and spending it as it pleases, in an obvious effort to gain visibility.

How does the Liberal government misappropriate the workers' money? I will try to explain.

While this debate deals with the Canada health and social transfer, we cannot overlook the fact that nearly half of the \$10.4 billion surplus accumulated in the first six months of the current fiscal year came from the employment insurance fund. Recipients get half of all contributions they pay. They pay twice as much in contributions as they receive in benefits.

• (1205)

The government had no problems taking \$5 billion out of the employment insurance fund surplus. The figures speak for themselves. What are they telling us? They are telling us that contribution rates are too high, which hampers job creation.

*Supply*

The human resources development minister's latest report correctly states at page 47 that only 43% of those who contribute to the plan benefit from it.

Figures do not tell us about the human cost. But when we look at these figures, we realize there must be people hurting somewhere. Women were the hardest hit by the tighter EI requirements imposed by this Liberal government that turns its back on them and uses contributions to hide its incompetence.

I will give you an example of this government's bad faith. As a member of the human resources development committee, I am embarrassed by what happened just yesterday, when we were denied permission to consider as a priority the impact of the new EI provisions. Yesterday, all opposition members on the committee walked out, saying "Have your own private debate".

We have not been allowed to give precedence to the impact of the new EI legislation. That is embarrassing to me. Where are we to debate these issues, if we not even allowed to do so in the human resources development committee?

We had proposed a motion for the consideration of this legislation we think is unfair. When we see the government getting \$5 billion from EI premiums paid by people who are not receiving what they deserve, we have the right to call for a debate. I am proud to take part in this debate today to express my outrage.

Several people have referred to the hijacking of the EI fund. I can quote the president of Solidarité rurale, Jacques Proulx, who appeared as a witness during prebudget consultations in my riding. He said "It is immoral to use the EI fund surplus to eliminate the deficit. That money does not even belong to the government". I would remind the House that the government does not contribute to that fund.

Others did not hesitate to call it highway robbery. I know you do not like it, Mr. Speaker, when we use the word robbery here in the House, but we are not the ones who said it, it is the witnesses who came to the hearings. They said the management of the EI fund by the Liberals was the injustice of the century.

It is true that cabinet's insensitivity is no surprise to anyone, considering that the person who runs the government has implemented a reform whereby six people out of ten are not eligible for benefits.

We can now see why the Prime Minister does not understand the programs in Quebec; he does not even understand his own programs. When asked a question in the House about who paid premiums, the Prime Minister thought he himself paid premiums. He cannot answer a question from the Bloc Québécois asking if it is fair to take money from the EI fund to reduce taxes. With a Prime minister who believes he contributes to employment insurance

when we know full well that neither members nor ministers do, we are wondering who is governing us.

The Canada health and social transfer is a shameful scam; since 1993, the Liberals have cut \$10.4 billion in transfer payments. By 2003-04, the cuts will amount to \$42 billion. Can you imagine what the provinces could have done with \$42 billion in health care? Can you imagine what it would mean to have an extra \$42 billion in their pockets? In Quebec this translates into \$590 million for 1997-98.

In the Quebec City area alone, they need \$117 million. To give you an idea of what this means, it costs \$103.5 million to run the Robert-Giffard hospital. With \$117 million one could run a whole hospital. It takes \$76.4 million to run the Hôtel-Dieu in Quebec City and \$72.1 million to run the Laval University hospital. This amount represents what it takes to run two hospitals.

• (1210)

I do not know to which hospital this money could have gone, but at least the government could have helped by giving a little bit more so that hospitals could offer better services.

It is all very well to say from your ivory tower that everything is hunky dory, that we live in the best country in the world, but when you cut \$42 billion from the Canada social transfer, one thing is clear: people suffer.

Quebec is not the only province where things are rough. Everywhere else in Canada health care is in crisis. There is not enough money. The government should stop parading around with its \$2.5 billion millennium scholarship fund—money that will only increase its visibility—and start giving the money back to the provinces.

**Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.):** Mr. Speaker, let us not exaggerate. We made cuts because we had to put our fiscal house in order, and we did. It was not easy, we did not enjoy doing that, but we did.

The member spoke about what she could do with \$100 million for the hospitals in Quebec City. But when equalization payments go up, that is money paid to Quebec on top of all other programs and transfers. Equalization payments went up by \$1 billion. That is several times \$100 million.

Perhaps the member should go back to Mr. Bouchard and say "You receive \$3.9 billion in equalization payments. That is more than any other province". She should ask him what he does with that money. He can spend it on hospitals if he so chooses. We do not impose any conditions. So I hope he will at least be honest with Quebecers and tell them how they benefit from equalization payments.

*Supply*

Moreover, and this bears repeating, interest rates have gone down and provincial governments have saved millions of dollars in interest payments on their debt. They are forgetting all of that. They must always remember that there is more than one department and that the Government of Canada wants to work with the provinces. We are doing everything possible to work with the provinces. We transfer significant amounts of money to them, and I hope the member will recognize that.

**Mrs. Christiane Gagnon:** Mr. Speaker, no matter the numbers quoted this morning, as I said before, behind these numbers there are real people who are suffering. This is the reality in health care across Canada. Stop telling me about a miserly \$1 billion when we know the cuts in Quebec amount to \$7 billion. Seven billion dollars is several times \$1 billion.

Behind seemingly generous numbers lies the fact that in some areas the cuts amount to 10 or 15 times that. If I were her I would be ashamed; she is the minister who kept on cutting instead of preventing the cuts in health care. She said she brought finances back to health. How dare she use such a word? She made finances healthy again in the area of health care. Now I have heard everything.

I too am going to quote a number to support my arguments. Total health care cuts in Quebec amount to 30%, even though we represent only 24.5% of the Canadian population. Therefore I believe Quebec, which pays \$32 billion in taxes, does not get its fair share.

This morning's debate is also about the duplications this government intends to create, as is the case with the millennium scholarships. What the government wants to do is interfere with provincial areas of jurisdiction. Quebec does quite well in several areas, we do not need two different structures.

• (1215)

Over 1,000 students in Quebec will not be able to get a \$3,000 scholarship because of duplication. This is what we are fighting against.

The government should be fair and equitable and give the existing surplus back to the provinces, because our health care system needs it.

[*English*]

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I will be sharing my time with my hon. colleague from Vaudreuil—Soulanges.

I have been listening attentively and I am impressed by the verve and passion with which members opposite have been expressing their views in defence of provincial jurisdictions, i.e., the authority of bureaucracies to administer a particular program. I thought that

the motion had as its intention an indication of what our responsibilities might be toward Canadians and toward their health needs.

The last time I looked, not to be too sarcastic, probably all Canadians were not looking at their passports in a moment of illness. They were not looking for which jurisdiction was responsible for the delivery of a system when they were in need. Most Canadians when they are ill are looking for a very responsible, competent and compassionate approach to easing their pain, their malady, their illness.

It is rather troubling as a Canadian because in this House all members are supposed to be representing the interests of all Canadians and yet we seem to have this intense desire to ensure that a jurisdiction is the most important element to defend. That was not what I thought the mandate of a member of parliament might be. It was to put forward programs that were to be to the advantage of all Canadians, all those who make a contribution to this country both fiscally and civic. Whether it be in economic or community terms we are all in this place together.

Having said that partly as an element of frustration for a member of parliament who is looking forward to having input in policy that will translate itself into programs that have universal application in the sense that every Canadian can access this service no matter where they might live, no matter where they might find themselves in the course of travels in this country, I want to refresh some views for members and perhaps change the debate slightly from where it appears to be going.

That ministers at the provincial level asked only last fall that the federal government put more money into health care than what was currently there and taking this statement as essential gospel for what must happen is a very selective way of looking at the politics and the pragmatics of the decisions that led to the CHST.

When the program that combined EPF and CAP and other equalization benefits was put together for the health and social transfer the government was responding to a request by provincial ministers. Notwithstanding the partisanship in the House, those provincial ministers came from all provinces as well as the territories. They asked the government for one lump sum transfer.

• (1220)

Why did they want that? They wanted, to use their demands, flexibility in the usage of the transfers from the federal authority to provincial and territorial jurisdiction.

What they wanted was predictability in funding. They wanted stability in funding. They wanted to co-operate in areas in order to reduce overlap because the overlap was to translate itself into efficiencies both in delivery of services and obviously in cost.

I take pains to point out that this was a request by the provinces, including the provinces of the two members who just spoke. The provinces received a commitment that there would be no less than

*Supply*

\$11 billion in cash transfers. That amount has since been increased to \$12.5 billion. In addition, the provinces were to receive tax points which in an expanding economy have translated into increased income and increased revenue. For that the provinces were extremely happy.

Has the politics changed since the time when the provinces made those requests? Perhaps. Have the obligations of those provinces that were partners in coming to this decision changed with respect to the demands of Canadian citizens anywhere and everywhere? No.

Is it possible we are engaged in a very partisan political discussion regarding whose responsibility it is once an agreement has been put in place to deliver services that were required and identified?

Surely every reasonable member in the House would say yes, we have struck this deal, we abided by your requests, please do your job. Harvard University studies, studies done in the United States and studies virtually everywhere in the world have indicated that the problems in health care are not only evidenced in Canada. The problems are evidenced everywhere. But a major reason for the problems is administration, not funding.

If there is a person in this House who would say that they cannot do a little more with a few dollars more, I would like to find that individual. But there are more people in this place who say we are not underfunding our needs when there is some \$72 billion annually spent on health care.

Where does the federal government fit in? It has been attacked by opposition members who are using partisan tactics in order to diminish the responsibility that the Government of Canada has assumed for itself and which it is divesting, I think, rather reasonably and vigorously.

Opposition members have neglected to point out that in addition to the lump sum payment going to the provinces every single year, the Government of Canada instituted an innovation and research program that would revitalize medical science research at universities and hospitals to the tune of \$800 million. That is not chicken feed with all due respect to those in the agricultural sector.

There is over \$150 million in the transition fund that applies to every single Canadian no matter where they live. That money is being used for innovative and pilot studies in all provinces and territories. We have looked as well at increased funding to the medical research council. All those moneys go toward health care.

If health care is to be defined in terms of all that leads up to the delivery of a system, all that is required in order to make a system functional, then I think we owe it to ourselves in the House to be reasonable and to be objective even though we are trying to be partisan when we tell Canadians just what the state of the health care system is.

• (1225)

It may be sexy to find out about one item that appears to be illustrative of what is wrong with the system but let us also be honest in our debate. Let us give credit where credit is due and assign responsibility where responsibility is due. If we want total responsibility for the administration of a system, do not offload that responsibility or shirk our responsibility by saying it is the fault of those who abided by an agreement we demanded.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I thank my colleague for his intervention. He talked about the partisanship of this debate. The opposition parties are for the most part challenging the government about its priorities in spending cuts.

It seems the federal government spending cuts have been made mostly off the backs of the provinces. Then the government comes back by saying it has given the provinces some tax credits. Now that the federal government has a surplus it says that the provincial governments can tax their citizens instead of the federal government doing so. This leads to a serious trickle down effect.

I will bring some examples from my constituency to the debate. I would like government members to listen to what is happening to some of the rural areas in Canada. A mother who went to the hospital to give birth told me there was one nurse there who covered the labour and delivery rooms and looked after the nursery. I have heard from people who have had to go to four doctors in the last year because the first three doctors had left the community. I have heard doctors say that they have come to the country at the request of boards but that when their temporary work permits expire they cannot reinstate them. The immigration department will not open the door for them because there is not a slot for more doctors. These are the consequences of such cuts to individual grassroots Canadians in rural constituencies—

**The Acting Speaker (Mr. McClelland):** The hon. member for Eglinton—Lawrence.

**Mr. Joseph Volpe:** Mr. Speaker, the hon. member made some points that would concern all of us. He has reinforced what I said a moment ago, that the licensing and certification of doctors through colleges of physicians and doctors is everywhere in the provinces. If he is concerned about a restrictive area, that issue should be taken up through the provinces with those colleges.

I am one of those who say we should get more doctors into the small towns and rural Canada. To suggest that will be done overnight because the federal government will be increasing its funding through transfers to provinces is oversimplifying the situation completely.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, for the member to dismiss the concerns we have

raised today does a great disservice to the thousands of people in Canada who are very concerned about the care they are receiving or who are very worried about whether care will be there when they need it. It is not a partisan request for doctors, nurses, hospitals and health care organizations to come forward with one voice to say that this government owes it to our health care system to put \$2.5 billion immediately back into it. That request is truly in the interest of preserving something we all believe in.

Does the member acknowledge that Canada is now 17th among 28 industrialized OECD nations in terms of public spending on health care? Does he acknowledge the federal share of that public spending is now down to 14%, if we are lucky? Is he ready to acknowledge a report of the Canadian Institute for Health Information covered by the media today which stated that private sector health spending now represents over 30% of this country's total health bill?

**Mr. Joseph Volpe:** Mr. Speaker, the member and I have debated this kind of issue in the past. I do not mean to diminish some of the inputs because I have as much concern for those who are ill or suffering or making demands on the system.

• (1230)

As I said earlier on, from the federal point of view we are in the position where we are funding. Those who are delivering the system and administering the system are at the provincial level. This is one of those disconnects where we are being held accountable for something for which we have no responsibility.

With respect to some of the figures the hon. member gave, the last figures I looked at a couple of months ago put us in third place among the OECD countries in public contribution to spending on health. We are marginally behind Germany and France and in fact we are ahead of the United States.

Most academics and researchers in the area would say that Canada is very much in line with virtually all the other major industrialized nations in the world, in terms of—

**The Acting Speaker (Mr. McClelland):** I am sorry, but the hon. member's time has expired.

[*Translation*]

**Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.):** Mr. Speaker, I am also very glad to support the motion before the House of Commons today.

As we all know, our social programs reflect a vision of Canada that is ambitious and very dear to us, a vision of Canada as a world leader in accessible health care, knowledge, innovation and compassion, as well as a vision of a nation providing its citizens with a sense of security and many opportunities.

### *Supply*

We hold tight to this vision, not because of our political affiliation, but because we are Canadian. The people of Canada do not expect anything less.

Although Canada's social programs are the envy of the whole world, we do not want to rest on our laurels. It is in this spirit that this government has constantly and thoroughly tried to ensure that our social programs keep improving, meeting the needs and reflecting the priorities of Canadians, wherever they live.

All of the provinces and territories share this commitment and I am sure that the current negotiations on social union will benefit everyone. Our social safety net relies on co-operation between the various levels of government.

The health care system in Canada is constantly under pressure to keep pace with technological developments. The demographic situation also exerts some pressure. In fact, the health care system has to deal with a population that is growing as well as ageing. So, Canadians have every right to be concerned about the preservation of the quality of our health care system and of its accessibility.

Health care has to be the main area in which we invest next. I for one believe in the future of the health care system in Canada. Some will ask me how I can be so optimistic given the huge pressure being exerted. Well, it is because I have seen how this government has managed to meet other huge challenges.

I remind the House that in 1994 the deficit was \$45 billion. In 1998, we have a balanced budget. Also in 1994, the accumulated debt was over \$500 billion and still rising. Today, in 1998, the debt to GDP ratio has started to go down for the first time.

Quite simply, we were faced with a debt and a deficit of catastrophic proportions. We had to deal with this problem immediately. I do not mean to sound alarmist, I am merely stating the facts.

During the first years, the government implemented unprecedented restraint measures. We reviewed all programs and activities; we reduced the size of the public service; we consolidated programs; we privatized; we commercialized; we moved heaven and earth.

These measures were not simply emergency measures to limit spending. They were fundamental structural changes stemming from a comprehensive reorganization of our country's priorities.

Our restraint measures were aimed essentially at program spending. But we had to look at the whole picture. Federal spending on transfers to the provinces account for about one-fifth of our total spending. Accordingly, we could not ignore this sector in our efforts to save money.

*Supply*

• (1235)

It must be remembered, however, that the federal government gave itself a larger share of the burden of budget cuts than it did the provinces.

The results of this fiscal discipline are eloquent. The circumstance surrounding the debate on Canada's finances are now much more favourable than they have been in recent decades. The budget is balanced, and the debt to GDP ratio continues to drop.

This does not mean that we are protected from the financial market fluctuations that have hit the world's economies. These problems have slowed the growth of our own economy and have resulted in a drop in the value of our currency.

How can we be so confident? Because of the financial adjustment we struggled to achieve. In the last fiscal year, we were the first central government in all of the G-7 countries to present a balanced budget.

This adjustment, in which the reductions imposed on the provinces played a real role, I will admit, is not an abstract accounting concept. It means that Canada has not been in such a good position to deal with world economic fluctuations in decades.

I do not want to start an endless debate on what our situation might be exactly, had we not cut spending so categorically. I can, however, give a brief summary: our dollar would have dropped further; interest rates would be much higher; thousands more would be unemployed; we would be paying billions of dollars more in debt servicing.

Fortunately for us, these issues are theoretical. Suffice it to say that, in the short term, we had to tighten our belts, not only to be long term winners, but in order to survive.

As to the present, the questions facing us involve striking a balance among funding social programs, cutting taxes and reducing the burden of the debt. We have clearly established that health care is an absolute priority.

In fact, once a balanced budget was within reach, we increased the minimum funding to the provinces for health under the Canada social transfer. This cash floor was increased from \$11 billion to \$12.5 billion annually, up to the year 2003.

This means an additional \$7 billion for health care, for each province and not, as Bloc Québécois members claim, \$7 billion just for Quebec.

But the cash floor is not the only component of the Canada social transfer for health and social programs. There is also the transfer of tax points, which Bloc Québécois members never talk about. When the economy is growing, as it is now, the value of these tax points increases, as has been the case for the past several years.

In 1993-94, the value of the tax points transferred amounted to \$10.1 billion. This year, it will be around \$13.3 billion. If we add that amount to the cash floor of \$12.5 billion, we get a total of \$25.8 billion. These are facts.

Moreover, increasing the cash floor was not the only spending commitment made to improve the situation in the health care sector. Indeed, in our last three budgets, we have allocated more money to new initiatives in that area.

Lower interest rates also result in reduced debt servicing costs for the provinces. Based on our estimation, lower interest rates have resulted in a \$1.8 billion dividend for the provinces, during the two-year period from January 1995 to December 1996.

Therefore, provinces are also benefiting, since they collect more taxes as more Canadians are working, not to mention lower social assistance costs.

Even Canadians who are young, healthy, educated and employed benefit from the social security network.

• (1240)

Today I started by reminding the House that the Canadian social security system was built through co-operation among the various levels of government. It is this tradition of co-operation that will ensure the survival of our social programs.

We really want to do our share. As the finance minister said when he delivered his economic and fiscal update to the Standing Committee on Finance, and I quote: "We welcome the assurances of Canada's premiers that any additional federal funding provided to the provinces for health care will indeed be used for that purpose. We share strongly their desire—and the desire of all Canadians—to have confidence in the health care system restored, and we want to work in partnership with the provinces to secure that confidence".

By putting its fiscal house in order, this government made sure it would continue to play a role in the building of a strong and prosperous country able to educate its young people. This is our goal.

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, to start with I would like to congratulate the member for Vaudreuil—Soulanges for supporting the motion moved by the Bloc Québécois, which demands that the federal government invest \$2 billion in the Canadian health care system.

The member for Vaudreuil—Soulanges is consistent with the former MPP, former Quebec premier and provincial member for Vaudreuil, Daniel Johnson, who under Mr. Jacques Parizeau's government, had condemned in the National Assembly the federal cuts, especially cuts to the health and education transfer payments.

Would the member for Vaudreuil—Soulanges agree that if today we are debating a motion on health care moved by the Bloc Québécois it is as a result of federal cuts mainly in transfer payments to the provinces? These cuts have had an impact on the health care sector for instance. Not to mention cuts in employment insurance, which have hurt workers and the unemployed.

**Mr. Nick Discepola:** Mr. Speaker, first, I would like to make one thing clear. The members of the Bloc Québécois are fond of numbers games. They keep referring to cuts in the amount of \$7 billion. I think that the member who spoke before me said these cuts were made in the Province of Quebec. I will try to settle this matter once and for all.

I have here the actual figures. In 1993-94, Quebec received \$7.9 billion in cash and tax points, as compared to \$6.8 billion today, a mere \$1.3 billion difference. Often, when this issue is raised, the federal government is blamed; the next level of government is always to blame when the provinces are forced to cut back in their priorities.

The decision to cut back is made by the provinces. They are free to use the money that comes back to them as they please, depending on their priorities.

When six provinces have achieved balanced budgets, when one spends more than another, on a per capita basis, in the area of health care, and another one decides to spend more on public servants and administration, I think these are priorities, and the priority for the Province of Quebec—

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

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, listening to my colleague across the floor, with his figures and statistics, I recognize a true Liberal, with no compassion toward our sick, our unemployed and our young people.

We did not need to hear this sad story of Liberal accomplishments, because we are familiar with the outcome. Health care in Quebec and throughout the country is in total chaos.

Now there is a surplus. It is clear: \$10.4 billion. Does the hon. member agree that the government should put at least \$2 billion in health care, as we are asking today? The government does have money. Why does it not want to pay?

• (1245)

**Mr. Nick Discepola:** Mr. Speaker, today we can talk about choices because we have a balanced budget. In the past we did not, so we could not talk about such things.

I believe the hon. member is right. If there is a priority—

### Supply

**Mrs. Pauline Picard:** The reason you have \$11 billion is because you have dipped into the employment insurance fund.

**Mr. Nick Discepola:** Why don't you listen to the reply?

**Mrs. Pauline Picard:** Shame.

**Mr. Nick Discepola:** I agree with the hon. member that the priority for Canadians is to reinvest in health, and we are going to do so.

But there are other priorities. As the hon. member is aware, since he sits on the finance committee, education is another priority. It must be pointed out too that the priorities are always a provincial responsibility.

I would like to ask him how it happened that the Quebec premier cut \$3 billion from programs, and then suddenly, on the eve of the election, he announces an investment of \$2.1 billion.

When I speak of priorities, how can it be that the premier of Quebec is closing five hospitals and choosing to invest \$160 million to extend the metro to Laval? It is because these are provincial priorities; it is not always the federal government's fault.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, it is my turn to speak to the motion brought forward by the Bloc, asking the federal government to reinvest in our health care system after putting several provinces in dire financial straits.

Some of those provinces are not allies of the government. I am thinking about Quebec and Ontario, among others. The federal government is playing politics with our health care system to try to destabilize certain political figures that it does not particularly care for.

What happened? The member who just spoke referred to a lot of figures. If we look at the *Fiscal Monitor*, published by the Department of Finance, we can see clearly that transfers to the provinces went from more or less \$18 billion to today's cash floor of \$12.5 billion.

They are telling us that we should be glad since they had planned on reducing it to \$11 billion, but they stopped at \$12.5 billion. The cash floor is slightly higher than was planned. Today, we should all rise and applaud them for saving us this additional cut that would have reduced the Canada social transfer by another \$1.5 billion. Now we get to—

**Mr. Nick Discepola:** The Quebec premier did the same thing.

**Mr. Pierre Brien:** Mr. Speaker, one member asked us to listen a few moments ago, and I would now ask him to return the favour and to please listen.

*Supply*

I will move right now to another part of my speech to please him. We will soon have a debate on reinvestment. This is one of the goals the federal government will pursue now that it has a surplus. After slashing transfers to the provinces and getting more money from the unemployed, the workers and the employers who pay EI premiums but find it harder now to qualify for benefits, the federal government has racked up an accumulated surplus of \$10.4 billion in the first six months of this fiscal year.

It is a lot of money. And now, they are really excited at the prospect of spending it as they see fit. As the health minister said yesterday and as the Prime Minister has said before, health will now become one of their priorities, all of a sudden. It was not a priority when they were making cuts. Health was not one of their priorities at that time or they would not have made the cuts they made.

I find it strange to see them taking part in today's debate. It seems that the former health minister is now suddenly wide awake. When she was in cabinet, not once did she speak against the government. We have to wonder if she even tried to step in to protect the health of Canadians, as her department kept getting slashed. As far as transfers to the provinces are concerned, she never said a word and now she wakes up and in good conscience says "We are addressing health concerns".

How will they go about it now? They want more visibility. We can see how frustrated they feel when they talk about tax point transfers. What they are not saying is that they are terribly sorry to have granted tax points to the provinces, because of the visibility they could have gained from them.

They will start to reinvest in health, but you can be sure that there will be strings attached. Given how obsessed they are with visibility, you can be sure that this will be one of the main criteria used to assess programs. Even before assessing the real needs, they will try to determine how the money they spend can increase their visibility. That is what we can expect.

• (1250)

Yet, they never asked for visibility when they were making cuts. When an hon. member talked about five hospitals being closed, we could have said "Here are the hospitals being closed thanks to the federal government". But funny how at that time they did not ask for their contribution to be acknowledged.

We hear a lot about reinvesting in equipment. Medicine and technologies evolve quickly. I am sure they look forward to investing in equipment and gaining some visibility by sticking the maple leaf on it.

The first piece of equipment the federal government should sponsor is hospital scalpels engraved with "Best wishes from the federal government" to remind people of the cuts it has made over the last few years and the problems it has created for several provinces.

Let us have a look at what has happened in the area of health care across the country. *Maclean's* magazine carried an analysis accurately describing the situation in each province: a high percentage of real cuts in Quebec as well as in Ontario, Manitoba, and Saskatchewan. Only the territories found themselves in a better position than before with regard to transfer payments. Two provinces, New Brunswick and Nova Scotia, were less affected.

I will not start debating at this point what the federal government has been doing behind the scene to compensate the maritime provinces for these cuts. We could mention the GST compensation scheme under which it gave them \$1 billion to soften the impact.

We were, and still are every day, in a situation where the government opposite is withdrawing. Initially several health care programs were jointly funded by both levels of government; it was a 50:50 partnership.

Today the federal government barely pays for a quarter of some health programs and in certain provinces it is even less than that. It has substantially reduced its share. There is a reason why, when all the provinces met, they unanimously urged the federal government to return the money it had cut to all the provinces because this government believes some provinces are better than others; there are some provincial governments it likes and others it does not.

But it made no distinction in this case. All the provincial governments said that it was enough, that the government had gone too far. This government does not even have the excuse it used these last years when it said that the nation's finances forced it to make such cuts. It has always been hard for the government to admit it, but when it did reluctantly, it used the nation's finances as an excuse.

We now have a \$10.4 billion surplus just for the first six months of this year. That surplus will grow in the coming months. Despite the economic problems experienced in recent months at the international level, we now know their impact on Canada has been a lot less severe than expected and that the government's fiscal revenues are substantially the same.

From Quebec's point of view, what does that mean? While we, in Quebec, continue to fight to eliminate the deficit, make the last efforts to get there, find creative ways of finishing the tough job started by Quebecers, we are sending half of our tax revenues to the federal government that has a surplus of some \$2 billion for the first six months. And we cannot take that money to reinvest it according to our priorities because the federal government has decided to define them for us.

I will be sharing my time with the member for Mercier. Therefore, I have about one minute left.

What happened in the area of education is a perfect example. We have not talked about the cuts made by the Liberals in education. It was the same as with health care. They took the money from the

surplus to set up a foundation that would offer scholarships and give the federal government a high profile in the field of education.

They are now preparing to do the same thing to us in the field of health. After making us suffer considerably, they want to reinvest, with only one thing in mind: visibility.

I am pleased to see that all the parties in opposition will be supporting this motion, that all provinces are calling for it, and that this government is feeling increasingly isolated with its talk of the present situation not being so bad, not its fault, that the tax points must not be forgotten, and so on.

They are getting pretty isolated and soon will have to come up with an answer for the provincial premiers. They will also have to vote—and I am anxious to see how they act when it comes to voting on this motion—in favour of putting the money back where the key priority lies at the present time, in health.

• (1255)

It cannot be done any old way. It must be included in the transfers to the provinces so they can inject money into sectors currently considered priorities, into new services and into areas of need created by the aging of the population. The provincial governments, which already administer health care, are in the best position to define the most pressing needs.

I warn them about all their juggling of figures, files and individuals in this matter. Health is not their main priority. There should be no mistake. Their main priority is visibility, not health. If it were, we would not be in this situation today of having a \$10 billion surplus, when the government savagely cut transfers to the provinces. These cuts hurt.

At the outset, I said that it was for political purposes. I suspect they will reinvest in the coming year, but after the Quebec and Ontario elections. These are two governments they do not particularly like, which make lots of demands on and are a little too critical of federal Liberals. They will try to help their provincial Liberal friends in Quebec and Ontario by destabilizing the health system, and they will wait and see what happens. Then, if this does not work, they will see what they can do about it afterwards.

It is in this spirit that I along with all my colleagues from all the opposition parties will support this motion before us today.

**Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.):** Madam Speaker, in his remarks, the member asked a question. He was wondering why the federal government had put a \$12.5 billion cap on transfer payments.

I want to remind the hon. member that, when we first made the option, we took note of a priority identified by Canadians and we

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increased payments for health by \$1.5 billion, as the member just said. We raised them from \$11 billion to \$12.5 billion. Why \$12.5 billion? Because the national council on health has met this past year, and it has consulted all those affected by the legislation and the health care networks. It has recommended that we invest \$12.5 billion. We listened, and now the member is criticizing us for putting back in funds we had cut. In our province, the Premier of Quebec also cut back funding for health care by \$3 billion, in fact \$3.5 billion.

To address the member's questions, the Premier of Quebec's motives may or may not have been political, but the fact remains that, last week, he announced that he too was going to invest an additional \$2.1 billion.

I would like to know whether this is new money or if he is not following our lead. Why is the member criticizing us but not his own premier?

I have another question for him. Often, the suggestion is made that all problems in health care are due to insufficient funding. When I look at Quebec, which spends 40% more than Ontario on health care, while its population is 60% of that of Ontario, I wonder if something could not be done about the administration, if service delivery could not be refined.

Does the member agree with the premier, who stated during the debate on Tuesday that he had made every effort and, as a result, waiting lines had been shortened and health care services were being delivered rapidly. If contributions to provinces were restored, does the member agree that the funds should go to health service delivery?

**Mr. Pierre Brien:** Madam Speaker, this almost sounded like a speech. I will have a hard time commenting on all the issues raised.

I will quote from a document that is not from the Bloc Québécois, but from the Library of Parliament: "During the 80s and 90s, the federal government, in its effort to reduce the deficit, limited on several occasions the growth of transfers made under two programs, namely the Canada Assistance Plan and the cost sharing programs. This adversely affected the provinces' public finances and their ability to financially maintain their health insurance plans and social programs".

• (1300)

A document from the Library of Parliament states that this government adversely affected the provinces' ability to maintain their health insurance plans. This study was released in July 1997.

I will now quote some figures, which I have here with me. For the coming year, the Quebec government will spend \$13 billion on health and social programs. This is the same amount as in 1996-97.

*Supply*

The amount of money allocated to health and social programs by the Quebec government remains at a very stable level. It is true that, because of growth, this means that, in real terms, some cuts were made. The actions taken by the federal government during its last mandate resulted in a \$7 billion shortfall for the Quebec government.

When the member says that the Quebec government made cuts totalling \$3 billion or \$4 billion, he should congratulate it for having managed to somehow absorb half of the cuts, instead of passing them on to someone else. The member should be pleased and he should congratulate the Quebec government for having successfully met that challenge, in spite of this blow—I was going to use some unparliamentary language—from the federal government.

Let me elaborate on these figures and give them a regional dimension. Back home, in the Abitibi—Témiscamingue region, federal cuts in health amount to \$25 million annually. This is the equivalent of the budget of the general hospitals in Val-d'Or, Amos and Rouyn-Noranda, and even more. After making cuts of \$25 million in my region, the federal government is now claiming that health is one of its major concerns. Nobody believes them, and it is certainly not the member for Vaudreuil—Soulanges who will make people change their minds about that.

**Mrs. Francine Lalonde (Mercier, BQ):** Madam Speaker, I am pleased to take part in this debate, and I hope many Quebecers are listening.

To start I will say this: I am quite sure that if Jean Charest were still leader of the Progressive Conservative Party he would support this motion, he would approve of it. This motion has the support of every opposition party. It came about as a result of an array of pressures, not all political.

I want to mention that some of our Liberal colleagues were probably been invited to meet the Health Action Lobby, or HEAL, which was here this week. These 28 national health and consumer organizations are urging the government to raise the floor for the Canadian transfers to \$15 billion. This is what they are asking.

What are their demands based on? Not on what members from the Bloc or other opposition parties have to say. They are based on polls taken across Canada showing that Canadians' trust in the health care system is deteriorating. It dropped from 61% in 1991 to 29% in February 1998. My colleague for Vaudreuil—Soulanges must have seen this excellent information kit.

Also the Bloc wanted to know what people were thinking because here we are surrounded by numbers and we see what is going on, but people do not always get to see the real picture. During the break we visited individuals, groups and business people in our ridings. We met many organizations. Our consulta-

tions led us to the conclusion that the absolute top priority for everybody was to give the money back to the provinces.

This week the Canadian Federation of Independent Business, which is made up of 91,000 small businesses, appeared before the finance committee. And what did it say?

• (1305)

I would like to quote part of what the Canadian Federation of Independent Business had to say. "Although members of the Canadian Federation of Independent Business support more spending control, especially under relatively favourable economic conditions, it is important to mention that entrepreneurs are in favour of higher health and education transfers to the provinces".

"This could require reallocation of existing funding instead of an increase in total public expenditures". However, they want to ensure that basic health and education services will be maintained and to "avoid costly new programs being set up, like the pharmaceutical program the government wants to create despite our members' opposition to it".

What are the small businesses saying through their representative? The money should be given back to the provinces. The president, Mrs. Swift, even said that the government should stop playing the sort of games it played with the millennium scholarship fund. That is what she said and I could quote the blues.

In my beautiful riding of Mercier that includes the provincial counties of Bourget, Pointe-aux-Trembles and Lafontaine, I also consulted with various groups and businesspeople. Their first priority is also the transfers to the provinces.

These people are concerned about health, but they are also concerned about education, and some of them about welfare. Therefore, the motion we have put forward today is not just a whim. It did not come about just because members of the four opposition parties had lunch together. It came about because we are faced with an intolerable situation in this country.

What is so intolerable? We have a government that brags about its management, accumulates surpluses and refuses to return to the provinces the money it owes them for health care, education and welfare. Moreover, we learned last week that the budget surplus for the first six months of this year was \$10.4 billion, and we can make the conservative assumption that it will reach \$15 billion for the year.

What is intolerable is that people see a reduction in services. That is what the HEAL survey reveals. What do we see? Our health, education and welfare systems are under extreme pressure. Hospital and local community service centre employees, teachers and public servants are exhausted. People are personally and deeply affected by these drastic cuts.

*Supply*

What is the federal government doing about these pressures? Is it rushing to share part of its surpluses with Quebec and the other provinces? No. It is stubbornly resisting all the pressure to reduce employment insurance premiums, which are nothing but highway robbery. They should be called special contributions to reduce the deficit for those people making \$39,000 or less and for businesses that pay EI premiums. It is, quite simply, highway robbery.

What is the government doing? Is it sharing with the provinces part of its surpluses to compensate people for the pain, suffering and hardship imposed upon them? No. It just keeps saying no. It is amazing.

It is true that this government often likes to quote the OECD. Our problem is that the OECD has not done a review of social spending in all countries recently.

• (1310)

The last one I saw—and I like to keep up to date—dates back to 1994. At that time, Canada ranked in the bottom third of countries in terms of social spending. If the numbers were to be reviewed, Canada certainly would not move up to another third, but would no doubt move down in the bottom third.

When social spending is so drastically cut, it means that people suffer. It means that it costs people their health.

The Bloc Québécois has made one proposal: that the federal government allocate at least \$1 billion more for health expenditures. What this motion asks is what is necessary, according to the consensus reached by the premiers in Saskatoon, to achieve at least that billion. It is the absolute minimum. The Latin phrase is *minimum minimorum*. It is the absolute minimum to give the people a break, a breather.

How can this government seriously talk about federalism, when it made a policy in its own interest, and I would add, its party's interest? This policy has a very serious impact on many governments and especially on the people. I hope we will strongly support this motion, which is a cry from the people, and that some members of the governing party will vote with us.

This is not asking for much. In fact, it is asking for very little, but that would be sufficient to let give the people a break.

**Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.):** Madam Speaker, the hon. member has said that the top priority for Canadians was reinvestment in transfers to the provinces. I believe I should correct her by saying that the top priority for Canadians is reinvestment in health services.

She also asked why we in the federal government are not investing in health services, now that there is a balanced budget, or why we are not giving more to the provinces. I would like to point

out to her what has already been done. I would like to remind her that the first time we had the opportunity to do so, in 1998, we did indeed invest an additional \$1.5 billion in health services, via transfers to the provinces.

In 1996 as well, we invested \$65 million, very little, but let us not forget that was in 1996.

In 1997, we invested \$800 million in the Canadian Foundation for Innovation; \$150 million in the health services adjustment fund, \$100,000 in community action programs for child nutrition; \$47 million for the networks of centres of excellence.

In 1998, we invested \$7 billion for the CHST cash floors; \$375 million for student and caregiver tax credits; \$211 million for HIV research; \$200 million for deductions of workers' health insurance premiums; I could go on.

If we are to invest again in services and transfers to the provinces, does she commit to this money being spent on education or health as planned?

**Mrs. Francine Lalonde:** Madam Speaker, there are three questions within my colleague's question, and I shall try to answer all three.

The first was a statement, an attempt to minimize the cuts by saying that \$1.5 billion had been restored. What must be kept in mind is that the level of transfers was \$18 billion, reduced to \$11 billion in four years. That represents \$ 7 billion in cuts.

• (1315)

In this regard, what did they do? They gave \$1 billion back, and they would like us to be grateful. Come on! People are not stupid. They simply reduced their cutting by \$1.5 billion.

**Mr. Nick Discepola:** Your premier does the same thing.

**Mrs. Francine Lalonde:** Madam Speaker, the hon. member recently asked my colleague to listen to the answer. I would ask him to do the same. This is my first answer.

I would also like to give him my second answer: I am sure that people want the provinces to be responsible for health care. We heard people everywhere telling us: "The federal government must give back to the provinces the money it took from them". Because when you attack basic services, you attack something that lies at the heart of people's concerns: their health.

I could also say that, in the human resources development department, several surveys have shown that the provinces were always in the best position to provide social programs. This makes sense because people know what is best for them.

The third element of his question had to do with the Canada social transfer. My colleague from Saint-Hyacinthe—Bagot and I remember the time when we went from the old system to the new

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system. The government gave us a lump sum, saying “We are giving this to you as a lump sum so you can spend it as you see fit”. What probably happened is that the first referendum was coming.

So, the lump sum was the principle and the contract, and since you have starved the provinces, there can be no going back on what you said at that time. I would add that Quebec lost something in this, because it used to get 34% in welfare transfers. It was not because Quebec was rich; it was because there was a lot of poverty in the province.

[*English*]

**Mr. Steve Mahoney (Mississauga West, Lib.):** Madam Speaker, I find it interesting to note the level of frustration that exists on the opposite benches. I think their frustration stems largely from the fact that despite all their rhetoric and all their accusations, the government remains the most popular government since before the war, interestingly enough, in the entire country.

We have to ask ourselves why. When we look at a motion by the Bloc, fundamentally a provincial party, fundamentally a party with only provincial and regional interests, we see that they are saying we should simply give more money. When the Reform Party stands every day in question period the lament is to give more money. We come to expect it from the New Democrats. We know they are spendthrifts. We have had some experience, not out west but certainly in Ontario, with New Democratic policy. Their lament is simply to give more money. The Progressive Conservatives left office somewhat unceremoniously in 1993, leaving Canadian people with an overdraft of \$42 billion.

We take credit, I suppose as a government, but I think more importantly as a people.

**An hon. member:** Why don't you take the blame instead?

**Mr. Steve Mahoney:** We will take the blame, as the member opposite would like. He would like to blame us for eliminating the \$42 billion deficit. We are guilty. We will take that blame, absolutely.

We wonder what is it we have to do to get the message through. It is really quite remarkable. This might as well be an all party opposition resolution. I suspect from comments made that all parties opposite will vote for it.

In the middle of a budget year the motion is calling—and Canadians know we cannot do it—for the government to knee-jerk react because of provincial pressures and spend another \$2 billion. Governing is about making choices and they are not always easy choices. I am sure the Bloc will never know that because in reality I do not think the Bloc would govern anywhere. As I said it is a provincial party.

• (1320)

This is a bit like a son or daughter leaving home but wanting to come back to get some money every once in a while. They want an allowance. “Please set us free, let us go, but give us some money just in case”. It is an amazing argument.

Double standards exist around here. I see members of the provincial Bloc Party joining all the parliamentary associations and travelling around the world at taxpayers expense, the same taxpayers whom they would spurn, whom they would like to leave. They are not ashamed to spend taxpayers money in the interim. It is remarkable to see.

I spent eight years in the Ontario legislature both in government and in opposition. Prior to that I spent 10 years on a municipal and regional council. During that time I came to realize that municipalities run for election against the provinces. They look to the provinces to blame for all their problems because far be it from having to admit to their taxpayer, the ratepayer, the homeowner, the resident, that the problems are created locally. They say they are created provincially. All the provinces, perhaps most notably in this instance Quebec, tend to run and play against the federal government, those big, bad people in Ottawa.

I have talked to the average person on the street. I have been to Quebec City and had trouble finding a separatist. It was amazing. The people who depend on the economy for their living are not separatists. Members should talk to the cab drivers, the waiters and waitresses, people in the hotel business, and people on the street. I found a few of them in the legislature. I am sure Bloc members could introduce me to some. I have no doubt. It was quite amazing to see the provincial parochial interest.

I find it absolutely astounding to have a member of the Bloc stand in her place and say that the government's health care policies are based on partisan interest. What nonsense. The Canadian public knows. It is rather interesting that every year we are voted by the United Nations as the greatest country in the world to live.

**An hon. member:** For five years.

**Mr. Steve Mahoney:** “For five years” my colleague says. In a recent speech I said Canada had been voted as the greatest country in the world in which to live unless you live here.

It is interesting to listen to the constant moaning and bickering from the opposition. I understand opposition. I was in opposition for five years. I do not expect opposition parties to congratulate the government, but I would expect someone with a provincial bias, whose sole purpose in life is to promote provincial autonomy, provincial authority and provincial government, at least to acknowledge that our health care system is with all its warts and

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bumps the finest health care system in the world. No one denies that.

The Reform Party would take us down the road of the American health care system. We have Dr. Death sitting over there, the critic who would dismantle the entire Canadian health care system. Yet the Reform Party accuses us of running a health care system based on partisan issues.

Partisanship quite clearly shows when members sit around over there in their little worlds and try to come up with a way they could put forward a nasty little resolution to call on the government to do this or do that or to spend this or spend that. It is like talk radio. Talk radio is very much like opposition. You can say anything you want with impunity. You can demand this and demand that with impunity and without any sense of responsibility.

• (1325)

I was particularly interested in watching the debate the other night on the Quebec election to hear Mr. Bouchard make an amazing comment that no one seemed to pick up on. To paraphrase, he said that Quebec was in better shape economically than it had been in 25 years.

It sounds like a pretty good argument for staying in Canada. It sounds like maybe, just maybe, Quebecers know that the province of Quebec did not succeed in attaining, if what Mr. Bouchard said is true, the lofty position of being in the best economic shape in the last 25 years without being part of the greatest federation of the world, without being part of a country that is recognized all around the world as the greatest country in the world in which to live.

Why could the Bloc not acknowledge that a partnership with the province of Ontario, the largest trading partner the province of Quebec enjoys and vice versa, may work reasonably well? But, no, they want to be like the little spoiled brat who says to mom and dad "I am leaving home. I am going to my own place but I will be back once a month or once a week or whatever for a little allowance. I want you to spend more money". This kind of double standard is truly remarkable.

I read the polls. I understand what is happening in Quebec. It would be delightful if Quebecers would realize in the upcoming provincial election that indeed the number one priority is health care and not sovereignty; indeed the number one priority is forging a strong economic union and partnership with their cousins, brothers and sisters right across this great land and not sovereignty; and indeed this federation, this family called Canada, seems to be working.

Can we improve it? Of course we can. The prime minister, the health minister and the finance minister have already said that this—

**Mr. Odina Desrochers:** Your dollar.

**Mr. Steve Mahoney:** What does the hon. member mean by "your dollar?" It seems to me that the member opposite is saying that our dollar is down. That is an interesting reaction.

What are they spending? When members of the Bloc Quebecois cash their paycheques at the expense of the federal taxpayer, what do they get paid in? They get paid in Canadian dollars. I do not think they begrudge the Canadian dollar. Regardless of what it might be worth in the sunny south where many members opposite may like to holiday, the fact is that a buck is a buck is a buck here at home. In spite of the fact that the Canadian dollar is down extremely low, it is good for exports and it is good for tourism. It has encouraged Canadians to holiday in Canada. What a unique experience. They will get to know this country.

There are side benefits to that problem. I find it most telling that a member of the Bloc would point over here and say "your dollar". Until the hon. member is notified otherwise it is our dollar. It is his dollar and it is our dollar. I suspect when he goes to the store he will be spending his dollar, which is my dollar, which is the taxpayers dollar. I ask the member not to give me this nonsense and this parochial separatist mentality that again simply says the federal government whom they hate should give them more. It is Oliver going for more soup. "May we please have more?" It is hypocrisy and it is truly amazing to watch.

Recently the province of Ontario has undergone some interesting situations. On television any night of the week we see ads about our health care system, a little boy with a boo boo on his knee trying to rip off a band-aid. The mother says "If you rip it off quick it will not hurt". The message there is that if Mike Harris cuts health care quickly it will not hurt.

• (1330)

For the first time in my 30 years living in Mississauga, a week or so ago I experienced the emergency room at Mississauga General Hospital turning away ambulances.

**An hon. member:** You made the cuts.

**Mr. Steve Mahoney:** Members opposite would look for the simplistic answer to that. The fact is that Mr. Harris cut taxes 30%. To pay for his tax cut he unilaterally cut money to health care in the province of Ontario. The people in Ontario are not stupid. They understand that the provincial government—

**An hon. member:** The one from Mississauga is no brain surgeon.

**Mr. Steve Mahoney:** I never claimed to be a brain surgeon. That coming from the Reform Party, I am not sure that a surgeon would even be needed. One might have trouble finding it. The hon. whip can rest assured that I have some points I wish to make about the Reform Party's position and on the fact that it just flips and flops depending on what happens to be in the newspaper.

*Supply*

I believe the entire research department of the Reform Party consists of the *Globe and Mail*, the *Toronto Star* and maybe one or two papers from out west from where Reform members all hail. They read the paper in the morning, find out what the issues are and then stand up in question period and say to spend more money and cut taxes. That is all they want to do.

The reality is that this government in being a responsible federal government understands the dynamics of a working relationship with the provinces. I will not deny for a minute the fact that the transfer payment floor was reduced from \$12.5 billion to \$11 billion. It has since been put back to \$12.5 billion. I will not deny that, no question. Why did that happen?

The solution from opposition members is simple: spend more money. Where do we get the money when we are running an overdraft of \$42 billion? I know they are tired of hearing about it but the reality is that something had to be done. This government along with the people of Canada had the courage to suck it up and do it. We had to make changes.

I find it astounding that a government like the Tory government in Ontario would not simply applaud the moves of this government. Even though that government has yet to eliminate its deficit, it is still running a deficit in handing back a tax cut to the taxpayers. How does that work? It is the same as saying to our kids that we are going to run a family overdraft but we are going to increase their allowance. At a certain point in time it is not possible to do that.

The message finally came from this government under this Prime Minister and this finance minister that we just simply had to cut the suit, we had to cut the cloth to fit the body. We had to start living within our means. That is exactly what this government has done. We have clearly stated what our priorities are. Debt reduction.

I believe that the vast majority of Canadians agree that debt reduction should be the number one priority of this government and any future government. We are saddling our children with a debt that is simply too large. We are all to blame for it, even those in this place who have never been in government and who have constantly pushed, prodded, lobbied and demonstrated—and I refer mostly to the NDP—for governments to spend more and more without any sense of responsibility.

All of us, the past Liberal governments, past Conservative governments and the opposition have a fiduciary responsibility to the taxpayer to be more responsible with what we spend their money on. We are all culpable, liable and responsible for the size of the debt. It cannot continue.

• (1335)

If members opposite really want \$2 billion—and I do not know why they are putting a limit on it by the way. It is entirely possible by the time the budget comes down that there could be more than that spent in health care. I do not know why they would do that, but I guess it seemed like a good idea at the time. Time will tell.

Should we do it in midstream? Sure we have a surplus and we acknowledge that it appears the surplus is in the neighbourhood of \$10 billion. And we should be blamed for that is what I hear members opposite saying. Okay, fine, we will accept the blame for running a \$10 billion surplus. Bad, bad Liberal Party. It is terrible. How did we get there? Of course we made adjustments in transfer payments. Of course we worked with our partners in the provinces, including the province of Quebec to see how to restructure the financial status of the country.

**An hon. member:** Efficiency.

**Mr. Steve Mahoney:** My colleague says we became more efficient. That is absolutely true and we required them to do the same and they have done so. We have seen efficiencies at all levels of government.

We are not nearly done in those areas. The work of the government after we get the debt reduction plan in place will be to look at tax reduction. We have already effected \$7 billion in tax reductions, but there will be more. I hope these are targeted to areas that will boost the economy. I would like to see it in areas where we can see a return on that investment.

The kind of spending opposition parties should be talking about is how can a government spend to effect a return on its investments. We should eliminate the word spend and replace it with the word invest. At that time we can then look toward a return for our young people, so that we have some confidence that our young people will indeed continue to have a health care system with the five pillars that are so important to Canadian health care and that they will continue to have access to education.

We hear the criticism of the millennium fund “Give us the money but stay out of our way; we want to spend it; don’t you do it”. This kind of parochial bickering should stop so that we can continue to build what truly is recognized around the world as the greatest country in which to live.

**Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.):** Madam Speaker, the hon. member for Mississauga went on for great lengths about the hostility of Canadians toward Ottawa and toward his government in particular. He seems to be mystified by this. If he would just listen to his own condescending bombast he would understand why the rest of Canada hates this place so much and why Canadians feel the way they do about Ottawa. He is the

*Supply*

epitome of what is wrong. He almost turns me into a separatist when I listen to him.

The member spoke about the relationship between spending and responsibility. He used the analogy of youngsters leaving home and wanting to hang on to their allowance. I would submit that he has it completely reversed because what has happened in the relationships between this government and the provinces is that the Government of Canada entered into solemn agreements with the provinces. It was going to contribute 50% of the cost of health care and in return the federal government would have a very strong hand in managing and organizing the direction of Canadian health care. He who pays the piper calls the tune.

Now it has cut contributions down to roughly 11% or 12% of the total cost yet it still wants to keep its heavy hand on the provinces and control, control, control, and that is spelled L-i-b-e-r-a-l.

**An hon. member:** They know best.

**Mr. Lee Morrison:** Yes, mother government knows best.

• (1340)

If the Liberals would look at their rather checkered record, if I may use a more polite term, in their relations with the provinces, they would realize why that anger is out there. He said that in spite of the massive cuts—

**The Acting Speaker (Ms. Thibeault):** We said two minutes. If the member would please ask his question now.

**Mr. Lee Morrison:** Madam Speaker, I was just getting going. Actually, I have no question. I just wanted to get a few things off my chest.

**Mr. Steve Mahoney:** Madam Speaker, I would say the question the member is asking me is whether I agree. No, I do not agree.

In a press release on October 28 the Reform Party stated that it wants the government to put \$7 billion into health care transfers. But wait a minute, it is also demanding reductions of \$7 billion in EI premiums. On July 30 it promised that 50% of any surplus would go to an agenda of tax cuts and the other 50% would go to debt payment. Let us do the math. We have a \$10.4 billion surplus. That is \$5.2 billion for each of those initiatives. Then the Reformers want to take \$1.1 billion out of the Department of National Defence. They are all over the map. Spend, cut, no responsibility.

[*Translation*]

**Mr. Paul Mercier (Terrebonne—Blainville, BQ):** Madam Speaker, the hon. member opposite waxed eloquent, but he missed the point, the point being transfer payments.

In his torrent of words, I caught a few which were insulting for the provinces in general and Quebecers in particular. He said

something to the effect that we were begging the noble and generous Canada for more money.

Is it begging to ask that what was taken from one's wallet be returned? This is what we are doing. We want the federal government to restore the level of funding of transfer payments to the provinces; the cuts to those transfers forced the provinces to cut spending for education and other essential services.

What did they do with that money? They created their millennium fund, which gives them visibility. They traded essential services for a millennium fund in order to get recognition. They did not fool the students, at least not the Quebec students. Those students did not take the bait.

Now, they want to do the same with health care. They forced us to cut essential services in hospitals and they hope, one day, to come up with a nice, big project which, they hope, will fix everything and give them visibility.

Their premise is wrong. They think people are fools and will swallow their story. They have cut transfer payments to force provinces to cut services. And now they want to act like a saviour, handing out money and services.

The premise is wrong, we are no fools. People are no fools. We are not going to fall for that. I do not have a question. This is a comment.

[*English*]

**Mr. Steve Mahoney:** Madam Speaker, I never suggested those members were imbeciles. I suggested they were separatists. I do not have a problem with his taking my remarks as insults, but they were not directed at the people of Quebec. They were clearly directed at the Bloc.

It is the Bloc members who continue to pontificate in this House as if they represent a province that believes in its entirety in the nonsense they bring to this place. It does not. The majority of Quebecers are Canadians. They are proud Canadians who understand fiscal responsibility. They share this government's belief that eliminating the deficit, paying down the debt, reducing taxes and funding health care will be the top priorities of this government.

**Mr. Gordon Earle (Halifax West, NDP):** Madam Speaker, it always amazes and saddens me to see how a very serious subject like the health care of this nation's citizens can be trivialized by the kind of comments I heard from the member opposite. It is used as an opportunity to take swipes at another political party rather than to address the issue of the care of this nation's citizens.

• (1345)

It bothers me to know that right across this country our health care system is in a state of crisis. Doctors are leaving our provinces and going to the United States because of our health care system. People are on waiting lists for health care in hospitals and others are unable to afford drugs. I could go on and on.

*Privilege*

Our aboriginal people in the north are facing a health crisis in their communities. Someone trivialized this issue by using such terms as “nasty resolution”. Showmanship I say it is. There is nothing nasty about being concerned about the care and the health of our citizens.

The member opposite asks, what does one have to do to get the message across? I would say to that member opposite, what does the public have to do, what do those in need of health care have to do for this government to realize that there is a need to come to grips with the health care problems we are facing?

**Mr. Steve Mahoney:** Madam Speaker, I am delighted that I seem to have at least engendered some anger over there. Frankly, that is what I was trying to do.

Tommy Douglas must be turning over in his grave.

If the member wants to talk about sadness, how about talking about the day his leader stood in this place and actually said that Lucien Bouchard cares more about health care than Jean Chrétien?

Can the member imagine a federal leader of the New Democratic Party, a party whose members have the right to stand in this place and say they were a major player in the founding of medicare in this country, the party of Tommy Douglas, of principles gone past, actually supporting a separatist premier? That indeed was a sad day in the House of Commons of this great country and a sad day for that party.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Madam Speaker, the partisan diatribe is quite disappointing today.

The provinces' difficulty is the prioritization of the cuts the government made primarily on their backs. Are those cuts to his liking?

I think of the fisheries department which has some 6,000 people employed, most of them in Ottawa. It has been a disgrace the way the fish stocks have been destroyed on both coasts.

Is this the kind of prioritization the federal government approves of, when people are not able to get into hospital and once they do get there they are not able to get the treatment they need?

**Mr. Steve Mahoney:** Mr. Speaker, if the member opposite wants to look for the root of the tragedy, in Atlantic Canada particularly, he need look no further than the former minister of fisheries, the hon. John Crosbie. That is where the root of the problem lay in that particular industry.

In relationship to health care—

**The Acting Speaker (Ms. Thibeault):** I am sorry to interrupt the hon. member, but his time has expired.

\* \* \*

**PRIVILEGE**

## FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Bill Graham (Toronto Centre—Rosedale, Lib.):** Madam Speaker, I apologize for interrupting the business of the House in this debate to introduce a question of privilege, but I understand that this is an appropriate time to do so and I crave the indulgence of yourself and the House.

My question of privilege arises out of something which occurred this morning. It arises out of the publication of an article in the *National Post* newspaper by a reporter by the name of Mike Trickey in which he published, verbatim, parts of a draft report presently being considered by the Standing Committee on Foreign Affairs and International Trade.

I would like to make a few preliminary comments about this publication prior to going into exactly why this is a question of privilege.

The first comment I would like to make is that the *National Post* seems to have a completely contemptuous disregard for the process of this House, which was clear from an editorial published last week. They seemed to totally misunderstand what is going on in our committee.

Apart from that, I was asked as chairman of the committee, by every one of the members of our committee who were there this morning, to raise this matter with you, Madam Speaker, and with our colleagues in the House.

Like all committees, we require that when we are doing our work and when we are operating in camera that that work be kept private. I will come back to citation 57 of Beauchesne's which speaks of the work of parliament in camera.

• (1350 )

Madam Speaker, you know and members of the House know how hard we work in committee to arrive at what is best for Canadian citizens. That is where we discuss these issues.

This is a matter of national and international importance. The publication of this article, which takes out of context parts of this report, which was not a report but only a draft for consideration by members of the committee, intimates that conclusions have been made by the committee which have not yet been made in any way. It intimates that we are going in directions. The article leads us to believe that we are threatening our relations with the United States of America, one of our closest allies. It threatens the very nature of our Canadian politics.

*Privilege*

The article is wrong in the sense that it pretends this is a report, when in fact it is a draft. It leads to conclusions which will interfere with the ability of members of our committee to conduct their hearings in a way which will enable us to come to a report which will be of benefit to this parliament, to the people of Canada and ultimately to the international community.

For all of those reasons I was asked if I would rise on this point. The members of our committee work hard. The members of our committee are determined to ensure that the House will have the benefit of their deliberations. They are all searching for the best solution for Canadians, from all parts of the House. The publication of a committee's proceedings prior to its conclusions and the release of a draft report is, in my view, a violation of the privileges not only of myself as the chair, but of every member of that committee and every member of this House.

How will we now come to an agreement on this draft when it has been released to the press? What do these people really care, except for getting some sort of a scoop? This is a question of the integrity of the parliamentary process. There is the integrity of the committee process that we as members of the House must consider.

We have a systemic problem. This is, I understand, a continuing practice. Every single report that has been discussed in committee so far this year has been released or leaked by someone to the press. It is reducing the committee process to a virtual impossibility. We will not be capable of discussing our reports if we cannot conduct our discussions in a way which will enable us to craft those essential compromises and those essential understandings which make the House work, which make democracy work and which make the committee system work.

Madam Speaker, I urge you to consider this matter. I would suggest that if it continues and is allowed to continue it will destroy the efficacy of the committee system which is the very underpinning of the democratic principles on which the House survives. This House will not survive if we as members cannot deliberate amongst ourselves and arrive at conclusions without someone leaking confidential materials and pretending or suggesting that those are the conclusions of the committee which have not yet been reached.

I suggest this raises a prima facie case of breach of privilege. It is a breach of my privilege as the committee chairman. It is a breach of the privilege of every member of our committee. Madam Speaker, I urge you to consider it as being a breach of the privilege of every single member of this House. It is happening with rapidity and it is going to destroy the way in which we function. It is a breach of privilege by the source who leaked the report. It is breach of privilege by the person who published it. I urge you, Madam Speaker, to consider this question.

**Mr. Chuck Strahl (Fraser Valley, Ref.):** Madam Speaker, I was at the committee meeting this morning with the chairman who just

raised this question of privilege. I thank him for raising it in the House. I will only take a minute to lend my words of support to him.

I am somewhat reluctant to blame the newspaper. I am pretty upset with the person who leaked the report. The newspaper man somehow levered it out of somebody who had a copy of the draft report who felt there was some political mileage to be made from leaking it. It is really unfortunate, but it is not unlike what has happened to most committee reports this fall.

It would be a rare exception when the reports have not been leaked. I do not know who is doing it, but it is a very disturbing trend.

• (1355)

What it means, of course, is that parliamentarians or someone in the system is saying that the committee does not deserve to be able to deliberate and, if it does, they are going to cut it off at the knees by leaking the report to the media.

Secondly, it tells parliament that its work is not that important, because before parliamentarians get to see it they are going to put it in a national newspaper. Someone is saying that and it is a shame.

Lastly, it is a concern especially for backbenchers. I am certainly not blaming the cabinet; I am just saying that often the only meaningful work for backbenchers is the work they do in committee. They bring a report to parliament and ask for a government response.

Someone is laying down the trump card. They are saying "I just trumped all of your work by leaking it to a newspaper". It is no wonder that backbench MPs from all sides of the House get up some mornings and say "What is the point of going to committee if that is the way someone is going to treat the work?" The work is secondary. It is not important. I do not know who is saying it, but someone is saying "It is not nearly as important as the headline I might be able to get".

Members of the committee discussed this morning the hope that, at the very least, the Chair would refer this matter to the liaison committee. The liaison committee is made up of all of the chairs of all of the committees of the House of Commons. This is a systemic problem. All of the chairs are facing this. All the work they do is being undercut by these constant leaks.

I would urge the Speaker, at the very least, to refer this to the liaison committee for immediate study to see if there is some better way to draft reports so that material is not available to reporters or to some unscrupulous person who may want to leak it to them.

At the very least, I would hope that the Speaker would find it a question of privilege and refer it back to that committee for immediate study. Perhaps it could come up with a better solution that will gain the respect of this side and backbenchers on that side

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of the House, so that we can move forward with confidence and so that the House and committees will come first and the headline seekers will be put in their place.

[*Translation*]

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Madam Speaker, concerning this issue, the Bloc Québécois also deplors the leak we were made aware this morning. Some people think this is a way of intimidating the foreign affairs committee so that it will refrain from making recommendations to bring about a foreign policy more attuned to our times.

This morning, we determined that we should support the chair of our committee, and all opposition party members felt it was necessary to make a statement in the House to insist on the independence of the foreign affairs committee and its members, and on the independence of parliament in this matter.

We think that this statement will clarify the situation, and help prevent further intrusion in a process that has been confidential up to now and should have remained so. If there was a breach, it would appear that some people want to use the process to—

**The Speaker:** Order, please. I wonder if any more members want to take part in this debate.

**Some hon. members:** Yes.

**The Speaker:** Then we will come back to this issue in due course, but since it is now 2 o'clock we will move on to members' statements.

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## STATEMENTS BY MEMBERS

[*English*]

### LATVIA

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, I am honoured to rise today to pay tribute to the people of Latvia and Latvian-Canadians who, along with me, celebrated the 80th anniversary of Latvia's independence yesterday, November 18.

In Latvia the occasion was commemorated by the laying of wreaths at the Freedom Monument to symbolize the attainment of liberty from foreign rule. The day was recognized by ceremonies throughout Latvian-Canadian communities and here in Ottawa by flying the Latvian national flag at city hall.

Canada has never wavered from its recognition of Latvia's sovereignty throughout the period of Soviet occupation. Since its re-independence, Latvia and Canada have enjoyed wonderful partnerships in such areas as technical co-operation, NATO's

partnership for peace program, as well as humanitarian and civil rights issues.

● (1400)

This spirit of co-operation will continue to thrive in the atmosphere of a free market economy where both Canada and Latvia will benefit.

As the first member of parliament of Latvian heritage to take a seat in the House, I am proud to offer my best wishes on this memorable anniversary.

\* \* \*

### LIBERAL GOVERNMENT

**Mr. Gurmant Grewal (Surrey Central, Ref.):** Mr. Speaker, the Liberals are not giving Canadians what we want in terms of health care, tax relief, democracy, parliamentary reform and tougher penalties for criminals. The list goes on.

As we see in question period, the arrogance of Liberal ministers goes too far. They ridicule members and frequently confuse the public regarding opposition positions on issues. They often pretend they know what Canadians want but actually they do not. They fail to learn.

This attitude is best shown by the following quote. "He who knows not and knows not that he knows not can never learn. Shun him". They are the Liberals. "He who knows not and knows that he knows not can learn. Teach him". They are the PCs and NDP. "He who knows and knows not that he knows is asleep. Awake him". That is the united alternative. "He who knows and knows that he knows is a prophet. Follow him". Here we are, the official opposition. We speak for all Canadians. We know what Canadians want.

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### WORLD TRACK AND FIELD CHAMPIONSHIPS

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, it gives me great pride to rise and congratulate Edmonton's bid for winning the right to host the 2001 World Track and Field Championships.

This the first time that the International Amateur Athletic Federation has ever awarded this event to North America. I want to highlight the strong support for the bid given by the Minister of Justice, the MP for Edmonton West and the Government of Canada.

Yesterday the Prime Minister wrote the president of the International Amateur Athletic Federation. As the Prime Minister wrote, on behalf of all Canadians, we are hopeful that Canada's bid will be successful.

Today we know that Edmonton has been successful and hats off to everybody involved. Way to go.

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### NATIONAL CHILD DAY

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, November 20 marks the sixth anniversary of National Child Day as proclaimed by parliament. This is a day when children all over the country are being celebrated for their uniqueness and importance as valued members of our society.

National Child Day is a day that calls on us to address the rights of our children and children around the world. These rights should include but are not limited to proper nutrition, access to health care, education, protection from exploitation and abuse and the right to express themselves.

This year's objective on National Child Day is to increase awareness and understanding of the importance of healthy child development, particularly in the early years of life. In valuing children we can and should take action to help our children reach their full potential.

Investing in children through promoting good physical, mental and social health outcomes benefits all Canadians. I therefore encourage all hon. members to work to ensure that investing in children is a significant priority in our parliamentary agenda.

\* \* \*

[Translation]

### NATIONAL CHILD DAY

**Ms. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, it is an honour for me today to point out that November 20 will be the sixth edition of national child day, which was proclaimed by an act of parliament as a result of the efforts of the member for Ottawa Centre.

As members of parliament, as parents and as concerned citizens, we must never forget that our children are our responsibility.

[English]

We must make a commitment to their welfare, safety and education and remember that as citizens it is our obligation to make a difference in the lives of future generations.

I quote the elders of the Cree Nations. There is a common belief among the Cree Nations that a child is a gift or a loan from the Great Spirit and that one is given the responsibility to raise and care for that child. Since that child is a gift from the Great Spirit the child is sacred and must be treated with respect and dignity.

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### EMPLOYMENT INSURANCE

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Mr. Speaker, the finance minister finds himself on the horns of a dilemma because of his EI cash cow.

The minister has chosen over the past year to gouge hardworking Canadians but I advise this minister to back off before he finds out that those horns can also gouge.

The official opposition has been calling for a cut in EI premiums, not only because they are too high but because fully half those funds are not going to employment insurance at all.

There are over 900,000 small and medium size businesses in the country that can use that extra \$500 per employee to create new jobs. There are nearly one million self-employed Canadians who can use the extra \$850 being taken from them every year, and of course there are 14 million workers who have overcontributed \$6.5 billion in income taxes in this past year who can make better use of their own money rather than financing the minister's rainy day fund.

\* \* \*

● (1405)

[Translation]

### INFORMATION CONFERENCES/FAIRS

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I would like to use my allotted time to highlight an excellent government initiative designed to help present and future entrepreneurs in Quebec regions do business.

This fall, Canada Economic Development organized a series of information conferences/fairs. The first one, which was held in Shawinigan on September 24, attracted almost 1,200 business people.

On November 13, it was the Hull region's turn to host an information fair. Two more of these events are scheduled, for November 21 in Saint-Hyacinthe and December 4 in Chicoutimi.

With this one stop approach to promoting government programs and services, we are hoping to help build tomorrow's businesses and provide them with the best opportunities for the future.

This is an unequivocal commitment our government is making to our fellow citizens.

\* \* \*

[English]

### TARA SINGH HAYER

**Mr. Chuck Cadman (Surrey North, Ref.):** Mr. Speaker, it is with deep regret that I inform this House of the death of Mr. Tara Singh Hayer who was assassinated last night in my community of Surrey North.

Mr. Hayer, a prominent Sikh leader, published the *Indo-Canadian Times* newspaper and was well known for his views against militancy.

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This courageous man's freedom of speech and his freedom to publish his moderate views were continually being challenged by threats and attacks on his person.

In 1988 he was shot at his newspaper office, resulting in his confinement to a wheelchair. He has now been silenced.

I urge this government to provide all appropriate means of support to local authorities to ensure his killer is brought to justice swiftly. A sense of security and faith must be restored to the citizens of my community.

Mr. Hayer was a man with the courage to give voice to his convictions and for that he paid the ultimate price.

On behalf of myself, my family and the constituents of Surrey North, I extend my deepest condolences to the family of Mr. Tara Singh Hayer.

\* \* \*

[Translation]

#### QUEBEC ELECTION CAMPAIGN

**Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.):** Mr. Speaker, a vote for the Parti Québécois is a vote for a referendum on separating Quebec from the rest of Canada.

A vote for the Parti Québécois is a vote for breaking up the country. A vote for the Parti Québécois is a vote for the continued economic uncertainty that is costing Quebec so dearly.

A vote for the Liberal Party is a vote for a brighter future for Quebec within Canada. A vote for the Liberal Party is a vote for the economic growth of Canada and Quebec. A vote for the Liberal Party is a vote for a leader who will be able to stand up for the rights of Quebec within the Canadian federation.

On November 30, I will be voting for the Liberals. I urge all Quebecers to do the same.

\* \* \*

[English]

#### GOVERNOR GENERAL'S LITERARY AWARDS

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I welcome, recognize, celebrate and thank the artists who are with us today, the poets and playwrights, the storytellers and translators, this year's winners of the Governor General's Literary Awards.

Those stout hearts who wrestle with characters and words and story arcs and stories that fall apart and Canada Council grants applications and sleepless nights and cold light of day reviews; wet babies and telephone bills and no money or diapers or printer ribbons; long dry years where no praise comes; kids who ask "why don't you get a real job", and you asking the same question.

Yet because of it all and out of it all springs new life. A feast of stories rise out of our earth, our precious northern souls to delight us, to lighten us and to move us through the darkness toward the stars.

We thank you, we salute you and we need you, so do not stop, do not ever stop. You are our heritage and our hope.

\* \* \*

#### FERTILIZER INDUSTRY

**Mr. George Proud (Hillsborough, Lib.):** Mr. Speaker, one of the many Canadian industries has often overlooked is our fertilizer industry.

This industry employs nearly 12,000 people in the manufacture, wholesale and retail levels. This does not include the thousands of jobs in transportation and related sectors supported by our fertilizer industry or the function that fertilizers serve in Prince Edward Island agriculture and agriculture throughout Canada.

From our 23 million tonnes of production, \$2.5 billion worth is shipped within Canada and \$3 billion is exported.

Today, while we have representatives of the fertilizer industry here in the gallery, I compliment them on creating an internationally competitive Canadian industry.

\* \* \*

[Translation]

#### ELECTION CAMPAIGN IN QUEBEC

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, if the PQ were returned to power, work on a referendum would resume apace.

However, Quebecers are no fools. They understand that the Bouchard referendum is another way to hold a referendum and that, for the next four years, we would again have the sword of Damocles hanging over our heads, with its uncertainties and problems.

• (1410)

According to Lucien Bouchard, Quebec cannot deny itself. However, Quebec has not only twice said no to separation, it has said no to another PQ referendum.

We do not want the winning conditions for a Bouchard referendum. We want guarantees of a better future for Quebecers. This guarantee means a yes to a stronger Quebec within Canada.

On November 30, let us vote Liberal. On November 30, let us vote for a guaranteed future.

S. O. 31

[English]

**FERTILIZER INDUSTRY**

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, farmers are currently suffering one of the worst financial crunches in years. It is through no fault of their own. They have followed prudent management but they do not have the tools to compete fairly with other countries.

As a result other players in the industry are starting to feel the aftershocks of the farm income crisis. Particularly I am speaking of the fertilizer industry.

Farmers will have no choice but to drastically cut back on their input costs by whatever means they can. This means other industry stakeholders will be at risk, not only the primary producers.

This, combined with the government's hasty environmental commitments at Kyoto, will greatly affect the fertilizer industry. A carbon tax would be deadly.

If our domestic industry faces a greater burden than foreign competitors we will not remain competitive. That can translate into fewer jobs, fewer jobs in my riding and across the country.

Perhaps it is time for Canada to stop playing the boy scout and develop a plan that will not put our domestic industry at risk.

I would also like to welcome members from the Canadian fertilizer industry in the gallery this afternoon.

\* \* \*

[Translation]

**HOUSE OF COMMONS PARLIAMENTARY  
INTERNSHIPS**

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I would like to draw attention to the presence in the gallery of political science students from the University of Sherbrooke, who, as part of a parliamentary internship, have been twinned with Quebec members from the Bloc Québécois, the Liberal Party of Canada and the Progressive Conservative Party.

I would also point out that, of all the faculties of political science in Quebec and Canada, that of the University of Sherbrooke is the only one we know of offering this sort of internship. For three days, these students have followed their MP and have seen political life from the inside.

We are delighted to have them here in the House of Commons, because their presence means that Quebec young people are interested in politics, something that is healthy for democracy. Congratulations to the organizers of this program and a tip of the hat to the students on their interest in parliamentary democracy.

**QUEBEC REFERENDUM**

**Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Mr. Speaker, the PQ has a very unusual conception of a referendum debate. A future referendum would be a winning referendum only for the PQ. This is a strange way to preserve democracy. By preparing for another referendum, the PQ would once again lead Quebec on the road to uncertainty and insecurity. This is a dangerous approach that looks like intellectual fraud. It is an approach that looks like contempt for Quebeckers.

It is hard to be more biased than the PQ. We are talking here about the future of a society, not a PQ convention.

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**SCRAPIE**

**Mr. Odina Desrochers (Lotbinière, BQ):** Mr. Speaker, Quebec's Minister of Agriculture, Fisheries and Food announced that special assistance would be provided to Quebec sheep producers who are experiencing serious financial problems.

Those who were abandoned by the Canadian Food Inspection Agency and who lost 11,000 sheep between January 1, 1997 and October 27, 1998, will be eligible for a three-year interest-free loan of up to \$100,000 per business.

Quebec has taken action. It is now up to the federal Minister of Agriculture to do his share after doing a major injustice by creating two classes of producers in Quebec, one of which is the victim of the minister's lack of compassion.

The Bloc Québécois has confidence in the Bouchard government and it salutes the courageous measure taken by a credible and responsible government which Quebeckers will be proud to re-elect on November 30.

\* \* \*

[English]

**LOBSTER FISHERY**

**Mr. Mark Muise (West Nova, PC):** Mr. Speaker, on November 30 thousands of West Nova fishers will once again brave the icy cold conditions to mark the official beginning of the 1998-99 lobster fishery.

It seems that each year opening day is marred by very adverse weather conditions, yet these brave fishers battle the elements and go out to set their traps, praying that once again they will reap the benefits of our rich ocean floors.

● (1415)

This year there is a completely different feeling of anxiety among fishers. Following a contemptuous summer in which illegal lobster fishing was allowed to operate almost unabated by DFO,

*Oral Questions*

registered commercial lobster fishers feared that their catches could be severely affected by the illegal activity.

Another major concern arising from the illegal lobster fishery is whether market prices will be affected by the glut of illegal lobsters that pervade our markets. I have continually raised these concerns with the minister of fisheries and I sincerely hope for all concerned that these fears do not come to pass.

I would like to take this opportunity to wish all fishers in West Nova a very safe and prosperous season.

help the leader of the Reform Party play unnecessary political games.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, I think we should get to the real question which is still floating around here. Two witnesses have alleged that the solicitor general said that RCMP Sergeant Hugh Stewart might have to take a hit or a fall for pepper spraying protesters. This House and Canadians are wondering for whom is Sergeant Stewart supposed to take a hit. Is it for the solicitor general? Is it for the Minister of Foreign Affairs? Or is it for the Prime Minister himself and that is the reason for this exactly?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I reject the unwarranted and unjustified premise of the leader's question because Mr. Toole in paragraph 21 of his affidavit said "At no time during our conversation did Mr. Scott suggest to me nor have I learned subsequently that he was a person who had a role in determining the outcome of the APEC commission".

Why does the Leader of the Opposition not put that on the record instead of his unwarranted innuendoes and premises?

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, Fred Toole said that the solicitor general said that Hugh Stewart was going to take the hit or the fall. That is what he said.

I wonder where the solicitor general is. Maybe in the sweat lodge. Why are the Liberals going to such lengths to protect a minister—

**The Speaker:** I ask the hon. member to be very judicious now in his choice of words.

**Mr. Monte Solberg:** Mr. Speaker, how many sworn affidavits is it going to take before the Prime Minister fires the solicitor general? How many sworn affidavits does it take? How many?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, on sworn affidavits, I want to read again from paragraph 22 of Mr. Toole's affidavit: "Nothing in our conversation suggested to me that Mr. Scott knew what the outcome of the APEC commission would be".

• (1420)

Speaking of where members are, I know one thing about the hon. member. He is strictly out to lunch.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, that is an absolutely ridiculous reply to that question.

The minister knows that Fred Toole said that Hugh Stewart was going to take a hit or a fall. The question is who is he taking it for?

When is that minister over there going to tell the solicitor general that he has to resign? When is he going to do the honourable thing and resign?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, why does the hon. member continue to fail to recognize the fact

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## ORAL QUESTION PERIOD

[English]

### APEC INQUIRY

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the solicitor general can run but he cannot hide. There is now concrete proof that the solicitor general publicly discussed a sensitive police issue which was under investigation and has prejudiced that investigation. For six weeks he has denied that in this House, counting on an old friend to back up his alibi. But yesterday that old friend decided to tell the truth rather than perjure himself.

When will the solicitor general be held accountable for his actions and resign from his position?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, my hon. friend's question is wrong. Mr. Toole in his affidavit said very clearly that he heard nothing from the solicitor general that indicated that he had a role in determining the outcome of the APEC commission. Mr. Toole went on to say "nothing in our conversation suggested to me that Mr. Scott knew what the outcome of the APEC commission would be". My hon. friend's premise is wrong and his question is off base as well.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the solicitor general said that an RCMP sergeant had to take a hit for this whole affair. The Liberal solicitor general has lost the trust of the country and he must resign. If he does not have enough sense to resign, he must be fired.

Earlier today in Asia the Prime Minister ducked out of a meeting with Canadian reporters and has refused to answer questions.

Why did the Prime Minister not make firing the solicitor general his number one piece of business today?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Prime Minister is in China with a very important list of commitments to advance the interests of the entire country, not to

*Oral Questions*

that the law gives the solicitor general no role whatsoever in carrying out the hearings, in reaching the report and reaching a conclusion on this important matter? Why does the hon. member not let the commission do its work? Why does he try to parallel the commission in an unwarranted way on the floor of this House?

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the solicitor general's conduct in the "Peppergate" affair is absolutely crazy. It is absolutely ludicrous.

First, he does not remember who was the person sitting beside him, not even if this person was a man or a woman. Twenty-four hours later, he remembers he was sitting next to an old friend but not what they talked about. In an affidavit, he tells us he does not remember what he said but that it was nothing compromising.

Frankly, will the government recognize that enough is enough and that the solicitor general must step down?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I do not understand why the hon. member does not recognize that the solicitor general has no role in the decision to be made in this matter.

In his own affidavit, he even insisted that he had not prejudged this case. We recognize this and also in our discussion today.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, we would really have liked to discuss this matter today with the solicitor general.

But what I do not understand is that the Deputy Prime Minister is still defending him. Or could it be that the Deputy Prime Minister is really defending the Prime Minister for whom the solicitor general only serves as a cover.

Is this not enough? Has this matter not lasted long enough? If there is an ethics counsellor and some sense of responsibility on that side of the House, the solicitor general should be asked to resign.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, if there is a cover here, it is the hon. member who is covering for Lucien Bouchard.

**Mr. Richard Marceau (Charlesbourg, BQ):** Mr. Speaker, we have two affidavits stating that the Solicitor General made pre-suppositions about the conclusions of the RCMP inquiry during his chat on the plane.

We also have the Solicitor General saying "I do not remember what I said, but I did nothing bad".

Will the Deputy Prime Minister finally admit that the Solicitor General has a very serious credibility problem and that his only option is to resign?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I wonder why the hon. member fails to recognize Mr. Toole's words in the affidavit, and I quote, in English:

[*English*]

"At no time during our conversation did Mr. Scott suggest to me nor have I learned subsequently that he was a person who had a role in determining the outcome of the APEC commission".

[*Translation*]

The Solicitor General plays no part, under the law, in judging the commission. This is clear.

**Mr. Richard Marceau (Charlesbourg, BQ):** Mr. Speaker, the Solicitor General could have resigned immediately after his chat on the plane without losing face or credibility.

Now that he no longer has any credibility, should the Prime Minister not ask him to resign in order to salvage what dignity he has left?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. Solicitor General continues to enjoy the confidence of the Prime Minister and of his colleagues.

[*English*]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, on October 5 the solicitor general told Canadians he would have to consider resigning if statements attributed to him by myself were corroborated. Yesterday his long term friend Fred Toole did just that.

Now that both the political friend and the political ally of the solicitor general have verified what he said about RCMP Staff Sergeant Hugh Stewart, my question for the Deputy Prime Minister is when will the Prime Minister be accepting the resignation of his solicitor general?

• (1425)

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I ask my hon. friend when will he read paragraphs 21 and 22 of Mr. Toole's affidavit and realize that it undermines the credibility of his question.

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, it is unconscionable that this solicitor general remain one more second in his position. The Deputy Prime Minister knows full well that is the point. Even if the Deputy Prime Minister refers to my writing as hen scratching, it has given your members opposite lots to itch about over there—

**The Speaker:** My colleague, you should always address your remarks to the Speaker.

**Mr. Dick Proctor:** Mr. Speaker, I appreciate that. My question is very simple. When will the solicitor general resign?

*Oral Questions*

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, when will the hon. member read carefully each and every word of both affidavits in question?

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, Fred Toole and the member for Palliser filed affidavits that clearly destroy the veracity of the solicitor general. We now have sworn evidence from two people that completely contradicts nearly two months of denials. The solicitor general's story has more changes than the maritime weather. The Deputy Prime Minister has quoted extensively from these affidavits but Mr. Toole is not the person to force the resignation of the minister. When can we expect the solicitor general to do the honourable thing and resign over this matter?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the basic issue is whether or not the solicitor general has any role whatsoever in taking part in the hearings, in conducting the hearings or in writing the report as a result of the hearings. The fact of the matter is he has no such role. He has said over and over again, including under oath, that he has not prejudged the situation and in any event he plays no role in making the judgment.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, what a wicked web. The APEC panel is in shambles, the RCMP is challenging the process itself, Gerald Morin and the solicitor general are both under suspicion of prejudging the outcome, there are discrepancies, denials, PMO cover-ups and the removal of any hope of a satisfactory conclusion. What will it take for the solicitor general to take responsibility, to act responsible? He has tainted this investigation hopelessly. When will he resign?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, parliament, in passing the relevant law, has not given the solicitor general responsibility for the commission in question, for its panels, or for the conducting of the hearings. That is very clear. So I ask the hon. member, when will he stop trying to taint the work of the commission by playing out his political concerns on the floor of this House?

**Mr. Chuck Strahl (Fraser Valley, Ref.):** Mr. Speaker, this is all about the Liberal solicitor general inappropriately discussing a sensitive police matter that is still under investigation and doing it in public. It is about a breach of his duties. It is about failing to live up to the most basic responsibility that Canadians have entrusted to him. The solicitor general had a job to do. He was to do the job, be honest, be discreet and keep his mouth shut if necessary. He failed on all accounts. It is late but not too late. When will he do the right thing and tender his resignation? Do it now.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the solicitor general has been doing his job. That job does not

include running the public complaints commission. It does not include running the panel. It does not include conducting the hearings. It does not include writing the report or making its judgment. So he has been doing his job but not a job which the hon. member wants him to play so he can score political points.

**Mr. Chuck Strahl (Fraser Valley, Ref.):** Mr. Speaker, this is pretty sad. The solicitor general's seatmate, Fred Toole, swore an affidavit about what was said on that airplane. He did it because he refused to perjure himself to cover for the solicitor general. Just think for a second over there about what that says about the solicitor general. It says that he has to resign and he has to resign now.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, if the hon. member places such faith in Mr. Toole's affidavit, then he ought to give equal and overall weight to paragraphs 21 and 22 which show that the hon. member's premise is wrong.

\* \* \*

• (1430)

[Translation]

## INTERGOVERNMENTAL AFFAIRS

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, although at the time certain commentators were labelling him a saboteur, yesterday the Minister of Intergovernmental Affairs was boasting that he had been the main architect of the regulations on French and English school boards and on manpower.

Will the minister acknowledge that, in order to settle the manpower question, which the Prime Minister at one point labelled a whim of Quebec, it took a sovereignist delegation to Ottawa and a sovereignist government in Quebec, and his role was merely that of a messenger of the federal government?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, I did not understand whether the question was on the manpower agreement or the school boards. However, I can assure the House that in both cases the Government of Canada had to do the bulk of the work. We did so despite the fact that there was a pro-independence government in Quebec which was trying to prove that federalism did not work.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, if the minister is so efficient and so extraordinary, how can he explain that, in the important matter of social union, which was supposed to be his responsibility, the Prime Minister chose to foist it off onto the Minister of Justice?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, we are in the process of negotiating something very

*Oral Questions*

important, the enhancement of federation as it affects social programs for the people. We have one of the best social unions in the world and we are going to improve it still further. That improvement will be a lot easier when we have a government in Quebec which wants a stronger Quebec within a united Canada.

\* \* \*

[English]

**SOLICITOR GENERAL OF CANADA**

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, about seven hours ago I was in the same room in this city as the solicitor general. About three hours ago the government whisked the solicitor general out of town on an airplane to avoid the responsibility he has in the House to answer.

Is the solicitor general now at home writing a resignation, or will the government demand his resignation?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, in the same spirit as the hon. member's question, where is the leader of the Reform Party? Is he out in the lobby writing his resignation?

**The Speaker:** That is about even.

**Mr. Randy White (Langley—Abbotsford, Ref.):** Mr. Speaker, that response is absolutely disgraceful.

For fellow colleagues and people watching, this is an issue about integrity which the solicitor general is lacking. I want to say to members of the House that this issue of integrity affects everybody.

I would like to know when the government, in the face of—

**The Speaker:** I did not hear the question. If the Deputy Prime Minister wishes to address it, I will let him do it.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I will answer the question and in reply I will ask the hon. member a question.

Why are both front rows of the front bench of his party completely vacant? Where are all the people? Where—

• (1435)

**The Speaker:** It is a long time tradition of our House that we do not mention whether a member or members are here. I will ask the Deputy Prime Minister to withdraw the last statement.

**Hon. Herb Gray:** I withdraw the last statement, Mr. Speaker. They are all—

**The Speaker:** I wonder if I could ask the Deputy Prime Minister just to withdraw.

**Hon. Herb Gray:** With pleasure, Mr. Speaker, because of my respect for you.

[Translation]

**ICEBREAKING POLICY**

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, the minister surprised everyone when he announced yesterday that no icebreaking charges would apply to the Quebec City-Lévis ferry service, which suggests that charges will apply to all other ferry services in Quebec, starting December 21.

My question is for the Minister of Fisheries and Oceans. Does the minister realize that ferries, which provide an essential public service, must all be completely exempted, as are the Newfoundland ferries?

**Hon. David Anderson (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I am well aware of what the hon. member is talking about. I am also well aware of the fact that the federal government is spending \$36 million a year on bridges crossing the St. Lawrence River in the Province of Quebec.

This is the single largest amount we spend in any Canadian province in this respect.

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, yesterday, the minister also told us that discussions were under way concerning the status of ferry service not covered by constitutional guarantees.

Could the minister tell this House with whom he is having these discussions?

**Hon. David Anderson (Minister of Fisheries and Oceans, Lib.):** Of course, Mr. Speaker. At present, we are reviewing the comments received to date, at the request of industry stakeholders. A revised scale of fees will be distributed for public consideration. However, a final decision has yet to be made.

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[English]

**APEC INQUIRY**

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, it is simply and totally unbelievable that the government continues to defend the solicitor general.

Yesterday Fred Toole's sworn statement proved that yes indeed the solicitor general said that a Mountie named Hughie would take the fall. We are still missing the answer to the very most important question. Who is Staff Sergeant Stewart going to take the fall for? Is it the Prime Minister?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** The hon. member is doing exactly what he is accusing the solicitor general of doing and that is trying to prejudice the matter. Why does he not let the commission do its work?

*Oral Questions*

• (1440)

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, on October 5 when the solicitor general gave his now infamous stun scrum he said he could not remember anything about his conversation just a few days prior. He could not remember what he talked about, who he was sitting with, even if it was a man or a woman.

In yesterday's affidavit he swore on the Bible that he knows he did not say anything wrong even though he does not know what he said. Who over there is going to take responsibility and fire this clown?

**The Speaker:** I ask the hon. member to withdraw that last word.

**Mr. Jay Hill:** Mr. Speaker, I withdraw it.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member is doing exactly what he has been quite wrongly accusing the solicitor general of doing.

He is not only prejudging the matter. Now he wants to conduct the hearings, including a discussion of affidavits, right here in the House. This is not the place for that. That should be done before the commission. Why does he not let the commission do its work?

\* \* \*

[Translation]

**HIGHWAY SYSTEM**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, yesterday, the Minister of Transport confirmed at last that the Laurentian Park and Trans Labrador highways were eligible for his strategic highway improvement program. There is only one problem: there is no more money. Unbelievable.

Could the minister tell us if his representations to his finance colleague were successful and if he has any reason to believe that there will be money for highway improvement in the next budget?

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, the Minister of Finance and all my cabinet colleagues are well aware of the need to improve the Canadian highway system.

This, however, is a matter of fiscal priorities and a matter to be debated among Canadians and among government members. But as soon as we are in a financial position to do so, I think we will start with a highway reconstruction program.

[English]

**VETERANS AFFAIRS**

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, my question is for the Minister of Veterans Affairs.

Could the minister give the House a status update on the veterans legislation and more specifically how it would address the concerns of our merchant navy veterans?

**Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, consultations with the main veterans group are coming to a close. We had a very fruitful discussion with all groups.

I am pleased to report to the House and our colleagues that I expect the first reading of the bill to be some time in early December. Following second reading the bill will go to report stage for discussion in the appropriate committee.

With respect to the merchant navy veterans who get exactly the same benefits since 1982 as uniformed veterans, their allowances will actually be changed from the civilian war allowance to the Veterans War Allowance Act. They will all—

**The Speaker:** The hon. member for Calgary Southeast.

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**APEC INQUIRY**

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, the Deputy Prime Minister in his stonewalling keeps telling us to let the process work. The solicitor general whenever he has the guts to show up says let the process work.

**The Speaker:** I want the hon. member to withdraw that last statement.

**Mr. Jason Kenney:** I withdraw, Mr. Speaker.

I have a question for the Deputy Prime Minister. Why it is that the solicitor general when kibitzing about this on the airplane did not just tell Fred Toole to let the commission work?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, why is the hon. member, who I think is a former director of the Canadian Taxpayers Federation, showing such satisfaction with the government's financial policies? Neither he nor his colleagues throughout almost an entire question period have said one word about the government's financial policies, its policies on economic growth and its policies on tax reform.

Obviously they are very satisfied with the work of the Minister of Finance and the Liberals. Thanks again for that vote of confidence.

*Oral Questions*

• (1445)

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, this is getting more bizarre by the minute.

Every member of the Liberal caucus knows that the solicitor general is now going to be forced to take the fall by the Prime Minister. They all know it. They are just going through a tortuous process now.

My question is very simple. Instead of allowing the solicitor general to get away with this kind of complete violation of due process, why does the government not let the process work? Why does the government let the solicitor general get away with misleading this House, as he did, and misleading Canadians?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I reject the totally unwarranted premise of the hon. member's question. Why does he not let the process work instead of trying to taint it with his innuendoes and insinuations right here in this House? If he wanted the process to work he would do his job and ask questions about the very fine financial and economic policies of this government.

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, this is a serious issue before this House. It is not about who is here or who is not. It is not about name calling. It is about integrity and justice.

The Deputy Prime Minister says that the solicitor general has no role in the process. The solicitor general voluntarily created a role and is now a witness before the very commission that has to report to him.

When will the government not recognize the conflict and call upon the solicitor general to resign?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member should take a look at the act setting up the commission. All the solicitor general does once the commission makes its report is receive the report. He is not charged with reviewing it, revising it, or doing anything with it other than receiving it. Therefore, I do not see any conflict of interest.

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, the Deputy Prime Minister has been fond in this question period of quoting from the affidavit of Mr. Toole.

Let me quote part of paragraph 15. "To this Mr. Scott said: 'Oh, you mean Hughie' and commented to the effect that Hughie might have to take 'a' or 'the hit' or 'fall'."

The real question is, when did the Prime Minister's office know that Mr. Toole's affidavit and account of events contradicted the solicitor general's?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the affidavits were filed at a certain point in time. That speaks for

the whole situation. As to other information, if I have any that I can provide the House I will do that.

But the important thing is that both affidavits are there. Both affidavits confirm what the solicitor general has been saying over and over in this House. Mr. Toole's affidavit, especially, confirms what the solicitor general has been saying in this House and that is that he has not prejudged this matter, even though he has no role in making any judgments about it.

[*Translation*]

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, on June 11, 1997, the member for Fredericton took the following oath: "I solemnly and sincerely swear that I will be a faithful and loyal servant of Her Majesty, Queen Elizabeth II, as a member of the Privy Council of Her Majesty in right of Canada. I will keep secret any matter that comes to my knowledge in that capacity, and anything that is treated secretly by the council. I will always act in an appropriate way as a faithful and loyal servant of Her Majesty. So help me God".

Now, on November 19, 1998, we have proof that the solicitor general has broken his oath of office and must resign.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I totally reject the premise of the hon. member's question. He read the oath of office of a privy councillor. He will not get any closer to the facts by reading this oath in the House.

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, an oath is an oath.

The evidence is there. You know and everyone knows that the solicitor general spoke about the APEC issue. He broke his oath of office and he broke his word.

Enough is enough! He must resign immediately. What other alternative does he have?

• (1450)

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I totally reject the hon. member's premise, to the effect that the solicitor general broke a secret in violation of the oath in question.

\* \* \*

[*English*]

**JUSTICE**

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, my question is to the Minister of Justice.

There have been a number of disturbing cases recently of wrongful convictions coming to light.

What is the minister doing to make it easier for cases like these to be corrected?

*Oral Questions*

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, Canadians across this country know the names of Donald Marshall, David Milgaard and Guy Paul Morin. In fact, those names are a tragic reminder that at times our justice system does make mistakes. Because our system does make mistakes, it is important to have a mechanism to ensure that justice is ultimately done.

The existing mechanism is section 690 of the Criminal Code. I have indeed begun a public consultation into the operation of section 690 because I believe it is my obligation to ensure that we have the most transparent, timely, fair and efficient mechanism—

**The Speaker:** The hon. member for Dewdney—Alouette.

\* \* \*

**APEC INQUIRY**

**Mr. Grant McNally (Dewdney—Alouette, Ref.):** Mr. Speaker, what we have heard and seen here today from the government is an example of its ethics, and that is to defend indefensible actions.

The solicitor general compromised this whole situation by his comments. The Deputy Prime Minister, as the former solicitor general, knows that.

I ask again, will he simply do the right thing and ask for his resignation now?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, speaking of ethics, why does the hon. member not do the ethical thing and not try to compromise the Public Complaints Commission hearings before they have barely begun?

\* \* \*

[Translation]

**NATIONAL DEFENCE**

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, my question is for the Minister of National Defence.

The latest statistics concerning sexual assaults in the army show that the total number of reported cases is now 241; that means there were 45 new cases during the last month.

How can the minister explain that there is almost one new case of sexual assault reported each day in the army despite the zero tolerance policy and the appointment of an ombudsman?

[English]

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, we simply are determined that the patterns of the past will be avoided now and in the future.

We have opened up, through the national investigation service, a 1-800 line. We have asked people who in fact have allegations and

issues that were not properly dealt with previously and where justice was not properly attained to come forward. That is why there is an increase in the reporting of these cases.

Many of these cases go back many years. But we are determined to get to the bottom of these matters. We are determined that justice be done.

\* \* \*

**TRANSPORT**

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, the future of the Halifax port is key to the future of the Nova Scotian economy. But economic development is crippled by the patronage politics of the past.

Urgent calls from business, labour and even the provincial Liberal government have demanded that the problems with the port advisory committee process be addressed. These are urgent calls that have been ignored by the minister.

Will the transport minister listen to Nova Scotians? Will he commit today to go to Halifax to hear these concerns firsthand?

**Hon. David M. Collenette (Minister of Transport, Lib.):** Mr. Speaker, we have been setting up port advisory committees across the country. We have put a public notice in the newspapers in Halifax. We put a group of people together, six of whom represent the chamber of commerce. Four represent the Halifax shipping authority. One represents organized labour and was the unanimous choice of organized labour, the longshoremen's union. They have come together to devise a process for future nominations that will be incorporated into the letters patent.

We have been doing this with every single port across the country. Halifax is no different.

The group has selected categories of users and we will have to select people to represent those categories.

Not one director has been appointed. We are certainly open to suggestions, even from the opposite—

**The Speaker:** The hon. member for Kings—Hants.

\* \* \*

**FINANCE**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, yesterday for the first time the finance minister credited the previous PC government for his debt reduction plan. He said “They set up a deficit reduction plan. What we are in fact doing is doing exactly what his government set up”.

● (1455)

The *Economist* magazine has also said that the PC policies are responsible for his government's success in eliminating the deficit.

*Oral Questions*

Now that the finance minister has admitted that his best policies have come from the previous PC government, I ask him to do it again, take good PC policy and reduce taxes for Canadians today.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, there is no doubt that the Progressive Conservative Party is very good at setting up plans. It has had a lot of experience. It set one up every six months. The difference is that they never kept them.

The deficit, every single year, kept creeping up. Time after time the minister of finance would stand in this House and apologize. He would say "I have a new plan". The next thing would be that that plan would be blown and he would have a new plan. Then he would have a new plan.

They planned this country into a \$42 billion deficit and we eliminated it.

\* \* \*

**INTERNATIONAL TRADE**

**Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary for International Trade. I just read in one of our newspapers that the U.S. is investigating charges that Canadian cattle is being unfairly subsidized and dumped into the U.S. market.

What is the minister going to do to defend our Canadian cattle industry?

**Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.):** Mr. Speaker, in fact the United States government has not yet started an investigation. If it does proceed, the Government of Canada is confident that U.S. authorities will find no factual basis to these allegations, just as they have done in the past.

In 1987, 1993 and 1997 our cattle exports were investigated by the United States. They found no basis for any trade action against Canada at that time.

If they do decide to go forward, the Canadian government will work with the cattle industry and the provinces to defend our interests.

\* \* \*

**APEC INQUIRY**

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, let us recap. We have two sworn affidavits proving that the solicitor general compromised the Public Complaints Commission.

We have two lawyers for both the RCMP and the students trying to kill the commission because it has been compromised, but the deputy PM keeps stonewalling.

The only process that has credibility is an independent judicial inquiry. When are we going to get one?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, let me recap. If an inquiry was set up, it would be set up by the Prime Minister. He would appoint the commissioner, even if it was a judge. He would set the terms of reference. He would set the life of the commission. He would receive the report.

I am glad the hon. member and the Reform Party show their confidence in the Prime Minister. We have the same confidence. It is time they began showing that confidence in the same way as the majority of the Canadian people.

\* \* \*

[Translation]

**AUGUSTO PINOCHET**

**Mr. Daniel Turp (Beauharnois—Salaberry, BQ):** Mr. Speaker, yesterday, the Minister of Foreign Affairs was obviously not aware of the request filed by a torture victim of the Pinochet government in 1973.

My question is for the Minister of Justice. Will the minister proceed with the request of this person, and will the government have the courage, like other governments, to bring charges against General Pinochet for crimes against humanity and to ask for his extradition?

[English]

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we are aware of the request to which the hon. member refers. In fact I have referred the matter to the RCMP.

In addition, I have asked the war crimes unit in my department to consider the facts of this case.

\* \* \*

**CANADIAN FARMERS**

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, my question is for the minister of agriculture. The minister knows that western farmers are in crisis. Net farm income is down 70% to 84% since last year. It is the lowest since the depression. European and American governments are backing their farmers. Farmers are telling me in Craik, Tugaskie and Nokomis, Saskatchewan, that they cannot pay their bills now from last summer.

When will the minister of agriculture announce an emergency aid program for farmers in crisis?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I do not know how many times we have to tell

*Privilege*

the hon. member and the members opposite that we are working with the provincial governments and the industry to put in place short term support, along with the support that is already there for the farmers of Canada, as well as mid-term support.

In addition, we are working with the WTO so that we can help alleviate these types of situations in the future.

\* \* \*

● (1500)

**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of the House to the presence in our gallery of a group of Canadians of extraordinary talent and accomplishment in the field of Canadian literature. They have devoted their energies toward enriching the cultural life of Canada.

[Translation]

They received the 1998 Governor General's Award for Literature, the most prestigious tribute to the great writers of Canada.

[English]

I will call out the names of these 13 recipients who are with us today. I know many of you know many of them personally.

François Archambault, Stephanie Bolster, Angèle Delaunois, Sheila Fischman, Christiane Frenette, Janet Lunn, Kady Macdonald Denton, Charlotte Melançon, Pierre Nepveu, Pierre Pratt, David Adams Richards, Diane Schoemperlen, Djanet Sears.

[Translation]

Please welcome warmly the 1998 laureates of the Governor General's Award for Literature.

**Some hon. members:** Hear, hear.

[English]

**The Speaker:** There will be a reception for our guests in room 216. I invite you to come.

\* \* \*

**BUSINESS OF THE HOUSE**

**Mr. Gurmant Grewal (Surrey Central, Ref.):** Mr. Speaker, on behalf of the official opposition of Canada I shall be delighted to put Thursday's question to the government House leader.

What is on the agenda of the House for the remainder of this week and for the next week?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, in a word, plenty. Let me give a more full answer.

Today is an opposition day. Tomorrow we will take up the second reading of Bill C-58, the railway safety bill. On Monday of

next week we will resume consideration of report stage of Bill C-53, the small business bill. If time permits we will then consider third reading of Bill C-42, the Tobacco Act amendments, the second reading of Bill C-48, the marine parks bill, Bill C-49, the first nation lands bill, and Bill C-56, the Manitoba land claims bill.

● (1505)

On Tuesday we will do the third reading of Bill C-53 given that we will likely have completed the report stage on Monday. For any time that remains on that day we will continue with any unfinished business that I previously described beginning with the third reading of Bill C-42.

On Wednesday we will continue with the list I have just indicated and at the end add Bill C-35, the special imports bill.

It is my hope that we will complete this very full agenda by the time I described next week.

\* \* \*

**POINTS OF ORDER**

## COMMENTS DURING QUESTION PERIOD

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Madam Speaker, I rise on a point of order. The Deputy Prime Minister in numerous questions during question period quoted from a document, an affidavit, that is well known now to members of this House. Can we please have that affidavit tabled?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I understand the document in question has been laid. Therefore it will constitute a public document. If that is the case, I will endeavour to have it tabled as soon as possible. I thank my colleague for raising the question.

[Translation]

**The Acting Speaker (Ms. Thibeault):** When we interrupted the debate for question period we were discussing a question of privilege.

Are there other members who would like to be heard on the subject? The hon. member for Richmond—Arthabaska.

\* \* \*

**PRIVILEGE**

## STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. André Bachand (Richmond—Arthabaska, PC):** Madam Speaker, I will be very brief.

The question of privilege that was raised this morning, I will recall, concerns the fact that the report from the Standing Committee on Foreign Affairs dealing with nuclear matters was published in a newspaper this morning. The committee felt its position was

somewhat jeopardized and we thought it was important to raise this matter in the House.

I do not want to repeat what the committee's chairman and my colleagues have already said. However, I want to assure the House that even if the matter under scrutiny deals with nuclear matters, we in the foreign affairs committee will make sure that the independence and the sovereignty of this Parliament and of this country will prevail. Never will the committee accept to be told what to do or what to say by anyone, wherever in the world.

There seems to be a problem with committee reports. The chairman asked the Speaker to look into it. While we regret this situation, we want to assure our colleagues in the House and our fellow Canadians that the committee remains independent and sovereign and that it will strive to protect and defend the interests of all Canadians.

[English]

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Madam Speaker, I too want to make some comment on the matter raised by the hon. member from Rosedale.

He has brought to the attention of the House the apparent publication of contents of a draft report of the Standing Committee on Foreign Affairs. Such publication or disclosure of committee reports at draft stage or disclosure of committee work in process before it is made public, particularly work done in camera, has always been considered and classed as a breach of the privileges of the House. From what has been told to the House today I can only accept that there has been what we sometimes refer to as a *prima facie* breach of privilege. In listening to members today I see no difference emerging in their views. The question is what should the House do, what should the committee do in responding to this.

• (1510)

It is my view that this might well be an appropriate case for the House, for colleagues on both sides of the House, to draw the line in the sand, first so that we will all know and the public will know where this stands in terms of parliamentary law and that we are not doing this simply to assert a parliamentary position. We are doing it to protect what we regard as representatives of Canadians as the public interest, that we need the flexibility to deal with these public interest issues in camera from time to time. When we do that we must demand that the rules of the House and the privileges of parliament be respected.

We now have to determine what we should do. Should we just make the point and walk away? Should we deal with the case generically by referring it to one of our committees? Or should we make use of this instance to draw a line in the sand and actually attempt to locate the source of the leak?

### *Privilege*

Experience in this and other parliaments seems to show that while it is easy to find the publication of the information, it is not so easy to find the location of the leak. Locating the person or the mechanism by which the leak occurred would involve calling witnesses and require testimony from individuals who might not wish to provide testimony.

While the House has the undoubted authority and power to do this, it is an exercise which colleagues on both sides of the House would want to undertake with a fair bit of dedication and commitment. There would be no point in pursuing this and doing half a job.

The member from Rosedale did not indicate that he wished to move a motion, but I am sure he would move a motion if the Chair found that the facts in this case did constitute a breach of the privileges of the House. I am confident that the Chair will find that and I want to make the following suggestion.

It may not have occurred previously in this House but I gather it has occurred in the British House which takes the same position, incidentally, in relation to the premature publication of committee draft proceedings or in camera proceedings. That is to refer the matter not to the House management committee, which would address the breach of privilege issue, but to the Standing Committee on Foreign Affairs out of which the problem first arose. That committee would attempt to put together the facts surrounding the unauthorized publication and release, the leak, call witnesses as appropriate and report back to the House with comment on how serious the unauthorized publication would have been, how serious for public interest it would have been and what importance the House should attach to it.

The House will probably agree that there are times when a leak of a phrase will not mean too much. But in this case it was a report dealing with the formation of this country's policy on nuclear disarmament and it is a matter of no small importance to the way this country formulates its policy and carries on business in the international community.

I suggest it is a fairly serious issue, but members best equipped to comment on that would be the members of the foreign affairs committee.

I simply hold that out as one option available which the Chair or members of that committee may wish to look at more closely. In the event that approach is not taken, I believe if a breach of privilege is found by the Chair the matter should stand referred to the House management committee which looks at these matters generally.

• (1515)

I for one would want to see that committee pursue the matter aggressively, making this case for all Canadians and the media that sometimes rely on MPs to entertain the masses and to write their stories without having to do their homework. We should look at

*Supply*

this case as a serious breach and attempt to make use of it to draw the line in the sand so that we would have fewer or no breaches of this important parliamentary privilege.

**Mr. Jack Ramsay (Crowfoot, Ref.):** Madam Speaker, I want to add my comments to this question of privilege. I am thankful that it was raised by a member on the government side because it has happened to me personally on two occasions.

The first occasion it happened to me was as a member of the justice committee when we considering the recommendations of the 10 year review of the Young Offenders Act in in camera hearings. Those recommendations were prematurely leaked and carried in the Ottawa *Citizen*.

It is interesting that the reporter who covered the story wrote verbatim some of the recommendations that we were contemplating at that time. I approached the reporter and challenged him if he had been used by the government side to leak the message it wanted leaked to the news media. He admitted that was the case. When I jokingly challenged him to reveal the name of the individual, he refused to do so.

On a second occasion, with the same justice committee that was dealing with recommendations on victims rights in in camera hearings, the same reporter prematurely leaked those recommendations. I want it placed on record for the consideration of those members of the House or the committee that this matter might be referred to. If they are interested, the fact of the matter is that reporter from the Ottawa *Citizen* is now working for the federal justice department.

As I said earlier, I was very grateful that this question was raised by a member on the government side. It has been ongoing. There is no doubt in my mind that on each of the occasions I was involved in there was no member of the justice committee involved in the leak.

The concern expressed by all members of the justice committee clearly indicated to me that someone else probably beyond the members of the committee was using, for whatever reason, the information contained within these in camera meetings for his or her purposes. It is very serious. Either we deal with it as a serious matter or, as my whip said earlier, we simply ignore the importance of the work of members of committees.

I lend my support to the need to have a serious look at these breaches of confidentiality that ought to be regarded with the greatest degree of severity as work commences and proceeds within these committees.

**The Acting Speaker (Ms. Thibeault):** There being no other comments on this question of privilege, the Chair will take all comments under consideration and get back to the House.

**GOVERNMENT ORDERS**

[English]

**SUPPLY**

## ALLOTTED DAY—HEALTH CARE

The House resumed consideration of the motion; and of the amendment.

**Mr. Grant Hill (MacLeod, Ref.):** Madam Speaker, for those watching TV today the Bloc has put forth a motion. This motion is one where the Bloc directs the debate and is asking for some money to be put back into the health care system.

• (1520)

This is a fascinating debate because how often do we see the provinces in Canada united. Every province in Canada is calling for some funds to go back into our health care system. They have basically said that unilateral federal actions are unacceptable. They have also made a unified call to reverse medicare cuts.

It is very difficult to get unanimity even in one party. I note that there are individuals from a host of parties who have joined in this call.

Why have they in fact united in this way? I will try to be absolutely non-partisan in my comments by suggesting that health is important individually for each of us. Nothing has more import for our loved ones. Ill patients do not care how, when, what or where the funds come from for their care. They simply want good and timely access to cost effective care when they need it. They are quite annoyed by jurisdictional or party arguments on this subject.

Why has the public expressed this degree of concern on health? While I have been a member of the federal government the public has watched funding drop from \$18.7 billion to \$11.1 billion. According to my math that is \$7.6 billion in cash that was designed to go to the provinces for health care. I call that the free fall of funding.

I listened to a couple of colleagues on the other side of the House say that there has been a reinvestment in medicare. I would like everyone to know what that reinvestment means. It means that in the free fall of funding it did not go to \$11.1 billion. The government pulled the rip cord and just before we slammed into the roof top it stopped the funding reduction at \$12.5 billion.

A young student in elementary school would be able to calculate that we did not drop down quite as far as we were intending to go. We stopped at \$12.5 billion and that is not an increase in funding to medicare. That is pulling the rip cord before medicare is finished.

Some other things have happened during my tenure in the House. I came here in 1993. I left my surgical practice to try to bring my viewpoint to the medicare debate. We have lost 1,400 trained Canadian physicians in the last two years to other jurisdictions. We paid for, we looked after and gave them all the advantages, and they chose to leave this country. They are lost to us.

During that same time span we dropped from number two in the world when it comes to spending on health to number five. Waiting lists, which were really quite small in 1993, have grown until we now have at any one time in Canada around 190,000 people waiting in pain. The drop in public spending is 3.1%. We are talking about billions of dollars.

Interestingly enough, in terms of confidence of the Canadian public in our health care system in 1993—and this question has been asked for years—55% of Canadians rated health care as excellent to good. Asked the very same question with the very same words today in 1998 and 29% of Canadians are willing to say that our system is excellent to good. We certainly have a change in the confidence level of the public.

• (1525)

It is instructive to talk about individuals. I get a lot of individual stories about people who are concerned. Today I will tell two stories.

The first story is about a fellow from Saskatchewan who contacted me two weeks ago. He had been healthy all his life. He is in his mid-fifties. He was diagnosed with a sore on the back of his tongue. It was biopsied and came back as cancerous. It luckily did not spread. He went to the nearest big centre in Saskatchewan and because it was a severe problem he was referred immediately to a surgeon. Canadian health care still does pretty well on major issues like this in terms of immediacy.

The surgeon said he needed a radical neck dissection, a dissection of all the nodes in his neck. He wanted someone with some experience in the area because it was major surgery. He was told that he would lose his voice, that he would need a feeding tube and that he would probably never be able to swallow again. The surgeon he had been referred to said that he did about one of these operations a year. The man felt he would like to have someone with more experience than that. He found there was no one available to him in a reasonable time span. He was told he needed to have the surgery within six weeks.

During the six weeks he tried to find someone in other provinces. He tried to find someone in Ontario but was unable to do so. There was no one available to him in British Columbia. He heard there was a surgeon who could do this surgery in the U.S. at the Mayo clinic, so he went there. He said that he was not a wealthy man or

### *Supply*

guy with a lot of resources but that he valued his life more than anything. He found a surgeon who did about 30 of these operations a year, almost one a week. The surgeon, who was vastly experienced, said that he would not have to remove his voice box or put him on a feeding tube. He told the man he was pretty sure he could get him fixed without those terrible side effects.

The man came immediately back home and said that his system said we would be looked after here but that it did not look as if he could be looked after here. He was asking to go elsewhere and wanted health care to look after him if he went to the Mayo clinic. The answer was no, that he would need to have surgery in Canada. He chose to go to the Mayo clinic with his own resources. He spent a huge amount of family money that could best go elsewhere.

He had successful surgery at the Mayo clinic. I am very thankful for that. He can still talk. He is not on a feeding tube. He is able to swallow and he is back home. To my mind the fellow was let down by our health care system in terms of the waiting list he would have to go through at home. Having to go elsewhere out of the country says to me that the system is not acceptable for this man.

I will now talk about a fellow from Ottawa who visited me last week. This gentleman is a little older than the first man I mentioned and is diabetic. He had something that sounded much less serious. He had an infection in his toe. Diabetics lose some of the blood supply to their feet and are susceptible in that way.

In May he went to the diabetic foot clinic in Ottawa. He was told there was not enough space in the foot clinic and that he would have to go to a private clinic where there were significant costs. He could not afford that so he was told to take antibiotics and that he would be able to go to the public clinic in October. By the time October came around he had very nearly lost his toe from a simple infection. He treated his toe with an antibiotic which made no difference and he felt he had to wait.

That relatively minor problem could have literally become serious. He should have been able to see somebody sooner but he was turned away. He was probably too shy to know that he should have gone back to his family physician.

On one hand there was a fellow with a very serious problem who was able to see a specialist but could not get treatment. On the other hand was a fellow with a relatively minor problem but with such a long wait the problem could have been much worse.

• (1530)

Because health is so important I cannot imagine why we would not simply say let us look at any solution. Really that is what I would hope the government will do.

If there are extra funds available is there any room now to put some of those funds into health care? In that way I listen very carefully to the government in response.

*Supply*

Opposition parties criticize and look for faults but on this topic we should not just do that. We should be constructive. We should be looking for solutions.

So what I tried to ask is who is calling for some more health money other than politicians who are always looking for an advantage. I picked up a few who are asking for exactly what the politicians are calling for. Maybe they have more credibility than politicians.

I looked at the nurses association of Canada. I am holding up a document that names virtually every health group in Canada. They are all biased too, we might say. They are trying to look after their own interests, trying to put more loot into the old pocket. All those nurses are just looking after their jobs.

Okay, so we will set aside those individuals but what is the public asking for? What do the patients want? I go back to my statement that they really just want timely care and they do not really want arguments about where that timely care comes from.

The public does for sure want a small government doing a few things well. The public does want wasteful spending weeded out. Because I said I would not be partisan I am saying these things as broad principles.

Does the public want forgiveness of other countries' debt when we have some shortfalls in health? I do not think so. Does the public want long waits for substandard services? I do not think so. But it wants co-operative federalism especially in health. It wants a dispute settling mechanism if there is disagreement. If the federal government says one thing and the provinces say another, the public would like to have a neutral dispute settlement mechanism. That is fair. All provinces are calling for that.

I suggest that Canada works best with co-operation. Medicare works best with co-operation. My plea today as somebody who did surgery, somebody who dealt with patients directly, is for us to think of the patients. My plea is to think of the sickness. My plea is to stop thinking of jurisdiction or political party or ideology. When the patient is happy and well Canada will be happy and well.

**Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Madam Speaker, I am very pleased to have this opportunity to address today's opposition motion concerning the Canada health and social transfer.

There is no doubt that health care is a matter of very high priority for Canadians. It is an essential thread in our national fabric, a source of pride and security for Canadians from coast to coast, in every region, province and municipality. It is truly a unifying force, one that highlights the Canadian commitment to mutual support and the one that distinguishes us dramatically from our huge neighbour to the south. As such, it is always an issue that deserves the full attention of the House and I thank the hon. member of the

Bloc for proposing an immediate \$2 billion increase in provincial transfers provided under the CHST.

There is no doubt that the long term security of Canada's health care system is a timely and relevant subject for debate. However, I must caution the hon. member that the motion he has brought before us today may actually do more to obscure or misdirect this important debate than to advance it. How does this motion obscure the debate? The answer to this question lies in the assumptions on which this motion and the opposition rhetoric around it are based.

• (1535)

First of all, we must remember that the fact that health care is a major priority of Canadians, even the major priority, does not mean it is their only priority.

I am sure that most of my hon. colleagues have received the same volume of public input as I have on the issue of lowering taxes. This, too, is of importance and the finance minister has made clear our commitment to ongoing tax reduction.

What about employment insurance premiums? Across Canada labour and employer groups have targeted EI reductions as a critical step in encouraging business growth and new jobs. In other words, they see employment insurance premium reduction as a priority.

There is another fundamental priority that Canadians have made clear in two federal elections. That is the continuing necessity to good financial management of and by the government itself. I see few if any voices saying that increased spending is more important than maintaining a balanced budget. Most Canadians remember too well the price we pay for relying on deficit spending, higher interest rates, lower economic growth and jobs lost. To them a key priority will be to avoid getting back into that vicious cycle.

The issue of priorities is neither simple nor self-evident and any debate that attempts to focus on a single need in isolation risks becoming simplistic and self-serving.

Let me again emphasize something said by all my government colleagues. We are committed to boosting support for health care but we will not do so through knee-jerk decisions that ignore the fiscal reality, the world environment and the proper role of government.

This was something the finance minister addressed in his October economic update before the House finance committee. He pointed out that our work as a government reflects a basic recognition of a vital fact, that the days of governments trying to be everything to everyone at any cost were over and that the need to have clear priorities to realize where government could make a difference and where it could not was essential. These are principles that must govern all policy making and debates such as this one today in the House.

*Supply*

Again let me remind my colleagues of what the finance minister said in his update. Given the volatile condition of many parts of the world economy, we are in a situation that calls for great care and caution and we must be realistic about the resources at our disposal. Today some seem to believe we have mountains of money to spend. We do not. They seem to feel we are now in a position where we do not have to continue to make careful choices. We do.

The minister pointed out what has happened to the average forecast of economic growth by private sector experts since only the beginning of this year. In January they were estimating nominal income growth of 4.7% for 1998. That has now been revised downward to 3%. For 1999 they were projecting 4.9% growth. That too is down to 3.5%.

What do these revisions mean for the size of the dividend as projected by the private sector? The answer is those projections would knock over \$5 billion out of government revenues in 1999-2000.

Only a few months ago these forecasters were estimating a 1999-2000 surplus before any new budget actions of around \$10 billion. The recent downward revisions would lower their estimates to around \$5 billion, or \$2 billion once the \$3 billion contingency reserve we are committed to is subtracted.

At the time of our last budget many criticized us for being too prudent, too cautious, and we are receiving the same criticism in today's debate when we are attacked for not moving to immediately to increase CHST transfers. But the dramatic downward revision in private sector forecasts illustrates more clearly than anything why this government must stick to its careful approach to budget planning and why we simply cannot afford the risks associated with changing planning assumptions so drastically month by month.

This is not academic, some arcane point from economic theory. Consider the result if we had followed the advice of some not so long ago to take \$9 billion to \$10 billion worth of tax action, action they claimed we could afford.

• (1540)

We would now be heading for a substantial deficit.

Further, while we have noted that the downward revision to economic forecasts could lower the private sector estimate of the dividend to \$2 billion once the contingency reserve is taken out, with all the uncertainty that exists worldwide it may well be that further downward revisions will occur.

In any event, it is clear the dividend in the next two years will be modest, much less than would be required to provide sufficient funding for the size of initiatives, on taxes and spending, that many are calling for. Clearly, careful choice in allocating that dividend will be required.

In his appearance before the finance committee, the minister said some would throw caution to the wind, saying maybe we will have the money. Maybe the dividend will be larger than we think, that it is worth the risk to cross our fingers and pray that things will turn out that way. In other words, it is time now, acceptable now, to set aside the careful and cautious approach we have been following.

He said "In my opinion that is the financial equivalent of reckless driving. You may not have an accident, but if you do you not only hurt yourself but you can sideswipe a lot of innocent people. The very reason we have met our targets, the very reason we are now able to say that despite the global economic crisis we are still on track not only to balance the books but to have a dividend, all of this is anchored in the caution we have applied from the very beginning".

Clearly the finance minister was anticipating challenges such as today's opposition motion on the CHST. I think his explanation of why we must be cautious was right on.

The update also provided Canadians with a telling example of the type of spending dilemma we could develop if we only looked at single issues, health or taxes or debt, in isolation.

For example, some are saying we should implement a major personal income tax cut of an average of \$600 annually per taxpayer. That would cost about \$9 billion per year, not just this year but every year.

Some are demanding employment insurance premiums be reduced to the so-called break even level. That could cost more than \$6 billion per year.

The provinces are asking that cash transfers be increased. Their proposal would cost another \$6 billion per year, not just next year but every year.

Still others are saying we should mount a larger attack on the debt. That could cost, for example, another \$3 billion per year.

If all that is added up, the total bill is \$24 billion each and every year, and that is a long way from a complete inventory of the demands being made.

Adding up all the proposals would very clearly put the country back into a situation of serious chronic deficits, and I for one am not willing to go back to that country full of deficit and pain for Canadians.

[Translation]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Madam Speaker, I would not miss this opportunity to ask a few questions to the hon. member who, I think, belongs to the progressive wing of the Liberal Party. It is surely not by accident that she is parliamentary secretary to the Minister of Human Resources Development.

*Supply*

But there is what I would call a gap. I can hardly understand the hon. member's position, not because I did not listen to her speech, not because I am insensitive, but because I think there is a basic contradiction.

To begin with, when we were young—and of course we still are—and we were learning about federalism, we were told it was a political system characterized by two levels of government, both being independent. Thus, the situation is at the very least confusing.

Given the actual state of federalism in Canada, it is possible for the federal government to completely destabilize the finances of the provinces.

The issue here is the fact that they are cutting \$42 billion unilaterally, without any consultation, in a totally cavalier fashion that is almost insulting, if not downright indecent.

• (1545)

If officials from finance, or human resources development, or other departments were here today, they would have to agree with the Bloc Québécois's conclusion that, since the Liberals came to power, their budgets have taken \$42 billion from the provinces.

This is serious and dangerous. I think it is almost unconstitutional. What this means is that because the government shamelessly deprived the provinces of funds they had budgeted and anticipated, that they expected to find in their own budget, we are now left in a position that generated poverty and where the Government of Quebec, for instance, found itself unable to deliver all the services it could have.

Of course, one must admit—and I think my colleagues will agree—that the Government of Quebec was nothing short of extraordinary in managing the province's affairs. Deep down, you are probably thinking of the \$5 day care program and the tuition freeze. But had it not been for the Quebec government's unfailing determination, it could not have avoided major impending difficulties.

What would be really interesting today would be for all the premiers to endorse the consensus reached in Saskatoon. I see my colleague, the Minister of Human Resources Development, nodding in agreement. I hope he will be able to convince his cabinet colleagues. Usually, they listen to him very carefully. I am even told he sits quite close to the heritage minister.

That leads us to ask ourselves if we can expect the government party, backbenchers as well as ministers, to endorse today the consensus reached in Saskatoon. This consensus means that the government would immediately be prepared to authorize the Minister of Human Resources Development to transfer \$2 billion to the provinces, because this amounts to the loss of revenues in the health transfer.

[*English*]

**Ms. Bonnie Brown:** Madam Speaker, I thank my colleague across the way for his compliment in thinking I am part of the progressive wing in this House, a wing that I think he also belongs to. He and I have discussed many issues and we often agree.

In answer to his questions, he was talking about the cutting that was done by the federal government. I think it is fair to say that if it was painful to him, it was painful to everyone. Actually the main pain was borne by Canadians, but they wanted it done because it was their general wish to get the nation's fiscal house in order.

I must correct the hon. member in that the cutting to the provinces was not \$42 billion. That is definitely wrong.

I remind him that Quebec, in its attempt to get its fiscal house in order, an attempt which we applaud, in its 1997-98 estimates announced its intention to cut health and education spending by 3.2% and 5.8% respectively. This cutting exercise, which is very hard to do when you are in government whether it be the federal government or the provincial government, has to be done. Governments around the country know it and that is why they are doing it.

I agree with the principle of federalism and I do not agree with the member's interpretation that we are being heavy handed. We have done everything we can to seek partnerships with the provinces to work together on setting priorities. In the long run I think he and I would agree that the role of government is most important when it takes care of the sick and the vulnerable.

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Madam Speaker, I would like to follow in the vein of the member for Macleod. I believe in his own way he indicated that this is such an important issue that we must all treat it with a sense of responsibility to Canadians, with a sense of the responsibility that we have for looking after the health care of Canadians and the other needs of Canadians from coast to coast. I follow in that same type of non-partisan vein.

[*Translation*]

It must be recognized that when we came to power five years ago there was a \$42 billion deficit.

• (1550)

The national debt exceeded \$500 billion. We were forced to take measures to control the deficit and finally start reducing the national debt.

It was not easy at all. For our part, we began by reducing federal spending. It was clear that with \$120 billion for all Canadian programs, we would be forced to cut spending, and we did with great difficulty. We cut expenditures by at least \$15 billion,

bringing them back to the level of spending reached just after World War II for federal programs as a whole.

Some of the cuts we made were to transfers to provinces. We replaced existing programs with the CHST. Of course, the result was that provinces had less money for things like education or health care.

Let us look at what we have done for Quebec. For the last five years, cuts for Quebec totalled \$4.6 billion. That is true, but we did lots of other things. We gave an additional \$2.1 billion in tax points. Equalization for Quebecers, \$1 billion more. Infrastructure programs, \$650 million. Child tax benefits, \$200 million. The innovation foundation, \$800 million invested everywhere in Canada. There is also the sum of \$1.8 billion over five years to raise the floor level of the CHST.

Quebec has not really lost much, and neither did the other provinces. When we dig a little bit deeper we can see the savings in the interest paid by Quebec on its debt. Quebec has really benefited over the past five years as far as transfers are concerned.

As I just said it was very difficult for us to cut transfers and programs for Canadians as a whole. However we have to admit our debt is now at 68% of the GDP.

[English]

Our federal debt is 68% of our GDP. Provincial debts on the other hand are only 26%. This means that out of every tax dollar paid to the federal government, 27 cents go to pay just the interest on our debt. At the provincial level this is only 13 cents. So I say, who is better equipped to share with us this necessity to put our fiscal house in order than the provinces?

• (1555)

[Translation]

Moreover, we have to admit that cut in transfers to Quebec was at the most 3% of its expenditures. However the province nevertheless cut its transfers to municipalities by 6%. It is exactly what Bernard Landry was saying at the National Assembly: "We must admit that we must do our share so that the Canada we have helped to put in debt can eliminate that debt".

It is in this spirit that governments, whether federal or provincial, work for all Canadians. As the Prime Minister, the finance minister and the health minister said, we are going to contribute, in the next budget, to health care services for Canadians. That is the priority set out by our government which will respond to the needs not only of provinces, but of Canadians themselves, because we are talking about health care.

It must be recognized that the vast majority of health care expenditures, totalling about \$80 billion a year, are the provinces' responsibility. As the federal government, we recognize our obligation to contribute to the health care services for Canadians.

### Supply

That is why one of the first expenditures by our government was a \$1.5 billion increase in health transfers.

We announced this would be our goal in the next budget. While we were facing this economic challenge, we increased expenditures in at least 10 or 11 areas of health care.

[English]

There is the health services research fund, \$65 million; health transition fund, \$150 million; Canada health information system, \$50 million; national HIV-AIDS strategy, \$211 million; Canada breast cancer initiative, \$35 million; aboriginal health initiative, \$25 million; private health and dental insurance for the self-employed, \$200 million over two years; increases to the Medical Research Council, \$134 million; hep C, \$1.2 billion. That does not take into account the Canadian Foundation for Innovation or the on reserve aboriginal head start programs.

In conclusion, I would say that during this difficult fiscal period, we have made health care a priority. We have put our money where our mouths are. We do care and at the same time by acting responsibly we have been able to restore the fiscal health of Canada.

[Translation]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Madam Speaker, the member thought he could get away with it, but it will not be that easy.

According to him, this government, of which he is a member, has done a very good job of managing public finances. This is questionable to say the least. I hope the hon. member will rise. I know he always speaks the truth but the problem is he does not always tell the whole truth.

• (1600)

This opposition day should allow those who are listening to understand that this government has helped destabilize other governments' finances. How can anyone find it acceptable that, year after year since 1993, provinces have accumulated a short-fall of \$42 billion in services that they have become unable to provide to the public?

The hon. member, who is parliamentary secretary—I know he would like to be minister but for the time being he is only parliamentary secretary—says they had no choice but to cut. They had no choice but to put their fiscal house in order.

We agree on the first part, but we do not understand why this government did it by transferring responsibility to the provinces. Will the hon. member not admit that this is a rather dishonest way to do things? The situation is this: by cutting \$42 billion in provincial transfers, this government has forced the provinces to face difficulties they had not anticipated.

*Supply*

Will the hon. member admit that this government could have cut elsewhere, that it should have spared some sectors? Cabinet ministers should have decided to spare some sectors.

The Government of Quebec has said the same thing. You are all aware of our optimism as to the outcome of the November 30 election, but I can guarantee you that this optimism will make us work to the very end. We will take nothing for granted.

But the fact is that the hon. member could have agreed to follow the Quebec government's example and say that all social programs, all programs to fight poverty by helping people go back to work and to improve living conditions for the disadvantaged, would not be cut.

It would have been most gracious and totally appropriate on the part of this government to say: "Cuts in provincial transfers are out of the question".

I ask the hon. member what we have been trying to find out since this morning: Can he tell us before we adjourn whether an influential member of this government will acknowledge the consensus reached in Saskatoon and immediately give some money, \$2 billion, to the provinces? That is what we are waiting for.

**Hon. Jim Peterson:** Madam Speaker, the maximum that was cut from annual transfers to the provinces was about \$6 billion.

At the same time, one must admit that the provinces benefited from other transfers, including the infrastructure program, the child tax benefit and equalization. Quebec got \$1 billion more with equalization, other transfers and lower interest rates. This was a major advantage in that they spent only 13 cents for every dollar in revenue whereas the federal government spent 26 cents for every dollar in revenue.

The member is wrong when he suggests that \$42 billion was cut from provincial transfers. This is completely false. We have to be honest with people.

Although transfers were indeed cut, increased funding for other programs aimed at the provinces almost made up for these cuts. Provinces really benefited from our fiscal achievements.

In response to the hon. member's statement that we destabilized provincial economies, allow me to repeat what Bernard Landry said in the National Assembly: "We must take steps to help the country shed the debt we contributed to".

• (1605)

**Mr. Bernard Bigras (Rosemont, BQ):** Madam Speaker, I will be sharing my time with my colleague, the new member for Sherbrooke, who won a victory we are very proud of.

I am happy to rise to speak to the motion we put forward this morning. Our demand is clear. We are demanding, on behalf of the Bloc Québécois, that the federal government pay back the amounts it has cut from the transfer payments for health, education and social assistance. We are requesting that the House of Commons, and I quote from the motion put forward by the Bloc Québécois:

—endorses the provincial consensus reached in Saskatoon on August 7, 1998, that the federal government must restore, via the existing provisions of the Canada Health and Social Transfer (CHST), its contributions to front-line health-care services, starting with a payment of at least \$2 billion, given that the federal government has already recorded an accumulated surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

In fact, since 1994, the Liberal government has cut \$6.3 billion from transfer payments to the provinces for health, education and social assistance. Quebec's portion of these cuts amounts to \$1.8 billion, including \$1 billion for health only. What does this \$1 billion represent annually? Wait till you hear this, because the list may be a long one.

This amount stolen by the federal government represents, in Quebec alone, 20% of the cost of running all the hospitals in Quebec and the closure of half the hospitals in the Montreal region. I come from a Montreal riding and I can talk about it for a long time. This amount represents the cost of caring for 370,000 in-patients, the salaries of half the nurses in Quebec, the cost of running all local community service centres and twice the cost of all youth services.

Yet, the Prime Minister said, during the 1993 election campaign, and I quote:

Our program does not include any plan to cut payments to individuals or provinces, it is clear and it is in writing.

Once elected, the Prime Minister did not hesitate to break his promise. By merging all transfer payments to the provinces into the Canada health and social transfer, the government cut transfers and shifted to the provinces, including Quebec, the cost of the fiscal restraint policy.

It is unacceptable for the federal government to use the fact that the provinces decide how to allocate the money as a smoke screen to hide the damage done by its own decisions. Had it not changed the system and introduced the Canada health and social transfer, the Liberal government would have had more explaining to do with respect to the cuts in health care, especially since it reduced cash transfers for social services to their level of 15 years ago. Total transfers currently amount to \$12.5 billion, which is a far cry from the \$18.8 billion in 1993, when the Liberals were first elected.

My words are not too strong. It is unacceptable for the federal government to cut transfer payments unilaterally by 33% in less than four years. If you take into account the increase in population and cost of living, social transfers have never been that low in

decades. In 1998, we have social transfers which are 45% lower than their record level of 1985 and 43% lower than their 1994 level.

• (1610)

Thus, within only one term, the Liberal government has virtually cut in half the federal contribution to health care and then it brags it has eliminated the deficit. The truth is it has not eliminated the deficit, it has transferred the debt to the provinces and to the sick who are affected by these cuts.

Besides, while cutting billions of dollars in provincial transfers for health and social programs, the federal Liberals never stopped interfering in the health sector, and in a heavy handed manner.

First, I will mention Bill C-14 on drinking water, that infringes upon health, natural resources and the environment, three exclusive Quebec jurisdictions. Moreover, this bill provides for national standards on the quality of drinking water, which is also a provincial responsibility.

That is not all. The Liberal government has proposed an overall policy on the management of new reproduction technologies. Once again, the federal government is interfering in provincial jurisdictions.

As for health programs, for home care, the Liberal government refuses to give the provinces the right to opt out with full financial compensation. On this issue, we see a replay of the millennium scholarship project. I want to remind the House that this is a \$2.5 billion fund aimed at providing students with 100,000 scholarships of \$3,000 each, based on merit.

I also want to remind the House of the consensus on this issue in Quebec. Since 1964, Quebec has used its right to opt out with full compensation. Quebec set up a financial assistance system for students in 1964. This is what we used the opting out with full compensation provision for. Our financial assistance system might not be the best in the world, but at least Quebec students graduate with half the debt load of their counterparts in the rest of Canada. This is exemplary. This is what one uses opting-out with full compensation for: to let the provinces run services they can manage better than the federal government.

That is not all. In its 1997 budget, the federal government announced a \$150 million three year fund for health services adjustment to help provinces set up pilot projects to provide home care or pharmacare, when Quebec already had its own programs.

The Constitution prevents the Liberal government from opening federal CLSCs in Quebec. This is fortunate, because the federal government provides services through the back door, as it is doing now in education with the millennium scholarships.

Moreover the health minister is going to spend \$50 million over three years to set up a national health information system and \$100

### *Supply*

million over three years to improve two existing programs, the community action program for children and the Canada prenatal nutrition program. Is it not ironic for the government to find millions of dollars to enhance its visibility when it refuses to reimburse the provinces for the shameful cuts they had to endure.

On September 7, 1998, the Minister of Health mentioned in his speech before the Canadian Medical Association that he wants to create a national report card on the health care system to assess, each year, the quality of health care in Canada. Once again, the minister seems to be forgetting that health care is a provincial responsibility and, therefore, the provinces are in a better position to know what the health care situation is in their respective jurisdictions.

In conclusion, we urge the minister to say right now that he will not use this annual report card to penalize those provinces that do not want anything to do with it. But, for the Minister of Health, anything is a good excuse not to give the provinces their money back.

That is why the Bloc Quebecois is fighting to help Quebec recover the money that was cut from its transfer payments and will continue to fight until Quebec is treated fairly.

• (1615)

**Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Madam Speaker, I would like an explanation. It is just a matter of logic, not politics, just logic.

The reduction in cash transfers to Quebec represents only 3% of the revenue of the Quebec government. From what I hear today, it seems that that was a wrong decision to make.

Without any notice, however, the Quebec government imposed the equivalent of a 6% budget cut for municipalities, which is double what the federal cuts were. Can somebody tell me where the logic is in all of this?

**Mr. Bernard Bigras:** Madam Speaker, it is pretty easy to explain. If the parliamentary secretary cannot understand, he surely must have a hard time managing his own personal budget.

It is quite simple: when a government has its tax base cut and ends up with less revenue, it can deliver fewer services. The fact is that the transfer payments to the provinces for health, education and welfare have been reduced by \$6.3 billion. The Quebec government has seen its financial margin, its financial capacity, reduced and the Liberal Party, of which the parliamentary secretary is a member, is to blame for this.

**Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ):** Madam Speaker, I would say, like my colleague, that it is quite fascinating to hear the questions from the members opposite.

*Supply*

In politics, especially here, in this House, I have to say that we see some rather amazing things. Politics is the art of managing our collective affairs, of organizing the ties that bind us together.

I notice that, sometimes, politics here is not really an art. The government sees that it has spent way too much money, that it has not taken good care of the nation's finances, and then it decides to try to eliminate the deficit. But when I say that politics is easy for the federal government, the only thing it has to do is to tell the provinces that they cost too much and that it will cut their transfer payments.

As a matter of fact, that does not come from me. The Prime Minister himself, when he was in France, said how easy it was in Canada to balance the budget simply by making cuts in transfer payments.

I know that a lot of people are not really familiar with politics, transfer payments or areas under provincial jurisdiction. About four years ago, I was one of them. Sometimes, when people watch the news and hear sovereignists say "no, this is an area under provincial jurisdiction", it may seem somewhat difficult to understand.

But it is so simple and, at the same time, it shows us how difficult it is to run a machine like this government, because there are two governments that are competing not only in terms of programs, as my colleague from Rosemont was saying earlier, but also in the pursuit of fiscal balance.

When people ask what Quebec wants, all we want in the end is efficiency. I hope that when my constituents pay a tax dollar that it produces the best in services and in solidarity.

I know that a huge percentage of my tax dollar does not come back to the provinces. We know that it is within the provinces' jurisdiction to provide services directly to the public: health care, education and a social fabric.

So it is regrettable to see voters often criticizing the provincial governments. But we have to understand them. We have to see where that is coming from. It comes from here.

I have used up my time, but I will be back.

• (1620)

**Mr. Bernard Bigras:** Madam Speaker, I am very happy my colleague mentioned that the Prime Minister said recently that cuts to the provinces were the price to pay for a balanced budget.

Just to show how this government contradicts itself, I will quote what the Prime Minister said during the election campaign in 1993: "In our platform there are no plans to cut payments to individuals or to the provinces". This is rather clear. It is in writing. These are the Prime Minister's own words.

Then he said cuts to the provinces were the way to a balanced budget. How contradictory!

**Mr. Serge Cardin (Sherbrooke, BQ):** Madam Speaker, before I start, with all I have heard in this House from the members opposite, I am more and more convinced of the advisability and relevance of our motion. There is an urgent need to invest in health care.

This motion is based on democratic, humanitarian and sound management principles. It is based first on a consensus reached by all the provinces in Saskatoon, on August 7, asking the federal government to give back transfer payments.

Another consensus was reached during pre-budget consultations held by the Bloc Québécois throughout Quebec, where all the people asked the government to give back the money from transfer payments for health, education and social programs.

In asking that these amounts be reinvested in front-line health care services, we are also looking to the future. Health care is important. It is the basis of our society and our development.

This is also a matter of prudence, because we are prudent and we know how to effectively manage public funds. We are asking the government to do so in several instalments, without risking another deficit, because we in the Bloc Québécois asked the government to pass anti-deficit legislation.

In 1994, the President of the Treasury Board told us he was able to reduce government spending by \$18 billion. Today, we know that he could have saved twice as much. Imagine if he had done his job properly. We would have \$9 billion more to reinvest in the Canada health and social transfer.

We see this government has no sense of priorities and responsibilities. It would rather cut the essential than the superfluous. In its effort to put its fiscal house in order, the Liberal government sacrificed the health of Quebeckers and Canadians.

But everyone knows that physical and mental health is essential for individuals to develop personally and collectively so they can contribute to the social and economic health of their communities.

The Minister of Finance has a duty to Quebec and Canada. He has cut transfer payments by \$6.3 billion. Now that the minister has a surplus, he is duty bound to restore health care funding. Instead, the minister is trying to dodge the issue by having us believe that there will be no surplus over the next three fiscal years, from 1999 to 2001.

I cannot understand why he will not restore transfer payments. He is so adamant that, in a moment of transparency, he clearly showed his lack of credibility, which has already been denounced by the Bloc Québécois and other opposition parties as well as the

Canadian Chamber of Commerce. For the fourth time, the auditor general questioned the government's financial statements.

• (1625)

In fiscal year 1997-98, we were to have a budget surplus of \$5.9 billion. Yet, the Minister of Finance, intent on showing the lowest surplus possible, for fear of having to reinvest in transfer payments and give money back to the provinces, has intentionally changed the regular format of financial statements as of March 31, 1998.

The auditor general questioned the accounting methods of the federal government, as used in the last federal budget. He objected in particular to the way the millennium scholarship fund was accounted for. As we know, the \$2.5 billion earmarked for the millennium scholarships have been included in the financial statements of March 31, 1998, which is contrary to normal accounting procedure and auditing standards.

The auditor general objected to that, but the minister of finance goes even further. He claims that this is simply an opinion, that there are other ways of looking at it.

The auditor general is independent, he is supposed to give an opinion based on accounting standards, auditing standards, and his judgment should never be challenged. Yet, this is exactly what the Minister of Finance is doing and he even backs up his position, that it is one opinion among many, by quoting an audit firm. No, this is the auditor general's opinion, and the only one he could express in the circumstances.

The Minister of Finance is, to a certain extent, showing what I would call his incompetence, because he does not know the difference between financial statements and a budget. He says it is normal to put these estimates in his budget, but these are financial statements.

When we see something like that occurring, when the auditor points out that some funds, \$2.5 billion in this case, have been allocated in the financial statements to an institution that does not yet exist, in other words, to mere intentions, and that notes had to be included to indicate that events will follow, we realize that the finance minister went overboard, but what is worse is that he is challenging the opinion of the auditor general.

The finance minister is sticking to his guns. He maintains that the surplus should not exceed \$3.5 billion. However, the Conference Board thinks the surplus will be closer to \$10 billion, the Mouvement Desjardins estimates it will be close to \$15 billion, and we, in the Bloc, believe that it is heading for \$15 billion. Even the public servants now estimate that it will reach \$10.4 billion.

Of course, the government is now back pedalling and trying to convince us that there is some economic uncertainty, which is

### *Supply*

precisely why we want the payments to be made over a period of a few years. If there is uncertainty, it comes from elsewhere, not from Quebec nor from the other provinces. The uncertainty is created by the federal government, which can cut provincial transfers at any time.

A billion dollars is a lot of money for the regions. In Estrie, one billion dollars in health means \$41 million that the people do not have, and the potential closure of such important centres as the university's geriatric institute, the Centre de réadaptation de l'Estrie, and the Centre Notre-Dame-de-l'Enfant, because of \$41 million in cuts in a region that has already been pretty hard hit by federal government cuts.

We are asking the federal government to reinject its duly identified budget surpluses into health, education and social transfers.

• (1630)

In order to proceed more cautiously, and to spare us insecurity and uncertainty, it would be preferable if the \$2 billion were paid back in tax points rather than in transfer payments.

This is a suggestion that ought to be looked into, because one never knows. If it is just in transfer payments, we know that at any hour, or on any day in the year, the federal government can turn up and cut it out from under us. It is the Liberal government, then, that is creating the uncertainty.

**Mr. Odina Desrochers (Lotbinière, BQ):** Madam Speaker, I am very pleased by the comments of the hon. member for Sherbrooke, since he is in a position to see what this government has been doing for the past few years.

We know what the auditor general thinks of the finance minister's behaviour. We also know how the provinces are reacting to that behaviour. They all condemn that way of doing things.

I want to ask the hon. member for Sherbrooke if he has a word to qualify the minister. How does he see him? Does he see the minister as being competent, incompetent, a bit lost, unrealistic?

I leave it up to him to answer.

**Mr. Serge Cardin:** Madam Speaker, the minister may be incompetent. Based on what I referred to earlier, one would think so. What is more serious though is that the minister is rather sneaky. Why does he insist so much on minimizing existing surpluses? Is he again hiding something from us? How many initiatives such as the millennium scholarship foundation will he come up with? It is anybody's guess.

So, there is a combination of incompetence and obvious lack of transparency.

*Supply*

**Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ):** Madam Speaker, I have one comment to make following the speech by my colleague, who mentioned many interesting facts.

First of all, it is very important to note that my colleague is himself an accountant. Therefore when he speaks about the finance minister's accounting practices, I trust him fully. When the auditor general himself questions the way the finance minister applies accounting standards, we have every right to wonder.

My colleague also talked about millennium scholarships. I have worked on this issue, and I can say I have seen all kinds of weird things. First, education is an area under provincial jurisdiction. It is an area of jurisdiction over which Quebec has full authority. What is the federal government doing with its surplus, the result of cuts to the provinces? What it takes with one hand it gives back with the other in an area over which it has no jurisdiction. I find this totally absurd.

I believe it lowers efficiency. I said earlier that one of the problems with federalism is that it leads to competition among governments; they compete with their programs. The Prime Minister himself acknowledged this measure was aimed in part at increasing federal visibility. I had asked the question of the Prime Minister, who replied "When we send a cheque to students, we want them to know where it comes from". It is sad to play politics that way.

I could say a lot more about the millennium scholarships, especially the fact that the management of something public is being entrusted to a private body. I wonder where democracy is going. The democratic deficit and eroding political power are things that concern me a lot, as I tend to see them in terms of globalization of the economy.

But when, in this chamber, elected representatives are voluntarily renouncing their powers, I think we have some serious problems.

• (1635)

I know this is not what this debate is about, but I wanted to point this out because when I hear about this it makes my hair stand on end.

The other point raised by my colleague is a crucial one. It deals with the physical and mental health of individuals, of our fellow citizens. The education and health services we provide them with are very important indeed.

I am running out of time, which is unfortunate, but I will conclude by saying that, in a democracy, it is extremely important that every citizen be able to point the finger at those responsible for the cuts. Right now, in most of the regions in this country, the people do not know if they should point the finger at the provincial or at the federal government, because in the end the cuts always

seem to come from the next level up. And this, in my mind, undermines democracy.

**Mr. Serge Cardin:** Madam Speaker, in the 15 seconds I have left, I would like to say that health is not simply the absence of disease.

Health is the possibility given to individuals to develop fully, physically as well as mentally. Investments in social programs, education and health help keep people healthy and therefore productive in their communities.

[English]

**Mr. John McKay (Scarborough East, Lib.):** Madam Speaker, I will read the motion which I thank the hon. member opposite for bringing. It states:

That this House endorses the provincial consensus reached in Saskatoon on August 7, 1998, that the federal government must restore, via the existing provisions of the Canada Health and Social Transfer (CHST), its contributions to front-line health-care services, starting with a payment of at least \$2 billion, given that the federal government has already recorded an accumulated surplus of \$10.4 billion for the first six months of the 1998-99 fiscal year.

The effect of the motion is to increase the CHST by approximately \$2 billion.

There is a block transfer that already occurs of about \$26 billion in tax points and cash to the provinces. The expectation is that over the next few years that will increase to about \$28.5 billion.

While the cash floor remains static, the tax point portion is increasing and it increases quite dramatically for some provinces, particularly the province of Ontario, which is where I am from.

The other beauty of the CHST is that it addresses a long-standing grievance of some of the provinces, particularly the more prosperous provinces, that they were not getting a fair share of the transfer on a per capita basis. Over the course of the program, namely into the year 2002, that inequity in distribution on a per capita basis will in fact be addressed.

This brings me to the Ontario situation because that is the province from which I hail and about which I care deeply.

Ontario has received a reduced portion of the cash transfer. For Ontario that translates this year as a reduction of approximately \$1.2 billion. The amount of \$1.2 billion on its overall budget of \$50 billion roughly translates into something in the order of 3% to 4%. That is what it means to Ontario, a reduced cash floor of the CHST of about 3% to 4%. When that is compared with the ill advised tax cuts it is in fact a negligible amount of money.

The philosophy of the reformatory government in my province is such that it puts tax cuts ahead of almost anything, including, I would argue, fiscally conservative and sound principles like reducing the debt, or even getting a handle on the deficit, both of which it has ignored. It has ratcheted up the debt over the course of its

mandate to something in the order of \$30 billion. That amount on an overall annual budget of \$50 billion, to my way of thinking, is somewhat less than prudent fiscal management.

• (1640)

This is why increasing the CHST, particularly to the province of Ontario, in my view, is somewhat problematic. Our problem, from a federal government standpoint, is that we cannot trust it. We can get no real assurance that even if we were to agree to a \$2 billion transfer, or Ontario's portion of that \$2 billion transfer, that it would be applied to where we think the Canadian people want it applied, namely, to medical services.

Our fear is that it will simply go to backfill ill-conceived tax cuts. We cannot see how this will go to the legitimate needs of the people of Ontario.

I wish to let you know, Madam Speaker, that I will be splitting my time with the hon. member for Thornhill.

I would also like to tell a story about how these policies have played out on the ground in my riding. These are ill-conceived policies. This story is about how Ontario's housing policy contributes to homelessness, how its medical policy puts people on the street who should never be put on the street and for whom there is no private market alternative. It is naive in the extreme to think that the private market would pick up some of these people. It is also a story about how Ontario has devastated our hospitals.

The nation was transfixed with the death of a police officer over the course of the summer. The death of that particular police officer occurred in my riding. It was a tragic event, but let me explain the background.

The two women who are accused in that matter were initially residents of a medical facility in Toronto. With the cutbacks they were put on the street. Because my riding houses approximately 1,000 homeless people every night, who are largely there due to dubious government policies, these women ended up in my riding. Shortly thereafter they were transferred to another facility in St. Catharines, but for reasons best known to them they returned to the riding on that fateful night.

These are people who are in need of medication. These are people who should not be on the street. They came to the riding and went to the local hospital. They had a psychotic episode. They refused treatment. When they left the hospital they walked 150 metres across the street and are now accused of murdering that police officer.

To give some graphic illustration of why this is an intersection of such vicious social policies, I will tell the House about this particular hospital. This hospital is situated very close to the 401. It

### *Government Orders*

was originally designed for trauma. The expectation was that with a freeway there would be trauma incidents.

When the ambulance driver came to service the bleeding police officer, who was probably almost dead at that point, he made the decision that that hospital had inadequate resources and that he would not drive 150 metres across the parking lot, but would drive the ambulance another 25 minutes to downtown Toronto in order to help the police officer.

This is a vicious intersection of a policy regarding homelessness, a policy regarding rental, a policy regarding how medical facilities are staffed and funded. These are the reasons that we in Ontario feel very uncomfortable about transferring any additional funds to the Government of Ontario because we are not satisfied that the moneys will be used for what they were intended. These are very problematic issues for members from Ontario.

Health care is important to the government. The very first thing the Government of Canada did once its fiscal house was in order was to increase the cash floor for the Canada health and social transfer. This move marked the end of cuts and signalled the priority we place on health care.

• (1645)

In the government's economic statement the finance minister said that the concerns related to the strengthening of medicare will be addressed. He said no one can take on the challenges of a new economy while preoccupied with the availability of basic health care, no parent of an ill child and no child of an aging parent.

I have tried to put this matter of quality of care in context and the assessment in the proper context. This means making our system more responsive to and responsible for Canadians. The government has made it clear that health care is a very high priority. The Prime Minister has said that the federal government intends in our next major reinvestment to deal with the subject of health. The Minister of Health is committed to working in collaboration with all the provinces, including Ontario.

\* \* \*

## CANADA SMALL BUSINESS FINANCING ACT

### BILL C-53—NOTICE OF TIME ALLOCATION

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I rise on a point of order. I regret to inform the House that an agreement could not be reached under the provisions of Standing Order 78(1) or Standing Order 78(2) with respect to the report stage and third reading stage of Bill C-53, an act to increase the availability of financing for the establishment, expansion, modernization and improvement of small business.

*Supply*

[Translation]

In accordance with the provisions of Standing Order 78(3), I give notice that a minister of the crown will introduce a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at these stages.

\* \* \*

**SUPPLY**

## ALLOTTED DAY—HEALTH CARE

The House resumed consideration of the motion; and of the amendment.

**Mr. René Canuel (Matapédia—Matane, BQ):** Madam Speaker, I heard my colleague twice repeat a statement I would not consider very well thought out. I almost wanted to say that it was a bit preposterous. He said that, if the government sent money to the provinces, and Ontario in particular, the Government of Ontario would misuse it. What he said for Ontario goes for Quebec and the other provinces. How can he say such a thing?

You too, Madam Speaker, no doubt reacted within yourself as well. Ask anyone to say who is better able to manage public funds. The answer is those closest to the public. Everyone agrees, except the hon. member. In his opinion if the government sends money to the provinces they can waste it as they like.

Let us just look at what goes on here. Earlier, he mentioned transfers. He seemed to think it was nothing. This is another terrible thing he said. When the government cuts transfers to the provinces, very often no mention is made of it, and very often the cuts happen during recess. It looks alright, no one sees it.

On the other hand, when a little money is given back to the provinces, you may be sure that the Canadian flag will be flown and press conferences held to say that everything is fine. The government pulls out all the stops to restore its reputation.

However, the people in my riding of Matapédia—Matane are suffering. Unemployment there is very high. Why? Because the belt is being tightened so much. I always say that when the tap is partly shut off, there is no water down below. For years, the federal government has been shutting off the tap bit by bit and not entirely honestly. At this point, people at home and in other ridings are suffering terribly.

• (1650)

I have a question for my colleague. Will he have the decency to say that the cuts really hurt the provinces?

[English]

**Mr. John McKay:** Madam Speaker, I appreciate the question. Ontario had its CHST cash moneys reduced something in the order of 4% vis-à-vis the overall budget.

What the hon. member needs to know is that in 1995 the federal government provided 19% of the budget for Ontario. In 1996 it provided 19% of the budget for Ontario; also with 1997 and 1998.

The overall percentage stayed exactly the same. Where the viciousness of these social policies comes into play is a philosophical commitment to reduce taxes in priority to all else.

When that happens, I argue that the federal government has its overall supervisory responsibility for this nation to fix the province with the responsibilities as set out in the Canada Health Act, to adhere to those principles and to make those principles for each province.

If someone goes from Prince Edward Island to Quebec or Ontario to British Columbia, they can expect a level of health care that is universal and accessible, et cetera. That is the role of the federal government.

When the federal government cuts back transfers but in percentage terms it is exactly the same, I argue that it is the viciousness of the policies of this government that creates these horrible intersections which result in tragedies for our citizens. I will not speak for Quebec. I will simply speak for Ontario.

**Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.):** Madam Speaker, I am very pleased to have the opportunity today to rise in this debate. I think there are some very important facts that Canadians watching this debate should remember.

It was a Liberal government that originally brought in medicare in Canada. It was a Liberal government in 1984 that brought in the Canada Health Act under the leadership of Monique Bégin. That act was passed in the House in a rare vote of unanimity. All members supported that important and incredible act.

In 1993 it was this Liberal government that inherited a \$42 billion deficit and a growing debt that was threatening the fiscal health and the economic prosperity of the country.

If it had not been for the prudent fiscal management and the important commitment to the health of Canadians, we would not be in the position today to be debating what we will be doing with the surpluses being generated because of that prudent and important fiscal management.

This Liberal government has seen the elimination of the deficit and a balanced budget emerge. We also know that as prudent and responsible fiscal managers, we cannot ever again put on blinders and not look at what is happening around the world and not ensure our policies are right for today and for tomorrow.

*Supply*

Ensuring the fiscal stability of our country through prudent economic policy must remain a priority, particularly in these times as we see crises around the world, sometimes referred to as the Asian flu, the desperate situation in Russia and the concerns in Latin America and South America.

I want to make it absolutely clear from my perspective that health and health care and sustaining medicare, which all Canadians cherish, are priorities of the government. The reason I gave that very short history lesson is that people on this side of the House are not newcomers to that position. We have been staunch supporters of Canadian medicare. In 1993 the Prime Minister, during very difficult economic and fiscal situations, that very difficult and challenging time, established the national forum. The first recommendation of the forum was that the floor for transfers to the provinces under the CHST be established at \$12.5 billion. That is exactly what the government did. We listened to the national forum, we took its advice and we raised the floor, adding \$1.5 billion to the transfers to the provinces.

• (1655)

Many people watching this debate may not understand how this works or what the federal role is, so I would like to take a minute to explain it. Medicare is a partnership and the federal government has a role not only in helping to fund it but to leave the debate in ensuring that medicare is strong and secure and accountable to the people of this country.

The health and social transfers in 1998-99 will amount to \$26 billion to the provinces and territories in support of health care, post-secondary education, social assistance and social service programs. This block funding gives the provinces flexibility. However, what is often overlooked in the House is that the CHST is a combination of dollars, \$12.5 billion, and tax points, which too often people overlook in their calculation of the federal contribution to medicare.

We know that as it stands today, the Canada health and social transfer, with a floor of \$12.5 billion, will increase by some \$7 billion additional to the provinces until 2002-03.

We all know that as a result of the important decisions taken by the government and the decisions taken by provinces across the country there is a need for further investment in health care, in medicare and in the health of Canadians.

The Minister of Health said it best in a speech in Whitehorse: "The complex problems that confront health care in Canada will not be solved by dollars alone. The point is not simply to spend more but to spend more in a way that will produce better results".

That is why as we look to the future, as we ensure money is invested in the health care and the health of Canadians, we have a responsibility to work with the provinces to make sure there is

greater accountability and greater transparency in the use of those dollars. I speak now from an understanding to focus the services we deliver at the provincial level on patient needs and that we take care of people through that whole continuum of care so they do not fall through the cracks as too often happens today.

Simply throwing money, as suggested today by the motion, is not the right approach. The right approach in my view is for the federal government, through discussions with the provinces, to talk about the need for greater integration and greater accountability, accountability in the way of report cards to Canadians, letting people know how this non-system of ours really works or does not work in some cases.

• (1700)

Simply throwing money at it is not going to fix it. As the minister said, we have to make sure that the dollars we invest give us the results we seek. We all know it is important that future investments restore the confidence Canadians have always had in our medicare.

I saw an article in the newspaper just this week that said that U.S. doctors, nurses and health care providers are at the Canadian embassy and are rallying around Canadian medicare. Their message to Canadians is very clear and that is not to be so quick to trash what we have. They say to look south of the border where there are 43 million people with no access to care and over 100 million people with inadequate coverage. They are spending 40% more than Canadians. They are spending almost 14% of their gross domestic product.

If ever there was a lesson to learn, it is to make sure that we invest properly and do not listen to the Reform Party which would take us down the road to the American style of medicare where people pay and do not have the coverage for the services they need. We know that is the Reform policy. That is not the policy of this government.

I know that the people of Thornhill, the people of this country believe that the federal government has an important role in ensuring that medicare is there for future generations. They also know that this has to be done in a thoughtful way, not to simply throw money into the air outside of the budgetary process because we think things are looking good, or to throw away any fiscal prudence and respond to the political whims and desires of members in the House who change their tune on a moment's notice.

We stand steadfast behind medicare. We always will. We will ensure it is there for Canadians.

[*Translation*]

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Madam Speaker, I listened with great interest to the speech by the parliamentary secretary to the Minister of Health. She referred to important dates

*Supply*

in history. She talked about health care in Canada in 1994 and about the Canada Health Act passed in 1993.

I ask her why she would not continue the tradition. Why does she not follow the same rules and continue to do more for health care, since she keeps repeating that merely throwing money at the problem is no solution?

With budget surpluses totalling between \$12 and \$15 billion, as is the case this year, and after denying the provinces the money they need for health care, it should be embarrassing to say in this House that providing money is not enough. Yes, it is enough and it must be done for each province. They are all asking for it. Our health care system is in a very sad state.

The government transferred money and tax points. But this is not what we are asking today. We are asking that Quebec be given back the money necessary to continue to administer and manage its health care system properly.

According to some surveys, between 90% and 95% of all in-patients are pleased with the services provided. Managing our health care system is not a problem when we have the money to do so. To compare us to the Americans is ludicrous.

As a society, we made a choice a long time ago and that choice has little to do with unfettered capitalism. This means that we should be prepared to assume that choice and provide the money necessary to do a good job.

[*English*]

**Ms. Elinor Caplan:** Madam Speaker, let me make it abundantly clear. The Prime Minister and the Minister of Health have said it repeatedly in the House that health care and medicare are a priority for this government. As funds are available we expect that in the future there will be investments in medicare for Canadians wherever they live in this country.

• (1705)

I say to the member opposite that I believe she is wrong to suggest it is not important to look at how medicare is evolving and changing and making sure that it is and in the future continues to be responsive to people whether they are in Quebec, Ontario, British Columbia, Newfoundland or any of the provinces and territories. We know that each province does it a little differently. That is appropriate in this great country, as long as we all adhere to those principles which have served us so well.

We on this side of the House know that it is important when future investments are made that they be done in a way which will give Canadians confidence that medicare will be there in the future and that they will have access to the health services when and where they need them. We also know that while we respect the right of each province to do it differently, we expect all provinces to adhere to the principles of the Canada Health Act which gives Canadians a sense of security and well-being. It also gives us a

very significant competitive edge when dealing with our trading partners.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, first of all, I would like to dedicate my speech to the Minister of Human Resources Development, who is honouring us with his presence. I am sure that, being a Montrealer himself, he will understand.

Let us tell it as it is. If the opposition, one of the best this House has ever seen, felt the need to sound the alarm today, it is because there is an urgent need to take action. There is no doubt that, in a criminal court context—and I can safely make this statement because of your legal background—formal charges would have been laid for misappropriation of funds. Money was stolen. I think this is the least unparliamentary way to put it.

This means that the federal government maliciously and unilaterally misappropriated funds, without showing any respect for the provinces and their priorities. It went all out. If we add up all the amounts cut from transfers the government was supposed to return to the provinces but failed to do so, we arrive at a total of \$42 billion.

Obviously, one might say this is inconsequential, but to say so is to behave irresponsibly and without sensitivity. We will not stand for that.

Through you, Mr. Speaker, we are asking all government members, from the most obscure backbencher to the most visible minister, including the Minister of Human Resources Development, to tell cabinet it is imperative that the provinces get back what was taken from them.

I want us to be clear. Earlier, I listened to the parliamentary secretary, who was saying that a minimum level had been set. This is like telling our fellow citizens that happiness is the absence of unhappiness. Forty-two billion dollars is missing.

Health is not a partisan issue. In fact, we always have a hard time acting in a partisan fashion. Health is not a partisan issue because we all know people in our ridings, who are growing old.

• (1710)

Having grey hair is not what makes a person old, that is not what I mean. In each of our ridings we are familiar with people who are ageing and in need of care. Because the federal government refused to give them \$42 billion, care that ought to be delivered is not being delivered.

Of these \$42 billion which we consider ought to have been transferred, the allocation to the health care transfer ought to have been \$6 billion. Of that figure of \$6 billion, the Government of Quebec would get back more than \$1 billion, closer to \$2 billion, that is \$1.8 billion. In my opinion, it would not be asking too much for hon. members to reach a consensus in this House so that we

*Supply*

may conclude today that the missing \$1.8 billion must be returned to the Government of Quebec, and to all of the other governments.

Federal-provincial diplomacy is nothing to be passed over lightly. Such diplomacy goes back as far as Honoré Mercier—the hon. member for Sainte-Hubert will recall her local history—who called together the first interprovincial conference in 1888.

Something very significant, very weighty, has taken place in federal-provincial diplomacy. All provinces, with one voice, regardless of the political stripe of their government, without any partisan considerations whatsoever, all the provinces, in a block—a formation we love—joined together in what has since become known as the Saskatoon consensus, and called on the federal government to restore its contributions to health care services. The Minister of Health should bow to this demand. He should draw up the cheque forthwith, and hand over to the provinces, to the Government of Quebec in particular, \$1.8 billion.

All of the provinces are calling for it. Can consideration be given to this? It is not, after all, a commonplace occurrence in our political system for all of the provinces to get together on one demand, in this case for the return of this money, as they did in the Saskatoon consensus.

There is something tragic about our situation. Every dollar not transferred to the provinces for the health system marks one more step closer to poverty for our citizens. These people do not care about that.

Where is this just society we were told about in 1968? If Judy LaMarsh were here, if Lester B. Pearson were here, if those people who helped build the Liberal tradition were here, would they not support this opposition motion? Of course they would. One cannot speak from both sides of one's mouth. One cannot claim to be fighting against poverty and, at the same time, with a total lack of sensitivity, slash transfers to the provinces.

If government members still have just a touch of sensitivity, if they still have some kind of social conscience, if they still have some dignity—this word has a meaning—they will vote with the Bloc Québécois and will ensure that the transfers are made.

It is not easy to convince the Minister of Health. He is a stubborn man. He is a man who, when one gets to know him, is rather obtuse. I would like to quote some numbers and I would ask him to take them into consideration.

This amount of \$1.8 billion, which is sorely needed in Quebec to provide services to the population as a whole, represents the hospitalization costs for 370,000 people and 20% of the operating budget of all hospitals in Quebec. It represents the cost of all the CLSCs put together. This is not an academic debate. What we are talking about today is not theory or scholarly debate. What we are talking about today is the capacity of the provinces as providers of health care to continue to serve the public.

• (1715)

I do not understand government members. I do not understand how our colleagues can behave as if nothing has happened when funds have been misappropriated. If today we were in a criminal court, charges would be laid. This is what one has to realize.

**Some hon. members:** Oh, oh.

**Mr. Réal Ménard:** I will end with a heartfelt cry to them: loosen the purse strings, move money to the provinces and everybody will feel better for it.

**The Acting Speaker:** Order, please. It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Is the House ready for the question?

**Some hon. members:** Yes.

**The Deputy Speaker:** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

[*English*]

*And the bells having rung:*

**The Deputy Speaker:** At the request of the chief government whip, the vote stands deferred until Monday at the conclusion of Government Orders.

**Mr. Bob Kilger:** Mr. Speaker, I seek unanimous consent that the House would agree to see the clock as being 5.30.

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

**The Deputy Speaker:** It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[English]*

**The Deputy Speaker:** I have received notice from the hon. member for Durham that he is unable to move his motion during private members' hour on Friday, November 20, 1998.

It has not been possible to arrange an exchange of positions in the order of precedence. Accordingly, I am directing the table officers to drop that item of business to the bottom of the order of precedence.

*[Translation]*

The hour provided for consideration of Private Members' Business will, therefore, be suspended and the House will continue to examine the matters before it at that time.

\* \* \*

*[English]***REFORM'S ANTI-PROFITEERING ACT**

**Mr. Gurmant Grewal (Surrey Central, Ref.)** moved that Bill C-442, an act to prohibit profiteering during emergencies, be read the second time and referred to a committee.

He said: Mr. Speaker, I am proud to have the opportunity to rise on behalf of the people of Surrey Central and all Canadians to debate my private member's Bill C-442, an act to prohibit profiteering during emergencies.

The purpose of the act is to prohibit persons or businesses from engaging in profiteering in respect of essential goods, services or resources during emergencies that seriously endanger the lives, health, safety or property of persons in Canada.

• (1720)

During the ice storm we heard reports of increased prices for gasoline, diesel fuel, batteries, water, generators, candles, salt, firewood and other materials needed to fight the circumstances being dictated by natural causes.

We want to stop prices on essential goods from being unnecessarily increased during emergencies. Bill C-442 is submitted to provide rules of conduct to be followed during future calamities or disasters. I have had this extensive piece of legislation drawn up on behalf of Canadians who were victims of the last ice storm, Canadians who suffered during Manitoba's flood and the Saguenay flood in Quebec.

The constituents of Surrey Central and all of us who work and live in the lower mainland of British Columbia know that some day

there will be an earthquake which will affect all of us in British Columbia. Scientists have predicted with great certainty that there will be an earthquake but they can not tell us when.

An emergency can occur anywhere within a second. For example, the day before yesterday our planet was showered by meteors. Scientists say it could have been devastating.

If enacted into law my bill would come into effect within 60 days from the date it receives royal assent. We may be lucky that Bill C-442 is enacted into law before the next disaster hits us. It would not be too late for the coming disaster of the year 2000 computer bug that is threatening the world.

Canadians know what happens during crises situations. Ice storms, floods, earthquakes, even the millennium computer bug problem all have certain things in common. Water ceases to flow to our homes. We may lose electricity. Everything can virtually stop. None of the appliances in homes will work. We cannot take everything for granted. The stores where we do our shopping will be closed or inoperable. We may not be able to travel. There may not be gasoline available in the market.

Hospitals have difficulties during normal times due to the drastic cuts in federal transfer payments. Maybe our hospitals will stop working during emergencies. Hospitals can run into serious problems because there will be more patients than they can accommodate. The horrors of the situation are not easily forgotten.

Canadians are very generous and very good natured people. We can all be proud of the contributions made by our business community and our citizens during emergencies. Right now we are helping people in Nicaragua deal with the devastation of floods from the recent storm that hit their country. At home in Canada when there is an emergency we see our firefighters, police, hospital, municipal, hydro and telephone workers, volunteer organizations, and many other groups working around the clock for days and weeks at a time to deal with the emergency.

The year 2000 millennium computer bug is threatening everything from operation of our airlines to bank tellers. The people of Surrey Central want the House to act with a vision. Canadians want the government to be proactive in preparing our nation for the challenges we may face in the future.

Our nation has already seen natural and man-made disasters. We should learn from these disasters and prepare for the next. During the ice storm we heard many reports about exploitation, of unreasonably increased prices for various products needed to fight the circumstances being dictated by the natural disaster.

Let us look at some of those reports. A Quebec garage advertised gas at 51.4 cents a litre and then charged 79 cents at the pump. A wood seller upped his price for a cord of wood from \$50 to over \$100. It was a 100% increase. One hardware store broke open

packages of batteries and sold them individually for triple the normal price. That was a 300% increase in the price. Some businesses told employees living in emergency shelters they would be docked pay if they did not show up for work.

• (1725)

There are many examples. I will read a few more. A depanneur charged \$1 extra for a bag of rock salt which people needed to get rid of ice from their driveways. A tree nursery hiked the price of a cord of wood by \$10. A gas station upped its price at the pumps by 3 cents a litre. A traffic officer did not even spare devastating people. He slapped an \$82 parking ticket on a frozen car.

It looks mean but it is true. When disaster hits it does not always bring out the best in people. Whether it is opportunism, price gouging or overzealousness, some people did their best to take advantage of the people in dire straits. There are many other examples I could quote from the newspapers. These price increases were not technically illegal but they were morally wrong.

Other countries have anti-profiteering laws in place. We encourage competition but we need to prevent the negative impact of free marketing which can result when things like electricity, clean water, heat, medicine, hardware tools or even food are scarce or non-existent. My bill is submitted to provide rules of conduct to be followed during future calamities or disasters.

I have letters from the Better Business Bureau and the Consumers Association of Canada supporting my bill. Clearly the bill does not speak to a matter that can be deemed trivial. My bill is extremely important in terms of addressing the protection of consumers. Bill C-442 is both timely and proactive in terms of protecting Canadians from unscrupulous persons or businesses during times of emergency. It is important to note that it is a non-partisan issue and should be treated that way.

Canadians want all of us in the House to look at Bill C-442 through the lens of issue and not through the lens of political stripes. Canadians want our elected representatives to demonstrate that the business of the House has vision. Bill C-442 exhibits vision. The legal drafters found no other laws with which Bill C-442 conflicts. No other law accomplishes what the bill proposes.

I have found nothing on the government's legislative agenda to deal with profiteering during emergencies. However there was a full-fledged debate in the House on the ice storm. Many references have been made in the House to the flood in Quebec and the flood in Manitoba and the many inadequacies we can face.

I cannot think of another way for the House to deal with the matter. Only laws that are on the books will deter profiteering during emergencies.

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I have collected news reports from January 1998 quoting the Liberal industry minister's reaction to the ice storm. During his press conference on January 17, 1998 the Liberal industry minister commented on the problems of profiteering during the ice storm. On January 18, 1998 the *Edmonton Journal* quotes the minister as saying "Consumers will take care of ice storm profiteers". During the ice storm consumers could only take care of themselves by paying for whatever necessity. They traded in their innocence and their confidence and were victimized and exploited.

In the *Montreal Gazette* the federal industry minister was quoted as saying "Price gougers beware: Minister urges consumers to expose businesses that overcharge". In this headline the minister is turning the matter of dealing with unscrupulous profiteering completely over to innocent Canadians. That is not good enough. The people of these communities will be vulnerable again and will be at the whim of the unscrupulous businesses or people who exploited their needs.

Bill C-442 is a private member's bill. The issue is non-partisan, but if it were not non-partisan I would trash the minister and expose his weaknesses. I am not doing that.

I introduced Bill C-442 to encourage all sides of the House to put more thinking into the problem of profiteering during emergencies. Many members have congratulated me outside the House for introducing the bill. The members of parliament from Ontario and Quebec who were involved in the ice storm know very well that something has to be done.

• (1730)

We must not shirk our responsibility to our constituents and particularly to all Canadians in the path of natural disasters. By acknowledging that a problem exists and by admitting that there were incidents of profiteering during the ice storm and other disasters, the minister set up a toll free number for consumers to report overcharging. That is not enough.

In the press conference I referred to earlier the industry minister went as far as to say that price gouging appeared to be in the minority. The fact it exists is enough. The federal government has to do something about it. There is no excuse to ignore this.

Perhaps the minister was looking for an initiative from one of us in this House. Maybe he was looking for Bill C-442, which I have introduced. I am looking for support from all members of this House before an earthquake hits us or before the Y2K computer problem or another disaster hits us.

If an earthquake occurs in B.C., look at what will happen. If it is a serious earthquake we have virtually no emergency preparedness. CFB Chilliwack has been closed by this Liberal government. There is no military base nearby. The lower mainland is connected to

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other communities by various bridges. Those bridges will collapse. We do not know how long it would take before the bridges could be restored.

The community of Richmond, which is on the edge of the earthquake line, may be submerged under water. There may be fires. There may be injured people to take care of. There may be dead people as well. At a time when food and medicine are in short supply, it is hard to imagine what would happen if someone increased prices.

Bill C-442 is a comprehensive bill. It has been carefully drafted by our legal staff in the House of Commons. I thank them for doing a good job. The legal staff has very carefully looked into the various definitions of emergencies, offences, punishments, proclamations of emergencies, revocation of those proclamations, jurisdictions and many other things.

The legal staff also looked into how profiteering affects people, how we can control it and how can we outlaw it. I cannot believe that the Minister of Industry would throw away all the work which we have done.

When we are hit by one disaster we should learn to prepare for the next disaster. We the politicians cannot give anything else to the victims. We cannot change mother nature, but we can enact an appropriate law and this is the time to do that. We should put the law in place before the next disaster hits us. We need to prepare our communities for serious disruptions in everyday life.

I will give two options to members of the House. Either give Canadians a guarantee that the next disaster will not hit us or support this bill so that we can prepare to protect innocent Canadian victims.

**Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.):** Madam Speaker, this private member's bill addresses an issue that is of concern to the Minister of Industry and all ministers who are responsible for consumer affairs throughout the country.

I should advise the House that consumer ministers from across the country addressed this specific issue last Friday during their annual meeting in Charlottetown. The ministers committed themselves to working closely together in times of crisis so that allegations of price gouging and other unfair business practices may be freely and quickly exchanged among the various jurisdictions when natural disasters and other emergencies occur.

However, the ministers stopped short of agreeing to enact laws that would target all businesses whose prices rise during emergency situations. Let us examine the reason for that.

First of all, it is worth examining how serious the problem of profiteering during emergencies actually is. Are Canadian businesses systematically taking advantage of their customers' vulner-

ability during these times of crisis and charging them exorbitant prices for essential goods? That is the question.

The fact is, there is little concrete evidence to show that many businesses are conducting themselves in such a reprehensible manner.

• (1735)

Let us look at our most recent experiences.

During and in the immediate aftermath of the ice storm which affected Quebec, eastern Ontario and New Brunswick in January 1998, there were many reports in the media of alleged instances of price gouging. The Government of Canada and, in particular, the Minister of Industry took these allegations very seriously.

In response to these allegations, Industry Canada immediately commissioned Option Consommateurs, a respected Quebec based consumers' organization, to conduct an analysis of specific allegations of price gouging, especially with regard to generator sales.

It was found that very few merchants had charged what might be considered an excessive price for some products. Therefore, the first problem with the proposed legislation is that it would be killing a fly with a steamroller. When emergencies occur, verifiable cases of price gouging do not arise very often.

Discussions between officials in Industry Canada, with their consumer protection colleagues in Quebec, Ontario and Manitoba, have confirmed this observation.

In those few instances where price gouging appeared legitimately to be a problem during the January ice storm, the full glare of media coverage raised consumer awareness and worked as an effective antidote to reverse the position of merchants.

On the whole, however, most merchants who had been accused of profiteering from the ice storm were found to have raised their prices for very good reasons.

Working overtime to fill numerous orders for generators with very short notice, under unfavourable conditions, merchants were seeking generators from distant suppliers throughout other parts of Canada and the United States.

The demand for fast delivery, combined with unfavourable weather conditions meant that merchants' outlay to obtain products increased sharply. Merchants usually had no choice but to pass the cost on to their consumers. That is how the free market works.

If parliament should choose to interfere with the law of supply and demand, it could potentially make the situation for Canadians worse, not better, when disaster strikes. Merchants will fear that they may be exposed to enormous fines or even imprisonment for suddenly raising their prices.

Thus, they may refuse to go that extra mile for their customers. They may tell them that they will not look for a generator on such

short notice because they would not be able to charge the real price and could risk an indictable offence. In this way Bill C-442 would prevent, not promote, access to goods.

Given that the problem has been shown to be a minor one and given that the proposed legislation could have the opposite effect it is intended to have, we must ask whether parliament is best suited to enact such legislation.

It is well settled law in this country that consumer protection is principally in the purview of the provincial and territorial governments.

As for the federal Competition Act, the statute prevents profiteering resulting from collusive agreements among competitors. It also prevents profiteering which is made possible by the making of misleading representations, in the form of false advertising for example. However, price volatility is largely a provincial matter.

The government believes it would be prudent to stay out of an area that is not its own and to allow the provinces to enact legislation, should they choose to do so.

Indeed, officials from provinces recently affected by natural disasters have expressed little interest in doing so. It would seem odd, then, that parliament should step in and set a consumer affairs policy for them.

By not supporting this bill the government is not forgetting its responsibility to the Canadian people in times of emergency. Indeed, in preparation for one of the most extreme emergency situations that we as a nation could possibly face, that of an international emergency, the Emergencies Act already provides for cabinet to make such orders or regulations with respect to the authorization and conduct of inquiries in relation to hoarding, overcharging, black marketing or fraudulent operations in respect of scarce commodities as the governor in council believes, on reasonable grounds, are necessary for dealing with the emergency.

In summary, the government believes that to go beyond these measures, to legislate against a problem that experience at both levels of government, federal and provincial, has shown to be very marginal, would constitute not only heavy-handed interference with the free market, but also an unreasonable intrusion into provincial and territorial consumer affairs.

• (1740)

I am totally surprised and personally disappointed to hear the member for Surrey Central, who on the one hand remarks that government should not be interfering in business, but who himself wants to interfere in business over the heads of the provinces.

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[*Translation*]

**Mr. Richard Marceau (Charlesbourg, BQ):** Madam Speaker, it is always an honour for me to speak in the House on such an interesting bill. I will say right off, however, that we oppose it and for various reasons, which we will look at in the next few minutes.

First, I have to say that the title of the bill surprises me a bit. The short title is the Reform's Anti-Profiteering Act. I am a lawyer, and this is the first time I have seen the name of a political party in the title of a bill. It seems rather partisan to me and contrary to our parliamentary traditions.

We cannot discuss this bill without raising one aspect of it that is a bit of a concern, namely the constitutional problems it raises. I refer specifically to clause 6.

This clause concerns the proclamation of a national or local emergency. This bill accords fairly broad and exceptional powers to the federal government to proclaim not only a state of national emergency, as already provided in the preamble to the Constitution, but a state of local emergency. This means skirting what we consider to be provincial jurisdictions.

No one will be surprised by the Bloc's total rejection of the principle of having the federal government intervening in order to declare a state of emergency, in Quebec for example, or in some other province. This prerogative should rest with the province in question and not the federal government.

In its current wording, clause 6 of the bill reads:

6.(2) Where the Governor in Council believes, on reasonable grounds, that a national emergency exists, the Governor in Council—

That is, the federal government.

may, on the request of the lieutenant governor in council of the province—

Therefore, at the request of a provincial government.

issue a proclamation declaring that emergency to be an emergency for the purposes of subsection 3(1).

Why should a province then ask the federal government to please declare an emergency in that province?

This is a rather domineering and unacceptable form of federalism, and I am surprised that a political party such as the Reform Party, which calls itself decentralizing, would present a bill such as this. But the Reform Party is not short on contradictions, and I will come back to this later.

I was saying this prerogative of declaring a local emergency should be held by the provinces. In the United States, 43 states out of 50 have given themselves the prerogative of declaring an emergency, because the government of an American state or of a province is much closer and has different services that are close to the people and that should be implemented.

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This control over various local governments and various local instruments is the responsibility of a provincial government—or a state government, in the United States—and not of the federal government.

I can hardly imagine the current Prime Minister declaring a state of emergency in Quebec during the ice storm crisis, for example.

• (1745)

The other problem is the very broad definitions contained in this bill. What does the Reform Party mean by “goods and services” or by “unreasonable or inflationary prices”?

The interpretation that can be given to those important terms is nowhere to be found in the bill and does not reflect what should have been the underlying values of this bill. The government is given such latitude that it is ridiculous.

In the Reform philosophy, when it comes to punishment it is amazing to see to what lengths Reform members are willing to go to please their constituents, namely voters from western Canada.

The bill provides that the amount of the fine for a second or subsequent offence may be double the amount of the previous fine. The amount of the various fines that may be given to those who commit this offence can be multiplied. That goes completely against the philosophy that exists in Quebec.

Similarly, according to the Reform logic based on law and order, the person is liable to be convicted for a separate offence for each day on which the offence is committed. Therefore, if a person commits the offence over a period of ten days, he or she will be charged ten times, which is not only redundant but also ridiculous.

Another contradiction I would like to mention is clause 9. Under clause 9 of this bill, the Senate or the House of Commons may revoke a national emergency proclamation. For a political party that is against the Senate in its present form, it is a little surprising to see that it is willing to give the same power to ten senators as it is giving to twenty members of the House of Commons. It is surprising and even disappointing for us to see senators being given that kind of power. We want to see the Senate abolished.

This was another contradiction of the Reform Party that I wanted to point out.

Finally, under clause 12, the governor in council may make regulations for carrying out the purposes of the act. We believe that this regulatory power, as defined in this bill, is much too broad and that letting a government rule by order in council in a critical situation like an emergency is definitely not in the public interest.

Therefore, the title of the legislation is inappropriate, in that it is too partisan. The bill lacks clarity and opens the door to misinterpretations. The principle of the act and the order proposed by

Reformers would be served only too well by this bill. The Senate would play a key role in implementing this legislation, which is unacceptable, as senators are appointed by friends of the government. As a result, the federal government would have too much latitude to interfere in areas that must remain exclusively under provincial jurisdiction.

For these reasons we oppose this bill.

[English]

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Madam Speaker, it is a pleasure for me to rise following my Bloc colleague whose comments I always take seriously.

The bill talks about anti-profiteering during times of emergency or disaster. I come from a part of the country that is no stranger to disaster or to emergencies. The Atlantic region or any region that relies on a resource based economy knows the meaning of disaster.

Coal has historically been a major source of employment and a major industry in the part of the country I come from. Where the fishery and steel mills have been major sources of employment and industry, we are all too familiar with emergencies and disasters. I need only mention some of the great historical disasters that have occurred in my province and in the Atlantic region. The Swissair disaster is the most recent, and disaster goes as far back as the Springhill mine disaster where hundreds of miners suffered a dangerous fate. They worked with dangerous consequences to free miners who were trapped underground. I can talk about the *Ocean Ranger*, the terrible loss of life that occurred off Newfoundland in the cold and stormy waters of the Atlantic Ocean. I can talk about many disasters and many emergencies coming from my part of the country.

• (1750)

What this has done for us is taught us the value of co-operation. It has taught us the value of working together as communities in times of stress and also in times of plenty. Coming from that historical background we know that while good times may be here today, they may well be gone tomorrow. Out of that has developed a culture that understands the need of neighbour to assist neighbour, of community to work with community, of sharing with those who do not have at the present time, and ensuring that there are social programs and community programs in place to assist when those emergencies and disasters occur. It is not just my region of the country that has this history, it is all of Canada. One of the great things we can be proud is our ability and willingness to share with our fellow Canadians whenever disaster strikes. That again is part of our history.

In the 1930s during the Great Depression when parts of western Canada became a dust bowl it was from Atlantic Canada that goods

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and food were collected and sent across the rail lines, some of which no longer exist, to the western provinces to assist them.

I mention the Halifax explosion as one of the great emergency disasters that occurred in the Atlantic region. When that happened many parcels and medical needs were sent from the western provinces to the Atlantic region.

The most recent examples are the floods in Manitoba and the Saguenay region in Quebec where many Canadians from all parts of the country worked together to assist fellow Canadians in ensuring they did not suffer from those disasters, or suffered minimally. We have to thank the armed forces, Canadians from all parts of the country who work shoulder to shoulder with those who sometimes receive better pay and work in better conditions, given the recent report of the Standing Committee on National Defence and Veterans Affairs. Canadian forces have responded in times of emergency in a way that we can all be proud of.

Indeed it is out of that co-operative sense of working together that the New Democratic Party and its predecessor were born. It was out of the roots of the Great Depression when it was understood that purely market driven individual forces would not ensure the betterment of communities that there had to be a sense among communities of working together and sharing resources. It was out of that that the seeds of social democracy were born.

I am pleased to see the Reform Party understand that in times of emergency we have to come together and work together. I also understand it looks at the darker side of that, those motivated purely by greed or individual profit who would exploit those circumstances. I recognize that would be a dangerous thing and indeed a wrong thing.

I turn now to the bill. I found it a curious bill at initial reading. I recognize the comments from previous speakers who say this is proceeding into provincial jurisdiction or that it is sometimes against business. I read the bill in an entirely different way and perhaps I can give it a different interpretation.

I think we currently have emergencies. When I read the definition of a national or local emergency in the act that is declared to be such an emergency by a national or local emergency proclamation that has not expired or been revoked under this act, I can talk about the economic emergency that we currently have in my riding of Sydney—Victoria. I have raised in the House on many occasions and have spoken with the Minister of Natural Resources about the fact that we have a crown corporation that employs 1,600 people, the chairman of which has said that as of December 1 they may not be able to meet their payroll. This means that the miners who work underground may not be paid. The secretaries who work in the office may not be paid.

• (1755)

Consequently the merchants and shopkeepers in the communities who purchase their Christmas inventory, in preparation for the

sales that may occur in the next month, may not sell their goods and will face their creditors. I suggest that under this bill we have an emergency. We could easily declare it as such.

I then go on to read that a local emergency means an urgent and critical situation of a temporary nature—temporary for us but sometimes the mismanagement has been going on longer—whose direct effects are confined to one province and that seriously endangers the lives, health or safety of the persons in that province. Clearly the lives, health and safety are threatened when we have an economic crisis.

I like the fact that the bill recognizes that persons who are victims of any emergency that seriously endangers their lives, health, safety or property should be able to purchase essential goods, services and resources during that emergency at reasonable prices. On should this bill be enacted, I could go back to my riding and say if you cannot make the bank payment or the mortgage payment, there is an act here that says you should not be deprived of your property during this crucial time.

I suspect the only way we could deal with that is to ensure there are government funds available in an economic crisis to assist those people who suffer from it. This could bring this whole debate to what this government has done with the unemployment insurance fund and how less than 40% of the people who pay into that fund are entitled to receive it. Should they find themselves in an economic crisis where their property is endangered they do not have access to an insurance policy they paid for.

I also look at a national emergency which means an urgent and critical situation of a temporary nature that seriously endangers the lives, health, safety or property of persons in Canada. Today we finished a whole debate on health care, the crisis in health care and the emergency in health care. People are finding their lives endangered because of an economic crisis.

The bill brought forward by the member from the Reform Party could be interpreted broadly. I welcome that interpretation, especially if we were to apply the terms economic emergency to the debate.

**Mr. David Price (Compton—Stanstead, PC):** Madam Speaker, I am happy to speak today to the bill put forward by the member for Surrey Central. I am sure the intent of the bill is fair. Times of crisis are not times for profiteering. During the ice storm of 1998 there were a great deal of stories that circulated that would make a lot of people cringe.

During the ice storm people were suffering. As I am sure members will recall, there were a great many people affected such as those in my riding of Compton—Stanstead. They had no electricity. They had no light. They had no heat. For many people, especially elderly people and families with young children, this

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situation was an emergency. These people needed help. In some cases people required food and water. In all cases people required heat. Strangely enough in this country we all cherish there were people who, rather than volunteering a helping hand to those in need, took advantage of the situation to turn a profit. Some of these stories are somewhat disgusting.

I will mention just a few so that members are aware of the situation I am speaking of. This was a time when people were suffering and yet incredibly these are the stories I have heard.

One person, knowing the food in people's freezers had gone bad because they had no electricity, sold hamburgers for \$20 each. Another person brought big candles to people's houses offering light and heat, a neat little package for only \$50. Other people sold blankets, flashlights and generators all for profit.

• (1800)

These acts during the ice storm are a demonstration of the worst of human nature, taking advantage of the weak and the disadvantaged. It is not something that happened only during the ice storm. During the floods in Manitoba and the Saguenay similar stories have been heard.

What do we do about this? The government, as usual, would like people to think that everything is okay, that there is no problem and that everybody is happy. By the way, it does have an extra \$10 billion that it took from Canadians which it does not need, and if there is a problem during an emergency the government would rather not hear about it. The military did an incredible job during those emergencies. Maybe some of this money could be used to help the military have a better, everyday quality of life. Would we not call this a form of profiteering by our government? Quite simply, the government does not care.

The Reform approach is not ideal either. The bill was brought forward by the same member who wants stiffer laws to punish immigrant law breakers as opposed to regular law breakers. He has recently said he wants to scrap government multicultural programs. He wants Canada to consider sanctions against our friends in Israel. Coming from this member, looking at any bill that might become law one must be very careful.

As I said earlier profiteering during emergencies is indeed a disgusting practice, but there are ways to avoid this activity and to self-police such activity that need not be legislated from this place.

During an emergency the first thing that happens is people who are affected form a special bond, a special community. I was mayor of a community that had a plan like most communities should have. Three years ago we had a train wreck in the middle of the community of propane cars. It was very dangerous and volatile.

We had to evacuate but it was all planned. We had volunteers ready and places for the people to go. It was people working together as volunteers. This is more in the direction we should be looking.

For the most part this community is created out of necessity and is there to help those in need. For the most part this community provides hamburgers, candles, blankets and generators to those in need.

It is important to acknowledge that the stories of people doing good in an emergency always far outweigh the stories of people taking advantage. Maybe it would be a good idea for communities to be more aware of the profiteering that has gone on in past emergencies so that when an emergency transpires the community is ready not only to provide help to those who need it but to put a stop to those people who want to profit.

Maybe one person or a group of people from the community will undertake to take note of profiteers. Maybe it can be made public by creating a list of those people. This might serve as a deterrent.

During the ice storm in Quebec this happened in a way. In terms of electrical services, for instance, where electrical entrances were broken down by the ice, certain contractors took advantage. Immediately as it was found out the Corporation of Master Electricians put out a notice in the papers naming those contractors. People remember after they have been taken advantage of. These are good deterrents.

Unlike the government that believes it has an answer but does not want to share it, and unlike the Reform Party that has all the answers so long as we agree, I do not have all the answers. I do know, however, that a problem like the one raised by the member for Surrey Central is best served if it is brought to the attention of local communities and not legislated from Ottawa.

On my part I will inform my community of Compton—Stansstead on the issues discussed today and ask my colleagues in the House to do the same. By being aware, our communities can help themselves. After all, this is Canada and I remain optimistic.

Although I recounted tales of profiteering earlier, there are always many happy stories which emerge from crises like these. There are stories of people helping people, of people giving their hamburgers, candles, blankets and generators and all they ask in return is that their community remain strong and healthy. That is the Canadian community I know and the Canadian community we will always have.

• (1805)

**Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.):** Madam Speaker, it gives me pleasure to say a few words in support of the bill of my colleague from Surrey Central. Bill C-442 is a simple

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private member's bill. It is common sense yet politics are being played.

I was involved in an extraordinary situation involving a snow-storm. We were marooned in the city of Winnipeg for three days. All the telephone wires were down. All the hydro wires were out. There was no contact with our family at home. The majority of people were awfully good. They did what they could. They helped shovel.

The one restaurant open within walking distance because nothing was moving charged double for everything it sold. That did not bother me as far as the dollars were concerned. However we suffered mental anxiety during those three days not knowing whether our family was safe or alive because it was -35°C to -40°C and there was no heat. That really bothered me.

The bill is like a warning light. It says that in the case of an emergency where essentials should be available there is no right to profiteer or to ask exorbitant prices.

Free enterprise works very well when commodities are available. The market price will determine what the price should be or the right price. The bill does not say that there cannot be increases in costs if suppliers have extra cost factors. However it would be a warning light for people of the consequences if they take advantage. I would call them gougers, not just profiteers.

I heard my colleagues on the Liberal side saying this was a provincial matter. Maybe it is provincial, but when there are natural disasters the federal government steps in. It has to step in. Why not have some warning lights?

There are stop lights for traffic approaching highways in any province or country. The traffic going up and down on the highways can be seen but there are also stop lights. When I look at the farming industry everybody knows that running pulleys or PTOs are dangerous, but every machine company is forced to put warning decals on them. Shields have to be in place. They are there for our own protection. They are there for common sense reasons. They are there to tell people to hold it, to stop, to look and to listen because there is a danger.

That is what the bill would do. It would give us some protection when we occasionally run into a disaster where people's lives or health could be at stake.

Why would we want to make this private member's bill political? If it comes to punishment of crimes or something that affects each one individually or differently, we can argue politically which is the right sentence or which sentence is probably too harsh or too lenient. But here we are talking of natural disasters that will affect probably everyone in this country. It will come at a time when we do not expect it. It will come when we will probably be short of the necessities of life to get us through the disaster.

• (1810)

Let us think back to the Red River flood of 1997. The House heard that chipboard and other products to fix up homes almost doubled in price. I wonder, why does the government really help people in these emergencies? Because when they know there is money available, these gougers will take advantage of it. If they knew that these people were not willing or able to pay for it, it would not happen. So what are we doing? Are we really putting ourselves into danger of promoting this type of an enterprise?

I want to commend my colleague from Surrey Central for looking at this in a common sense way and for pointing out that it should only affect the cost of goods in a reasonable manner. Everybody in this country who has lived for the last 30 or 40 years knows that we have increases in the cost of living. But we also know what is reasonable and what is exorbitant.

This bill would prevent people from encountering more problems in future disasters and I hope members opposite will realize that.

**Mr. Gurmant Grewal (Surrey—Central, Ref.):** Madam Speaker, I listened very carefully to the comments made by the members who spoke. I sincerely thank all members who took the time to prepare their speeches to support this bill, because I know that those who support this bill must have taken the time to read it very thoroughly.

I also thank those who have taken the time to oppose this bill because they have actually spent some time on it. But I would urge them to look carefully at it. Then they will probably support it.

There were some pretty good ideas from those who opposed the bill. I am very flexible. I am flexible enough to accommodate some reasonably good ideas. Therefore, I urge members to allow this bill to go to committee where we can look at those good ideas to make this and even better bill.

I originally said that my intention was to make this a non-partisan bill. I did not bash Liberals at any time, which I could have done very easily. But one thing I would like to point out is that on the government side of the House the well is completely dry. As far as talking about benefits for Canadians or values for Canadians, the well is completely dry.

Unfortunately, members on the government side have no vision. Some of them have a blurred vision. They put on glasses, and the glasses they look through have the lens of political stripe. They only have one type of glasses.

Some members have another problem. They have something obstructing their vision. They have blurred vision. They have a cataract. The cataract is that they do not know what the problem is. Let me tell them what their problem is. They do not know that they do not know. That is the problem with them. There is an old saying that goes, he who knows not and knows not that he knows not can never learn. That is their problem.

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On the other hand, they have a long hierarchy list that says how not to do the right thing, which they follow.

The hon. member from the government side said that discussions had taken place. After their discussion they will forget what their discussion was and then their discussion will start again. This process will continue until they reach a point where there is no action taken.

• (1815)

The minister set up a toll free number. Why did he set up a toll free number for victims to expose those who gouge prices during emergencies? He had a reason. He wanted to give them sugar coated medicine. He just wanted to console them.

There is another problem in relation to what I said earlier. I was misquoted two times by my Progressive Conservative colleague. He who knows not but knows that he knows not can learn. That is the problem with them. I do not want to go into the details. The hon. parliamentary secretary said there is little evidence of price gouging although he confessed there has been price gouging.

There are tons of media reports. I have 25 media reports that state there is a problem. The Better Business Bureau is supporting this bill. So many organizations are supporting it. Insurance companies will not insure businesses or individuals who will be affected by Y2K computer problems. Insurance companies refuse

to cover them if there is damage resulting from a computer problem.

We on this side of the House do not want to interfere with competition, we do not want to interfere with the free market but we do want to fire a warning shot that prevention is better than cure. We know the value of the shade of a tree when the tree is not there.

The hon. members should have looked into the details of the bill and they should have supported this bill. I would like the unanimous consent of the House for the subject matter of this bill to be referred to the Standing Committee on Industry so we can look into this and take some effective action for our constituents and for all Canadians.

**The Acting Speaker (Ms. Thibeault):** Does the hon. member have the unanimous consent of the House?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Ms. Thibeault):** The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the order paper.

It being 6.17 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.20 p.m.)

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