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Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, February 15, 1999

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1100)

[*English*]

ARMENIANS

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.)
moved:

That this House:

- (a) join the members of the Canadian Armenian community in honouring the memory of the 1.5 million men, women and children who fell victim of the first genocide of the 20th century;
- (b) condemn the genocide of the Armenians and all other acts of genocide committed during our century as the ultimate act of racial, religious and cultural intolerance;
- (c) recognize the importance of remembering and learning from such dark chapters in human history to ensure that such crimes against humanity are not allowed to be repeated;
- (d) condemn and prevent all attempts to use the passage of time to deny or distort the historical truth of the genocide of the Armenians and other acts of genocide committed during this century;
- (e) designate April 24 of every year hereafter throughout Canada as a day of remembrance of the 1.5 million Armenians who fell victim to the first genocide of this century; and
- (f) call on the Government of Canada officially to condemn the genocide of the Armenians and any attempts to deny such crimes against humanity.

He said: Mr. Speaker, I thank the Armenian World Alliance for its inspiration to draft this motion as well as Mr. Haig Mysaykin and Hridtch Tourakian for their support and guidance; also, Mr. Aris Babikian of the Armenian National Federation and Apkar Mirakian of the Canadian Armenian National Committee for their continuous support.

The purpose of this motion is to give official Canadian recognition of the Armenian genocide which started April 24, 1915 and lasted until 1923, during which over 1.5 million Armenians were subjected to systematic extermination through a policy of deportation, torture, starvation and mostly massacre. I would like first of all, just so that we are clear on what is at the heart of this motion, to read the Oxford Dictionary definition of genocide which defines it as “the deliberate extermination of a race or nation”.

• (1105)

The facts of the Armenian genocide are well known and I will not take up the time of the House with a long list of historical references. I would, however, like to point out that this recognition of the death of 1.5 million victims is long overdue.

Parliament passed a motion with regard to this event in April 1996. The motion was, however, changed in a critical manner by dropping the word “genocide” and replacing it with the term “tragic event”. To my mind, the sinking of the *Titanic* and the great Halifax fire were tragic events. What happened was and is nothing other than genocide and to call it anything else is to deny its existence.

In March and April 1980 the Ontario legislature and the Quebec national assembly passed a resolution asking the Government of Canada to recognize and officially condemn this genocide and the atrocities committed the Ottoman government against the Armenian people. The United Nations recognized Armenian genocide in 1986 and the European parliament voted to recognize this genocide in 1987, as well as the Belgian, Greek, French and Australian parliaments.

I believe that the House made a mistake by trivializing this horrendous act of barbarism and I am disappointed that this motion was not made a votable motion so that the House could take the necessary steps to right this wrong once and for all.

The other section of my motion such as the designation of April 24 as a day of remembrance would I believe be most fitting under the circumstances and it would not involve making it a national holiday.

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The condemnation of attempts to deny or distort what happened during the years of the genocide is to ensure that the Ernst Zundels of this world cannot refute what is fact.

As I mentioned, April 24 was the beginning of the Armenian genocide committed by the Ottoman empire in 1915. On that day 300,000 intellectuals were rounded up from their houses and taken into the desert. The leadership of the community was taken so there would be no resistance to this crime that was to be carried out over the next eight to twelve months.

As a result of this holocaust 1.5 million people were murdered and another 500,000 were deported from their homelands. As of now the crime remains unpunished.

We all know very well what happened to the Jewish population in World War II beginning in 1939. The world was silent. It stood silent while six million Jews were slaughtered. Nobody said a word until the war was over. Why did we have to wait until the number reached six million before we spoke out? Why do we have to wait until the numbers reached 1.5 million before we spoke out? Why can we not make our position known to everyone that this will not be tolerated?

In 1939 when Adolf Hitler was giving his orders to SS units to slaughter the Jewish population he said "Who remembers the extermination of the Armenian people today?" That was on August 9, 1939. Today is February 15, 1999. I hope and pray this House will remember that the message of Adolf Hitler was wrong in 1939.

I and many members of the House have spoken against this genocide. We should continue to do that because it is very important to remember.

I would like to conclude with what has been a rather overused cliché but one I believe is apt under the circumstances, that those who forget the past are condemned to repeat it.

Let us not forget.

Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I seek the unanimous consent of the House to divide my time with the member for Laval West.

The Deputy Speaker: Does the House give its consent to divide the time, I presume equally?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is no consent. The hon. member has 10 minutes.

Mr. Julian Reed: Mr. Speaker, there is an ongoing dispute between people of Armenian and Turkish descent about events that took place during World War I in the Ottoman empire.

We see Armenians in Canada and elsewhere asking for recognition that genocide was committed in 1915 against Armenian populations of Anatolia. This request is often associated with suggestions that restitution should be paid to the Armenians or that territorial adjustments should be made to the existing border between Turkey and Armenia. Turkey has rejected these claims.

• (1110)

On the other hand, we see the Turkish people profoundly hurt by the accusation of genocide. The Turkish government, expressing views of Turkish public opinion in general, reacts sharply against such an accusation. Turkish authorities also fear that the kind of terrorism used in the past by some fanatic Armenian underground organizations to promote their claims could resurface.

In trying to understand the points of view of both sides in this conflict we should always remind ourselves that there was enormous suffering for all the people involved in the 1915 events and that in addition to the death of soldiers there were literally millions of innocent civilian victims in this conflict on both sides. We have to be respectful of that suffering and therefore tread carefully and avoid making hasty judgments.

There is a tendency nowadays to use the word genocide in a non-technical manner and even sometimes almost as a metaphor. We have all heard expressions like economic genocide or cultural genocide. One should realize, however, that genocide is a very specific crime and a particularly horrendous one. When making an accusation of genocide implied is the fact that there are criminals who are responsible for the crime.

What happened in 1915? Both sides in the dispute have their own parts of view and generally highlight different events. The Turkish side emphasises particularly events at the beginning of World War I. The Ottoman empire entered World War I on November 1, 1914 on the side of the central powers and became automatically at war with the Russian empire.

According to historians favourable to the Turkish side, an Armenian rebellion against military conscription had begun in August 1914, even before the beginning of the war. Particularly in eastern Anatolia, Armenian guerrilla bands organized and obtained some arms and support from Russia. In theory, young Armenian males should have been conscripted into the army along with Muslims, but tens of thousands escaped to join guerrilla bands or fled to Russia, ultimately to fight alongside the Russian army when it marched into Anatolia. The general picture that is created is that of a rebellious Armenian population which had particular affinities with the Russian invading army, one of them being the Christian religion.

One particularly noteworthy episode of this war was the rebellion in and around the city of Van in March 1915 when the imperial Russian army was approaching Van. The uprising quickly took the

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character of an intercommunal war. Armed Armenian bands attacked Muslims, mainly Kurdish villages. Kurdish tribesmen retaliated by attacking Armenian villages. Victims fell on both sides. The Armenian rebels eventually took control of the city of Van where some 30,000 Muslims perished between February and April 1915 according to Turkish estimates. These events are still commemorated every year in Van. Similar episodes reportedly occurred in other cities and villages as the Russians advanced in eastern Anatolia. The victory for the Russians was also the victory for the Armenians. Large Muslim populations in turn had to flee to central Anatolia.

Armenians focus on particular episodes of the conflict starting in April 1915. On April 24, soon after the events in Van, Ottoman authorities proceeded to arrest some 235 Armenian leaders for activities against the state. This is a date which has a symbolic value for Armenians and they claim that these 235 leaders, the elite of the Armenian society at the time in the empire, were the object of a massacre. This claim is rejected by Turkish authorities.

Soon after, in May 1915, the Ottoman council of ministers ordered the forced relocation of Armenian communities of central, eastern and southeastern Anatolia to Syria, Lebanon and Iraq, which at the time were Ottoman provinces. The decision was implemented gradually over the next two years. Of the estimated 700,000 Armenians who were thus forcefully relocated, many died due to the manner in which the relocation was taking place at a time when the Ottoman empire was collapsing.

• (1115)

They perished mainly due to disease, harsh weather, exposure and hunger. This is the episode that many Armenians believe constitutes genocide. They portray this deportation as a decision aimed at exterminating the Armenian population in general.

Turkish authorities argue that this was not the case and that although many people died as a result of the relocation it was not intended as a measure to kill Armenians and that there is no proof to that effect. Turkish authorities have argued that the so-called Andonian papers which appeared in the 1950s and attributed genocidal decisions to high Ottoman leaders of the time were simply forgeries, not corroborated by any official documents of the time. On the contrary, they contend that the evidence of the official archives of the time, which are open to historians, reveals that the relocation was intended to be conducted in a humanitarian manner.

What happened after World War I? The armistice that put an end to World War I in 1918 sanctioned the collapse of the Ottoman empire. The empire no longer existed as a sovereign state. Istanbul was occupied by the allies, the ports of northwestern Anatolia by the British, southern Anatolia by the Italians, southeastern Anatolia by the French and the Armenian legion, western Anatolia by Greeks, and northeastern Anatolia by Armenians.

It was in the spring and summer of 1919 that General Mustafa Kemal Atatürk decided to mobilize the country and to wage war against all occupiers, thus laying the foundations of modern Turkey. For all population groups of Anatolia this meant further war. The Turkish army reconquered eastern Turkish cities and territories still occupied by the Armenians and marched north more or less up to the present Turkish borders with Armenia and Georgia.

There was enormous suffering on both sides. There was also immense suffering on the part of innocent civilian populations. The succession of wars and conflicts that took place during this period in that part of the world is staggering. Exact figures of people killed during such a troubled period of history are extremely difficult to determine.

At the Paris Peace Conference in 1919 the head of the Armenian delegation set the figure for Armenian losses at 300,000. By 1989, 1.5 million had become the number generally used by the Armenians. Turkish scholars argue that a more realistic figure based on data available would be around 600,000. The same scholars estimate that the civilian Muslim losses during the same period could be between 2.5 million and 3 million people. In any case the figures of those who died, both Armenians and non-Armenians, are very large.

How should Canada respond? What we should do today is to try to encourage reconciliation, tolerance and respect for the suffering of all groups in the region and their descendants for whom these events are not far away in history but unfortunately all too present in their daily lives.

The resolution before the House is not what is needed. It is not helpful in bringing about tolerance, a more dispassionate look at the past, and eventually reconciliation. It asks us to take one side in a matter which is offensive to the other side. If we as Canadians want to be helpful in this respect we should be careful not to exacerbate old and bitter conflicts. We should try to bring closure for the Armenians and Turks and encourage each side to see and recognize the terrible suffering through which the other side went.

It is the sense of government that the House of Commons as an institution should not do anything that would bring new tensions between Canadians of Armenian and Turkish descent.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I would like to recognize the members of the Armenian National Committee who are in the gallery, members of the Turkish community who are here, and all those who are watching this issue so carefully. What we have just seen indicates probably how volatile the issue is. We are talking about a time period from 1915 to 1923. Among all parties and all Canadians we find a great deal of misunderstanding and hostility which shows how volatile the issue is.

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• (1120)

In reading the documentation on both sides of the issue, one starts to realize how terrible the word genocide is and the type of killing that can go on over religion, various ethnic mixes and so on. We have listened to some of the history and we could get the same history on either side. I was moved by the severity of the information we can read on the issue.

I would like to talk about four points. The first is a motion like this one being dealt with in the House. In the ethnic communities across Canada, of which we are all very proud and which are an intricate part of the country, we so often fail to let them know how the House of Commons works. A motion like this one is put and they actually have hope that their particular area will be dealt with, that they will get something from the House of Commons.

Mr. Speaker, you have been here long enough to know that will not happen. A motion like this one is not really a debate. It does not put all the issues on the table. It is not coming to any kind of a conclusion. I think that is wrong and is one area we must change in the House of Commons. We must make these things more meaningful because they are so deep in the hearts of the people who are involved.

Second is the issue of genocide itself. We could get out the dictionary and talk about what it is. I probably could bring forward the best meaning from my visit to Bosnia where we went out and actually talked to the people. We went into churches, mosques, bars and restaurants. We stopped little old ladies on the street and asked them what they thought of what was happening.

I was in nine different schools where I asked the students to write in their own words what it meant to be part of ethnic cleansing. I asked them to tell me what their futures were and what would really happen. The words of those kids were pretty touching. They made us cry. If we talk to Serbian children they tell us about the terrible killings that went on and about the 600,000 people who died. They would describe it like it was yesterday, but they were talking about back in 1943.

We could talk to Croat children and Muslim children and they would tell us about things as if they happened yesterday. I will always remember one little girl's face when she was telling me about the killings. She was talking about the killings in 1536 like it was yesterday. That is what genocide is all about.

Whether we are talking about the Roman empire, the Greeks, Napoleon, the Vikings, the African tribes, the first world war or the second world war or whomever, we will find incidents of what we would classify as genocide, a holocaust. Whatever words we use they are all horrible.

In parliament we often have a double standard in the way we think about things. Quite often we do not have all the information.

Every time I hear that our prime minister or foreign affairs minister has visited Cuba again—I know about the horrible human rights abuses in that country—I get mad because of that standard. People are being persecuted in Cuba.

I read all the material and to try to put some real meaning to it I took some quotes at random from either side. I heard things like: "People fled with whatever property they could carry. On the road they were robbed, the women were repeatedly raped and then the men were killed. Women and young children were then killed systematically. My mother's cousin, with her child still nursing at her breast, was shot. Later that still nursing baby was killed with a bayonet". That is genocide. That is horrible. All of us would say that is inhuman. We cannot let that happen.

• (1125)

When we talk about this sort of thing, it is the human issues we are talking about. I can see why people feel so emotional about them and why they remember 1915 and why they remember 1536 and so on. The events are so horrible that they would undoubtedly change people who witnessed them for the rest of their lives and it would be passed on from generation to generation.

It is time to move on. We need to get all the information on the table, whether it is the Armenian-Turkish situation, what happened in World War II or what happened in Nanking, China, when the Japanese came. Wherever it happened it is time to get historians to put all the cards on the table. In a House like ours we look at the history but most important we move on.

Canada has an important world role. We are members of almost everything. We are members of all important organizations and have a very important role in them. The level of respect for Canadians gives us that role. Our role is one of a negotiator. We are good at that. It is one thing we can do well.

Canada has a role whether it is solving the problem of the Armenian-Turkish-Ottoman crisis that is so real to people, or whether it is something between India and Pakistan, between Israel and Palestine, in Sudan between the north and the south and 43 years of war, or north Korea and south Korea. The list goes on and on.

I could talk about the genocide and the killings on both sides, but if there is one message to send it is what should Canadians be doing in foreign affairs. I do not believe a soft power approach is the way to go. I do not believe in simply waiting and seeing what happens, kind of coasting along and making grandiose statements about people and so on.

Let us do something. Let us not let the Rwandas happen. Let us not let the Kosovos happen. Let us take an active role and let us back it up with a modern, well mandated military that knows what it is doing. Let us back it up with some power. We need to do some

real reform of how we look at the UN and of how we handle all these issues. It is diplomacy. That is what it is about.

As Canadian politicians we should be putting forward, instead of more conflict, an academic approach to the records. Some of these countries will not even open up their records or files so we have to do that. If there is one message it is that we must move on.

[*Translation*]

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I am pleased to speak today on behalf of the Bloc Québécois to the motion by the hon. member for Scarborough—Agincourt on recognizing the Armenian genocide.

This motion allows the Bloc Québécois to reiterate the position it has stated many times before in this House, which is that it should recognize the existence of the Armenian genocide and add its voice to those of other parliaments affirming this genocide.

• (1130)

The Bloc Québécois in fact, through the voice of its member for Ahuntsic at the time, Michel Daviault, initiated a major debate on this issue in April 1996, when we devoted an entire opposition day to this matter and tried to convince the members of the House to accord such recognition.

My colleague, the member for Laval East, has since then, in both 1997 and 1998, drawn attention to this unfortunate anniversary of the genocide, which falls on April 24 each year. So, the members of this House and all interested individuals and groups will not be surprised that we in the Bloc Québécois support Motion M-329.

We support it because it is part of a movement whose aim is not to rewrite history or revise it, as some claim or would claim, but to commemorate it. The great moments of history must be commemorated, but so must its darkest moments, and the Armenian genocide is one of the darkest moments in the history of humanity.

It must not be forgotten, and must not be obliterated from people's memory. This Parliament, like the National Assembly and the Ontario legislature, must write a page in history by giving recognition to the Armenian genocide. Parliament must take the route traced by other parliaments in the international community, the Russian Duma, the Israeli Knesset and more recently the French National Assembly and the Belgian senate as well as the supranational institution that is the European parliament.

It is a page of history the successors to the Ottoman Empire would like us to forget, which the Turkish ambassador to Ottawa presented to me in a different light. I listened to him. I read the documents and commentaries he provided me with, but I also read

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and reread the testimonies of Armenians about the genocide of which they say they were victims.

I spoke to Garine Hovsepian, who was one of my students in the past and is now studying law in the United States. She is of Armenian origin and has told me of the sufferings of a people which, like so many others, has had to disperse all over the world, reinvent itself, create a diaspora. That dispersion was not ended with the creation of an Armenian state in 1918, and its rebirth in 1991. This created a land for the Armenians, a place for them, but did not bring back the dead, it did not erase the memories of the massacres of children, women and men.

The memory of the massacre in which 2.5 million Armenians met horrible deaths between 1915 and 1923 continues to shock the conscience of humanity 84 years later. What continues to shock that conscience, as do the more recent atrocities committed in Cambodia, Rwanda, Bosnia or Kosovo, is the barbarity of that massacre. It was described in one of the most eloquent and credible descriptions of the Armenian genocide by the allied powers in a statement made on July 17, 1920, which has been kept in the French national archives:

The Armenians were massacred in conditions of incredible barbarity. During the war, the Ottoman government's actions in terms of massacres, deportations and mistreatment to prisoners went far beyond anything it had ever done in these areas.

It is estimated that, since 1914, the Ottoman government has massacred, under the untenable pretence of a presumed revolt, 800,000 Armenian men, women and children, and deported more than 200,000 Greeks and 200,000 Armenians. The Turkish government has not only failed to protect its subjects of non-Turkish origin against looting, violence and murder, but a large body of evidence indicates that it also took a hand in organizing and carrying out the most ferocious attacks against communities which it was its duty to protect.

• (1135)

After hearing the hon. member for Brampton Centre, who often speaks on behalf of the Armenian community in the House, refer to the Der-zor River, a historic site for Armenians scattered around the world, as a place where bones and human remains lie under a mere six inches of sand, there is no choice but to demand that responsibility be taken a step further, by acknowledging this fact as others did, such as Germany following the Holocaust, making an act of contrition and taking whatever steps are necessary to ensure this is not devoid of any real meaning.

It is not for me to elaborate, because I realize the frustration of people, who wish this chapter in history had never been written, are not proud of what their ancestors did and the fact that their government denies these crimes were ever committed, and take refuge in silence, something they should not feel duty bound to do, no matter how strong their sense of solidarity is. However, it is my duty and it is the duty of the Bloc Québécois to make a statement of principle that crimes of genocide and crimes against humanity must be recognized. This will heal the deep wounds, help the

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victims of genocide make their peace with those they hold in contempt and help those who, generation after generation, have been held in contempt to cast off the burden of history.

As an internationalist, I would be remiss if I failed to mention that the crime of genocide, as a concept, has long been accepted in international law. The Turkish government cannot hide behind that fact there was no word in the League of Nations terminology between 1919 and 1923 to describe it—the term was coined in 1944 by a Polish lawyer named Raphael Lemkin—to contend that the crime was not committed. Did one of the first resolutions passed by the United Nations General Assembly on December 11, 1946, not state that genocide was a crime under international common law and thus may have been committed even before it was decided to give it that name?

Furthermore, this is in no way altered by the 50th anniversary of the adoption of the Convention on the Prevention and Punishment of the Crime of Genocide, which we celebrated even more solemnly than that of the Universal Declaration of Human Rights on December 9, because it codifies the existence of a crime and provides the legal framework by which states agree to prevent and punish the crime of genocide.

A recorded division on this motion would show every member of the Bloc Québécois in favour. They were hoping to be able to vote on a motion that government members had not watered down, the way they did in 1996, relegating the genocide of the Armenians to the status of a tragedy. They would not be afraid of offending the Turkish government, which must face up to history and prepare to enter the 21st century by recognizing the first genocide of the 20th century. For they know, as do the Turks and many other nations, that although the truth hurts, it also frees nations to grow, to mature, to be appreciated.

Nor are they afraid to say to the other countries of the world that the existence of nations, on whatever continent, must never be threatened, that nations and their cultures enrich humanity's common heritage. They will not be afraid to say that this is also a question of justice and freedom, about which Albert Camus wrote the following, "If humanity fails to reconcile justice and freedom, it has failed at everything that matters".

[English]

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased and honoured to rise to strongly support the motion which has been placed before the House today by my colleague from Scarborough—Agincourt, not only speaking on my own behalf but on behalf of my colleagues in the New Democratic caucus. In doing so I want to pay tribute to the ongoing leadership of the Armenian National Committee of Canada which has kept this issue alive through a number of parliaments. Today we are joined by a number of representatives of the Armenian National

Committee and I want to salute them: Giro Manoyan, Rouben Kouyngian, Sylvia Baronian and Aris Babikian. It is important to acknowledge these individuals for the leadership they have shown on this issue, along of course with others such as the president, Girair Basmadjian.

• (1140)

I listened to the debate with interest. I appreciated the eloquent remarks of the mover of the motion. The official spokesperson for the government, the Parliamentary Secretary to the Minister of Foreign Affairs, was very clear. The Liberal government does not support this motion. That was quite obvious. He was quite up front about that which is no surprise given the position the government took in 1996 on another motion.

I have to confess some bewilderment in listening to the spokesperson on behalf of the Reform Party. He talked about Bosnia. He talked about Rwanda. He talked about the United Nations. He talked about international law. But the one thing he did not talk about was the motion. Did he support the motion or did he oppose the motion? No one in this House and no one in the country knows what the position of the Reform Party is after that speech.

I hope that perhaps another spokesperson, maybe the member for West Vancouver, might have an opportunity to clarify exactly where the Reform Party of Canada stands on this motion, because certainly we did not find out from its official spokesperson.

[Translation]

I was very pleased to hear the Bloc Québécois member for Beauharnois—Salaberry supporting the motion. I recall clearly the very eloquent speech given by Michel Daviault on the subject in April 1996, during the last debate.

[English]

It is clear where most of the parties stand on this issue.

This has been an issue that my colleagues and I have been involved in for some time. I have a motion before the House that states:

That, in the opinion of this House, the government should officially recognize and condemn the Armenian genocide of 1915-1923 perpetrated by the Turkish-Ottoman government, which resulted in the murder of over one and one-half Armenians; designate April 24 as the day of annual commemoration of the Armenian genocide; and press the Government of Turkey to recognize and acknowledge the genocide and provide redress to the Armenian people.

That motion is before the House and it is also before the foreign affairs committee where it will be coming to a vote in the not too distant future.

I had the privilege of travelling to Armenia shortly after the devastating earthquake some years ago. I had the opportunity to meet with leaders of Armenia and to hear of the terrible and tragic legacy of suffering of those people. The greatest tragedy, the

greatest suffering and yes, the genocide, was in 1915 to 1923, the first genocide of this dark century, the 20th century, a century in which we also witnessed genocide in other parts of the world, the Nazi Holocaust of World War II, the genocide in East Timor, in Rwanda, in Cambodia and elsewhere.

[Translation]

The member for Beauharnois—Salaberry quoted French archival material from 1920, which describes exactly what happened in this genocide.

[English]

While this was a tragedy, it was far beyond that. It was genocide and it was shameful that in this House in April 1996 when we had an opportunity to tell the truth, to be honest, to speak about what actually happened, instead some Liberal members, speaking on behalf of the government, watered down that motion.

• (1145)

We have to ask why they are taking this position. Could it have something to do with economic relations or trade relations with Turkey? It might just have something to do with the fact that we are trying to sell Candu reactors to Turkey. My goodness, we do not want to offend the Turkish government if it might interfere with the sale of Candu reactors. Good heavens no. We do not want to offend the Turkish government if it might interfere with our sale of military equipment to that country. Of course that has nothing to do with the position the government members are taking.

I want to speak for a moment about the Turkish government. The Turkish government has for too long displayed contempt for international law not just in this area but in too many others. Its contempt has been displayed in its reluctance to apply the principles of international law in its ongoing disputes with Greece; the continued illegal occupation by Turkey of part of Cypress; the profound violation of human rights of the Kurdish people in Turkey; the lack of respect for human rights, individual collective freedoms, attacks on journalists and others, attacks on freedom of religion; the continued imprisonment of elected members of parliament like Leyla Zana and others.

It is time our Liberal government showed some courage and honesty and spoke out on the genocide, condemned the genocide and recognized the truth.

Following the Holocaust of World War II, nations of the world adopted a convention on genocide. Canada was one of the signatories to that convention. Why today are we not prepared to acknowledge the truth of what happened? It is a very straightforward matter. We owe it to the victims of that genocide and to their

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families. We owe it to all Canadians to ensure that this genocide that killed 1.5 million Armenians is never repeated.

Today what we are asking for is the truth. That is all. This parliament has an opportunity today to allow the truth to be told and honesty to be our policy.

In closing, I once again appeal to all members of this House but most importantly to the Liberal government to end their silence and their revisionist history. Listening to the history lesson from the Parliamentary Secretary to the Minister of Foreign Affairs was an astonishing experience because it flies in the face of reality in that region and denies the truth of the genocide.

On behalf of my colleagues in the New Democratic Party, it is an honour to join not just with Armenian Canadians but to join with parliaments such as the Belgium Senate, the French National Assembly, the European Parliament, the Israeli Knesset, the Russian Duma and many others that have taken this step. If they can take this step and acknowledge the truth, why can we not do the same in Canada?

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, I would like to thank the member for Scarborough—Agincourt for bringing this important matter to the House of Commons.

One of the great tragedies of World War I was the deaths of 1.5 million Armenians at the hands of the Ottoman empire. It is another sad episode in the history of modern warfare.

• (1150)

Prior to the wars of the French Revolution in 1792, war was very much a matter of battle between opposing armies. Few civilians were ever killed. There were episodes in every war where cities were sacked and women assaulted after decisive battles outside of city gates, but few civilians were killed.

The wars of the French Revolution changed all that. The past pattern of warfare between small professional standing armies came to an end when the French instituted the conscription of troops in 1793 to fight the Austrians and their allies. The days of the small professional armies manoeuvring across country and only giving battle to punish a strategically placed inferior opponent were over with. Henceforth armies were large, unwieldy mobs of civilians in uniform trying to kill each other and battle was given quite freely.

The advent of the industrial revolution just made warfare far more deadly and machine dependent. Due to the combination of conscription and the industrial revolution, the foundation of a nation's military strength changed. By the 1850s the true foundation of a nation's military strength had begun to rest on the size of its civilian population and its industrial infrastructure. Modern warfare was born.

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It took almost the next 100 years to perfect it to a point where in World War II one could argue that civilians and industrial infrastructure had become the real targets. That is the real evil of modern war. In World War I, 20 million people were killed, the majority being soldiers, but in World War II, 50 million people were killed, the majority now being civilians.

Many Canadians know the horrors of the Holocaust and the evils of Nazism, but few Canadians know of the misfortune of the Armenians butchered because they were stuck between the Ottoman empire and the Russians. The decaying Ottoman empire found them to be a threat. The Armenians were an industrious, energetic Christian community awash in an Ottoman Turkish sea. Out of a population of two million Armenians, one and one-half million were killed.

The massacre of civilian populations has always been the ugliest aspect of modern war. The Armenians suffered from what today would be termed ethnic cleansing. The survivors escaped into Russia or faced forced resettlement. Indeed the Geneva protocols were brought forward by like-minded nations to protect civilian populations like the Armenians from the ravages of war. Later the League of Nations attempted to protect civilian populations between the wars. After the second world war, the United Nations took on the challenging job of trying to prevent war and protect civilians.

The terrible truth is that even though we see ourselves as more civilized than our forefathers on this planet, we are not. Every day we hear of the terrible human cost of modern war: Rwanda, Burundi, Bosnia, Croatia, and now Kosovo; where ethnic groups are the targets of the most reprehensible acts known to mankind, places where Canada has always dispatched peacekeepers and peacemakers to end these brutal practices.

Canada sent troops to Rwanda under the command of the United Nations and led by a Canadian, a brave Canadian, Lieutenant General Romeo Dallaire. They were forced to witness one of the worst episodes in man's inhumanity to man.

Canadians were also in the former Yugoslavia, in Bosnia and Croatia and again witnessed unspeakable atrocities, atrocities similar to what one and a half million Armenians suffered. In Sarajevo a group of Canadians led by General Lewis MacKenzie distinguished themselves at an airport trying to help the unfortunate in Bosnia. Again outside a small village in Croatia, in an area known as the Medak Pocket, Canadians attempted to put a stop to ethnic cleansing.

Unfortunately for Canada's badly neglected military, they will likely find themselves soon in Kosovo trying again to protect civilians from harm. Canada has always stood up for those who need our assistance and who could not protect themselves.

The fact that wars, horrible wars, both state on state and state on sub-state or ethnic group continue on this planet is the key reason

that the Government of Canada must commit some of its coming budget surpluses to its neglected, cut to the bone military. Indeed, the government must re-equip our forces so that Canada will be able to play a more important role on the world stage in trying to stop the horrors of war and ethnic violence.

• (1155)

The fact that the Armenian people suffered at the hands of a dying empire between 1915 and 1918 is of great sadness to all in this House and to all Canadians. Armenian Canadians have contributed greatly to the fabric of Canadian society and culture and we are all richer for that. It is only fitting that we remember them here today below the chimes of the Peace Tower, and that we take steps to prevent this past tragedy and other inhumanities from ever taking place again.

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, I came here this morning prepared to defend the motion made by my hon. colleague for Scarborough—Agincourt.

I was shocked, really shocked, to hear the parliamentary secretary give a speech which lies totally against the truth. I have here an article from the *Globe* dated January 28, 1916. It speaks of atrocities. I do not know who wrote the speech for the hon. member or what he had for breakfast but it puzzles me that we have people in foreign affairs who can twist the truth the way this gentleman has done.

The Deputy Speaker: Order. The hon. member will recognize that it would be quite improper for him to suggest that an hon. member of this House would twist the truth. In any event, the member's time has expired.

The hon. member for Scarborough—Agincourt will have five minutes to conclude the debate. I advise the House that if he speaks now, he will close the debate.

Mr. Jim Karygiannis: Mr. Speaker, in view of my colleague for Brampton Centre and his background, I will ask for unanimous consent that we give him two minutes as well as recognize this motion.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

The Deputy Speaker: No. There is no consent. Is the hon. member for Scarborough—Agincourt going to continue with his speech?

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I listened to my colleague, the Parliamentary Secretary to the Minister of Foreign Affairs, with great interest. I know he probably does not believe what he said. I know what he said was probably something that was put in front of him this morning.

Today's Turkish government is 75 years old, having celebrated its 75th birthday. It started in 1922. My colleague kept referring to

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Turkey Ottoman, Ottoman Turkey. Obviously we can see clearly that the member does not have his facts straight.

The atrocities of that particular time happened by the Ottoman empire. The Ottoman empire was collapsing. Everybody in that part of the world was committing atrocities. The Armenian genocide did happen. The 350 Greeks of the Black Sea were killed. People were moved. An exchange of population happened.

I wonder, would the hon. member also refute the fact that my ancestors had to flee Anatolia, that my grandfather had to go on a ship and had one arm cut off? If the member refutes that, I will certainly point out to him the December 1922 issue of *National Geographic*. His picture is there.

Let us not muzzle history. Let us not cover up history. Atrocities happen. The Armenian genocide happened. Is my hon. colleague also going to stand here and say that the atrocities in Warsaw did not happen? Is my hon. colleague going to say the Jews just stood there and took it and they did not defend themselves? The Armenians defended themselves.

Having heard what has been put in front of us, I am really shocked. I am really amazed that history had to be turned upside down and recorded as we see fit.

I stand and ask for unanimous consent for this motion to be recognized as votable.

The Deputy Speaker: Does the hon. member have the unanimous consent of the House that this motion be made votable?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is no consent.

• (1200)

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

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

BILL C-65—TIME ALLOCATION MOTION

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That, in relation to Bill C-65, An Act to amend the Federal-Provincial Fiscal Arrangements Act, not more than one further sitting day shall be allotted to the consideration of the second reading stage of the said Bill and, fifteen minutes before the expiry of the time provided for government business on the day allotted to the consideration of the second reading stage of the said Bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every

question necessary for the disposal of the stage of the Bill then under consideration shall be put forthwith and successively without further debate or amendment.

[*English*]

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion 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.

• (1245)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 316*)

YEAS

Members

Adams	Anderson
Assad	Assadourian
Augustine	Bakopanos
Barnes	Bélair
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Byrne	Caccia
Calder	Cannis
Caplan	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Clouthier	Coderre
Collenette	Comuzzi
Copps	Cullen
DeVillers	Dhaliwal
Dion	Dromisky
Duhamel	Easter
Eggleton	Finestone
Finlay	Folco
Fontana	Gagliano
Galloway	Godfrey
Goodale	Graham
Grose	Guarnieri
Harb	Harvard
Hubbard	Ifody
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keys
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Knutsen	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Lincoln	MacAulay
Mahoney	Malhi
Maloney	Manley
Martin (LaSalle—Émard)	Massé

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McCormick
McKay (Scarborough East)
McTeague
Miffin
Mitchell
Myers
Normand
O'Reilly
Paradis
Patry
Peterson
Phinney
Pratt
Provenzano
Reed
Robillard
Saada
Serré
Steckle
Stewart (Northumberland)
Szabo
Thibeault
Ur
Vanclief
Whelan
Wood—131

McGuire
McLellan (Edmonton West)
McWhinney
Minna
Murray
Nault
O'Brien (London—Fanshawe)
Pagtakhan
Parrish
Peric
Pettigrew
Pillitteri
Proud
Redman
Richardson
Rock
Sekora
Speller
Stewart (Brant)
St-Julien
Telegdi
Torsney
Valeri
Wappel
Wilfert

Dalphon-DuGiral
Dumas
Laurin
Marleau
Peterson
Plamondon

Dubé (Lévis-et-Chutes-de-la-Chaudière)
Gray (Windsor West)
Longfield
Mills (Broadview—Greenwood)
Pickard (Chatham—Kent Essex)
Tremblay (Rimouski—Mitis)

The Speaker: I declare the motion carried and well done Marie-Andrée Lajoie on your first time around.

SECOND READING

The House resumed from February 8 consideration of the motion that Bill C-65, an act to amend the Federal-Provincial Fiscal Arrangements Act, be read the second time and referred to a committee.

The Deputy Speaker: When this bill was last under consideration in the House, the hon. member for Mississauga South had the floor. He has six minutes remaining for his remarks.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, in my previous comments I outlined a number of points with regard to the overall equalization program. I thought it might be helpful to the House simply to review some of those basic facts.

First of all, the equalization program is one of the cornerstones of our country and has played a major role in defining the Canadian federation. Equalization ensures that all provinces have the resources they need to provide reasonably comparable services to Canadians no matter where they live without having to resort to higher levels of taxation in other provinces. That point particularly should be noted for Canadians with regard to the mobility rights that Canadians all enjoy as citizens of this country.

● (1250)

Equalization is also an unconditional federal payment and the provinces can use it as they wish.

There are seven provinces that receive equalization payments, Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan. The proposed legislation before the House would renew the equalization program for a five year period, from April 1, 1999 to March 31, 2004, and the basic structure of the equalization program would remain the same.

I repeat, the purpose of this bill is to renew the equalization program, and the fundamental program as we know it today would remain the same.

The bill does include some changes to the program to ensure that it continues to measure the ability of provinces to raise revenues as accurately as possible. These improvements will increase the cost of the equalization program by an estimated \$242 million. The changes will be phased in over the course of a five year renewal period.

NAYS

Members

Abbott
Anders
Bailey
Bigras
Borotsik
Brisson
Casey
Crête
Davies
Desjarlais
Dubé (Madawaska—Restigouche)
Earle
Forseth
Gilmour
Goldring
Grewal
Guimond
Hardy
Harvey
Hill (Prince George—Peace River)
Konrad
Lalonde
Loubier
Lunn
Marchand
Ménard
Mills (Red Deer)
Muisse
Price
Reynolds
Ritz
Rocheleau
Schmidt
Solberg
Strahl
Turp
Venne

Ablonczy
Bachand (Saint-Jean)
Bergeron
Blaikie
Brien
Cadman
Chrétien (Frontenac—Mégantic)
Cummins
de Savoye
Doyle
Duceppe
Epp
Gauthier
Godin (Acadie—Bathurst)
Gouk
Grey (Edmonton North)
Hanger
Harris
Hill (MacLeod)
Jones
Laliberte
Lefebvre
Lowther
Marceau
McDonough
Meredith
Morrison
Picard (Drummond)
Proctor
Riis
Robinson
Sauvageau
Scott (Skeena)
Stoffer
Thompson (Wild Rose)
Vautour
White (Langley—Abbotsford) —74

PAIRED MEMBERS

Alarie
Bellehumeur
Îles-de-la-Madeleine—Pabok
Carroll

Alcock
Bernier (Bonaventure—Gaspé—
Bulte

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The bill also includes changes to the ceiling and floor provisions of the equalization program which protect against unusually large fluctuations in equalization transfers. The proposed amendments are the results of two years of extensive consultations and review of the equalization program by the federal and provincial governments.

I think members will remember from the debate that was held in the House when we last dealt with this bill that there was much concern about the disincentive for provinces that receive equalization to pursue economic growth and job creation because it would reduce the equalization payments they were otherwise entitled to. I think many hon. members would like to speak to the issue with regard to disincentive of equalization payments.

At the time of the 1998 budget it was projected that the equalization in 1998-99 would amount to \$8.5 billion. The last official estimates released in October show an increase to \$8.8 billion. The new estimates of equalization will be provided in the 1999 budget tomorrow evening.

The bill would also renew the provincial personal income tax revenue guarantee program for the same five year period. This program protects those provinces participating in the tax collection agreements from any major revenue reductions that may be caused during the course of a year by changes in federal tax policy.

By way of summary, these are some of the principal elements in Bill C-65. In my view one of the important elements raised in debate was whether there was a disincentive to provinces that received equalization. I thought there was also some interesting commentary with regard to the distribution of equalization to certain provinces.

In that debate with regard to the significant amount of moneys transferred to Quebec, there was an awful lot of suspicion raised that somehow this was improper or incorrect. When I gave my initial speech on this subject, I laid out substantive reasons to point out to the opposition that it is not enough simply to identify the numbers of differences between how much one province gets compared to another. The important question is to ask why do those numbers differ and is it fair and equitable.

After two years of consultation between the provinces, the territories and the federal government those people have determined that indeed the equalization program as it exists and as it is proposed to be extended is fair and equitable.

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I am very pleased today to have the opportunity to say a couple of words on this bill. It is a bill that is evidently very important to at least seven provinces, the seven provinces that receive equalization payments.

I was taken aback a moment ago by the member for Mississauga South who mentioned that this bill is a major cornerstone of Confederation.

● (1255)

He can make that statement but five minutes ago his government invoked one of the most hideous procedures available to government today, closure, on one of the major cornerstones of Confederation. The hon. member's words are not consistent with what the government did a moment ago.

This is a very important bill to the provinces that receive equalization payments. It is very important to Atlantic Canadians. It is very important to Newfoundland. It is very important to Nova Scotia. It is very important to New Brunswick. It is very important not only to Atlantic Canadians but to western Canadians. It is very important to Manitoba. It is very important to Saskatchewan. It is very important to Quebec. It is very important to Prince Edward Island. But today the government, in spite of the importance we attach to Bill C-65, has decided to cut off debate. It has decided to invoke closure. It has decided to stifle, to muzzle the opposition from making the comments it wants to make on this bill.

This bill is very important to all members of the PC caucus. It is very important to Manitoba, to Saskatchewan, to Newfoundland, to Nova Scotia and to Quebec. But these provinces are highly dependent on equalization payments to better their economic situation. It is even more important to have this bill fully debated by all members to make the federal government fully aware of the impact that equalization payments have on at least seven provinces in Canada. Obviously we will not have that opportunity to make the federal government aware of the impact these payments have on Atlantic Canadians in particular because it has brought in closure today.

I was told that before this bill came to the House of Commons the province of Newfoundland requested some significant changes to the way the formula treats offshore resources, offshore oil and gas. The government has rejected the request of the province of Newfoundland and Labrador. Instead it is only going to make some very minor housekeeping changes to this bill, completely ignoring the request of Premier Tobin and the province of Newfoundland that Canada's poorest province should not be penalized because of the current equalization formula before it is given a chance to catch up and become equal to the rest of Canadians.

There cannot be any chance for catch-up for Atlantic Canadians or for that matter western Canadians in provinces like Manitoba and Saskatchewan who receive equalization payments. There cannot be any opportunity given to these provinces to catch up. There cannot be a chance of equality of provinces unless there is some recognition given to the fact that the very pool of money that keeps a particular province from falling into economic despair and economic disaster is the same pool of money that will keep that province permanently poor.

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That is the unfairness and injustice associated with the way this formula is written. There will never be an opportunity for the provinces that receive these equalization payments to be brought up the same quality of life and the same standard of living that other Canadians enjoy.

I am not saying we should put in place a new formula for ever and a day. What I am saying is that there should be an arrangement worked out for the have not provinces which will see resource revenues clawed back on a more gradual basis.

• (1300)

For example, a Voisey's Bay development in Newfoundland could have its resource revenues clawed back not dollar for dollar but on a 50% basis. The Sable Island gas find could be clawed back on a 50% basis. In that way there is an opportunity to bring some fairness to the equalization formula and to bring the unemployment rate and the quality of life for the receiving provinces to some kind of acceptable standard.

I do not expect the government will make any changes in the equalization formula today. Obviously it will not. It has invoked closure on one of the most important bills ever to come before parliament in quite some time. I am not expecting the government to make any kind of substantive changes.

A few months ago I had a private member's bill on Newfoundland's unemployment problem selected and debated before the House. In my final remarks I made the point that if we had a fairer equalization formula applied to Newfoundland as it relates to our resource based revenues, not only would the province of Newfoundland be a lot better off but the federal government would be a lot better off as well. Eventually the province would become less dependent upon federal resources to keep it going.

In the long run there is every reason for the federal government to want these provinces that receive equalization payments to be brought up to an acceptable standard so that the federal government will not have to inject funds into the poorer receiving provinces.

As we are all very much aware the Canadian equalization program redistributes throughout the nation. Last year the province of Newfoundland received roughly \$996 million in equalization payments. That is quite a great deal of money. In this fiscal year we are expected to receive roughly \$925 million. There will be a reduction.

That number can be greatly affected by the overall wealth of the nation, the overall wealth of the economy. If the economy is good in any one particular year, the provinces receiving equalization payments will obviously see their payments go up. If the economy of the nation declines in any given year the provinces will expect to receive less.

One thing that determines how much equalization a province will get is the population of the receiving province. The population of Newfoundland has gone down significantly over the last number of years. I believe over the last six or seven years in particular the province's population has gone down by 7,000 or 10,000 people per year. That is quite a decrease in population for a small province like Newfoundland.

If Ontario, for instance, were to have a decline of 10,000 people per year it would not matter a great deal. When a province like Newfoundland with a population of half a million people loses 10,000 people per year it is very serious. Because of that our equalization payments go down as well. Over the last six or seven years Newfoundland has lost in the neighbourhood of 70,000 people. As a result its equalization payments have gone down dramatically.

• (1305)

While the out-migration factor is very important to a province like Newfoundland, the main variable I would be concerned about is the fact that with any new influx of resource revenues, revenues are deducted dollar for dollar over time from the equalization payments.

To make it a bit clearer, if a province has taken in a billion dollars in additional resource revenues in the 1997-98 fiscal year, it would have only \$4 million in equalization payments because \$996 million of the revenues would have gone to replace equalization payments over time. It may not happen in any one given year but over time the entire amount would be clawed back by the federal government.

There are not many incentives for a province to want to develop major resource developments. There is not much of an opportunity for a province that receives equalization payments to boost its standard of living comparable to a province that does not receive equalization.

I served as a member of the Newfoundland House of Assembly for about a 14 year period.

Mr. John O'Reilly: Double dipping.

Mr. Norman Doyle: Pardon me? Did the hon. member say double dipping? No, I am not one of the individuals who double dip. I can say to the member that I am not one of them.

I served for about 14 years as a member of the Newfoundland House of Assembly. In that period of time I served during the administration of the PCs and of the Liberals. I remember both those governments making the case year after year after year to the federal government for a change in the way the equalization formula was written so that the province could have an opportunity to catch up to other provinces in Canada. I believe that was brought into focus by the massive Hibernia oil development on the Grand

Banks of Newfoundland. When the particular resource was discovered back in 1979 Newfoundland held a promise of jobs and revenues for its beleaguered provincial economy.

In the early eighties oil prices were high and the prospect of annual oil revenues were not out of the realm of reaching billions of dollars. Given that fact, overcoming the equalization hump was at least a possibility for the province of Newfoundland and Labrador. It would lose probably the first billion but we would keep subsequent billions and millions of dollars as the case may be.

It proved impossible for the government of the day to negotiate an offshore oil deal with the Trudeau administration when oil prices were very high. An agreement had to be held up until the PC government came in power under Brian Mulroney and there was a decent offshore contract negotiated with his government. By that time oil prices had fallen dramatically. There was not any possibility of a multibillion dollar oil revenue, so we could see all oil revenues simply going to replace equalization payments.

At about that time the government of the day negotiated with the federal government a change in equalization entitlements as they applied to the Hibernia resource development. Instead of having the dollar for dollar clawback it was negotiated that the federal government would only take 70 cents. Some recognition was given to the fact that oil prices were low at the time and Newfoundland would not be receiving all that much revenue from resource development in that project. That could be easily done again for other developments in Atlantic Canada like Sable Island, Voisey's Bay and other developments in general.

• (1310)

We are quite pleased to have an equalization program that keeps us from economic disaster, but we are not at all pleased it is the formula that keeps the receiving province from getting ahead. How can we ever catch up if every new dollar we earn is subtracted from our equalization payments? We have to catch up.

For as long as I have been in public life in Newfoundland the unemployment rate has been double the national rate. During that same time the federal government has cut transfers to the provinces by 35%. Not only do we have to use our equalization payments to help the province get ahead. We also have to use them to make up for the fact that the federal government has cut transfers to the provinces by 35%.

When that was done, in Newfoundland's case thousands of provincial public servants were laid off. The public services are now under a great deal of strain especially in rural Newfoundland. The federal government has cut the federal public service in the province by a full 30% as compared with 15% nationally. It is hard

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to believe but the province with double the national unemployment rate was saddled with double the rate of federal job cuts.

Because the public service in general plays a larger than usual role in Newfoundland's economy, the cumulative effect of these cuts has been very devastating upon the province and probably more devastating on Newfoundland than it has been on other provinces in Canada.

We need a new deal. Atlantic Canada generally needs a new deal in Confederation. If we are to move out of park and into high gear, the federal government needs to recognize we are a have not province which needs a greater say over the resource revenues that come into our province. We need revenues that would more than merely replace equalization. We need revenues to augment our economic situation, to catch up and to make progress. That will never happen unless the federal government is willing to recognize the plight of Atlantic Canadians generally.

To sum up, we need economic development and jobs. We need to maximize the impact of any resource development on our economy and the provincial treasury. The federal government has not helped today by invoking closure on the bill.

• (1315)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, near as I can gather from the member's remarks, he is saying the equalization payments which are designed to bring all the provinces up to the same sort of minimum national standards and opportunities should continue to be paid even when a province on its own back can raise the money through its own resources.

In other words, what he is saying is that if a worker is on employment insurance, for example, he should be entitled to get a job as well with which he doubles his income, one from the government and one from the job. Or that a person on welfare should be able to get the social assistance and also get the money from a job or any other resources. What he is saying if I gather correctly is that rather than the people of Newfoundland wanting to earn their own way from their own resources, they should continue to tap the governments, the federal resources, federal social assistance.

I submit this is indeed the type of agenda, the type of pattern that we saw in the Conservatives of the past. I do not believe it speaks actually to the other parties in Newfoundland, the Liberals perhaps or the NDP. I think it is a Conservative philosophy where not only do we get as much money as we can from our own resources but we get as much money as we can from the central government.

I submit that is not what produces independence, that is not what produces dignity among people. I suggest the Conservatives should

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understand that people now have to get off the gravy train unless they need help. If they need help, yes.

The member suggested that closure has somehow been something that is interfering with the ability of Newfoundlanders and other people in the have-not provinces getting these equalization payments. Rhetoric is not what these people need right now. What they need is this legislation to go through as fast as possible.

Mr. Norman Doyle: Mr. Speaker, I thank the hon. member for his rhetoric. That is all it was, rhetoric. As I suspected, he was not listening to a thing I had to say on this very important bill. He was talking to his colleague all the while I was speaking and he never gave me a moment of thought nor listened to a word I said.

I am not saying we should put in place a new equalization formula for ever and a day. What I am saying is that we need to work out some kind of an arrangement for have-not provinces that will see the resource revenues they generate clawed back on a more gradual basis than dollar for dollar.

As I said a moment ago, Newfoundland receives about \$1 billion in equalization payments. If the Hibernia development for instance were to bring in \$900 million in the run of a year, we would be only \$100 million better off. Is this not what we need, an opportunity to catch up to the other provinces in Canada? Put in place a formula that will see a more gradual claw back, a 15% claw back for Voisey's Bay, a 50% claw back for Sable Island gas development that will see the province given an opportunity to become equal with the other provinces. It will see that province given an opportunity to improve its quality of life and to raise its employment opportunities and then let that province make the contribution that it should be making to the country. That is all we ask, a new arrangement that would see claw backs made on a more gradual basis.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member has raised an issue which has been raised by the Premier of Newfoundland with regard to resource revenues.

I want to ask the member whether he has actually considered whether the impact of the resources revenue and the additional taxation from those additional resource revenues is only a dollar for dollar reduction of the equalization payment.

• (1320)

I wonder if he has considered the new economic development and that those additional jobs created from that have very substantial benefits over and above simply the direct taxation revenues, the fact that there are substantial benefits for employing people and getting them off welfare, off social assistance and off other program grants like the TAGS program or the ACOA program.

There seems to be much more at stake here than simply dollar for dollar on equalization. The point is that Newfoundland is poised to take a more substantive role in the economy of Canada.

Mr. Norman Doyle: Mr. Speaker, we are well aware of the fact that we are poised to take a more substantive role in the economy of our country. Again I have to remind the hon. member that what we are talking about here is a province moving ahead and a province being given the opportunity to become equal to other provinces in Canada. Simply put, what we need is economic development and jobs. We need to maximize the impact of our resources and resource development. We cannot do that with the current equalization formula the federal government has in place.

We have lost so much wealth in our economy due to federal government cuts in programs and the fact that the federal government has cut our health care system to such a great extent over the last five year period, a 35% cut in transfers to the provinces. We have used our equalization payments to make up for the cuts the federal government has inflicted on us in the past.

What I have been talking about here is an opportunity for not only Newfoundlanders but for Atlantic Canadians generally and provinces that receive equalization payments to have some sort of renegotiation of that formula to reflect the fact that they are not provinces and that they should be given the opportunity to become equal, to catch up and to raise the standard of living in their province and increase the employment rate as well.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I wonder if the hon. member would clarify briefly why Newfoundland should have a separate side agreement in terms of equalization and revenues that would handle the natural resource revenues differently in Newfoundland than it would say for the province of Alberta. Why should Newfoundland, for example, have only 70% of its revenues counted for equalization purposes when in Alberta it is 100%?

Could he explain exactly how that would work and whether he would be in support of having the same kind of treatment across Canada and have it done through equalization rather than to have some separate side agreements that really change the whole equalization formula?

Mr. Norman Doyle: Mr. Speaker, I am not talking about Newfoundland alone here. I am not talking about a separate side agreement for Newfoundland. I am talking about a separate agreement that would apply to seven provinces, not including Alberta, Ontario and B.C. Alberta, Ontario and B.C., by virtue of their geographic locations, in some respects have been able to move ahead because of their prosperous economies. We thank these provinces for being able to share their wealth with the rest of Canada.

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What we simply want to do is make our contribution to the rest of Canada as well. I believe in order to do that we need the federal government to look closely at this bill, to think about the have not provinces and to come up with some kind of formula that will enable less clawback on their resources until they reach a point comparable to Ontario, Alberta and British Columbia.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I thank you for this opportunity to rise on this debate and to discuss the equalization transfers.

Prior to the previous speaker, I was wondering who was the biggest whiner in Confederation, Mr. Bouchard or Mr. Harris. Having listened to the previous member I am inclined to think that the Progressive Conservative Party is the biggest whiner in Confederation. I cannot quite fathom how we should take \$1 billion worth of transfer moneys given to the Government of Newfoundland and then heaven forbid they should actually raise their own funds, not call on the federal transfer and still complain. That strikes me as a perverse effect of equalization and one which I hope this bill in some measure addresses. We are all moving I hope toward self-sufficiency.

• (1325)

However, I do want to go back to the two people I consider to be the biggest whiners in Confederation, Mr. Bouchard and Mr. Harris. Each receives about \$10 billion from the federal treasury. Both complain bitterly about running the independent little fiefdoms and both say they do not have enough money to live on. It reminds me of certain people who will remain unmentioned.

One hesitates to interject fact into the rhetoric that has been going on on the opposite side of the House, but the federal government raises about \$150 billion to \$160 billion a year. To most ears that sounds like a lot of money. But the first call on the money is by the provinces. The provinces suck up about \$25 billion to \$26 billion right out of the pot immediately. Then we add on to that number a further \$9 billion approximately that goes into equalization. Before the federal government even starts to enter into any debt repayment, any programs or anything of that nature, 23% of its revenues are already transferred to the provinces to frankly spend as they see fit.

If I may be permitted a speculation, I am assuming that a bit more money in the next budget will be available for the provinces to spend as they see fit. I dare say there will be no correlation between whining and transfers of money.

These moneys are gone. They are virtually without strings. In some provinces they account for upwards of 40% of their gross revenues. In my province it is around 20%, in some provinces as little as 15%.

Ontario has about 40% of the population. I has about 45% to 50% of the gross domestic product. Ontario raises the revenue it gives in the form of tax revenues to the federal government which in turn redistributes it through the CHST and equalization. If one were totally parochial about this matter one would complain. But this is in fact the essence of being Canadian. This has been true since Confederation and I dare say will continue to be true for the foreseeable future.

This is called equalization which is in our country really a form of redistribution of wealth. I will address the House's attention to the actual money transferred. It totals something in the order of \$8.750 billion, of which quite clearly Quebec receives the lion's share, \$3.9 billion, just under \$4 billion. The next largest recipient is Nova Scotia and, as the previous member alluded to, Newfoundland receives about \$947 million, just under \$1 billion. That is a great deal of money.

The formula by which transfers are made have become quite complex. I address the House's attention to the bill summary which purports to phase in the tax changes over the period from April 1, 1999 through to March 31, 2004. This is the reason for bringing some closure to this debate. These arrangements have to be made by the end of this fiscal year so that transfers between provinces are calculated on a formula which gives certainty to budgeting processes.

• (1330)

There is also a provision that adjusts the definitions of revenue source and revenue to be equalized. There has been some discussions in the House about gambling and how to treat gambling revenues as revenues being raised. Not all provinces are able to raise those kinds of revenues. There is also a change to the minimum and maximum provisions. Those are the three essential points of the bill, namely a change to the minimum and maximum payment provisions; a redefinition of revenue source and revenue to be equalized; and the phasing in from April 1, 1999 through to March 31, 2004.

In renewing the federal government commitments we are starting to look more carefully at the revenue raising ability of each province. Not all provinces are created equal. The bottom line is that at the end of the day the provinces that receive equalization will receive about \$242 million additional over a period of five years.

Fortunately for both sides of the equation the provinces can now expect that their floor revenues will not be altered. Similarly, the federal government can reasonably expect that the equalization transfers will not go above \$10 billion. This brings some fiscal certainty to the entire process which necessarily needs to be done so that all finance ministers in the country can plan appropriately.

The hon. Leader of the Opposition heaped abuse and scorn on the equalization process and said that it was essentially just so much

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politics. I remind the hon. member that this House talks about values. This talks about the values we are as Canadians. If there is a significant value after universal medical health insurance, it is equalization. Equalization is the transfer of moneys among provinces so that all Canadians are treated equitably. Arguably it is a hallmark of a civilized society.

I would like to quote the Minister of Finance on the very point of equalization:

Equalization is a cornerstone of our country—a program that we can all be proud of. It ensures that all provinces have the resources they need to provide reasonably comparable services to Canadians no matter where they live. This legislation will ensure that the equalization program remain up to date and continues to provide dependable federal support to the qualifying provinces.

That is a hallmark of our Canadian civilization. We as Canadians redistribute wealth so that all Canadians have a reasonable access to government services throughout the country. No person in Canada should be limited by his or her ability to access basic services simply because of geography. Geography should not be in question. It is a statement of a civilization and indeed of a civilized society.

In Quebec the total government transfers are \$1,414 per person. In Ontario similar transfers are \$824 per person. The average for all of the provinces is \$1,150 per person. What disturbs me is in that process we do not seem to have a similar recognition of the role of the federal government in the lives of its citizenry. We transfer to Quebec something in the order of \$932 per person on CHST and \$536 per person on equalization for a total of \$1,414 per person. Ontario receives only \$824 per person on the CHST. Newfoundland, which is the province of origin of the previous speaker, receives a total of \$2,495 per person, almost \$2,500 as a point of equalization.

• (1335)

I do not know where the cutoff number is. Maybe we should ratchet it up to \$3,000, maybe even to \$4,000. Or why not just simply collect all the money, put it in one pot and divide by \$30 million. There are points at which this is a rough form of justice but I would submit that it is a form on which all Canadians can count and all Canadians can expect that these numbers will be there for them over the course of time.

The average CHST per person is \$853. The average of all the transfers is \$1,150. Quebec does quite a bit better than the average on both numbers, namely the CHST number and the equalization number.

If Messrs. Harris and Bouchard had their way, as they pocketed their cheques—which I would submit are rather substantial cheques—they would simply say thank you very much—and I am not sure we would get that—apply for a seat at the UN and say it is all over, we are now 10 independent little countries.

I respectfully submit there is no sense of nationhood or nation building out of these moneys. We have 10 little emperors. Each has his hands on ridiculous amounts of money. They erect trade barriers which interfere with each Canadian's ability to move from province to province and to practise his or her trade. Then they wonder why Canadian productivity lags. I would submit that one of the most significant reasons Canadian productivity lags is the interprovincial trade barriers.

My son is planning on attending university next year. If my son applies to go to Queen's University, which is a university both you and I share, Mr. Speaker, he will pay a tuition rate which is a rate substantially less than he would pay to go to McGill. At McGill he would pay something in terms of double or triple the amount of tuition that he would otherwise pay at Queen's. Comparable universities; comparable education; comparable job prospects at the end of a degree. Yet the real cost for him, merely because he lives in Toronto, will be in excess of two to three times, residency costs aside. This is all because he happens to live in Ontario as opposed to Quebec.

This is unacceptable. This is an interprovincial trade barrier which needs to be addressed and has to be addressed. These are the kinds of things that kill our productivity and send us toward this model of 10 little fiefdoms with one tax collecting authority.

If I had any impact on the finance ministers of Canada, and that is somewhat dubious, I might ask some rather fundamental questions. How do these equalization transfers help build Canada? How is Canada better off at the end of the day once these transfers are done? How will Canadians know that their money is well spent? Strange question. How about a little accountability? Where is the transparency? Why are kids who go to university in one province having to pay two or three times more than other people in the same dorm? Is this on the social union talks agenda and if so, where is it going? Are we asking these rather fundamental questions as to what we are as a nation and how we back that up with money?

At one level this bill is about money pure and simple: \$8.5 billion, write the cheques. End of story. At another level, this is about something far more profound. It is about our values and who we are as Canadians.

I like the value of equalization. It does however disturb me greatly that once we send the money off to the provincial treasuries, it seems to end up in this little fiefdom concept. The next stage presumably is the issuance of a passport.

• (1340)

The opposition said that we would put part of the money to the vision. I argue with great respect to the Leader of the Opposition that he and I have a very different vision of what this country is all about. I am not prepared to simply let the have not provinces slide

off the table. I do not think that is what he is talking about. On the other hand I am not prepared to let the have not provinces continue on forever and a day not trying to husband their own resources so that they can be kept outside of this equalization formula. As I said, God forbid that the money should actually return to the treasury of the federal government.

I would urge members to support this bill and to demonstrate that this is a matter of values. I would urge members to articulate to themselves what this actually means in terms of equity among provinces. It is a hallmark of our Canadian civilization that we treat each other with civility and dignity. In my view this is a bill that goes a long way toward that.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I found what we just heard to be a most enlightening discourse. It was absolutely amazing. What this man has been able to put together as a Liberal backbencher absolutely astounds me. He is asking the ministers of finance to be transparent and accountable. He is asking the provinces to be accountable. He is asking for things to happen. He is asking the finance minister to explain to Canadians how the equalization program actually develops the economy of Canada.

This gentleman represents a riding on behalf of the Liberal Party. Here he is talking as a Liberal but as if he had read and understood very clearly and completely the position of the Reform Party presented by the Leader of the Opposition a couple of days ago. I congratulate him for listening so well. I congratulate him for his ability to understand and to expound so clearly and so carefully what it is he heard here last week. It is tremendous.

He did qualify it a little and said "Well I do not really agree with that, I do take a different view of Canada than the Leader of the Opposition does". But what he said before that was a total contradiction. I think it is absolutely fantastic. I commend the gentleman for saying that we need to examine our values, that we need to consider accountability and that we need to make this formula transparent.

I suggest that he tell this House exactly how he would make this formula simpler and a little more transparent, and how he would introduce accountability into it.

Mr. John McKay: Mr. Speaker, I am touched to the core by the hon. member's acute observations on the parsement of the speech. I asked some fairly simple and fundamental questions which for the Reform Party is somewhat more of a challenge than it can usually meet.

The issue of transparency is something of extreme urgency in my province. The argument that has been going on in our caucus is that all we do is backfill stupid ideas on the part of the premier of the province.

I am absolutely confident the hon. member is aware of many of the dumb ideas that come out of the premier's office with respect to

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tax cuts as a priority in excess of all other tax cuts. We have tax cuts that impede our ability to deliver health care. We have tax cuts that impede our ability to deliver quality education. I could not drive to the airport this morning without dodging holes on the 401 because the road repair is so pathetic.

We are asking for transparency and accountability. When we deliver the money, which is all we are doing here with our transfer of \$35 billion, there should be something coming back to the federal government that says how the money was spent. I do not see what the issue is. That has always been a Liberal value.

• (1345)

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, like my colleague, I also enjoyed the speech.

I particularly enjoyed the part where he was pointing out that the equalization program, the topic for today, is only one aspect of the way this wonderful country runs. I could not help but pick up his point about Queen's University and McGill. I can well understand that there are students in Ontario who might want to go to Queen's. The member mentioned that the cost of tuition was higher at McGill and he was concerned about that. Unless I am very much mistaken that is not the case.

The situation is that the province of Quebec, like the province of British Columbia, has kept its tuition fees down. I do not compliment either of those two governments very often but I compliment them both for doing that. It is a matter of decision of how we encourage young people to go to college or university. Tuition fees are only one device for doing that but I compliment them on that aspect of it.

In the case of Quebec and McGill or Laval, my understanding is that a student comes from out of the province and the university charges them the average of the fees elsewhere in the country. Because the fees in Ontario have been raised to an inordinately high level, the tuition fees in Ontario are higher than the national average. Unless I am mistaken, and I would like the member to comment on this, as a result of that his son's fees at Queen's will be higher than the fees at McGill even with the additional levies the province of Quebec requires.

I believe in mobility of students across the country. We have to ask should a province like Quebec suffer because it has decided to keep the cost of education low for its own students. I believe that is a decision for the province of Quebec. I suggest to the member that even though McGill is much superior to Queen's, the fees there are somewhat lower than the fees at Queen's.

The Deputy Speaker: The hon. parliamentary secretary is treading on dangerous ground here.

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Mr. John McKay: Mr. Speaker, I was with the hon. parliamentary secretary until he got to his last point and then one does not necessarily need to comment on the patently obvious.

I appreciate the hon. member's intervention which I think is actually quite enlightening and very helpful. The point in the illustration I was trying to draw was on the issue of mobility. In truth there should really be no impediment on the part of any student anywhere in the country to go to the university of his or her choice.

While I would not necessarily want to pursue the Queen's-McGill dialogue, except over a football game and a beer, as I write the cheque for my son in the fall I am concerned that if he chooses to go to an out of province school I will be writing a far heftier cheque.

I would also adopt the hon. member's position that the provinces are to be congratulated in keeping their educational costs somewhat in line. This government has done a great deal by the \$2.5 billion it put up for millennial scholarship money. That is one of the reasons these kinds of numbers can be kept in line. I hearken back to the sitting of the finance committee. President Pritchard came before our committee and congratulated the federal government on its \$2.5 billion initiative.

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the hon. member in his dissertation on equalization touched on tuition and expressed his concerns about the effect that equalization may have on tuition fees for students.

• (1350)

I ask the hon. member if he would have as much concern for the recent change in government policy which prevents students who are hard pressed and who are experiencing extreme financial difficulty from declaring bankruptcy until after 10 years has expired. This really works to discriminate against youth.

When we talk about encouraging students to go to university certainly this policy has an adverse effect further down the road. Does the member have any concern about that policy?

Mr. John McKay: Mr. Speaker, I do not think I was linking tuition and equalization directly. My point was on the issue of mobility, that this was a statement of values, that students should not be impeded in terms of their ability to go from province to province for the course outline they wish as they pursue master and doctoral programs independent of considerations as to whether one is on one side of a border or the other.

As to the financial issues, again, we have put up \$2.5 billion for scholarship money. That is fresh money available to students. The only issue I have with respect to the bankruptcy provision has to do

with the abuse that was going on with respect to the never-never payment plan. We were having students graduate and in three, four or five years they had achieved a certain financial security and then they were simply walking away from the liability.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, it is a pleasure to rise today to discuss the equalization bill. I join my colleagues on this side of the House in condemning the irresponsible panic the government uses to introduce legislation in this place. To compound that, about an hour ago we had the 46th time that time allocation or closure has been moved since the Liberals took power in 1993.

There is a list of comments that could be made by the members from that side in the way they handled time allocation when it was used against them in a couple of government situations before that. I will not get into that today.

This is not the first time this cabinet has waited until the last minute to bring in time sensitive financial bills with no consultation or material circulated so that all members of parliament and their constituents can get a good, hard look at what is being proposed.

In the case of Bill C-65 we have the even greater absurdity of having this dumped in our laps, so the government knew it would have to take a look at the equalization legislation formula every five years. We knew this was coming. It is nothing new.

The auditor general several times has reminded the government through his annual recommendations to reform the structure of equalization, but like so many other worthwhile things that he has had to say lately, it has been totally ignored.

The opposition and by extension all Canadians outside government circles were given three sitting days notice to consider \$35 billion in spending that will extend well into the mandate of the next government. As the old saw goes, haste makes waste, and this government has made haste an art form.

Bill C-65 introduces some new variables into an equation that is already so complex that even its authors have trouble understanding it. How else can we explain the fact that three years out of five the formula for figuring out the amounts to be doled out has to resort to exceptions and special definitions.

The formula, in other words, cannot even describe what the government has in mind for all this money it hands out. I equate this equalization system with the so-called simplicity of the new gun registry which one member opposite compared to the simplicity of the tax code. It never seems to occur to this government that there is something wrong with a tax code that runs to 1,600 pages and still requires thousands of legal opinions every year.

It does not seem to bother this government that it has spent \$200 million on a gun registry with more waste on the way as it struggles to make it work. No one knows exactly what is supposed to be accomplished by it.

Equalization as practised by this government suffers from the same disease. It is complex, unaccountable, ineffective and unworkable. On top of built-in special terms and evasions this government has had to write up special deals with two so-called have not provinces so that, we presume, they can be even more equal than the other have nots.

It has occurred to me that if Nova Scotia and Newfoundland get special discounts on their oil revenues maybe my home province of Saskatchewan can make a deal on casino revenues which are now to be considered part of the province's fiscal status. In future will we see three levels of consideration for lottery revenues like we are looking at for oil in those other two provinces? Will there be special calculations for lottery tickets versus roulette wheel contributions?

• (1355)

Saskatchewan plans to take a major hit on gaming revenues as, right or wrong, it has built up quite a nest egg over the last couple of years from that source. We cannot be sure that gambling even represents net revenue in the broadest sense. When we take out the social ramifications and the costs to families and so on, is there anything there that we really want to take a look at taxing?

When the federal government counts the gross amount donated to one arm bandits, lottery retailers, will it subtract the social cost of gambling addictions and the resulting family break-ups? Will it take into account the fact that gambling money may simply be money taken from some other spending? Will it take into account, as the member for Surrey Central mentioned on Monday, the example of Windsor, Ontario? There is a great glittering casino there surrounded by boarded-up restaurants and shops, and Windsor is at least on the boarder with Detroit, a large population base to draw from. One could argue that we are fleecing Americans for their loose change, but that is not a likely outlet for rural Saskatchewan.

I am not trying to argue that provinces should be able to collect billions from their own jurisdiction and pick up handouts from Ontario, Alberta and B.C. as well. Quite the contrary. The fact that ten provinces and soon to be three territories exist as autonomous jurisdictions means that all these governments have different ways to fulfil the ambitions and desires of their local populations.

The equalization plan this government is still tinkering with, in fact making even more complex, does not even want to recognize this. The equalization wants to arbitrarily level the playing field by chopping down all the trees and filling in the ditches. It forgets there are reasons why some people need those forests.

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The Speaker: My colleague, I see that you are just getting into the body of your speech. I was wondering if we could intervene now. You still have about 15 minutes left. I would rather stop you here than have you get half way in. We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*Translation*]

NATIONAL FLAG DAY

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, today we are celebrating the anniversary of Canada's national flag.

[*English*]

Our flag was raised for the first time in 1965 and for the past 34 years has been a most prominent symbol of our identity and our sense of belonging to Canada. Because it represents our achievements and hopes, our aspirations and all things that we hold dear in this country, because it illustrates 132 years of collective history, the maple leaf inspires a profound feeling of pride in each of us.

Because it symbolizes the values we hold dear, freedom, tolerance, compassion and understanding, and because it recalls Canada's role in defence of human rights and in peacekeeping and rescue missions abroad, the Canadian flag has become the emblem of democracy all around the world.

I hope that the anniversary of the Canadian flag will strengthen our sense of belonging and our faith in this country as today and every day we realize the tremendous blessings of belonging to this vast and beautiful land.

* * *

AND THE WINNER IS—

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am sure most of the House is aware of the upcoming academy awards. A special list of political awards was leaked from Oscar headquarters and here it is.

Best actor in a supporting role, General Baril in his riveting role as a scapegoat in the recent blockbuster Last Flight From Whistler.

For best actor award the nominees are: the Minister of Health for his almost lifelike portrayal of a lawyer as a caring health minister; the Minister of Finance in the Great Houdini and his portrait of a man with his hands in his own pockets while still magically picking the pockets of every Canadian; the Minister of Justice for an exquisite performance in Annie Get Your Gun, a moving story of a

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young woman, her cat and her fear of rural Canadians; the Minister of Canadian Heritage for a delightful remake of *Citizen Kane*, remember whoever controls the press controls the people.

And the big winner tonight is the Prime Minister for his Forest Gump-like portrayal of the little guy from Shawinigan. Life is not like a box of chocolates, it is like a monopoly game, and sometimes you are forced to sell your hotel.

* * *

[Translation]

HERITAGE DAY

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, today is Heritage Day.

Heritage is everything that links together people, places and things, everything that ensures continuity between past, present and future.

Let us take advantage of this special occasion to celebrate our heritage, to discover and explore it, to learn more about it, to steep ourselves in all the richness of our culture.

[English]

Our writers, artists, dancers and creators tell us and the world about the wonders of being Canadian. We work diligently at preserving our stories for the benefit of current and future generations.

In our heritage institutions we have collections that represent the broad and diverse history of the people who made and make up a country.

● (1400)

Our system of national parks, national historic sites and monuments enables Canadians to enjoy firsthand our natural environment and learn about the people and places which shape the country.

Let us today thank our ancestors for the truly rich Canadian heritage we all enjoy.

* * *

UNITED WAY

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I congratulate the United Way and community services of Guelph—Wellington for their successful fund raising effort. Through the generosity of local businesses and residents the United Way raised close to \$1.6 million.

The theme of this year's campaign was "the best way to help someone you know", and it truly was. The money raised will be used to support United Way's 43 local agencies that provide

services for children, youth, families and seniors. It will also fund projects aimed at resolving critical issues in addressing the needs of the community.

I also thank the many people who donated their time and made this success possible. Once again the Guelph—Wellington spirit of volunteerism and generosity has made us proud.

* * *

NATIONAL PAROLE BOARD

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, addressing the distinctive needs and interests of aboriginal offenders has long been of vital importance to the National Parole Board.

Aboriginal people are widely overrepresented in federal corrections. While they represent 3% of Canada's total population, they account for nearly 15% of the incarcerated population. That proportion is even higher in the prairie provinces.

The disproportionate number of incarcerated aboriginal offenders presents significant challenges that can only be met with cross-cultural awareness, sensitivity, creativity and innovation. One of the most recent innovations introduced by the National Parole Board has been the use of native elders to assist at parole hearings.

Another innovation, which is still very much in the experimental stage, is the concept of releasing circles as an alternative to more traditional methods of assessing community support.

The 100th anniversary of conditional release in Canada and the 40th anniversary of the National Parole Board provide the House with a unique opportunity to recognize all their good work.

* * *

FAMILIES

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, today is family day in Alberta and I rise to pay tribute to the over 700,000 families in my home province.

The family is important to Albertans as they recognize that it is society's fundamental social unit, the centre for social, educational, economic and spiritual life, and is the cradle of life itself, providing a safe and secure environment in which to nurture, teach and love our children.

Many Albertans are concerned about the state of the family due in part to the heavily intrusive high tax policies of the government. Families in Alberta are not alone in calling for less burdensome government. Today's Compas poll indicates that nine of ten Canadians want tax cuts and the federal debt to be paid down.

Tax and spend has to end. It is time to allow Canadian families to determine their priorities with their own money.

[Translation]

NATIONAL PAROLE BOARD

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, today is the 40th anniversary of the National Parole Board, and I would like to pay tribute to this institution.

It has undergone many changes over the years. Today, board members are selected by a process which determines the best qualified candidates; they are given the best possible training.

Parole decisions are no longer made in secret. Board members' performances are evaluated and they are guided by a code of ethics.

The parole board we have today is one that makes decisions in a professional manner. It enjoys an international reputation, and is made up of close to 2,000 parole officers, assisted by numerous NGOs such as the Salvation Army, and the John Howard, Elizabeth Fry and St. Leonard's societies.

I would like to take advantage of this anniversary to tell the members and employees of the board that they have every right to be proud of their accomplishments in ensuring the safety and protection of all Canadians.

* * *

1949 STRIKE OF ASBESTOS WORKERS

Mr. Jean-Guy Chrétién (Frontenac—Mégantic, BQ): Mr. Speaker, 50 years ago, asbestos miners staged one of the most important strikes in Quebec's history. This work stoppage marked a turning point in the province's labour relations.

Although they did not know it, these striking workers laid the groundwork for the sweeping social movement in Quebec known as the Quiet Revolution.

We must pay tribute to all these workers, whose courage, solidarity and determination played such a key role in the development of Quebec's labour movement. They fought for decent wages, of course, but more importantly, they fought to improve the inhumane working conditions in the asbestos mines of that era.

• (1405)

To all these brave miners, from all the workers of Quebec, we say "Thank you" from the bottom of our hearts.

* * *

SUICIDE PREVENTION WEEK

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, this weekend marked the beginning of suicide prevention week, a week to draw attention to an increasingly disturbing phenomenon in our society.

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In Quebec, 1,445 people committed suicide in 1995 and 1,478 did so in 1996. There was also a very disturbing trend, with men committing 79% of suicides between 1994 and 1997. Furthermore, between 1990 and 1997, the suicide rate climbed by 13%.

Suicide represents a rejection of life but, above all, an expression of extreme distress in the face of situations felt to be insurmountable.

We must not turn a deaf ear to these cries for help, which often come from loved ones in our immediate circle.

* * *

[English]

KOSOVO

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, today the two sides in the Kosovo crisis are sitting down face to face and trying to reach some type of settlement. The clock is ticking and the deadline of Saturday noon has been set.

It is time Canada addresses our involvement in a NATO led force. We first have to ask what is the mandate. Then we have many questions that must be answered including the following.

Do we support a referendum on separation in three years in Kosovo? Do we have a long term plan? If we bomb what do we bomb? If we send ground troops will they simply serve as police with big sticks, or will they attempt to build a long term solution? How long will the mission last? What will the mission cost? Do we have the manpower and equipment? What will we do with the refugees? How will we keep this issue from spreading to surrounding countries?

The government will come in and say that we must hold a quick take note debate. That is not good enough this time. We need some answers first.

* * *

PUBLIC CONSULTATION

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, public consultation continues to be one of my major commitments as the member of parliament for Fredericton.

Since being elected to parliament in 1993 I have held more than 30 people's forums on topics from health care to gun control to seniors issues. I plan to hold several forums this year with the first being held Sunday, February 21, on the campus of the University of New Brunswick. The topic of the forum, which is being held in conjunction with Fredericton's two universities, UNB and St. Thomas, is the role of our universities in the community.

We will be engaging in discussion and debate with the community on a wide range of issues, including the role of universities in a changing society, how post-secondary education should be funded,

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how to successfully market research and development innovations on the global market and what we can do to address student debt.

I invite everyone in the riding of Fredericton to attend this important forum on Sunday and look forward to a lively and informative discussion.

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CAPE BRETON

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, yesterday Cape Bretoners gathered in Glace Bay. In the words of one coal miner's wife "it was the day of love, an intense love for our families, for each other and for the beautiful island of Cape Breton".

They came together to tell one another that despite hard times they would stand united, to remind one another of the island's greatest strength, its proud people, and to assure one another that so long as their values remain strong there is a future for their children. They came together with one voice to say we believe in our communities and we believe in our ability to rebuild our lives.

They deserve our respect in their battle for dignity. They deserve fair compensation as the government withdraws from the Cape Breton coal industry. The beautiful voice of Aselin Debinson expressed it best when she belted out "We are a people as proud as there's been".

* * *

[Translation]

CHEVALIER DE LORIMIER

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, on February 15, 1839, Chevalier De Lorimier and five of his fellow Patriots were executed for wanting democracy to be fully exercised in the colony of Lower Canada.

Rising up in arms after the British governor put a price on Papineau's head, the Patriots saw Colborne's army put several villages to fire and the sword.

In Upper Canada, the insurrection and ensuing repression were not as fierce as they were in Lower Canada, although 20 of Mackenzie's comrades were also executed.

• (1410)

In 1938, in Niagara, his grandson, Prime Minister Mackenzie King, inaugurated an arch erected in memory of the martyrs of the rebellion.

[English]

He said "This arch symbolizes the conquest of ideas and ideals".

[Translation]

In 1967, this arch was demolished for dubious reasons. On this February 15, let us commemorate the glorious death of these martyrs of democracy.

* * *

[English]

RAF FERRY COMMAND

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, regretfully Canadians who volunteered to serve with RAF Ferry Command are forgotten World War II veterans although they have limited eligibility in several veterans programs.

During the darkest period for the allies these civilian airmen and women were recruited to fly urgently needed bombers, patrol aircraft and supply transports through the unchartered North Atlantic to Europe. By war's end accidents claimed over 500 air crew and passengers, among them Sir Frederick Banting, the discoverer of insulin.

Theirs was not only a military contribution but also to aviation history. The Ferry Command created the basis for the network of northern and international air routes that commercial travellers now take for granted.

To quote advocate Louis Lang of the Ferry Command Association speaking for the 28 remaining men:

All veterans were civilians when they enlisted. It was their service to their country that earned them the title of veteran.

It is for these Canadian air and ground crews who served in the theatre of war that I am seeking veterans status so they can finish their twilight years with the honours they have rightly earned.

* * *

HIGHWAYS

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, the existence of the toll highway in New Brunswick and Nova Scotia is an affront to all Canadians. To note that it is also part of the so-called Trans-Canada Highway only doubles the insult.

Back in the days when it was the government's duty to provide basic services, the construction of the Trans-Canada system was seen as a federal government priority. These days we have the federal government subsidizing the construction of a privately owned toll road that receives all westbound traffic from Newfoundland and the maritimes.

We are not in the United States. Up here it is the crown's job to build and maintain roads. As long as we pay our taxes we should be allowed to walk or ride on them free. This is a tax on transportation for all Atlantic Canadians.

Oral Questions

I call on the federal government to intervene in this matter and have these tolls removed immediately so that the free flow of traffic from east to west can continue unimpeded.

* * *

AGRICULTURE

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, on December 10 the Minister for Agriculture and Agri-Food announced the federal government's commitment to assist financially strapped farmers. The \$900 million federal contribution would grow to \$1.5 billion with full provincial participation in the program.

This short term relief package will help producers who have been caught by disastrous farm commodity prices and who are in the middle of an American-European subsidy war.

So far all provinces except Manitoba have joined the program. It is time for the Manitoba provincial government to act. The foot dragging must stop. Many Manitoba farmers are hurting. They want a commitment from their provincial government.

Manitoba farmers know they can count on the federal government to do its share. To be fully effective, however, the program requires full provincial participation. The Manitoba government should not take its farmers for granted.

I urge the province of Manitoba to join us today in helping our farmers.

* * *

[*Translation*]

NATIONAL PAROLE BOARD

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the Bloc Québécois is pleased to acknowledge the 40th anniversary of the National Parole Board. By the conscientious work of its staff, the National Parole Board is showing the inmate population and the general public that offenders can successfully be rehabilitated.

Our society has come to realize that the supervised release of offenders could produce more positive results than the repressive, exemplary imprisonment system, which some in this country like to promote.

In fact, for reasons of effectiveness and efficiency, the Standing Committee on Justice recently undertook the five-year review of the Corrections and Conditional Release Act. The Bloc Québécois will be working at modernizing and improving this important rehabilitation tool.

We cannot let this jubilee of the National Parole Board go unnoticed.

[*English*]

CANADIAN FLAG

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it was on this day in 1965 that the Maple Leaf was adopted as the new Canadian flag. I was a young high school teacher at the time and I remember the debate that took place.

Though many people were adamantly opposed to the adoption of the Maple Leaf as our flag, we have now come to accept it as the symbol of Canadian identity. I think it is wonderful to have this symbol recognized around the world.

• (1415)

We are a highly respected country and being able to display the flag in most parts of Canada and freely around the world is important to us. I see more and more people flying the flag at their homes and businesses, not because they got them at taxpayers expense but because they are feeling more devoted and loyal to this wonderful country.

I hope we will now build on what this flag represents: a country known for its freedoms and opportunities. It is with optimism and hope that I pledge to continue working for a new Canada. I hope that we will soon be able to replace this dinosaur Liberal government that keeps trying to take away our individual and collective freedoms.

* * *

THE BUDGET

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, anybody that has been listening to the comments of the Minister of Finance lately to see the trail of balloons he has been floating will be of the mind that the old trickle down economics is returning, where the pump is primed in terms of selected tax cuts and some special grants with the benefits trickling down.

Canadians are fed up with being trickled on. They want this to stop. They will be watching carefully tomorrow when the Minister of Finance stands in his place. They do not want any more trickling on Canadians. They want some real action for those in need.

ORAL QUESTION PERIOD

[*English*]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, a new poll in the *National Post* has Canadians demanding substantial tax

Oral Questions

relief. In fact nine out of ten Canadians want to see the government deliver major tax cuts tomorrow.

What is the government doing instead? It is giving us the shell game. Why is the finance minister giving a loonie with one hand and taking a toonie with the other hand when it comes to taxes and health care?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, ever since we took office cutting taxes has been one of our major priorities. Even when we were in deficit we had selective, targeted tax cuts for students, for low income families, for the disabled, for charities and for the voluntary sector.

In every budget since, we have been able to reduce income taxes. In the last budget we cut taxes for 13 million out of 14 million Canadian tax filers. We took 400,000 taxpayers right off the tax rolls. This is the type of tax—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I think that is the most ridiculous answer I have heard since I have been in this place. Every year we see taxes go up, thanks to the government.

In fact Canadians are paying \$1,800 more in taxes this year and receiving \$1,150 less in health care than when the government took power in 1993. Despite running surpluses in the last two years, Canadians will get less money for health care and more in taxes after the budget.

How does the finance minister defend this disastrous record on health care and taxes?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I suggest very kindly that the hon. member wait until tomorrow's budget to see what our measures on health care are.

Let me say this. In terms of tax revenues having gone up, it is very simple. If we have more people working we have more revenue. Since we took office 1.5 million more Canadians are working. This is a huge increase and in the last month alone employment went up 87,400. This is the type of real results—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, that is an absolute joke. The finance minister knows that we have seen bracket creep wring \$1 billion out of Canadians pockets every year since they have been in power.

We know that this government implemented the largest tax hike in Canadian history, taking \$900 from each Canadian who is working, lucky enough to have a job these days, over the next several years. The tax record of the government is an absolute disaster.

The government talks a lot about productivity. I want to ask the minister a question. How productive is it to take more money out of the pockets of Canadians and give us the highest tax burden in Canadian history? How productive is it to push Canadians into the corridors of—

The Speaker: The hon. Secretary of State for Finance.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, if it is a question of credibility, I think some very important things have been raised by members of the Reform Party which go to the heart of their very credibility. They have called for \$54 billion in new fiscal goodies over the next three years. They are basing it on estimated growth rates of 5.5% per year for three years. This is more than twice the private sector consensus.

• (1420)

This type of pie in the sky, irresponsible budget making is what got us into so much trouble. We will not do it.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, Sherry Cooper of Nesbitt Burns has said and endorsed that fact that our plan will work.

What has happened is that the government says that a \$1 billion or \$2 billion so-called selective tax relief tomorrow will just make up for the \$38 billion that it has slashed over the last five years.

The Minister of Finance thinks that a little \$2 billion or \$3 billion in so-called health care relief tomorrow will just erase the \$16 billion health care deficit that the government has racked up.

No matter which way we want to slice the pie, it is exactly the same.

I ask the finance minister why Canadians are going to pay more and get less than they did in 1993.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, it seems to me the Prime Minister worked out an accord with his counterparts in the provinces and territories which deals with this issue. I thought the hon. member would be applauding this type of co-operative enterprise.

If we want to talk about irresponsibility, Reform's budget calls for \$9 billion in spending cuts but it will not tell us where, a \$9 billion black hole. Reformers ought to be ashamed of themselves.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I will tell the House what I am ashamed of, a government across the way that has slashed \$1,150 per taxpayer in health care and has the nerve to brag about it.

What is also a shame is for this government to increase extra taxes \$1,800 per taxpayer and then stand there and brag about it. That is what is a shame.

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What should have gone up, like health care funding, has gone done. What should have gone done, like taxes, has gone up.

The government's 1993 promises amounted to a whole lot of tax hikes and a whole lot of health cuts. How can he justify that?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I find it passing strange to hear the Reform Party today talking about health care when yesterday it was calling for a two tier system for the delivery of health in Canada.

I certainly cannot use the word hypocrisy, but we will never allow a two tier health system in this country.

The Speaker: I ask all hon. members to stay away from that word.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on Saturday in the Gaspé region, I attended a meeting on employment and dignity. Those who attended, the employed, the unemployed, the general public, were crying out for help. Their despair was palpable.

Today the Minister of Human Resources Development met with representatives of the coalition for employment insurance, who presented their demands to him.

Will the Minister of Human Resources Development, whose policies and cutbacks have forced the people of the Gaspé into abject poverty, finally make the decision to use the \$6 billion annual surplus in the employment insurance fund to help the unemployed?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I remind the leader of the Bloc Québécois that last December we announced the permanent renewal of the Canada Jobs Fund, precisely in order to invest in job creation in regions where the unemployment rate is still very high. This has already been done.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it takes a lot of nerve to say that this has already been done.

Even the Bishop of Gaspé has spoken out against the minister because his projects do nothing to help the fishers, the forestry workers, the food service workers.

Is the minister ever going to realize that the men and women of the Gaspé are not just cold statistics? He should stop playing the technocrat and start listening to people. Is this minister going to understand that one day?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the only thing of interest to the Bloc Québécois is to create unemployment and keep people unemployed as long as possible.

We on this side of the House have invested \$2.1 billion in active measures to help the people of the Gaspé, and other Canadians, to get into the workforce.

• (1425)

We have the Youth Employment Strategy, with its \$155 million to help young people get into the labour force. Everywhere in the country, including the Gaspé, youth unemployment is in free fall. That is what human dignity is all about: employment.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the minister has developed the annoying habit of responding to our demands regarding employment insurance by talking only of active measures that are supposed to return people to the labour market.

Does the minister not understand that for the bush pilot and forestry worker who are unemployed because there is too much snow in the woods or for the fisher unable to fish because of the seasonal nature of his work, active measures are not enough, and the employment insurance plan must provide these workers with supplementary income during the off-season?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, that is the very reason we have set up other programs. I do not think we should use employment insurance for everything. It is an insurance plan.

These members keep wanting to return us to the 1960s and 1970s, to an outdated way of managing things and they want us to provide a temporary income supplement, and this is not our way of doing things. We want a dynamic approach so we have a dynamic labour market right across the country with specific tools in the difficult regions.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, what would the Minister of Human Resources Development respond to the bishop for the Gaspé, who said on Saturday, not in the 1970s, but at a demonstration against cuts to employment insurance, that the minister was attacking the dignity of an entire region?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, is it a return to the Duplessis era and its approach that they want? I know these members see things in a way that is deeply rooted in the past.

But what I say to you is that the dignity of people lies in helping them return to the labour market, helping them find jobs by creating opportunities through programs like the jobs fund in regions where unemployment remains very high. It involves

Oral Questions

remaining attuned to needs and not keeping people dependent, as members of the Bloc Quebecois would have it.

* * *

[English]

HEALTH CARE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, instead of a vision for the future, the federal government has blindly slashed health care. From its original share of 50%, Ottawa now pays 11% with predictable results: uneven services, families forced to take more dollars out of their own pockets, patients being shipped to the States for treatment at far greater cost.

Is this the kind of Canada the Prime Minister wants? Why will the federal government not pay its fair share for health care?

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the Prime Minister and the Minister of Health have said repeatedly that health care is a priority for this government. I encourage the member to be in the House tomorrow when the budget is read at 4.15 p.m. Then she will see that the words of the Prime Minister and the Minister of Health are reflected in the budget that will be tabled.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians do not want another budget label or another band-aid. They want a fair federal share for health care. What does this government consider to be a fair share? Is it the original 50% of health care costs that it used to pay or is it the 11% that it now pays? What is this government's formula for a fair federal share for health care?

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, once again I encourage the leader of the fourth party, the leaders of all parties and all members to be in their seats tomorrow at 4.15 p.m. when the finance minister will read the budget. Her questions will be answered.

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TAXATION

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Canadians pay the highest income tax in the industrialized world. The Liberals say there was personal income tax relief in last year's budget but the numbers do not add up. Their 1998 budget projections show an increase in personal income tax revenues of \$2.6 billion and a further increase of \$2.5 billion for this year. So why are the Liberals talking tax cuts and doing tax grabs?

• (1430)

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, tax revenues obviously go up as the number of jobs and working Canadians goes up.

Thank goodness we had a very successful year last year: 450,000 new jobs created, 200,000 of those going to young Canadians. This is why personal income tax revenues are up.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, perhaps the secretary of state should explain why the unemployment rate in Canada is twice that of the U.S. Maybe he should explain why his government has increased taxes every single year since 1993.

The fact is the Liberals give tax relief through the front door and then they take it through the back door due to bracket creep.

Will the government provide meaningful tax relief tomorrow and reindex the tax brackets, or will this be another give and take budget where it gives the tax relief in the front door and takes it from Canadians through the back door?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I have a great deal of respect for the hon. member, except I do not know why he always does it to himself.

The facts are very simple. When we took office following that government we had unemployment at 11.4%. We had unemployment insurance at \$3.07 going to \$3.30.

We have been able to make very significant dents in both those areas and I am very pleased that we have been able to do it. But it was no thanks to what we inherited.

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[Translation]

HEALTH CARE

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, Canadians are paying higher taxes than ever, but receiving less for their health care dollar.

Thanks to the federal government, there are now over 200,000 people on waiting lists.

Can the government tell Canadians how a tax hike results in fewer health services?

[English]

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, in terms of tax concessions, in terms of a balanced approach, in terms of paying down the debt, this is what we have undertaken in our last five budgets and which I am sure the hon. member will see reflected in the budget tabled tomorrow.

We are not maniacal about any one particular area. That is why we have adopted the balanced approach.

Mr. Grant Hill (MacLeod, Ref.): Perhaps I will try in English, Mr. Speaker, to get my question across to the government. It talks about cutting taxes. Taxes have gone up \$1,800 per taxpayer. It

talks about protecting health care. Health care has come down \$1,150 per taxpayer. The result is 200,000 people on waiting lists today.

How can the government talk about looking after health care when it is wrecking it by its increases in taxes?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, even when we were running a \$43 billion deficit our first priority was to restore \$1.5 billion to the transfers for health care. That is where our priorities were. We are very concerned about the level of health care for every Canadian. This is why the Prime Minister, the health minister and the finance minister have said we will be addressing health in tomorrow's budget.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, of all the workers protesting EI changes last weekend in the Gaspé, young people are among the hardest hit. Three out of four are without work and do not qualify for benefits.

Although he claims to be improving the outlook for young people by excluding them from EI benefits, is the minister not instead putting them in an even worse situation by requiring them to pay more than their share of the \$6 billion annual surplus in the plan?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, this is another point on which we differ completely with the Bloc Québécois, and I am very proud to say so. Here we have a party that says young people should be encouraged to remain unemployed.

What we are saying is that young people must be encouraged to stay in school as long as possible because that is the surest way to a secure livelihood.

What we have come up with is the youth employment strategy, which provides on-the-job experience that they can include in their CVs, thus bettering their chances of entering the labour market.

• (1435)

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, if the minister can boast of supplying the Minister of Finance with a \$6 billion surplus from the EI fund, does that not show that he is more interested in protecting the image of the government than that of unemployed workers?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is truly pathetic.

Oral Questions

The figures show that, in 1998, 143,000 jobs were created for young people, a 20-year high. Last month alone, in January 1999, we created 44,000 full-time jobs for Canadian youth.

That is what young people want: help in entering the job market.

* * *

[English]

TAXATION

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I know that between the finance minister and the secretary of state they possess at least a basic understanding of simple arithmetic.

They have said they have increased taxes by \$1,800 and have cut health care by \$1,100.

My question for the secretary of state is how in his realm of understanding of arithmetic does he think Canadians should rejoice in any form about this record?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the tax burden in Canada, among the G-7, is about in the middle. In that area we recognize that our personal income taxes are higher than in any of the other G-7 countries. This is why last year we began the process of overall personal income tax reductions.

If he is talking about arithmetic, maybe the hon. member could explain to us how, in the Reform budget, they have a \$9 billion black hole of cuts and they will not even tell us what they are.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, if the secretary of state would like to read our plan for this country and the budget maybe he would understand what we are talking about.

The fact is being at the very top of the G-7 countries in tax levels does not sound like the middle to me. Canadians have had tax increases of \$1,800 since 1993. Their health care has gone down by \$1,100 per taxpayer.

I want to know what the secretary of state thinks can possibly be good for Canadians on that kind of record. What is good about it?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I can assure the House that, unlike the Reform budget, our budget will build in prudence factors. It will not assume 5.5% growth rates for each of the next three years. We will not have a \$9 billion black hole of spending cuts without telling Canadians where. We will not imperil our hard won economic credibility by impossible promises.

Oral Questions

[Translation]

EMPLOYMENT INSURANCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, because the Bloc Québécois defends people who are unemployed, because the Bloc Québécois demands only justice for those who contribute to employment insurance, the minister treats us as old fogeys. We are old fogeys because we seek justice, because we want an honest government.

I would ask the minister, if he does not want to meet the same fate as his predecessor, Doug Young, who was shut out by the people of New Brunswick because he refused to listen to them, whether it would not be wiser for him to be attentive—

The Speaker: The Minister of Human Resources Development.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I will not ask the member for Roberval today to explain why his party dropped from 49% to 38% of the votes in the last election.

I will say, however, that if I look at events in the Gaspé—we mentioned this earlier—I could perhaps tell him we established a \$20 million Quebec coastal fund. What is the Quebec coastal fund? Two hundred and three projects over the past year, which created the 560 jobs in coastal Quebec we mentioned earlier.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, if it gives the minister pleasure, he can come and try his hand in Roberval if he likes.

• (1440)

Tomorrow, with the budget speech, will the Minister of Human Resources Development understand that it is not the Minister of Finance who is the focus of people's concerns, but rather the Minister of Human Resources Development, whose effectiveness will be determined by his ability to return to the unemployed and to workers their due?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the member for Roberval can come and try his hand in Papineau—Saint-Denis as well. His colleague from Beauharnois—Salaberry tried that during the by-election and we saw that the popularity of the Bloc had dropped as well in the riding of Papineau—Saint-Denis at that point.

I can tell him that my effectiveness in tomorrow's budget can already be measured, since we have already announced a permanent youth employment strategy of \$155 million.

We have already announced we will be continuing with the Canada job creation fund. So there will be things in tomorrow's budget we have announced, which represent very good news for workers and the unemployed.

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[English]

HEALTH CARE

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, the reality of life in Canada today is that while our tax burden has risen 37 times, health spending has fallen by over \$1,100 per person putting over 200,000 people on waiting lists.

How can the government claim to be a tax cutter and health saver when the facts prove we are paying more and getting less?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, Canadians have a right to know what it is exactly that the Reform Party is proposing. "Securing Your Future" refers to \$1.1 billion in cuts to EI benefits, \$1 billion in cuts to equalization, \$1.1 billion in cuts to regional economic development. At the same time it would cut EI by 28% but to employers only. Those are Reform's priorities.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, the reality of health care spending right now is that 30% is private funding, 60% comes from the provinces and 10% from the federal government. That is really saving health care for the future, is it not?

How can the government be wringing record high levels of taxes from Canadians? It is sucking the lifeblood out of the health system. We are paying more and getting less. Why?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, again that is the party that was calling for a two tier health care system, one designed to penalize the poor.

We are the party that restored \$1.5 billion as our first spending priority for health care. This is the government which has brought in about 12 different health care measures in past budgets. This is the party that is committed to making tomorrow's budget a health care budget.

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[Translation]

EMPLOYMENT INSURANCE

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, today more than 150 people representing all of the groups making up the coalition on employment insurance came to tell the Minister of Human Resources Development that he must, with all

urgency, improve the employment insurance program, particularly by making it more accessible to those who need it.

What must all these coalition members think when they see this minister remaining insensitive to their claims and not responding to expectations, no matter how legitimate they are?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I had the opportunity this morning to meet with representatives of the coalition on employment insurance. We had some very profitable discussions, a good dialogue which we intend to pursue.

But when I am labelled insensitive, I feel my answers have not been properly listened to, when I take the time to explain all the programs which we—

Mr. Yvan Loubier: Liar!

Some hon. members: Oh, oh.

Hon. Pierre S. Pettigrew: The hon. member for Saint-Hyacinthe—Bagot might perhaps stop calling us liars, Mr. Speaker.

An hon. member: Thief!

Hon. Pierre S. Pettigrew: The terms “liar” and “thief” the member for Saint-Hyacinthe—Bagot persists in using are unparliamentary, Mr. Speaker.

The programs we are creating are the proof of my sensitivity to the wishes of the unemployed.

[*English*]

The Speaker: Order. My colleagues, because the noise level is a little higher of course I do not hear everything in this House. I would hope—

Some hon. members: Oh, oh.

The Speaker: Order, order. Words such as ones that the minister used to describe what another member was saying are not acceptable in this House. I would encourage all hon. members to stay away from using such words.

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● (1445)

[*Translation*]

INTERNATIONAL ASSISTANCE

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, to cool things off a bit, I have a question on a rather different topic.

We read in today's newspapers that 80,000 inhabitants of Russia's far north are facing starvation. Here in Canada, we understand the challenges and difficulties faced by isolated northern communities in such situations in winter.

Oral Questions

Would the Minister for International Co-operation tell us what the Government of Canada is going to do to help our northern neighbours during this crisis?

Mr. Denis Paradis (Parliamentary Secretary to Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, I thank my colleague for his question.

We are very concerned about the famine conditions in which over 80,000 inhabitants of Russia's far north find themselves. In fact, last January, Canada sent emergency humanitarian aid to affected communities.

I am pleased to announce today that Canada will contribute up to \$5 million additional dollars through the International Red Cross. This assistance will go to the most vulnerable members of communities, that is, to children, the elderly, the disabled and the homeless.

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[*English*]

TAXATION

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, when I was a young man the Ink Spots sang the song The Great Pretender.

The finance minister is pretending that taxes are going down when every Canadian taxpayer knows that they are going up. He is pretending that he is protecting health care when all Canadians know that the lines in hospital corridors and on waiting lists are longer than ever. What song and dance will we get now from the great free spender?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, we will continue our overall policy of reducing personal income taxes which was done on an almost across the board basis last year. But we cannot do this in an irresponsible manner, one which would jeopardize our ability to reinvest in the health care structure, in the social infrastructure and in the economic infrastructure of our country. As well we have to pay down the debt which is at an enormous level.

We do not have unlimited options. We have adopted a very responsible approach.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I wonder whether the minister is willing to admit that it is under this government that those lineups in the hospitals have increased and it is because of the high taxes and the low funding of health care. Will he admit it now?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the member said that we have lineups in hospitals because of high taxes. I do not understand it.

Oral Questions

[Translation]

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Minister of Human Resources Development should think about what becomes of a minister who attacks EI in Canada.

This human resources development minister never agreed to go out in the field and meet the victims of employment insurance reform.

However, last fall, the minister indicated he would be very open to suggestions I might bring back from my national tour on employment insurance.

This morning, I sent him a copy of my report on the human cost of the changes made by the Liberal government to the employment insurance program.

Now that I have done his work for him by talking to workers across the country, will the minister show how open he is by adopting my recommendations?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I have indeed received the hon. member's report, which I will be reading soon and with great interest.

This kind of report and work are useful in the approach taken by our government, which wants to carefully assess, evaluate and monitor the impact of EI reform on communities and individuals across the country. I can therefore assure the hon. member that I will be reading his report with great interest and that we will certainly continue our dialogue.

[English]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I have done the job the human resources minister should have done himself. I talked to the unemployed workers across the country.

He turned a deaf ear to Naida in British Columbia who was refused sickness benefits because she was two hours short of eligibility requirements. Naida was a mother who was recovering from a 10-day coma.

• (1450)

Will the minister now do his job and recognize that the reforms have failed and bring in changes to allow EI to respond to the needs of the current labour market?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I certainly think it is a little too soon to say that the reforms have failed. Look at the situation of the labour market where unemployment is down to 7.8%. Look at the situation with youth unemployment which is decreasing more than it has in 20 years. I think some of the things we are doing are fine.

In terms of anecdotes, I could bring forward a number of cases of individuals who also greatly appreciated the actions of our government to help them get into the labour market.

* * *

AGRICULTURE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, the Minister of Agriculture and Agri-Food is finally going to announce his new income disaster program next week in Victoria, British Columbia the heartland of Canadian agriculture.

I am a little concerned with the timing of this announcement because next week the House does not sit. Next week the agriculture committee will be in Washington dealing with trade issues with the Americans.

Would the minister not rather make the announcement in this House this week after the budget?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am surprised that the hon. member is disappointed.

Before I announce this I will have final consultations and discussions with the ministers of agriculture in the other provinces. I also remind him that the Canadian Federation of Agriculture is having its annual meeting next week in Regina, Saskatchewan which I will be attending.

If the hon. member really wants to help Canadian farmers, particularly in his province, why does he not encourage them and the provincial government to get on board so that the—

The Speaker: The hon. member for Brandon—Souris.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I would suspect that the Minister of Agriculture and Agri-Food is having some difficulty in his portfolio.

Some hon. members: Oh, oh.

An hon. member: I cannot hear you.

The Speaker: Order. We cannot hear at all. Please let us hear the questions and the answers.

The hon. member for Brandon—Souris.

Mr. Rick Borotsik: Mr. Speaker, the Minister of Agriculture and Agri-Food is having some difficulty in his portfolio.

On February 5 the World Trade Organization ruled against Canada in an interim report on the United States question on milk exports into the United States. I am asking the Minister of Agriculture and Agri-Food right now, if the WTO upholds this ruling, what has the minister got as a backstop? What does the minister have for his strategy with respect to trade on the supply management of dairy?

Oral Questions

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I say to the hon. member that I do not agree with the premise of his question.

The hon. member should know that we do not comment on interim reports. The final report is the final report. We will wait for that report to come out.

* * *

FOREIGN AFFAIRS

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Today 90% of casualties of war are women and children. This contrasts with the second world war where it was 48% and the first world war where it was only 5%.

In light of Canada's leadership at the security council, what is the minister doing to highlight the issue of the protection of civilians in armed conflict?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, there was a special initiative at the security council which allowed us to present the case that the hon. member just presented to the House.

I am pleased to report that we had unanimous support for a series of statements and resolutions condemning the practices of atrocities against civilians. What is more important, there was an agreement that the secretary general will prepare a series of recommendations on which the council can act. To support that, on the same day we announced a major contribution to the United Nations special office protecting children.

* * *

PUBLIC WORKS

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, Alberta is being discriminated against.

Since 1994 B.C. got Royal Roads Military College and \$25 million—

Some hon. members: Oh, oh.

• (1455)

The Speaker: Order. We will hear the member's question. The hon. member for Calgary West.

Mr. Rob Anders: Since 1994 B.C. got Royal Roads Military College and \$25 million, Ontario got Downsview military site and \$22 million, Quebec got St. Jean Royal Military College and \$25 million. Mount Royal College in Calgary is 20% overcapacity and it turned away 1,500 qualified applicants. It needs land to expand. The federal government has land from the closure of CFB Calgary which is right beside the college campus. Why has Alberta been refused equal treatment?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, this issue has been debated in the House. There have been different meetings between the premier of Alberta and the Prime Minister. Canada lands is looking at the issue. There are Treasury Board guidelines for transfer of land between the federal government and the provinces. If the province wants the land for its college and it is ready to apply the Treasury Board guidelines, we will be pleased to give it.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, another of the Minister of Human Resources Development's bright ideas is to tax back benefits paid to the unemployed if they find employment paying more than \$39,000.

Does the Minister of Human Resources Development plan to demonstrate to us once again that it is for the good of the unemployed that he is going to recover benefits paid to them if they get good jobs? Is this one of his wonderful strategies for improving the situation of the unemployed?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our reform is made up of a very large number of elements. There are elements of fairness.

It is true that under some conditions we will go back to the \$39,000 income level and take back some of the benefits that have been paid out, but not the first year, only after five years in which the person has been back in the work force and has systematically reached that level.

It is therefore a matter of progression, connected first and foremost with the question of fairness to all workers, and a matter of being sure that we are able to do as much as possible for the least advantaged.

* * *

[English]

THE ECONOMY

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, in advance of the budget, various trial balloons advocating selective tax cuts and grants were floated. It sounds suspiciously like the old return to the trickle down economic school of thinking.

I want to tell the Minister of Finance that Canadians are sick and tired of being trickled on. I want to ask him a serious question. Will there be enough in the budget to give hope to hardworking Canadians who have recently lost their jobs, lost their businesses, lost their farms, lost their livelihoods, or will they have to wait for the trickle down to occur before anything in terms of hope returns?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member raises a

Routine Proceedings

very important problem. If actions are any indication of the future budget, let me indicate what we have already done. In the last budget we took 400,000 of the lowest income Canadian taxpayers right off the tax rolls. Over the last two budgets we introduced the child tax benefit, starting at \$850 million and doubling it in the last budget for our biggest expenditure on a social program aimed at helping the poorest working families. That is our record.

* * *

[Translation]

NATIONAL DEFENCE

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, last week I attended joint committee information sessions on Kosovo.

At this time we already have 2,000 people taking part in foreign operations, and it was explained to us that deployment of a new tactical group to Kosovo would stretch us to the breaking point.

My question is for the Minister of National Defence. While the 1994 white paper states that Canada must be capable of deploying 10,000 at a time, how can it be that we will be stretched to the breaking point if we deploy another 1,200 soldiers to Kosovo?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, no decision has been made with respect to Kosovo. Preliminary discussions are going on now as to the possible use of ground troops. Should an agreement come out of the discussions in Rambouillet that would result in ground forces going into Kosovo, at that time the government will make a decision with parliamentary consultation.

• (1500)

It is a question of priority. If that is where we feel our troops should be then that is where we can put them to help end the bloodshed in Kosovo.

* * *

[Translation]

HEALTH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Health.

One of the main recommendations in the final report of the advisory council on health infrastructure is the provision of a public report card so as to improve the general accountability of our health care system.

Since the Government of Canada is responsible for health care standards, does the department support this recommendation and will it undertake discussions with the provinces and territories with the aim of—

The Speaker: The Parliamentary Secretary to the Minister of Health.

[English]

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I acknowledge the member's interest in this question.

The government is very much supportive of developing a report card to Canadians. We acknowledge the work done by the Advisory Council on Health Infrastructure and its very important report entitled "The Health Info Way".

We accept its recommendations and believe that all governments should be working together so that we can be more accountable to Canadians for the delivery of the health services they receive. We believe that a report card will assist Canadians in having confidence that services will be there for them when they need it.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the honourable Gordon Wilson, Minister of Aboriginal Affairs for the province of British Columbia.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

• (1505)

[English]

CANADA ELECTIONS ACT

Mr. Roy Bailey (Souris—Moose Mountain, Ref.) moved for leave to introduce Bill C-478, an act to amend the Canada Elections Act.

He said: Madam Speaker, I am very pleased to introduce this bill which will amend the Canada Elections Act.

The bill prevents the disaster that happened in the last federal election in which people in Saskatchewan voted behind everybody else. This amendment to the act will remove that embarrassment.

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

RECOGNITION OF CRIMES AGAINST HUMANITY ACT

Mr. Sarkis Assadourian (Brampton Centre, Lib.) moved for leave to introduce Bill C-479, an act to establish by the beginning of the twenty-first century a permanent museum exhibit to recognize the crimes against humanity as defined by the United Nations that have been perpetrated during the twentieth century.

He said: Madam Speaker, I rise in the House today to present my private member's bill. This act shall be cited as the Recognition of Crimes Against Humanity Act.

The purpose of the bill is to mandate the establishment at the beginning of the 21st century of an exhibit in the Canadian Museum of Civilization recognizing all crimes against humanity that have been perpetrated during the 20th century.

Canadians from many diverse backgrounds have been affected by crimes against humanity that have taken place throughout the 20th century. The suffering of any group of victims is no less significant than that of any other group.

In introducing the bill I hope to address the concern that the creation of a museum to recognize only one group of victims would severely diminish the significance of the millions of other lives that have been lost or ruined as victims of crimes against humanity.

How can we as a government support one group of victims and ignore the suffering of others?

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

* * *

PETITIONS**MARRIAGE**

Miss Deborah Grey (Edmonton North, Ref.): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by several people in Edmonton. Many of them are from the Shepherds care manor in Edmonton North: Nick Hebbert, Sadie Redomski, Mr. William Block and Esther Bartel. I see my aunt's name is on here, Thelma Larson.

Whereas the majority of Canadians understand the concept of marriage is only the voluntary union of a single, that is unmarried, male and a single, that is unmarried, female and whereas it is the duty of parliament that marriage as it has always been and understood in Canada be preserved and protected, the petitioners pray that parliament enact Bill C-225, an act to amend the Marriage Prohibited Degrees Act and the Interpretation Act, so as to define in statute that a marriage can only be entered into between a single male and a single female.

*Routine Proceedings***HUMAN RIGHTS**

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition on the subject human rights signed by a number of Canadians including from my own riding of Mississauga South.

The petitioners would like to draw to the attention of the House that human rights abuses continue to be rampant around the world, particularly in countries such as Indonesia. The petitioners also point out that Canada continues to be recognized internationally as a champion of human rights.

• (1510)

Therefore the petitioners call upon parliament to continue to condemn human rights abuses around the world and to seek to bring to justice those responsible for such abuses.

BILATERAL AGREEMENTS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I must say that my aunt's name is not on this one; if she knew about it she would have signed.

I have a petition to present on behalf of a number of constituents from the Shuswap Lake area adjacent to my constituency.

They are concerned about the various bilateral agreements that fail to protect Canada's social programs, environmental programs and a variety of benefit programs. They point out in particular the MMT issue.

The petitioners are suggesting that parliament reconsider these various agreements on these grounds.

TAXATION

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Madam Speaker, my aunt did not sign this petition, either, but it is one for automotive tool mechanics.

Pursuant to Standing Order 36, I table a petition signed by constituents of Simcoe—Grey as well as concerned Canadians from all across the country.

The petition deals with the tool tax credit presently non-existent on tool purchases for automotive mechanics. At the present time unlike many other professions they are not able to receive a federal tax credit for them.

Therefore the petitioners request that parliament redress this taxation policy, amending the applicable legislation to allow current and future technicians to deduct their investment in automotive repair tools.

GHANA AIRWAYS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Madam Speaker, pursuant to Standing Order 36, I have the honour of presenting the following petition signed by 30 concerned individuals.

Routine Proceedings

The petitioners call upon parliament to encourage the government to consider allowing Ghana Airways to fly into Canada at least once a week.

Currently members of the West African community, many of whom reside in my riding of Bramalea—Gore—Malton—Springdale, have no direct route from Canada to the old country.

TOBACCO

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Madam Speaker, I have the honour to present a second petition, pursuant to Standing Order 36, signed by 26 concerned constituents.

Currently many young people are smoking despite clear evidence that tobacco causes cancer. Therefore the petitioners call upon parliament to encourage the government to lend its full support to well funded educational and public awareness programs aimed at reversing the growing youth smoking trend.

MARRIAGE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of my constituents of Dufferin—Peel—Wellington—Grey recognizing marriage as a voluntary union of a single male and a single female and to ensure that marriage be preserved and protected.

RIGHTS OF GRANDPARENTS

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to rise in the House today to present a petition signed by a number of Canadians.

These petitioners wish to draw to the attention of the House matters about which they are deeply concerned, namely that as grandparents and as a consequence of death, separation or divorce of their children, they are often denied access to their grandchildren by their guardians; that the relationship which exists between grandparents and grandchildren is a natural, fundamental one; and that the denial of access can constitute elder abuse and can have a

serious detrimental and emotional impact on both the grandparents and the grandchildren.

The petitioners wish that legislation would be introduced which would in fact amend the Divorce Act to include a provision as proposed and provided for in Bill C-340 regarding the right of the parents of spouses, the grandparents, to access or to custody of their grandchildren.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I have a petition signed by Canadians from Winnipeg, Regina and elsewhere.

The petitioners are asking parliament to amend the Divorce Act to include the provision as supported in Bill C-340 regarding the right of the parents of spouses, that is the grandparents, to have access to their grandchildren.

* * *

● (1515)

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 162 will be answered today.

[Text]

Question No. 162—**Mr. Paul Forseth:**

With respect to contributions made by Heritage Canada and Public Works and Government Services Canada for building restoration, in each of the last five years, 1994 to 1998: (a) how many have been made; (b) what specifically have they been for; (c) what was the geographic location; and (d) what was the amount of each contribution, including whether or not it was on a matching basis?

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed as follows: The Department of Public Works and Government Services did not provide any contributions for building restoration from 1994 to 1998. Canadian Heritage contributions for building restoration made by the Parks Canada program over the last five years are listed as follows.

Summary of Canadian Heritage contributions for building restoration made by the Parks Canada program over the last five years

No.	National Historic Sites Contribution Description	Purpose	Location	Amount 1993-94	Amount 1994-95	Amount 1995-96	Amount 1996-97	Amount 1997-98	50:50 Cost Partner
1	Morin College	Restoration	Quebec City, Que.	\$300,000	\$300,000				La Ville de Québec
2	Aberdeen Pavilion	Restoration	Ottawa, Ont.	\$360,000	\$200,000	\$440,000			City of Ottawa
3	St. Andrews Church	Restoration	Lockport, Man.	\$228,250	\$161,000				Parish of St. Andrews
4	St. Boniface Museum	Restoration	St. Boniface, Man.	\$84,700					City of St. Boniface
5	Walker's Theatre	Interior Restoration	Winnipeg, Man.	\$100,000					Walker Theatre Group
6	Canadian Pacific Station	Restoration	Winnipeg, Man.	\$150,000					Aboriginal Cultural Ctre. Inc.
7	Church of Our Lady of Good Hope	Interior Restoration	Fort Good Hope, NWT	\$150,000					Fort Good Hope Group
8	Chiefswood	Restoration	Oshwekin, Ont.		\$60,000	\$48,000	\$8,000	\$1,258	Six Nations Council
9	Maison Taché	Restoration	Montmagny, Qué.		\$34,708	\$120,000	\$45,293		La Ville de Montmagny

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Summary of Canadian Heritage contributions for building restoration made by the Parks Canada program over the last five years

No.	National Historic Sites Contribution Description	Purpose	Location	Amount 1993-94	Amount 1994-95	Amount 1995-96	Amount 1996-97	Amount 1997-98	50:50 Cost Partner
10	La Vieille Pulperie	Restoration	Chicoutimi, Qué.		\$19,950	\$264,975	\$143,500	\$96,575	La Ville de Chicoutimi
11	Medalta Potteries	Restoration	Medicine Hat, Alta.				\$49,249	\$39,861	Friends of Medalta Society
12	Cdn. Northern Railway Stn.	Restoration	Smiths Falls, Ont.		\$150,000	\$150,000			Smiths Falls Railway Museum
13	St. George Anglican Church	Restoration	Halifax, N.S.			\$501,000	\$200,000	\$299,000	Parish of St. George
14	Christ Church Cathedral	Restoration	Fredericton, N.B.			\$500,000			Bishop/Charter of Fredericton
15	McLean Mill	Restoration	Port Alberni, B.C.				\$100,000	\$330,000	City of Port Alberni
16	Farmer's Bank of Rustico	Restoration	Hunter River, P.E.I.				\$72,000	\$91,555	Friends of Farmer's Bank
17	Hamilton Waterworks	Restoration	Hamilton, Ont.				\$7,000	\$147,706	City of Hamilton
18	Glanmore House	Restoration	Belleville, Ont.					\$170,000	Belleville/Hastings County
19	Claybank Brick Plant	Restoration	Regina, Sask.					\$45,500	Sask. Heritage Foundation
20	St. Patrick's Basilica	Restoration	Montréal, Qué.					\$23,805	Parish of St. Patrick
21	Lunenburg Academy NHS	Restoration	Lunenburg, N.S.					\$12,301	Town of Lunenburg
22	Ruthven House Hist. Site.	Restoration	Cayuga, Ont.					\$50,000	No Cost sharing Partner
	Grand Total			\$1,372,950	\$925,658	\$2,023,975	\$625,042	\$1,307,561	

[Translation]

Mr. Peter Adams: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Ms. Thibeault): Is it agreed?

[English]

Mr. John Cummins (Delta—South Richmond, Ref.): Madam Speaker, I rise on a point of order.

I did not hear clearly, but I do not believe the parliamentary secretary mentioned Questions Nos. 132 or 138. It has been over six months now since those questions were asked. As I pointed out before, there are families of Canadian servicemen waiting for the answers to these questions.

I want to ask the hon. member two things. First, will the government commit to tabling a response by Friday or even a partial response prior to the parliamentary break? If the answer to that question is no, will the government undertake to explain what problem it has encountered in the six months that have passed in answering this question?

Mr. Peter Adams: Madam Speaker, the member has pursued these answers with great diligence. I commend him for that. I know he is very interested and is acting on behalf of his constituents.

In the past I have said "fairly soon", "in the fullness of time" and this kind of thing. However, I want him to know I have been actively seeking the answers. Although I cannot quite respond in the way he would wish, we will have both answers very soon.

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I rise on a point of order.

I too am a bit frustrated with the wheels of government and how slowly they turn. I refer to a question on the order paper I placed 135 days ago. These questions are to be answered within 45 days. There has now been a substantial amount of time separating when it should have been on my desk and where it is now. It is Question No. P-50 and I would like to bring it to the attention of the government to please try to get the answer to me on this question.

Mr. Peter Adams: Madam Speaker, I think the member is referring to a Motion for the Production of Papers which are normally dealt with on Wednesdays.

The Acting Speaker (Ms. Thibeault): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT**

The House resumed consideration of the motion that Bill C-65, an act to amend the Federal-Provincial Fiscal Arrangements Act, be read the second time and referred to a committee.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Madam Speaker, we are here this afternoon discussing Bill C-65, the equalization bill.

One thing that concerns me in this bill is there seems to be no recognition of costs in creating the wealth, only more confusing

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ways of counting revenues. The federal government wants to know how much the final product is worth rather than simply count the number of logs after the fact. There might be some common sense there but it is hard to see how it will work in practice.

I am thinking about Saskatchewan's agricultural production and I wonder if there is any consideration for the greater input costs that go into producing the higher value crops. Presumably my province will be penalized equalization payments because our farmers will be earning more for pulse crops than they did for growing the straight grain commodities. The problem is that growing higher value crops is more expensive and there seems to be a disincentive to invest and innovate built into this approach to equalization.

We have no indication that this government is listening to the auditor general or the provinces that have an interest in removing disincentives. There is no argument that disincentives exist in this equalization scheme. We hear that from both sides. How else can we explain the fact that some of the highest sales taxes in this country are charged by the have not governments of Atlantic Canada through harmonized governance?

• (1520)

These provinces suffer from higher than average unemployment and lower than average incomes but their citizens are charged higher sales taxes than in Ontario and certainly in Alberta.

By overcharging on certain taxes these provinces suppress consumer activity but at least are not penalized equalization money because the revenues are below averages enjoyed elsewhere.

If anybody in this House is still under the illusion that higher taxes raise more revenues I invite them to look at the examples of the successes enjoyed by Ontario and certainly Alberta. We are aware that Ontario is looking at alternatives to the present equalization schemes because the world that existed when this system was first cooked up 40 years ago is now quite different.

Trade flows across North America and between us, European and Asian countries have undergone dramatic change. This bill seems to want to perpetuate a system that Canada has outgrown. In the meantime the government, despite promises going back to 1993, has failed to address billions of dollars lost through interprovincial trade barriers while it thinks up new ways to irritate the Americans and interfere with that important market.

The point is there are many ways to grow the national economy that do not include sending wealth through the bureaucratic meat grinder here in Ottawa. Wealth creation is not a zero sum game where if the government does not grab a share off the top and sends it to where it thinks it is needed that somehow no wealth would ever be distributed. That has never been a true picture of economic activity and we are still waiting for this government to grasp that simple economic concept.

The urge to tinker and micro manage the economy leads to some unfortunate distortions. Subsidies to have not provinces allow them

to charge less in some areas than the cost of the service and conversely because have provinces are obligated to finance those subsidies they must collect more taxes than they might otherwise wish to. We know high taxes penalize low income Canadians, proportionately more than high income Canadians.

The fact that governments turn around and dish out the high taxes in the form of credits and social programs only begs the question why take it away from them in the first place. A C.D. Howe study showed that when the extra taxes are taken away from low income earners in a have province they are just as likely to end up in the hands of a higher income citizen of a have not province. This includes all services and is reflected in the fact that Alberta families earning \$30,000 to \$40,000 a year pay 9% more in taxes than they receive in government services while Canadians earning the same amount in a have not province, like Saskatchewan right next door, see anywhere from 2.4% to 15.4% more in return than they pay out. Where is the fairness? How does this constitute equalization?

If this was one country where Canadians were welcome to live anywhere within our borders then we could not tolerate policies that paid people to stay where jobs did not exist at the expense of people who sought out opportunities where they did. My province of Saskatchewan has seen its population stagnate or migrate over the years but I do not support policies that would encourage people to sit at home. Saskatchewan has tremendous potential and I would like to see that explored first. No one should be treated as a liability that their home province has to pay for, and that is what this legislation seems to do.

Clearly what we should be doing is looking at ways to unleash the potential of every province and region of this great country. We should be examining legislation that average Canadians can understand that is so clear that it does not need special exemptions and rulings, that focuses the benefits of any program on the people who need it most. I do not think there is a better definition of equalization than that.

The idea is to help those in need have the same opportunity as others, not move everyone to the lowest common denominator. We cannot guarantee the same outcome, and maybe that is what this government is going for.

As usual, we started out with simple intentions 40 some years ago and ended up with a tax code and gun registry that are totally unworkable. Billions of dollars are intended to accomplish certain objectives but the objectives end up being blurred. Accountability is sacrificed in the name of an ideal and the ideal ends up being overrun by events.

By all means let us agree that we want the whole country to enjoy the wealth we have generated within our borders but let us not keep our citizens from creating their own wealth on their own initiative.

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We must remember there is only one taxpayer whether from Alberta or Newfoundland. The so-called have provinces must maintain higher taxes to pay their share of equalization which has an impact on poorer people of that province just so programs can exist to subsidize not so poor people in have not provinces.

Bill C-65 is really all about the federal government maintaining control of tax loads, to have a say in provincial affairs. As we know, he who has the money makes the rules, but in the end is that the best Canadian taxpayers can expect?

• (1525)

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, the member made reference to have not provinces and the fact that we are in some sense subsidizing have not provinces and that we treat have not provinces like liabilities.

I would like to clarify for the hon. member that we do not treat any province like a liability. The intention of equalization is to ensure that all provinces are able to provide a comparable level of service to Canadians so that Canadians, regardless of where they live, have an opportunity to receive health care and social services benefits.

Alberta and British Columbia, which are have provinces today, were provinces that did receive equalization payments in the past. So equalization payments are meant to try to support provinces as they are continuing to improve their economic circumstance and once they improve their economic circumstance equalization payments are no longer provided to those provinces.

I guess the true colour of the Reform Party comes through when the member says the objective of the government is to try to guarantee the same outcome or equal outcomes for Canadians and it just cannot be done. I disagree with the hon. member. Equalization is a cornerstone of what it is to be Canadian, and that is to try to provide have not provinces with the ability to provide equal services or services of comparable value to Canadians.

He went on to make an accusation about how low income Canadians from have provinces are subsidizing high income Canadians of have not provinces. For a given level of income, all Canadians pay the same federal taxes irrespective of which province they live in. So I ask the hon. member to take the time to speak with his provincial counterparts about equalization.

Saskatchewan is a recipient of equalization and I think individuals who live in Saskatchewan appreciate this program. It is a program provided in consultation and collaboration with the provinces. It is renewed every five years. It is reviewed every February and October of each year to assess what the payments are and it is a collaborative effort. It is meant to provide comparable

services. I fail to understand how the hon. member could disagree with that premise.

Mr. Gerry Ritz: Madam Speaker, I thank the parliamentary secretary for his intervention. I think he misread what I said. I said people in the have not provinces should not be treated as liabilities.

What we want to create is equality of opportunity, not equality of outcome. We cannot do that. We have regional disparity. We have different things happening across this country. But equality of opportunity, quality of life, we are all after those goals. It is a great target to shoot for.

When we look at equalization across the country, Saskatchewan is a have not province for whatever reasons. I am wondering why Saskatchewan oil revenues are not treated the same as Newfoundland oil revenues. Newfoundland is also a have not province. Why do we have different sets of rules for different provincial jurisdictions? Why do we have some extra little things written for other areas?

Mr. Tony Valeri: That is on the value of the resources.

Mr. Gerry Ritz: The value of the product, sure. That is what I talked about in my speech as well, the value of pulse crops. The value of a tobacco crop in Ontario is certainly different than the value of a canary crop in Saskatchewan. How does the government come to a formula that is workable and fair to everyone with all of those different codicils and amendments to it?

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I listened to my friend's remarks with interest. I wonder if he shared the same observation that I made when I was looking through the transfer payments that were made to the province of Saskatchewan over the years. My friend will know that Saskatchewan in some years has been a have province and in other years it has been a have not province. Did he notice the correlation between which political party was in office during the have years and which political party was in office during the have not years?

If my friend did not read the reports, it is interesting to notice that subsequent years of Liberal and Conservative governments inevitably resulted in the province becoming heavily indebted and therefore qualifying for equalization payments. Then the CCF or the NDP would be elected and over two or three years balance the books and get into a situation where there was no deficit and therefore lost the status of a have not province.

• (1530)

There is a curious relationship between political parties and being in and out of debt. Did my friend notice that when he was looking at these statistics?

Mr. Gerry Ritz: Madam Speaker, I thank the member from Kamloops for his great intervention on Saskatchewan provincial politics.

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Since I live there and he does not, I can tell him that being a have not province regardless of who is governing us is not a great thing to be. Regardless of what government has been in Saskatchewan the problem we have seen is that we still have not fulfilled the potential we have in that great province. We have the resources, the pioneering spirit and the entrepreneurial drive.

Under the NDP government we have seen in the last number of years utility rates rather than taxes go through the roof. Those are not part of the equalization system. We have seen a 9% PST hike and we have backed off a little on that. Roads are in terrible disarray. Health care is abysmal with waiting lines that are unacceptable.

It does not seem to matter what government is in power. It still comes down to some cash transfers from the federal government that everybody relies on. It becomes a disincentive to get out there and make things happen on your own.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, perhaps I was not listening correctly. I heard if not disparaging remarks about the equalization program, faint praise of that program.

The equalization program is one of all sorts of links and flows which make up this Confederation. In this case it is not some form of charity which is being given to provinces which at this moment under the formula are defined as being have not.

For example, with the case of the province of Saskatchewan, the flows back to the Confederation of the other provinces includes the wonderful health care system we have now. This is something which Saskatchewan has given to us. It was developed there and tried out there and the whole country was able to take it up. It has flourished in a sense.

The member mentioned oil in particular. I do not think he understands that the equalization part which has to do with oil is arranged so it reflects the price of oil, the cost of the production of oil in the province to which the equalization payments are directed. This is very clear on looking at the simulation I have here of equalization changes.

Is the member really saying that he does not like the equalization program? Also, does he not think that every five years there should be a thorough review of it so it reflects current conditions across the country?

Mr. Gerry Ritz: Madam Speaker, the parliamentary secretary talked about the cost of the production of oil. Newfoundland's is maybe higher offshore. The problem in Saskatchewan is that it is very heavy crude that we are trying to pump. We are into steam recovery. We are into upgrading it and all sorts of things. We have costs involved as well. I am saying that if the formula gets so

convoluted and tough to work with it becomes a bureaucratic nightmare.

As I said in my speech, the average family in Alberta earning \$30,000 to \$40,000 a year pays 9% more in taxes than it receives in government services. The tax load has to be higher from Alberta, a have province, to subsidize a have not province like Saskatchewan next door. Those are the facts. Those are the government's numbers.

When we speak about health care in Saskatchewan, we have closed 57 hospitals in the last number of years. We are still spending \$300 million more in health care than we did before we closed those hospitals. We have fewer doctors and nurses. We have longer waiting lists. We have a horrendous amount of administrators, facilitators, co-ordinators and all sorts of paper pushers and nobody servicing anybody who is ill. It is not acceptable.

Mr. Nelson Riis: Madam Speaker, when we are discussing equalization payments, what we are trying to do is establish a level playing field for Canadians no matter where they happen to live in the country.

One of the critical areas as we enter the knowledge based economy of the 21st century is access to education.

• (1535)

Does my hon. friend share the view that perhaps it is time to be bold when it comes to funding education and eliminate tuition fees? Tuition fees across the country come to about \$3 billion. We have a surplus of between \$10 billion and \$15 billion. If the Minister of Finance wished, we could actually eliminate all tuition fees from post-secondary institutions like most of the other OECD countries did long ago. Would the member support this notion?

Mr. Gerry Ritz: Madam Speaker, it is an interesting concept to have everyone receive more education. That is definitely a laudable goal. We are into a knowledge based economy. Canada leads the world in a lot of the technology.

I do not think it is feasible to eliminate tuition fees. I would certainly like to see the government rather than direct money to the university, the physical structure and all the things that go with it, to redirect it to the actual students so the students control the outcome of their own education.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I believe I will be splitting my time.

The Acting Speaker (Ms. Thibeault): I have to advise the members we are at the stage of 10 minute speeches with no questions and comments. The hon. member has 10 minutes.

Mr. Steve Mahoney: Madam Speaker, I am being heckled by members of my own caucus, but for good reason. Since it is a 10

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minute address with no opportunity for questions and comments, I will just have to put my points across.

Mr. Nelson Riis: Madam Speaker, I rise on a point of order. I want to apologize to my friend for interrupting his remarks.

Unfortunately we have just been informed that we have reached the 10 minute period during which the standing orders do not allow for any questions and comments. Because of the interesting exchange we have been having, I wonder if I could seek unanimous consent to allow 10 minutes at the end of the member's presentation to have questions and comments.

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House?

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): There is no consent.

Mr. Steve Mahoney: Madam Speaker, I must admit that I am somewhat disappointed that it was this side of the House that would not allow questions and comments. I do thank the hon. member for asking for unanimous consent.

What really matters in this place is the debate that goes on between the parties. I would welcome a response to some of the perhaps mildly critical points I wish to make with regard to some of the comments and the process that is going on here.

I have heard members from all parties talk about their concern that we are operating under time allocation on this bill. Time allocation is a very interesting process which has been used by all governments in this place and across the country when there is an obstreperous and obtrusive opposition party which simply wants to oppose and stop the government's agenda from going forward. It does not have to be based on any kind of solid rationale. It simply has to be based on the fact that opposition members got out of bed this morning and said "We not know what is going on in the House but we are opposed to it". That is their mentality when they come to work.

The only option for a government, particularly a majority government that wants to get on with the business of Canada, the business of concerned Canadians, is to use the parliamentary tools that are available. This happens to be one of them.

It is also interesting that opposition members would claim that there has not been a dialogue or discussion. In fact, the proposed amendments here are the result of over two years of extensive consultations and review of the equalization program by the federal government and the provinces.

It is rather interesting that the opposition members would suggest there has not been an opportunity for dialogue. In fact,

those who are most directly affected by this equalization program are the provincial governments, the people in the provinces. I think they agree it is important that we get on with the renewal of this particular program.

It is important when people use words, particularly in this place, that we try to understand what they mean because they can be clouded. They can be hidden. They can actually be tricky the odd time.

• (1540)

I heard a member from the Reform Party say that the Reform Party is interested in seeing equality of opportunity and not equality of outcome. Interesting. Put that together with the question that was asked of him by one of the hon. members opposite about tuition fees in universities. I would say that equality of opportunity to the Reform Party simply means that there should be an opportunity to attend post-secondary education somewhere in the country but equality of outcome which Reform is opposed to means that they are going to have to pay whatever it is the Reform Party decides to pass on.

We as the national government believe not only in equality of opportunity but also in equality of outcome. They must go together, otherwise we end up with disparities around the country where the rich will be able to afford to send their sons and daughters to universities and colleges, but the majority of Canadians will not. That is what it means if we look at putting the opportunity there but do not worry about the outcome or the mechanisms that are put in place to help Canadians.

I refer to a speech that was made by the hon. Leader of the Opposition, the leader of the Reform Party. This is important because it is an example of a party whose members will stand and say what they think Canadians want to hear and then they will change the words. Let me share some examples.

The Leader of the Official Opposition said in a speech on this bill "I do not think it can be stressed enough that equalization is an important principle which makes our federation work". One would assume by that statement that he would be in support of the bill. I do not want to take it out of context but it is a reasonable assumption, it makes the federation work. Then he goes on to say the official opposition, the Reform Party, is committed to equalization and has been from the outset. Once again one would think that he is indicating that he supports this.

I remember the Ross Perot presidential campaigns in the United States. We know that most of Reform's positions come out of American policies. Ross Perot would point to a chart and it would be a matter of if you want to know why the car does not run, you have to open up the hood and look at the engine. Terrific.

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The Leader of the Opposition goes to the Ross Perot school of politics. He wants four columns. This makes equalization clear to him. It is sort of like a game show.

Column one would show what the province would receive through simple equal per capita grants in support of social programs. There is nothing in column one to deal with geography. Take a look at what we are going to see when Nunavut starts up. They are having their elections today.

The per capita grant in Nunavut for reasons of climate, geography and demographics will be substantially higher than the per capita grant for Saskatchewan or somewhere else in the country. It seems fair that we do not simply look at the number of people who exist in a particular province or territory, but we deal with the real issues. How do these people survive? But not in the Ross Perot school, and I cannot say the Leader of the Opposition's name of course, since it is unparliamentary—but not in that school of economics and politics.

Column two would show what the province would receive in terms of enhanced and better focused equalization. He is somehow going to magically top it up. That is the name of the game. If you get the right column maybe there is a top up. It just depends, we are not sure.

Column three would show what the people and employers would receive through tax cuts. While he wants to top up the equalization plan with increased transfers, he is also going to cut taxes.

• (1545)

It reminds me of the Reform Party's position on health care funding. It said that it would put 50% of the surplus toward tax relief, 50% of the surplus toward paying down the debt and the other 50% that it will somehow magically manufacture I suppose will go to health care. It is voodoo economics without question.

Number four would give the total of all this. I am not quite sure whether this is reinventing the wheel or gamesmanship or a show business mentality, trying to be different. I do not see the substantive benefits in any way whatsoever. I mentioned we have to be careful about interpreting the words used by people who speak in this House.

This is a quote from the Leader of the Opposition: "The premiers should take off their premiers' hats for just a day and put on their political leaders' hats. I assure those provincial leaders who favour reform of the federation over fossilized federalism"—if that is not Ross Perot I do not know what is—"that they will find an ally in federal Reformers united to create a better alternative to this bankrupt administration".

Very interesting. I have finally discovered where the words united alternative came from. In reality we are hearing that if the

premiers will forget about their responsibilities to represent all the people of the province, whether those people voted for them or not, and if the premiers will simply put on their partisan political hats, then the Reform Party will line up beside them.

This is a group of people who do not even understand the traditional significance of the equalization system in this country that ensures Canadians from sea to sea to sea have equal opportunity and equal outcome to ensure that they and their families will have access to all social programs and economic development programs in this country. It is astounding to me that Reformers would be opposed to a bill that would share the wealth throughout this great land.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, I will try to bring this debate back to Bill C-65. It is my pleasure to rise today on behalf of the residents of Saanich—Gulf Islands and to speak to this bill, an act to amend the Federal-Provincial Fiscal Arrangements Act. As we know from previous speakers, the primary objective of this bill is to renew the federal equalization program for another five years.

I will not take time to simply recount what my caucus colleagues and the leader of the official opposition have said with respect to Bill C-65. It has been repeated and eloquently stated by the Reform Party and the people of Canada that they do support the principle of equalization. That is very important to remember. We support the principle of equalization, but that does not mean we cannot improve the delivery vehicle.

Equalization transfers will amount to nearly \$9 billion this year alone and will account for 8% of all federal program spending. That is an incredible amount of money. Yet with regard to one of the government's largest expenditure items the Liberal government recoils from any real scrutiny.

It is absolutely shameful that the government gave the House a single day's notice that it would introduce this bill. It is shameful that it did this without asking Canadians whether equalization adequately served their needs. The government claimed there were two years of consultations yet we had one day's notice of this legislation's coming before the House. It is shameful for this government to invoke closure after only one day of debate. We have seen that over and over again in the House. It is shameful that the government is ramming this legislation through to avoid any real debate or accountability.

Let us not dwell on those acts but talk about the details of this bill. I want to address the misinformation we hear from the members opposite. I reiterate that we support the principle of equalization throughout this great country. A common theme among proponents is that this program works so well that it does not need our full attention. They say things like the formula is

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absolutely clear, transparent, simple. I have heard it being referred to as scientific. A few members a few moments ago said it is very clear.

• (1550)

I would argue that the opponents opposite are wrong. It is absolutely not transparent. It is not clear. It is not scientific nor is it precise.

Let us just look at the legislation. The general formula is laid out in section 4 of the Federal-Provincial Fiscal Arrangements Act. It is very important that we read the facts and this is what the formula states:

(1) Subject to the provisions of this part, the fiscal equalization payment that may be paid to a province for a fiscal year is the amount, as determined by the minister, equal to the greater of

(a) the product obtained by multiplying

(i) the aggregate of the amounts obtained by subtracting, for each revenue source, the per capita yield in that province for the revenue source for that fiscal year from the average per capita yield of the provinces of Ontario, Quebec, British Columbia, Manitoba and Saskatchewan for the revenue source for that fiscal year by

(ii) the population of the province for that fiscal year, and

(b) zero.

That is the equalization formula, word for word right out of the act. I have to note that days before Premier Tobin in Newfoundland called his election he automatically received \$30 million, the exact amount of Newfoundland's deficit, so he could say he balanced the books before he called the election and that met this formula.

I am only a short way into my 20 minutes so I will try to get right down to it. I see some members are not interested as we get to the facts and give them the specifics of this.

It is a natural response to the bureaucratise that those members claim is so transparent and it is not even worth debating. We need a formula that will work, that is truly equalization, and I will get to offering alternatives.

Thousands of Canadians could be asked about that formula I just read and they would not be able to decipher it. Even most people in this Chamber, members who are used to reading legal jargon, would have to carefully read and reread, mull it over for a few minutes and attempt a guess. Then the 301 members of this Chamber could be asked to give their definition of how the formula works. I suggest there would be 301 different answers.

Even if it could be figured out there is a mountain of preparatory calculations that needs to be made before actually making the transfers. An army of specialized economists is needed to calculate the revenue base and the per capita yield of each province for 31 separate revenues. I would wager there is not one member here who could list 31 revenue sources without looking at notes.

This is all out of the formula. It creates a bureaucracy, a glass tower of people even to come up with this formula. They work all year long on it. There are all kinds they have to look at, personal income tax, corporate income tax, corporate capital tax, general miscellaneous sales taxes, harmonized sales tax, amusement tax, fuel tax, motor vehicle, alcohol, medical, forestry, mining, water rentals, and the list goes on and on. I have pages of them here.

There are more such as provincial and municipal property taxes, racetrack tax and lottery ticket sales. All these have to go through pages and pages of formulations for every single province to come up with this formula.

To suggest it is not politicized is absolutely ludicrous. In only a stroke of a pen the province of Newfoundland received \$30 million to balance the books before the premier called the election the next day. He had a balanced budget.

This is just the tip of the iceberg. The Federal-Provincial Fiscal Arrangements Act and the amendments laid out in Bill C-65 are complex and confusing to say the least. They are nothing compared to the actual calculations made by the finance department number crunchers.

I have here the results of the revenue source calculations. I have done my homework and looked at this. I do not know if I can get into this in 10 minutes. There are pages and pages of calculations in this book. Each line is a very small step. I cannot get into them all. They have to go through this for every single one of the revenue sources for every single province.

• (1555)

There are 95 general steps for each revenue source for each of the 10 provinces. That is nearly 1,000 separate calculations. They are all added up, it goes on and on and in the end we have tens of thousands of calculations done by the number crunchers.

The point I am trying to make is that we have this simple, clear, transparent amending formula that creates a huge mountain of bureaucracy.

Yes, I believe in equalization for all 10 provinces. I have travelled this country from coast to coast to coast. I believe in this country and that is why I am standing in the House. We could not have a better country. But just because that is the way it has been done for 50 years does not mean that is the way it has to stay. There are better vehicles to do this than the bureaucracy we have created.

Of the members asked how will the Reform Party meet its financial numbers, 50% to tax reduction and 50% to debt. The other numbers come from reducing the size of government, eliminating these bureaucracies.

There must be a simpler way. As the leader of the official opposition, the finance critic and a number of my colleagues have pointed out, we simply cannot stand back and tinker with federal-

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provincial financial relations, with something so important and so complex and convoluted we need a task force to consult with policy experts and others. We need to talk about substantive reform and about the three pillars that finance our social services. We need to rethink our tax policy, rethink Canadian health and social transfers and rethink equalization. We need to look at all three because they are tangled up together. They are interrelated.

Real reforms, real improvements mean first of all we must simplify and rationalize federal transfers by providing equal per capita grants to all provinces for social purposes. Second, we should simplify and refocus the equalization program even more to low income provinces. Third, we must introduce substantive broad based tax relief to increase disposable incomes of Canadians.

These are issues we must address to improve the social and economic well-being of our citizens. We need to debate these issues and we need to act now. We do not need the status quo. Liberal tinkering and half measures that continue to prop up our fossilized federalism are not the way to go.

I could not in good conscience support Bill C-65. I urge all members to reject this bill and demand the government introduce real improvements to Canada's social policy.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I am pleased to say a few words on Bill C-65.

I differ a bit from my friend who just spoke. At this second reading stage we will be supporting Bill C-65 but with a little qualification. I think it is fair to say that when we look at the formula for determining the equalization payments, it is appropriate that in committee we examine this in considerable detail. I think my hon. friend who just spoke pointed out the reason for that, that this is a complicated formula and if we are to pass this legislation beyond committee stage it is crucial that we examine that.

I want to use this as an opportunity to point out one other aspect, to simply note the various revenue sources that are identified: personal income taxes, corporate income taxes, taxes on capital corporations, general and miscellaneous sales taxes, harmonized sales taxes, amusement taxes, tobacco taxes, motor fuel taxes, non-commercial motor vehicle licence revenues, commercial motor vehicle licence revenues, alcoholic beverage revenues, hospital and medical care insurance premiums, forestry revenues, conventional new oil revenues, conventional old oil revenues, heavy oil revenues, mined oil revenues, light and medium third oil revenues, heavy third oil revenues, revenues from domestically sold natural gas, revenues from exported natural gas, sales of crown leases, sales of reservations on oil and natural gas lands, oil and natural gas revenues other than those just described, mining revenues, water power rentals, insurance premium taxes, payroll taxes, provincial local government property taxes, race track taxes,

revenues from lottery ticket taxes, revenues from games of chance taxes, miscellaneous provincial taxes, provincial revenues from sales of goods and services, local government revenues from sales of goods and services, miscellaneous local government taxes and revenues.

I think I have made my point. A lot of taxes have been identified in this legislation. It seems to me that it would be appropriate for us to ask the question whether these individual taxes make sense. At the time they were introduced I think it is fair to say there was probably some rationale behind them. People thought they were appropriate social or economic policy taxes.

• (1600)

It is important now to identify each and every one of these tax exempt areas and factor in a cost benefit analysis. What is the cost to the taxpayer and what is the benefit? If it is not clear that there is a benefit then these taxes should be dropped. It is a recommendation that any fair-minded person would agree with.

Obviously I am not arguing against the principle of the bill. The whole principle of equalization and having a level playing field for Canadians no matter where they live in terms of access to social programs, education, health care opportunities and economic opportunities is absolutely crucial.

Canada is all about the Canadian family. It differentiates us from any other countries. Whether one lives in an isolated part of Canada, on the east coast, on the north coast, on the west coast or in central Canada, one will have relatively the same access to programs. That is what the country is all about. That is what a civilized country is all about. That is what Canada is all about. This program helps facilitate that whole idea.

Let us not be so arrogant that we think it cannot be improved. That is what we are saying. While the principle is fundamental to the Canadian ethic, it is imperative when the legislation reaches committee that we determine whether this is the most appropriate way.

I have heard my friend and others raise the point about the Premier of Newfoundland and how it would appear that there has been some monkeying around with this equalization bill in order for him to say he had a balanced budget just days before the election, which resulted in a more favourable election result. These are the abuses of the system that if in fact they were the case we have to find ways and means of mitigating them in the future.

In conclusion, on behalf of the New Democratic Party I say that we will support the bill enthusiastically at this stage of principle, but we have many serious questions that we want to ask in committee. We look forward to getting it into committee, although not quite in this much of a hurry. We are under time allocation which is, let us face it, an undemocratic use of the rules of the House of Commons.

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I would not want to say we can hear jack boots echoing in the hallways just around the corner, but there is something fundamentally wrong when the government starts muzzling Canadian representatives, when it starts saying to the people of Canada that it does not want to hear the view from some part of the country because it has heard enough and wants to close the place down. It wants to muzzle parliament. It wants to bring to an end the democratic process. There is something fundamentally wrong about a government that decides it has heard enough.

I remember a little while back when the Conservatives were on that side and the Liberals were on this side. They would go into a state of absolute hysterics every time some form of time allocation or closure was brought in. They would stand and say this was an element of fascism, undemocratic and un-Canadian, that this was wrong, not right and ought not to occur. Lo and behold there is an election and they flip across to the other side and now they do the same thing more often.

When the Liberals said before the last election that if they became the government they would not act like the Conservatives did in the matter of muzzling parliament we thought they meant less time allocation. We thought they meant less use of closure. They meant more use of closure, more abuse of parliament.

We have to pay very close attention, as my friend said in his presentation, and listen closely to what they are saying. When they say they want to change parliament let us ask them if that means improve parliament or make it less democratic so as to make it perfectly clear in the future.

It is not with much enthusiasm that we now look forward to a vote at the end of the day, but the sooner the bill gets to committee and we find out some of the details, the better we will be able to change and amend the legislation.

• (1605)

[*Translation*]

Mr. Denis Coderre (Bourassa, Lib.): Madam Speaker, what a perfect time to reply to several ridiculous statements on the part of the opposition.

When I hear cries of persecution from the Jurassic Park Reform Party, the shirt-rendering Bloc Quebecois, or the NDP whited sepulchres, when they know full well that the government has to resolve the situation by March 31 so that the provinces will have the money with which to provide services, I find their egotistical grandstanding very hypocritical.

I am proud to be a member of this party and of this government. Bill C-65 is further evidence of the fact that we care about the public. We want all Canadians, wherever they live, to have access to services. To this end, we have put forward an equalization system that has proven itself year in year out since it was established, in 1957.

When I hear the Bloc Quebecois say—and they do talk a great deal of nonsense, acting persecuted and offended—“We are not getting our fair share”, it makes me feel proud of being not only a Liberal but a Liberal from Quebec because, once again, not only are we going to get our fair share but, with the improvements contained in this bill, Canadians will receive \$242 million, 78% of this amount going to Quebec.

Do members want numbers? I feel in great shape. I lost my voice last week, but I got it back.

As we know, Quebec accounts for 24% of Canada's population. Yet, 29% of all equalization payments go to Quebec. That is nearly \$1 billion, ladies and gentlemen from Quebec, and then the separatists complain that we are not getting our fair share. Canada is a generous country, so much so that Quebec is getting much more out of the system than it is putting in. This money is coming from all the provinces, and Ontario, British Columbia and Alberta in particular. When we tell the Bloc Quebecois members that, they get upset.

That is probably why the Bloc Quebecois is down to 38%, from 49%, in the polls today. Clearly, the Liberals are taking their responsibilities.

Instead of complaining, the hon. member for Drummond should be listening; it would do her good. In 1996 and 1997, Quebec companies received 39% of all federal government contracts and subsidies to industry for R & D. This is extraordinary. We represent 24% of the total population but Quebec universities received 28% of total subsidies. All the contracts and subsidies to the universities for R & D represent a fair amount.

Again on a regional basis, in science and technology we receive 26%. Truth will out. The separatists are moaning, the Reform Party bunch from Jurassic Park are moaning, while we get on with looking after the interests of the people. This is the first time I have heard dinosaurs speak. I did not realize they could.

The people of Quebec need to be reminded of what the equalization payment system is. It is a system of generosity. It is a system of equity. It is, above all, a system of protection.

Bill C-65 will, whether our separatist friends like it or not, give them an even larger piece of the pie. Not only a bigger piece of the pie, but the province that gets the biggest share among all those receiving equalization payments is Quebec, once again. This is a good reason to stay within the Canadian federation, since it has been demonstrated that not only does this system work, but it is generous to all, from sea to sea.

Once again, this seems not to please the hon. members for Drummond and Témiscamingue. I hear them weeping. The moan-

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ing and groaning heard in the background when the truth comes as a shock comes from the other side of the House.

Equalization is important in that it accounts for 10% of the entire budget of Quebec. This means that that we are giving close to \$1 billion.

• (1610)

Do not forget that 24% of the population is receiving 29% of the transfer payments. What does all this money represent? Ten per cent of Quebec's budget. That means that, while Bouchard is busy with his little referendum and whines away about Quebec's separation, we are looking out for the people of Quebec, because we say "We are going to give you some money so you can have services". So while the others rattle on about Quebec's independence, we are providing money to pay for and ensure access to services.

While the other side goes on about "constitutionalitis", do you know what counts? What counts is that transfer payments are unconditional.

The federal government hands out nearly \$10 billion in total. As I said earlier, Bill C-65 provides \$242 million to Canadians, 78% of which will go to Quebec. While they go on about "constitutionalitis" on the other side, we recognize one thing: that this federation is showing once again, through its generosity, that we care about the entire population.

Finally, they say "We are stuck with a PQ government in Quebec City". But one thing is sure: according to the latest polls, support for the people in this government, for the federal Liberals from Quebec, is now 49%—

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, on a point of order.

Mr. Denis Coderre: Oh. The member for Frontenac—Mégantic is in a state again.

Mr. Jean-Guy Chrétien: Madam Speaker, I would appreciate your asking the member for Bourassa to withdraw his statement that we are stuck with the government of Lucien Bouchard in Quebec City. What we are stuck with is the member's Prime Minister but we have not said so.

The Acting Speaker (Ms. Thibeault): This is part of the debate so I am going to ask—

Some hon. members: Oh, oh.

Mr. Denis Coderre: The truth hurts, but there is no getting around it. While members opposite are constantly playing to the audience—that is what they are doing—I am going to speak some hard truths. I know that Quebecers are very proud to be represented by Liberal members, because they know that, instead of

whining all the time, we take their problems to the ministers and get things done.

One thing is certain: when the MPs representing Quebec are Liberals, the essentials get looked after, and one of those essentials is equalization payments.

As I said, equalization is a system that has proved its worth, a system based on generosity that protects all Quebecers and ensures that they have access to services.

Mrs. Pauline Picard: What about unemployed workers?

Mr. Denis Coderre: When we hear the members opposite whining, it is obviously because the truth hurts.

Why do over 75% of Quebecers identify with this beautiful country called Canada? Because they have understood that, since we have introduced social programs and equalization payments, Canadians have enjoyed an exceptionally high standard of living, making Canada the number one place in the world to live. This is because of the system of equalization payments.

They cannot take that away from us. Members should get out and visit the average person. They should get out into the real world once in a while. If they talked to real people, they would realize that it takes action to resolve problems.

Mrs. Pauline Picard: Not the same people as in our province.

Mr. Denis Coderre: That hurts them because, once again, Quebec is receiving not just its fair share, but more than its fair share. I would like to see it receiving less because, if Quebec received less, it would mean that its economy is in better shape.

The day Quebec receives less in the way of equalization payments under this bill it will be because the economy is improving, not because cuts are being made. This will be settled within three years with a provincial election, when the Parti Québécois is dumped and we have Jean Charest as the premier of Quebec.

In the meantime, allow me to simply state that this bill is an essential one, because it will make it possible, despite the abominable administrative policies of the provincial government, in the hospitals and in all health services, to look after the interests of the population. We say to the people of Quebec, for as long as there is a Liberal government in Ottawa, and for as long as they have Liberal MPs in Ottawa to represent them, they are in good hands and we are going to look after their problems.

• (1615)

[English]

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, last Saturday night was one of the few times I had the opportunity to sit down and watch television. I watched the performance at Maple Leaf Gardens. The players of the 1930s, 1940s, 1950s and so on were honoured. They looked back at the

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achievements of the great players who gave their hearts to Canada's national sport. They had tears in their eyes and were so very proud of their accomplishments.

I wonder what will be the record of this government when we look back at the 35th and 36th parliaments. The government has set a record which is a shame to democracy. The Liberals shut down this House 35 times in the last session. No other Government of Canada has come near that number. The government has said 35 times that it does not need the opposition or as one of my hon. colleagues just said, it does not even have to consult the opposition. We are barely into the 36th parliament and the Liberals have shut down the debate in this House 11 more times. That is a record no government should be proud of.

It really hurts me to sit here and listen to the hon. members opposite make certain statements almost bragging about their care in hospitals. A growing number of people will die before they get emergency hospital care in this country. That is not a highfalutin statement, that is a fact. This government has come in a total of 46 times and said it will shut this House down.

What is the record of the government? Going back to the 1930s, the 1940s and the 1950s we had some great hockey players. What will be the record of this government? It will be known as the most undemocratic procedural government in the history of Canada. Nobody can deny that.

I heard an hon. member say that the government gives out this money with no strings attached. My question is, what is in this bill that will prevent the government from making the same bookkeeping manoeuvres as happened just a few months ago in the Newfoundland election when all of a sudden it got rid of its deficit? What is in this bill to stop that procedure? Nothing. What is in this bill that will absolutely ensure that the government does not intervene during the life of this bill to pull strings just to suit itself? Absolutely nothing.

The government has had five years to come up with this, not five weeks and not five months. And today it has moved closure on a bill which has not really had any discussion in this House. That is Liberal democracy. This is not good planning. The one thing it does show Canadians is that this is government arrogance at its worst. Most people on this side of the House have not had an opportunity to provide input on the bill. This practice is very dangerous. It is a growing practice opposite and an extremely dangerous practice for any government in a democratic society to use.

What will happen if closure is exercised as much in the next four years as has been done in the past four years? There will be no point in any member of the opposition even sitting here, absolutely none. There will be no point in members getting on their feet and debating an issue because the government will say it has the right to use this procedure and it is going to use it. I heard that this afternoon. And use it the Liberals have done. Forty-six times they

have said "The opposition does not count. We are not going to listen to them. We are not even going to have a debate on it". That is where we are at with this bill.

• (1620)

If equalization works, why are there still seven have not provinces? I draw attention to my own province. It is rather interesting. A member of my family recently had a commercial trucker haul two loads of grain to the terminal. His bill for the trucking was in excess of \$500. The amount of money taken off was over \$1 a bushel for freight. When we analysed it we found that in my province we probably pay more money to the government opposite in federal excise fuel tax per capita than any other province. I heard the only member of that party from my province say that we will not get any more back from the federal excise tax because we are a have not province.

The rationale the government uses when it takes out millions of dollars is simply "We cannot give back even 20% of the excise taxes taken out of the province because it is a have not province". That is the rationale being used.

I watch as our highways go to pieces. The rural roads are being completely ruined. After the millions of dollars the federal government has taken out, what guarantee does this bill give? At any given time a minister could decide that 48% of all the federal excise tax will be spent in a region of Canada and the people who really need the roads will get 3%. This bill does not correct that deficit and the Liberals bring about closure so we cannot have a debate on it.

Because of the policies of this government and because it told the people we had to get rid of this freight rate and so on, people are leaving my province like never before. They are saying that this government continues to tax them and the amount of money they are getting in return is not equal in any way. Three per cent has been the most in the last four years.

Will this bill ultimately stop political patronage? Every member on the government side of the House says no. What they are saying is "We will use this bill and we will use these payments the same way as we have used them in the past. We will use them to throw money into any region of Canada we want to, as long as we can buy money with that money that is going out". That is what has happened and that is what is going to continue to happen.

This bill is more complex than the government admits. This bill is going to committee and we know what will happen in committee. The bill will pass all the way through. Opposition members will have motions but they will not be heard. We might as well tear our papers up now because the government is on the same old course it has been on 43 times before: shut down the opposition; shut down any criticism; "let us decide where we can put the money the most".

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I found out from reading the paper that there is a little bit of skulduggery going on like there was on the toll highway in New Brunswick. Somebody is going to be bidding on highway 407 in Ontario. Has anyone else heard about that? It is these types of things. When my friends from the maritimes stand up to discuss the toll highway the government responds to them in complete mockery.

• (1625)

I am not very proud to stand here and say that I condemn the government. I am not very pleased to know it has used closure 46 times. After one day of debate, it is a smack in the face to democracy and the people of Canada should realize it.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, I quite enjoyed the previous speaker's remarks. I have had the opportunity to examine the debate on this legislation. Generally speaking despite the complaints that closure is forthcoming, the debate has been of a fairly high order.

I particularly congratulate the Reform Party because it is touching some genuine nerves of concern. One of the concerns in this whole concept of transfers from the federal government to the provinces is that of giving money to the provinces with no strings attached.

The equalization program involves \$8.6 billion being transferred to various provinces. When that is added to the Canada health and social transfer annual payments of some \$12.6 billion, the total is \$20 billion being transferred to the provinces by the federal government.

The difficulty I have is that traditionally the federal government has so respected provincial rights that it has not demanded any real transparency or accountability from the provinces in terms of how this money is spent. The idea is that both transfers are a provincial tax subsidy. They lower the taxes a province is required to charge in order to provide the same standard of social and health services that might be found across the country. The whole idea is, as we recognize in the Constitution, that the provinces have the right and the privilege to provide for the basic care of their citizens. There is controversy now that suggests the federal government should not be involved in any issues pertaining to setting standards or ensuring the type of programs have at least a reasonable quality all across the country.

When we come to the origin of this equalization program, it is to give some sense that no matter where Canadians are in the country they have the same opportunities to a minimum level of programs. This is so we are not in a situation where people in Newfoundland

are at an enormous disadvantage in the types of social services provided to them when compared to people in Ontario.

We have a very peculiar situation. On the one hand we are asked to give the transfers because we want to see national standards, and on the other hand the instruments of transparency and accountability are not there. We cannot be absolutely certain that any of the provinces is using this money for the purpose intended. It is the same for the Canada health and social transfer. It is in the end simply a subsidy to the provincial taxes so the provinces will not have to raise them as high as they might ordinarily have had to and they will not have to take the flak. The whole idea is that the federal government is there for the provinces to blame for high taxes. We see this theme coming from the Reform Party all the time.

The member for Portneuf who is here for this part of the debate made the observation that Quebec is owed the money. I found that quite amusing. He basically said "Quebec is owed the money. Give us the money and keep giving us the money until we declare sovereignty". And that would be the end to that.

• (1630)

I say to the member for Portneuf that Quebec would probably not be a have not province if it were not for the fact that Quebec governments over the last 20 years successively and even to a certain extent the Liberal governments have pursued an agenda of nationalism that has dampened investment in Quebec, particularly in the Montreal region. Montreal was the engine of the economy. At one time Montreal was a rival to Toronto. Since this whole thing about sovereignty really took root in Quebec there has been a flight of investment. It is not just a lack of investment, there has been a flight of investment. It is no wonder that the province of Quebec wishes to continue to receive its share of equalization programs and its share of the Canada health and social transfer.

Earlier the member from St. John's said that equalization transfers should continue to come to Newfoundland even if Newfoundland develops new resource wealth. It should continue to get 100% equalization transfers even if it enlarges its tax base as a result of the development of Voisey's Bay, Hibernia and other projects in Newfoundland.

This is the same type of difficulty as what that member was asking. He said give us our tax subsidy no matter what our resource income is. Give it to us because we would prefer that the federal government be blamed for charging high taxes than the provinces. In some respects, certainly in the sense of the Canada health and social transfer, this is precisely what we hear in my own province of Ontario.

In a way we may be looking at this equalization program in the form we see it for the last time. The whole of society is now

moving to a position where Canadians in every province are asking their governments to provide a high level of transparency and accountability so that the people of those provinces can see that the money is being spent wisely and well.

The reason this is very significant is in the context of the recent social union talks, ten premiers signed a letter with respect to how health spending would be undertaken. The key element of those negotiations was the principle that if the provinces were to receive money for social and health programs from the federal government the provinces should be in control of the programs. But the provinces had to undertake to put in instruments of transparency and accountability so that all Canadians, including Canadians in those provinces, could see that the money regardless of where it is coming from is spent on the programs it is intended for.

I see one of the members of the Bloc Québécois shaking his head. I point out that the province of Quebec is to be one of the provinces best able to meet this requirement because that province happens to have one of the best freedom of information acts of any province. There is no reason why the member should shake his head because it is precisely the type of program he should support. If I had my way I would like to see the federal government adopt some of the provisions that exist in Quebec with respect to privacy and access to information.

There is no reason why Quebec or any other province should be opposed to better transparency in the application of equalization payments. If we are to transfer \$8.6 billion a year or \$12.6 billion, a sum total of \$20 billion, I agree with my Reform members opposite that we should be calling for better levels of transparency. Perhaps it is a little premature right now because this legislation has to go forward in order to get the money in train.

• (1635)

This bill is not cast in iron. There are opportunities two or three years from now to look at it again and to make amendments that require better levels of transparency and accountability. All of us on all sides of the House and speaking for all Canadians would agree that is what is required.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I appreciated the comments of my friend in the Liberal benches. I am always interested in hearing his comments. He usually has a very erudite way of putting things. He had some valid points to make.

I am very disappointed that we are dealing with time allocation. Even with a government that has a legislative agenda bereft of ideas and initiatives, it is beyond us to understand why it needs the hammer of time allocation to ram this thing through parliament without proper debate. One can only assume that it does not want

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any more scrutiny on this bill than it absolutely has to because it is afraid of what Canadians will think of it.

Today my colleagues have talked at length about a flawed process that has led to a flawed deal. This is not just about a flawed process right now, it is a process that goes back to the beginning of the whole notion of equalization and how the formula for equalization was to be drawn up and used.

For example, when I was elected in 1993 one of the first private member's bills I brought to the House of Commons was a bill that would require that revenues based on hydroelectric sales be included in the equalization formula and calculations. Those are not included. Some provinces, for example my province of British Columbia, the province of Quebec and other provinces, derive significant revenues from hydroelectric sales. That is not included in the equalization formula. Those revenues often flow directly into the coffers of the provincial government. As we know, many provincial governments own many hydroelectric installations. I cannot believe the Government of Canada would not take into account this massive influx of revenues based on hydroelectric sales.

As many of my colleagues have pointed out, the cost of production in many provinces is not taken into account. For example, in my province of British Columbia the cost of production in tree harvesting is not taken into account. What this leads to is a distortion based on this convoluted formula that is all about political manipulation and delivering political objectives. It has very little to do with true equalization.

The New Democratic government in British Columbia is in the process of taking B.C. from a have province to a have not province as we speak. So I have to be a little careful. We may be in need of some equalization in British Columbia one of these days unless we do something about that government.

The current equalization formula is full of inherent contradictions and inconsistencies. This delivers a distorted and easily manipulated formula which invites political interference. We have seen that recently. My colleagues have been referring to it all day. We saw it with the Government of Newfoundland and the things that took place prior to the last election in Newfoundland. There is no doubt or question that succeeding federal governments have used equalization as a political lever to gain political advantage in different parts of the country at different times. Because it has been used as a lever of political interference and political advantage, it is inherently unfair. The overall effect is really unfair for most ordinary Canadians. Equalization is reflected in provincial tax rates. Have not provinces can maintain lower tax rates than have provinces and still deliver the same services to their citizenry. Because lower tax rates benefit high income earners the most, the net effect of equalization under the Liberals is that poor families in rich provinces subsidize rich families in poor provinces.

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• (1640)

I will repeat that because I think it is a really important point. Poor families in rich provinces subsidize rich families in poor provinces which is exactly the opposite effect that equalization is supposed to bring about, I submit.

Government interventionist programs, in particular where they are not well thought out or not properly rationalized, tend to have unintended consequences. Let us call it the law of unintended consequences. These almost always are unfair.

If we think of it, a poor family somewhere in Ontario, British Columbia or Alberta is subsidizing a rich family somewhere in one of the other seven provinces. That is an unintended consequence of this bill. It is inherently unfair but it is what comes when we have a politically manipulated, artificial equalization system that is there largely for political ends and purposes rather than for a real attempt at equalization of incomes across Canada.

After decades of unfairness and the unintended consequences that I have talked about, because this policy has been in place for decades, we would think the government would be willing to look at a new idea, something different, something that completely breaks away from the past because the past is demonstrated as a failure over and over again. But no, the government cannot. It stands with its back toward the future, gazing serenely at the failed policy fields of the past and it thinks if it could just tinker with it a little, if it could move these few words over here and change that clause over there, it would somehow turn this all around and make it fair, make it equitable and make it work.

Frankly, I think that is the main reason why the government does not wish to have any more scrutiny or debate in the House than it has to with time allocation. It does not legitimately want to have the average Canadian taxpayer exposed to its own failures.

I suggest that it is these kinds of government interventions that are inherently unfair, that are premised on political advantage and not on truly trying to do the right thing which lead to divisions in this country. It is one of things that drove me to politics. I was annoyed by the continued manipulation of the federal government and how that affected me as a taxpayer in British Columbia and how it affected my family, my friends and my co-workers, how it affected all British Columbians. It was one of the reasons I got into politics.

I never had any intention of being here. I never had a lifelong wish to be a member of parliament. I never graduated from high school with a burning passion and desire to be a politician. I came here because of this kind of nonsense.

I cannot for the life of me understand why the Liberals just do not get it. They just do not want to face reality. They just do not want to face the fact that what they have cobbled together years and years ago, tinkered with and played with over decades is not working and is driving Canadians to distraction. It has driven me to politics. It is the kind of policy that is in part responsible for the creation of the Reform Party of Canada.

I would argue that the Liberal government has not demonstrated any capacity for change. I do not believe that with this administration we will see any new ideas come forward. It has a legislative agenda that is almost barren. Yet it does not want to give it full and proper debate in the House of Commons.

• (1645)

When the Reform Party forms government and we have a Reform administration, we will have real change to equalization so that the provinces that are really in need of equalization will get it. We will not end up with the ludicrous situation where seven out of ten provinces are called have not provinces. I suggest that is patently ridiculous.

[*Translation*]

The Acting Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Employment Insurance; the hon. member for Regina—Lumsden—Lake Centre, Royal Canadian Mounted Police; the hon. member for Burnaby—Douglas, East Timor; the hon. member for Vancouver East, Poverty; the hon. member for Wild Rose, Aboriginal Affairs.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I was not intending to speak this afternoon, but with the inanities—there is no other word for it—put forward by some of my colleagues, no doubt in good faith—I would not cast aspersions on their good faith—I must rise and correct a number of things. This debate could be very technical, but the remarks that have been made are not technical but demagoguery.

Among other things, they are saying that Quebec would not be in a situation of having to receive transfer or equalization payments if its economy were in a better state. And then, without further explanation, just like that, they say “Well, that will come later, once sovereignty has been gotten rid of”.

The Canadian Confederation was born in 1867, 132 years ago. Quebec was born 400 years ago. In the 132 years since Confederation, Quebec has never been as rich as Ontario. It is not alone in that. The maritimes, the Atlantic provinces were flourishing financially some 100 years ago.

Institutions in Halifax, New Brunswick and Prince Edward Island were doing well. But the decision making centres moved to

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Ontario, as if by magic, by some miracle, and Toronto started expanding. So, why is this?

Is it because the people of Toronto, the people of Ontario, are particularly smart and those in the Atlantic provinces and Quebec less so? Is it because we are not good at business? Is it because we have not been blessed with Ontarians' special know-how? Absolutely not.

It is because the federal system in which we live has deliberately and systematically made sure that the rules favour Ontario.

I will give a very simple example, one mentioned several times by the Prime Minister here in the House: calls for tender are designed to favour the lowest bidder. So, when the government does most of its buying here in Ottawa and Ontario, naturally the closest suppliers have a better chance of putting in the lowest bid.

How could someone from St. John's, Newfoundland, bid on supplying office furniture here in Ottawa? There are all the transportation costs to factor in. But the folks in St. John's, Newfoundland, pay taxes just like us. The federal government uses these taxes to give Ontario businesses a leg up in the manufacture of goods or the delivery of services. That is the fact of the matter.

• (1650)

The so-called poor provinces are not poor because the people who live there are less innovative, inventive, entrepreneurial, courageous or intelligent; they are poor because the system siphons off money to the centre of this nation, of this confederation, or in other words here to Ontario, and compensates for this by paying out, as a sort of apology, transfer payments and equalization payments. Our money has been stolen—stolen is a big word—our money has been made off with and taxed, and instead of getting it back in the form of goods and services purchased, we get it back in the form of kind generosity, charity, transfer payments.

Transfer payments are not charity, it is a return of the taxes we have paid, which ought to have come back to us in the form of job creation but instead take the form of payments to the government in order to provide services to the population.

There is something seriously wrong here. My colleague here pointed out that contracts are being awarded in Ontario without bidding, up to \$150,000 a shot. This is a considerable amount of money, which would enable businesses in the Atlantic provinces, in Quebec and elsewhere—the prairie provinces for instance—to get people working with the tax money that they pay, instead of seeing it go to pay for federal propaganda.

Mr. Denis Coderre: You are opposed to mobility.

Mr. Pierre de Savoye: When the hon. member for Bourassa singles out the sovereigntist movement as one of the causes of our

economic problems, he is totally wrong. For several years—between 1985 and 1993 or 1994—Premier Robert Bourassa had control of Quebec's destiny. His was a federalist Liberal government. In the course of that period, Mr. Bourassa managed to cut jobs in Quebec by a net figure of 1,000 jobs. On the other hand, when the PQ government came to power, first under Mr. Parizeau and now with Mr. Bouchard, it created over 100,000 jobs in a shorter period of time.

The problem is structural. It arises from the fact that the Canadian federation is based on the impoverishment of the provinces surrounding Ontario, with Ontario getting the biggest slice of the pie. It has been that way for 130 years, it continues, and so long as we remain in this system, there is no way out.

So, it is time to stop telling us that transfer payments are charity. All we want is what we are entitled to, nothing more, nothing less. But the bottom line is that the only way to put an end to this dispute, this gross misunderstanding, is for Quebec to acquire its sovereignty and have full control over its entire economy.

[English]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member of the Reform Party who spoke previously said that revenue from hydro power is not equalized and is not included in the equalization formula. Once again the member is wrong and the party is wrong. It is included in both those ways.

I have a couple of comments for my colleague from the Bloc. We on this side have certainly stressed that anyone who knows anything about the equalization program knows that it is not a form of charity. This equalization program, through which moneys are transferred from parts of the country that are technically at that particular time so-called have provinces to the other parts, is designed to make the country more efficient. It is not a form of charity.

As I have said earlier today and as others have said, there are all sorts of flows from one province to another province. British Columbia benefits from the maritimes. The maritimes benefit from British Columbia. Saskatchewan benefits from Newfoundland. Newfoundland benefits from Saskatchewan and so on. It is not a form of charity.

• (1655)

With respect to the Bloc member's remarks about Ontario and places on the periphery of Ontario, I heard him say that in some way people asked for tenders on contracts and the nearer bidders had some great advantage. There are parts of Ontario which are a two day drive by truck, if it is a truck type contract, from where we stand today or a day and a half drive from Toronto. The main

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population of the province of Quebec is a five hour drive from Toronto and an hour and a half or a two hour drive from Ottawa.

On this business of where is the periphery, if we think in some way where the centre of gravity of the population of Canada is, it is in southern Quebec and southern Ontario. If people have concerns about being on the periphery perhaps they are elsewhere. Those things are beside the point.

I remind members and people watching the debate that what we are discussing today is the equalization program, the program under which moneys each year are transferred from some parts of the country to other parts. This equalization program is one of the cornerstones of the way we share wealth in Canada and of the ways in which we make Confederation work.

We are debating it now because every five years the way we do this is subject to major review. That review involves all the players, all the provinces, whether they be have or have not. In this case the discussions have been going on for two years and the decisions have to be made by March 31. We are doing it now with a view to establishing what this program should be like this year and for the next five years. It has to be done by March 31, which is why we are going through this trouble.

The thing that shocks me is that I hear literally combined opposition from the Reform Party and the Bloc. It concerns me. I think there should be criticism. That is the purpose of the debate. We should air all these issues. Members come from every part of the country. They have had the opportunity to talk to their provincial colleagues and hear what they think and what they have said during the two years of negotiation. They can come to the House and present those views.

What I sense is that we have here two parties that are not interested in the effective running of Confederation. I think that is because they underestimate the nature and the strength of the wonderful country we live in and the way that it functions.

What we have is unique. Perhaps there is one other jurisdiction which could be compared to it. We have the strongest decentralized democracy in the world. We have strong, however we define strong, provincial governments and regional governments. Even our territorial governments are becoming stronger and stronger year by year, giving their people a voice in their regions and in the country as a whole.

This decentralized democracy, our Confederation, is one of our great strengths. It is based on all sorts of things. One is our Constitution. Another is constant flows in federal-provincial relations. At the present time we have the social union, an agreement to which the premiers and the Prime Minister have just agreed. It is the latest round in how we should run Confederation in those particular respects.

I like the fact that mobility was emphasized this time. There are advantages to having regional governments, but that should be balanced against having proper flows of students, workers and others between different parts of the country. There are huge benefits from Confederation.

The regions can benefit from the strength of the whole. A recent very simple example of that is that the federal government has just put every elementary school and high school on the Internet, many years before that same situation is achieved in the United States.

• (1700)

I accept the fact that elementary and high schools are under the jurisdiction of the provinces and territories. No one objects to the fact that the only government in the country that could very quickly modernize our schools and get them onto the Internet is the federal government.

That is an example of the parts benefiting from the whole. The resources of the whole can be brought to bear on this small but very important thing in an area by the way of traditional provincial jurisdiction.

The whole can also benefit from the parts. In some ways the members from Quebec, for example, describe the equalization as charity and feel somehow beholden to the centre, but the flows are in both directions.

In this country we had the huge advantage when health care came in of having one province, Saskatchewan, that had implemented a universal health care program, had run and tested it. I have no doubt it made mistakes and modified it so that when the whole country came to the idea it might want a health care system all it had to do within its own jurisdiction was look at one part for a working model already tested that the whole country could take.

We know, despite the problems there have been in recent years, the success that health care program has been. I suggest there are many other examples of the whole benefiting from the parts and I can discuss those at another time.

This equalization program is one of the cornerstones of this country. It has played a major role in defining our wonderful federation. The equalization ensures that all provinces have the resources needed to provide reasonably comparable services to Canadians no matter where they live. My colleagues have stressed that.

Equalization is an unconditional federal payment. Once the money is transferred the provinces can use it any way they wish. Given the time constraints, that this must be decided by the end of March, I urge all members of the House to support this legislation.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, we are getting close to the end of this debate today because unfortunately we are experiencing time allocation by this government. This is the

46th time the government has time allocated a bill in this place since I have been here, 46 times it has said debate is a bad thing in this place, it must be shut down.

It can be seen why. It is such a small bill involving only \$43 billion in transfers to the provinces over the next five years. The government has had five years to prepare for this bill. What has it ended up with? It has no draft legislation to show to us ahead of time, no academic input into potential changes or improvement, no committee investigations or public input as to whether people want to keep the old system or the new system or some changed version. There has been no debate in the House.

There will be \$43 billion in transfers over the next five years and we are allowed one day of debate. That is a shame and it is a shame we will come to the end of this debate. People watching should know that at the end of today we will have a vote on this and it will be rammed through. My prediction is that the Liberals will win the vote, as they usually do, and they will say no debate because that is the way it should be.

It reminds me of a debate in British Columbia a few years ago when Bill Bennett went on the road. Colleagues from British Columbia will remember. When he went on the road the rallying cry was not a dime without debate because the government had arrived at this stage where the arrogance set in to the point where it said it is only \$43 billion, let us have one day of debate and shut it down. That is what we are experiencing here today.

• (1705)

Equalization is an important issue. It is, as has been mentioned on both sides of the House, a cornerstone issue for many Canadians and many provinces that want to see some semblance of ensuring the people who live in a province that is going through some tough times or that does not have the revenue its needs deserve some chance of equalization so they can enjoy something close to the same services other Canadians enjoy. I have no problem with that. That is not a bad theory if that is the initial theory you are going to head off on.

I only have this 10 minute slot to talk, but not about the equalization payments per se because that is not really the big problem, that is not what gets under people's skin so much. The problem is that it is all the other inequities, the unequalization payments that occur day after day in the departmental spending and in the program spending of this government.

Why is it that when the fishermen are denied the opportunity to fish on the east coast the government puts together the TAGS program, a social benefit program amounting to \$3 billion for east coast fishermen, but on the west coast the federal government does not even allocate 10% of what is allocated on the east coast? That is

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called an unequalization program. It is not equal for both fishermen. Both fishermen are unemployed, both are in their coastal communities, both need some assistance to adjust to whatever the new reality of the fishery minister might be. Instead what happens? Ten per cent for B.C. compared to Atlantic Canada.

What happens when the government allocates the CIDA contracts in this country? CIDA contracts are not part of the equalization program but why is it that when the CIDA contracts come through, British Columbia gets 3% of those contracts although it has 10% or 11% of the population of the land? The CIDA contracts are worth hundreds of millions of dollars a year and the majority of them go in this case to the province of Quebec. What is going on? Why does 3% go to B.C. while the lion's share goes to Quebec? That is not part of equalization. That is an inequality payment.

That is why from the beginning the Reform Party has maintained in its policies that programs should go through a regional fairness test. That is not so the west gets more, heaven forbid, but so that each region knows it will be dealt with fairly in terms of social programs and other government spending. It will not be allocated based on who you voted for last but on regional fairness. That is the way it should be done. That is true equality.

I went to a hockey game a while ago. There was a big brouhaha from the government. It was trying to decide how it could help out the hockey teams in this land. It is interesting. In one way the government did help. It gave some direct assistance to the Ottawa Senators and its establishment and to the Montreal Canadiens. They got Canadian logos and Canadian government advertising in their arena. It cost hundreds of thousands of dollars a year. But where did they not get any help? Calgary, Edmonton and Vancouver. Not a single sou went to help out with any advertising. Again, is it fair that one group gets it and another does not? It is not fair. It should go through a regional fairness test. If you are going to promote the Government of Canada in hockey arenas and if you can believe anybody thinks that is a good idea, then certainly it is as good an idea in Vancouver as it is in Ottawa or Montreal.

The federal government spent to \$2 million to promote Canadian athletes going to Nagano. I do not think that was a bad idea. We should be proud of our athletes. I do not mind. I would rather give the money to the athletes but even so we promote the Olympics. Why were over half the ads placed only on French language television stations in Quebec? Why do half the ads go there when only a quarter of the population is there? How much did my region of the country get? Where is the regional fairness test? It is not there. It is part of the inequality of the federation that is not addressed.

I do not even want to get started on what happened to CFB Chilliwack plans in my own riding.

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• (1710)

Why is it that land is frozen in a state of suspended animation while fairly new buildings start to crumple? It has been four years now since they have turned the heat off and walked away. No development can take place. No industrial work, no sale to local developers, no land to the natives, nothing. It is just frozen.

Why? It is in British Columbia. After all, we do not even have an land forces base in the entire province of British Columbia. Regional fairness would dictate that British Columbia should somehow be just shunted aside.

The problem with the equalization payments is not the equalization payments but all the other boondoggles that the federal government is involved with. Why is it that when we dealt with the child pornography case a week ago in this place, the government said the child pornography case only applies in British Columbia. The law is still really good in the other nine provinces. So if the pedophiles go free it will only be in British Columbia. So don't worry, it is only in British Columbia. That is part of the attitude on that side of the House.

They came two weeks ago to my riding on a western fact finding mission headed up by somebody from Winnipeg, I think, which to them is as far west as one can go. They do not realize that the Rocky Mountains are not the end of the country, that there is actually another province there. They came out to my riding and said the following what about the future of the CFB Chilliwack lands?. The response was does your member of parliament know that it has been closed? This was said by the secretary of state for women's issues. They said to her in a very kind way yes, he does know. Yes, he has been fighting for fairness for our region the same as any other.

When the Liberals come to town and say by the way, sorry about this, we didn't even know it was closed, people in British Columbia are saying that the issue is not just about equalization, it is about the unequal treatment of some portions of country often based strictly on who one votes for. That is not the way to run a country and not the way to bring regional fairness. It is the way to create inequality. If that was the object, the Liberals have succeeded masterfully.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I am pleased to rise in the House today to debate this very important issue.

Certainly the residents of Waterloo—Wellington and indeed Canadians no matter where they live have a great interest in this matter.

The equalization program is an underlying value of what it means to be Canadian. It is a cornerstone of the country, one which people recognize and rely on in terms of what it means to be Canadian. It is a sense of sharing, caring and ensuring fairness across Canada.

Over time and through history the equalization program has indeed played a major role in Canada and it can be argued has played a major role in defining our federation. I suspect and Canadians know our federation is stronger as a result, our federation is better off as a result and our people have benefited as a result. As a result of that, Canada has gained tremendously and I think that is important to know.

I also want all members to know that it is important that we act today to deal with this matter. We have had a deadline to meet and as a result are using time allocation to ensure that we meet that deadline of March 31.

I am not surprised the Reform Party and the Bloc do not support the equalization program. It is not surprising because both parties, quite frankly, do not want to see the federation work. Rather, both are committed to seeing that Canada does not work. That is really a shame but it is the reality of what we have here not only in the House of Commons but in Canada.

The equalization program ensures that all provinces have the resources they need to do what Canadians, wherever they live, want in terms of reasonable and comparable services. This is done so that hopefully they do not have to resort to higher levels of taxation than in other provinces. While this does not always happen it certainly is a goal and a laudable one at that.

• (1715)

I should also point out that the equalization program is an unconditional federal payment. This enables provinces to use the equalization program as they see fit and as they wish. That too is an important point.

Seven provinces receive the equalization program: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan. They all qualify for this very important payment. That is something that bodes well for the country as a whole.

The proposed legislation, which is excellent I might point out, will renew the equalization program for a five year period, beginning April 1, 1999 to March 31, 2004. The basic structure of the equalization program will however remain as it, but the bill before us includes changes to ensure that it continues to measure the ability of provinces to raise revenues as accurately as possible.

These improvements will increase the cost of the program by an estimated \$242 million. These changes too will be phased in over the five year period. As a result of extensive consultation, which I believe underscores the fact that our federation works, the bill will change the ceiling and the floor provisions to protect against greater fluctuation. This was done co-operatively and in a fashion and spirit in keeping with improving the federation for the benefit of all Canadians wherever they may live in this great country of ours.

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The bill renews the provincial personal income tax revenue guarantee program for the same five year period I spoke about. This is a key and important provision. It protects those provinces participating in the tax collection agreements from any major revenue reductions that may be caused during the course of a year by changes in federal tax policy, as an example. This is worthy of our attention and clearly something in the best interest of the participating provinces.

Finally I want to outline that the budget tomorrow will provide new estimates of equalization. We all know that in the 1998 budget it was projected that equalization would amount to \$8.5 billion in 1998-99. Official estimates showed an increase to \$8.8 billion as released in October.

[*Translation*]

The federal government recognizes that the country we live in is continually changing. That is the reality of the Canadian community. It is also a fact that we must change if we are going to survive as a society. The federal government will continue to watch over the interests of all Canadians.

[*English*]

I want to simply say by way of conclusion that the legislation recognizes the importance of working co-operatively and in the best interest of all Canadians wherever they may live in Canada. It is legislation of great importance which underlies our commitment to making Canada work for all our citizens. It is worthy of support and I would certainly ask all members of the House to support it accordingly.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, today we are debating Bill C-65, an act to amend the Federal-Provincial Fiscal Arrangements Act.

Any time we hear the word fiscal it means money. When we talk about money we mean our money as Canadian taxpayers. Governments have no money of their own but they certainly make free with the money that we work to earn. This involves large amounts of the money earned by hard working Canadian taxpayers. That is the reason it is a very important debate.

However, the government has decided to cut off debate on the spending of billions of dollars of taxpayers money under the bill. For some reason it feels that a mere day of debate is more than sufficient to explore the ins and outs of a very large expenditure of money. Naturally the opposition disagrees vehemently with this as well it should.

• (1720)

The whole reason we are here is to enact laws and to administer the affairs of the country for the benefit of Canadians. It is very difficult to do that job when government keeps cutting off debate and saying that it will do whatever it will do. It does not really

want to be confused with any facts or any suggestions for improving the course of action that it has already decided on.

This topic not only is very important because it will be spending a great deal of money that we worked to earn. It is also at the very heart of our federal system. It involves the transfer of financial resources from the federal treasury, which is filled up by our taxes, to the provinces to allow them to deal with their responsibility to provide social programs and services to Canadians.

These transfers not only include the equalization payments but also the payments to support health care, education, EI payments from the EI fund, regional grants and a host of smaller programs. The total transfers from the equalization component are close to \$9 billion a year. With all the other transfers to support social programs it is at least three times that. We are talking about a very important element of the way our federation works.

One of the best resources I have found is a booklet by Paul Boothe, Professor of Economics at the University of Alberta, called "Finding A Balance: Renewing Canadian Fiscal Federalism". This was produced in October 1998, just a few months ago. It is very current and a very scholarly and lucid examination of the whole area of financial transfers within the federation. I commend it to anyone who is trying to understand this complex and difficult area.

Equalization is an important principle which makes the federation work. It is a principle to which the official opposition, the Reform Party, is committed. I make this point clearly and unequivocally. Those who propose improved administration of equalization are often attacked—and we saw that this afternoon in the House—by those who lack the vision and courage to make needed improvements.

It is because the principle of equalization is so vital to a vigorous Canadian federation that we in parliament must ensure co-operation in a fair and effective process. Equalization directly affects the security of important social programs such as health care and education. Equalization directly affects the level of income left in the hands of Canadians and Canadian parents and families to meet the needs of our children.

Here is a little background on equalization. Before Confederation most of the provincial revenues came from customs and excise taxes. With Confederation it became the exclusive purview of the federal government to levy customs and excise taxes. Therefore the provinces did not have the money they needed to provide key services to their citizens that they were responsible to provide under the Constitution.

Under an important recommendation from the Rowell-Sirois commission in 1939 it was agreed that the federal government would institute a system of national adjustment grants for poorer provinces and that general transfers would be made to ensure that the provinces had enough revenue to fulfil their constitutional

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obligations without undue taxation. These formal equalization payments began in 1957.

As many speakers on this side of the House have put forward, the transfers in support of services to Canadians have become an increasingly complex patchwork impacted by a multitude of diverse political and economic purposes. The results, the transparency and the understandability of the whole area of the federation have become unnecessarily unfair and complex.

• (1725)

Today, for example, the provinces have access to per capita revenues equal to the potential average of five provinces to raise taxes, and this is based on 33 different tax bases. With that simple explanation we see how complex this whole area has become.

To make equalization work clearly and equitably every province would need the same kind of tax system, but of course that is not the case. They are all different. What the federal government has done, what the legislation does, is impose an artificial hypothetical tax system trying to blend tax systems in 10 different provinces on 33 different levels and obviously a real mess results.

The auditor general has criticized the whole process. In his 1997 report he looked at only one of the 33 elements, property taxes which raises almost a quarter of the equalization payments. He pointed out that property tax rates vary from province to province. Property assessment methods vary even between municipalities, let alone provinces. Property assessments are infrequent and done in different years. The auditor general said that it was just a guessing game.

In 1997 the finance department acknowledged this problem which was brought before it by the auditor general. It promised to do something about the problem. In fact here is a quote of a promise it made to the auditor general:

The department expects to address this issue as part of the current equalization renewal process.

Here we are smack dab in the middle of the "current equalization renewal process". Does the bill say anything about the matter of property taxes and their calculation and how they are factored into the equalization payment? No, it does not.

Yet Liberal members opposite have the colossal nerve to stand in this place and say that this is a wonderful piece of legislation, that it is just ticking along fine. After a few hours of letting the opposition bleat about it, it will go forward exactly as they envisioned, even though they have not kept a key promise made to the auditor general.

A number of such problems in the equalization process are not addressed in the legislation. My colleagues have been very

eloquent in pointing out some of the anomalies and the ridiculous variations and variables in the way the whole program is delivered on behalf of Canadians. It is a key program. It is important to the proper working of our federation.

I urge the House to examine the systemic changes, the changes to our equalization system, needed to deal realistically with the tax system and the difficulties that have been pointed out. Let us build a better country through reasoned debate on these issues rather than simply sweep them under the closure carpet and move on with mere tinkering.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, there seems to be a problem with members of the Reform Party on the other side of the floor. Of course there is always a problem with them. We are talking about social responsibility and every once in a while we have to redefine and describe for the Reform Party what the word social means.

Equalization payments are one of the cornerstones of Canada. This country is a family. The children of the family that are better off than the ones that are not take care of each other. That is one of the things that has made this country unique worldwide.

• (1730)

I listened to today's debate and a number of points need to be clarified. Questions were asked by members on the other side of the House which I want to do my best to answer.

I have heard over and over again why time allocation? One question that would lead into that is what does the bill do? The legislation amends two programs covered by the Federal-Provincial Fiscal Arrangements Act, equalization and the provincial personal income tax review guarantee. Both programs expire on March 31, 1999. Today is February 15, which means a month and a half from now we have to have something in place because these other two programs are going to expire. There is a good reason right off the bat. Also, our flag is 34 years old today. This is the importance of what we are talking about.

The bill before us is designed to extend the programs from April 1, 1999 to March 31, 2004. We are basically establishing a five year review. There is nothing wrong with that. Things change in this country on a yearly basis, so why would we not have legislation in place that we can renew and review on a regular basis? Five years seems to be a very good basis to set it on. That will allow the equalization payments to continue to be made and revenue guaranteed payments made as required.

There are a number of points that the bill proposes to change in the equalization programs. I will consider the three most important points.

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One ensures that the changes in the measurement of fiscal capacity, that is the provinces' ability to take and raise revenue, are provided for in the renewal and will be phased in over a five year period. It also amends the floor and ceiling provisions that protect provincial and federal governments from large and unexpected changes in the equalization entitlements.

Finally, it will amend and clarify the list of provincial revenues considered in measuring eligibility for equalization payments. That is in addition to the amendments to the act. The regulation will change and make adjustments to the measurement of the provinces' relative revenue raising capacity from different tax sources.

Another question I heard was how did the federal government decide on the contents of the equalization renewal package? This is something the opposition should listen to. The answer is that the federal and the provincial governments established priorities for the renewal in early 1997. This is not just something the federal government came up with. It is something we came up with in conjunction with the provincial governments. It is another example of how the government tries its best to work with all the provinces to get the best deal possible for the whole country.

I talked about family, and that is what it is all about. This is the government doing its best for the family of Canada.

The proposals for the changes to the equalization program will have an anticipated cost of around \$48 million in the budget year 1999-2000. That will rise to \$242 million when it is fully phased in in the budget year 2003-04. That is being put forward after extensive review of the issues with the provinces and the territories at the official and ministerial level. Again, there is extensive review with the provinces and the territories. We are not just doing this on our own. We talk to them and find out what is the best way they think we should be doing it and we come to a compromise.

• (1735)

My colleague across the way from the Conservative Party just does not understand that. He just does not get it. One of the reasons he is in the fifth party is because he just does not get it. If the hon. member would listen to what I am saying here, I will try to answer some more of his questions.

Another question I have heard here in the House today is why are the changes being phased in rather than being implemented immediately. The phase-in of changes is proposed in order to dampen the distributional impact across provinces over time and also to ensure that federal and provincial fiscal planners have sufficient time to adjust to the changes in a predictable, manageable way. We are not going to say "There it is guys, deal with it"; we are saying "Here it is, it is coming. This is how we want to change this after consulting with you". It gives the provincial ministers of finance a chance to

adjust to it. It is a good old-fashioned family way of doing it. It is logical.

I have heard other general questions today as to how equalization works. It seems relatively straightforward. Equalization transfers are determined on the basis of a legislated formula.

First, the amount of revenue that each province could raise if it applied national average tax rates is calculated for revenue sources that provinces and their local governments typically levy. The program currently includes around 30 tax bases.

Second, each province's overall ability to raise revenues from these sources is compared to that of the five provinces making up a representative standard, an average. Those provinces are Quebec, Ontario, and Manitoba for the member across the way.

An hon. member: The member who likes the millennium fund.

Mr. Murray Calder: That is right. And Saskatchewan and British Columbia.

If a province's total revenue raising ability falls short of this standard, its per capita revenues are raised to the standard level through the federal equalization payments.

Mr. Peter Adams: I see.

Mr. Murray Calder: That is the way it is, and the member for Peterborough understands it now.

Mr. Peter Adams: If I can understand it, anybody can.

Mr. Murray Calder: He is a Liberal and he is a very smart MP. I can understand why he clicks into that so quickly.

If a provincial government's total revenue raising ability exceeds the standard, it obviously does not receive the equalization. There we have that nice flat line where the ones that are making more, like Ontario, the industrial heartland of Canada, to the provinces that are experiencing problems, like Newfoundland, each one of those governments can come up with good solid government within their province and put forward good solid programs like all the 10 provinces in Canada do.

Another question is how do we produce new estimates of equalization and when do receiving provinces receive payments. I do not have enough time to go into that so I will have to leave that to the next time we speak on this.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Madam Speaker, it is very interesting to listen to the Liberals go on and on and on trying to explain around the issue of time allocation.

The reality nonetheless is that in the 35th parliament the Liberals used time allocation 35 times, 32 time allocation motions and three

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closure motions. This is the same group of Liberals who while on this side of the House decried this kind of anti-democratic, dictatorial bullying tactic by the government of the day.

• (1740)

In this the 36th parliament, there have been 11 time allocation motions. It is quite unconscionable. It speaks to the management of the affairs of this House. The fact that this Liberal government is incapable of giving the House adequate time to put forward the concerns of the people of Canada over issues like this one is completely unacceptable.

It is a management problem of the affairs of this House that has created this situation. We are being bullied into voting on second reading of this bill by 6.30 tonight. This is after only one day in the House. After only one day we have to vote.

The expiry date was no surprise. The expiry date of March 31 has been a known quantity for five years. Why could the Liberals not have managed the affairs of the House in such a way that we would have had an opportunity to debate this matter perhaps last fall or at least get it out into the open? We are not talking about nickels and dimes here. We are talking about countless billions and billions and billions of taxpayers' dollars.

The previous speaker, after having used the lame excuse that there is an expiry date that has to be met as an excuse for the time allocation, said that everything is fine because in fact there is a government to government decision making process. There again, that just shows the mentality of this government. It does not realize it has a responsibility to come to this House, to come to the members of this House.

I represent approximately 87,000 people in the southeast corner of British Columbia. I should have a voice in this House and be able to speak on this bill in an intelligent way on behalf of the people in my constituency. The debate should be full and free flowing, hopefully with the government listening and taking some direction from the people whom I represent as I speak for them.

Instead what is going on is the Government of Canada is getting together with Brian Tobin and his government, getting together with Glen Clark and his government, getting together with Mike Harris and his government, so everything is fine because the governments have negotiated this. The reference to this place, the reference to the House of Commons, the reference to parliament is inconsequential. Parliament is being treated as a rubber stamp by this government.

Mr. Stan Keyes: Oh, nonsense.

Mr. Jim Abbott: The member says "Oh, nonsense". How else then, if we are not being treated as a rubber stamp, does the member explain the fact that we have had a one day time allocation on this and debate will be chopped off?

The management of this House works on the basis that the House leader and the government know they can whip their sheep into line. The sheep just stand and bleat on cue and the legislation gets through. They know that is what is going to happen.

I was very appreciative of the member from Kamloops, a long time member of this House, an NDP member I should point out. He stood and said that he believed in the principle of the bill. He found a tremendous number of difficulties with the legislation but he believed in the principle of equalization to the point that he would recommend to his colleagues that on second reading, which is where we are right now, the NDP vote in favour of the bill passing to committee whereupon they could take care of the very serious problems that are in the legislation.

I mentioned that I have a very high regard for the member, but clearly he has a lot more faith in the parliamentary process currently in effect as stipulated by the Prime Minister and this government than I do. In fact, if the government is going to be treating the House of Commons as a rubber stamp in this way, how can we have any confidence?

• (1745)

Let us take a look at some of the realities that have already been mentioned by a few of my colleagues. I do not believe that anybody has mentioned the interprovincial transfer of wealth for example in addition to the equalization program. I will state this again very clearly and very slowly so that the members can understand my English. I will go one word at a time and tell them that the Reform Party is in favour of the concept of equalization. We do see it as being one of the distinctives of being Canadians.

I hope all members caught that because that is a statement of fact as to where the Reform Party is coming from.

However, to equate our rejection of Bill C-65 in principle, to equate our rejection of the tinkering around the edges that Bill C-65 constitutes, to our somehow not being in favour of equalization is something that only a Liberal mind could create I am sure.

Let us touch back on employment insurance. On employment insurance in Canada in the so-called have provinces, people contributing to that, the individual workers or the corporations, for every \$1 that they contribute to that they get pennies back out. That is a statement of fact.

Newfoundlanders, on the other hand, under that program as it is presently constituted, for every \$1 that they contribute get more

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than \$3 back and so it is ranging down from Newfoundland, which is the most extreme, on down. The point being that equalization is not the only interprovincial transfer of wealth.

The major problem with this formula is that it does not take into account all the examples that my colleagues in the Reform Party have pointed out where there has been and continues to be a transfer of wealth from the so-called have provinces to the so-called have not provinces.

It has been pointed, and it is worthy to remind members, that we have a situation, for example, in my constituency where the average per capita income is probably significantly less than the average per capita income of say Vancouver or Victoria just because of the type of constituency with a rural based economy, where we have families of four or more earning \$20,000 or \$30,000 a year. Those families are having money transferred to families in Newfoundland and in some of the maritime provinces that are earning over \$100,000 a year. This is the reality of the formula as it is presently constructed.

I know this may be the third or fourth time that I have said this but it seems to be going over the heads of my friends on the Liberal side. The Reform Party believes in the concept of equalization because it is distinctive of Canadians that we do look after each other. This is one of the things that we embrace as a nation and certainly one of the things we embrace as a party. However, Bill C-65 simply tinkers around the edges, creates more confusion, creates more problems and, in effect, creates inequality when it is called a bill on equalization.

Mr. John Bryden: Madam Speaker, I rise on a point of order.

I would like to seek the unanimous consent of the House to move a motion to the effect that this House urge the government to place at the Prime Minister's disposal a long range executive jet aircraft of the Global Express type produced by Bombardier to be available when he is called upon on short notice to represent Canada at major national and international events.

The Acting Speaker (Ms. Thibeault): Does the hon. member have the permission of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): There is no unanimous consent.

• (1750)

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, Bill

C-65, which renews the equalization program, is renewing one of the cornerstones of this country.

The equalization program has played a major role in defining the Canadian federation. It ensures that all provinces have the resources they need to provide reasonably comparable services to Canadians no matter where they live.

Equalization is an unconditional federal payment. Provinces can use it as they wish. That is a basic outline of what the equalization bill is about but over the years and this year as in other years many questions have been raised about the system. Let us look at some of these questions.

Some have asked if there is not a simpler approach by which to measure disparities among provinces. Some have suggested for example a measure based on gross domestic product of each province. One has to go back to the concept of the equalization program. All provinces are to be brought up to a standard to enable them to provide comparable services at comparable levels of taxation.

The calculation is based on a legislated formula that models typical provincial tax systems. This formula is called a representative tax system. The complexity of the program arises as a result of the complexity of provincial tax systems that are being modelled. The representative tax system has proved to be a reliable and stable measure of provincial fiscal capacity, a measure that has widespread support as a fair and comprehensive approach.

The representative tax system uses around 30 tax bases to measure a province's relative capacity to raise revenues. It might be possible to construct a simpler equalization formula that works satisfactorily and the federal and provincial governments will continue to evaluate and investigate alternative methods.

One suggestion for a simpler approach has been to use GDP per capita as a measure to measure the provinces' fiscal capacities. But a great deal more research is necessary before considering an equalization based on a new approach.

Another question is whether equalization creates disincentives to growth. The government would respond that when a province's ability to raise revenues increases due to growth in that province equalization payments decline. This was how the program was designed to work in the first place, but the equalization program is not a disincentive to provincial economic development. It would be difficult to imagine that a province would turn its back on opportunities to increase incomes and jobs for its people just because its equalization payments might decline.

The Reform Party has raised the question of whether the proposed changes in Bill C-65 address all the recommendations on the topic made by the auditor general. The auditor general's report

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discussed the design and operation of the equalization program and made a number of recommendations.

During the course of this renewal the federal government discussed all these recommendations with its provincial counterparts. Many of those recommendations are being addressed through this bill such as those involving the resource tax bases and the ceiling design.

But other recommendations were more complex and it is felt by both federal and provincial governments that it needs more research and discussion, but both levels of government will continue this research and discussion once the program has been renewed.

Some people have asked why not move to a ten province standard. This program is based on five provinces. The purpose of equalization is to ensure provinces have sufficient revenues to provide reasonably comparable levels of services at reasonably comparable levels of taxation.

The current five province standard fully meets the federal government's constitutional commitment to make equalization payments and fully achieves the intended purpose. The five province standard was introduced after the significant volatility in the resource sector in the 1970s. These fluctuations generated large fluctuations in equalization entitlements.

Now the risk of volatility is lower with the five province standard than with the ten province standard which increased the potential for volatility. If implemented again, the ten province standard would add considerably to the cost of the program, an anticipated \$1 billion each year.

• (1755)

Some people are confused by the terms floor and ceiling. The floor protects individual provinces against large declines in their equalization payments from one year to the next. Some provinces criticize the current floor because the protection it offers could fluctuate by large amounts with relatively small changes in a province's economic situation. The proposed new floor in Bill C-65 provides a similar level of protection to the current floor but will not be subject to the same variations which have been criticized.

What about the ceiling? The purpose of the ceiling is to protect the federal government from unsustainable large increases in equalization expenditures. The current ceiling limits the total size of the program to an amount equal to the 1992 equalization entitlements increased each year by the growth of GDP between 1992 and the year in question.

Whenever the size of the program exceeds the ceiling the program standard is reduced, lowering each province's entitlement. In 1998-99 the ceiling is about \$10.4 billion, about \$1.2 billion higher than the entitlement. The proposed new ceiling would be set

at \$10 billion in the years 1999-2000. Like the current ceiling, it will grow in subsequent years by GDP growth rate. Receiving provinces have argued for the removal of the ceiling. The federal government has indicated that the ceiling is essential to ensure the program remains affordable and sustainable.

Some have asked why the lottery and gaming revenues base is changing. The current measure of a province's ability to raise revenues from this source of revenue is based solely on lottery ticket sales in the province. However, significant changes have occurred over the years in the lottery and gaming area. The federal government is proposing changes to the equalization program that will take into consideration all types of gaming activity and their revenue. The proposed changes will recognize provinces' abilities to raise revenues from new and rapidly growing sources, for example casinos, video lottery terminals, break open tickets and other games of chance.

Some have asked why the equalization formula does not take into account the different expenditure needs. The answer is that the federal government has undertaken a number of studies to examine various measures of expenditure needs. Both levels of government concluded that there were too many issues that needed to be resolved before expenditure need could be incorporated into equalization such as how to decide what expenditures are needed. The federal and provincial governments will continue to study the issues surrounding the measurement of need and the inclusion of such measurement in equalization.

The new bill addresses most of the questions that have been raised. It must be remembered by all members that the agreements reached at these five year renewal periods are agreements that have taken a long time to hammer out between federal and provincial representatives. They have agreed. Before us in the House now is the result of much of that work. Each amendment reflects an agreement that has been concluded between representatives of all levels of government. I hope the House will respect the work our colleagues in the provincial houses have put into this and which our own representatives have agreed to.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I enter this debate from a rather different point of view. So far we have heard all kinds of criticisms of the bill. I have some of those to advance. But I would like to underscore the Reform Party position that we do support the concept of equalization payments from the richer provinces to the poorer provinces. I underscore that we do this and the kind of reforms we are considering in the whole business of equalization payments.

• (1800)

It is one thing to suggest that there have been five years of consultation among provinces, that there have been five years of discussion about the various amendments which have found their

Government Orders

way into the proposed bill before the House. Whether or not that actually happened I do not know. The important thing I do know is that within less than 48 hours of consultation in the House and open debate we will be forced to make a decision.

I do not know what else went on behind closed doors. We have to accept that hon. members opposite are telling us the way things were. One thing is also true: we in the House have a responsibility to reflect upon those kinds of amendments and to think carefully about them.

Lest anyone misinterpret or misrepresent what the Reform Party stands for, let it be abundantly clear that we support equalization payments. We would like to suggest some reforms and changes that could be made which are not found in the current legislation.

Reform believes in a system that is open to all Canadians and uses a different, simpler basis for comparison. That is part of the issue. It should be a different, simpler and a more accurate and more honest comparison of people. Rather than micro managing equalization, which the current legislation and program do and what the proposed legislation maintains, we should use a simple indicator to determine who gets what. This is called a macro formula.

A shortfall in per capital provincial GDP as an indicator might be a good basis for comparison that would not require arbitrary definitions and an army of bureaucrats to apply them. That is a fundamental issue and one that we should address very carefully. It is this kind of thing that we should have concentrated on and debated in the next while. It is one thing to have a bill proposed to us, but is there nothing else that could be done?

There is a lot that could be done. Using such a macro formula would eliminate the incentive for provinces to adjust their tax bases in inefficient ways to qualify for more federal money. We cannot adjust an entire GDP.

Under a single indicator system equalization would be more focused on the provinces that need it most. It would be hard to argue that we have seven have not provinces in Canada. Canada is one of the richest countries in the world. That is abundantly clear. All we need to do is look at the population figures to see how many people have come into Canada compared to the number of people who have left Canada. In the last 25 years there has been no mass exodus or out-migration from Canada.

By focusing benefits more on the poorer provinces the federal government could reduce overall taxation, leave the money in people's pockets and thereby increase economic efficiency. That is what we are all about. Any province that experiences reduced payments would receive special financing to ease the transition. These ideas are worthy of discussion. They have been discussed.

My colleague from Calgary—Nose Hill indicated that and quoted from a particular study.

It goes on from there. I will get very specific on what has happened. In the current situation the average Canadian family is a net contributor of \$3,500 to the federal treasury. A family in Saskatchewan pays \$2,700 and an Alberta family, more than \$6,000. On the other hand the average family in Newfoundland gains \$7,000 per year.

To reduce this kind of unfairness the Reform Party has proposed a new Canada act. In this act we call for two basic reforms: first, an equal treatment of all citizens with per capita grants to provinces for shared cost programs and, second, a single equalization grant based on a macro indicator of per capita provincial GDP compared to per capita national GDP. If that is the kind of focus to which we would address ourselves we would be moving forward. We would be taking into account the changes that have taken place in Canada and the changes that have taken place in the world around us.

May I draw the attention of the House to a couple of things that have happened in Canada in terms of the GDP. I want to compare population increases and decreases to the GDP. We will look at the last four years, 1994 to 1998. We find that Canada had a net increase in its population of 4.35%. Newfoundland had a decrease of 5.5%, Ontario an increase of 5.3%, Alberta an increase of 7.7%, British Columbia an increase of 9.03%, and Yukon an increase of 5.3%. Those are the provinces with the greater gain.

• (1805)

Let us compare the gain relative to the GDP in those provinces. Here is what we discovered, using the numbers for 1993 to 1997. Prince Edward Island had an increase in its GDP of 19.9%, Ontario an increase of 19%, Saskatchewan an increase of 23.6%, Alberta an increase of 26.07%, and British Columbia an increase of 16.96%.

If we begin to compare the increases in GDP in this four year period, compared with the population shifts that have taken place, we recognize very clearly that there is an unfairness built right into the formula which currently determines the amount of the equalization payments. That unfairness needs to be eliminated.

The formula is so complicated that it takes an army of bureaucrats to compute them and it makes it almost impossible for anybody to understand exactly how it works. I dare say a lot of people who put forward these amendments do not recognize or understand fully the implications that will take place in their particular provinces and the country as a whole.

We need to recognize as well that the composition of population has changed dramatically. We do not have the same kind of population composition in Toronto today that existed there 20 years ago. All we need to do is look at the changes in retail marketing that have taken place in those marketplaces to recognize those that

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have not changed with the times are experiencing very serious financial difficulties at this time.

That is exactly the kind of thing we as a country need to address. We need to recognize that the composition of our population has changed. It has shifted from one part of the country to another part of the country.

We in British Columbia are now experiencing a major shift of populations into the province. If we compare the increase in GDP in British Columbia and the GDP increase in Ontario or in Alberta, we discover that the GDP has not increased nearly to the same degree in British Columbia as it did in these other provinces.

This should tell us something. In fact it tells us a lot. If the government is determined that one part of the country shall be preferred over another part of the country, indeed the formula can be adjusted in such a way that it can be politically manipulated so that it will grant to some and take away from others.

What does it do? What has happened here is really interesting. If we take, for example, the people in Prince Edward Island and Newfoundland, they have had a 20% increase over and above what they pay into the revenues for Canada. The program services they receive are 20% more than they contribute into the treasury. In Alberta it is the other way around.

In Alberta there is a 9% decrease in the amount of services and product the people get and the money they pay in. In other words, there is a deficit in the government services received by Alberta people and there is a surplus in Newfoundland.

Perhaps there should be some of this sort of thing, but it is interesting that this happens to people at the lowest end of the income bracket. These are \$20,000 to \$30,000 people who get 9% less in government services in Alberta and get 20% more in Newfoundland. That is unfair.

Mr. Stan Keyes (Hamilton West, Lib.): Madam Speaker, I have listened intently to the debate on the bill before us and quite frankly I am astonished at the opposition party and in particular the Reform Party and the lack of debate that has actually taken place on the bill before us now.

• (1810)

The member for Kootenay—Columbia whines and complains about the time allocation motion. Yet only two members of the Reform Party almost came close to addressing directly the government order of the day, Bill C-65.

For the folks at home, in case they have become confused, we are supposed to be discussing an act to amend the Federal-Provincial Fiscal Arrangements Act or the equalization program.

The member for Kootenay—Columbia says he represents 85,000 constituents to whom at this moment I will apologize on his behalf. I know he has to be completely embarrassed by the fact that he has not addressed the issue we are supposed to be debating in this place.

Did the member for Kootenay—Columbia touch on any of the changes to the equalization program? None. Does any member of the Reform Party really and truly understand the importance of the equalization program? No. Given the level of debate on the floor of this place by members of the Reform Party, what an embarrassment.

For members opposite I will try to explain that a co-ordinated team effort produced this cornerstone of the Canadian federation called the equalization program. Many of my colleagues on this side of the House have articulated the definition of the program, the manner of payment in the program, the basic structure of the program and the positive constructive improvements which will increase the cost of the equalization program.

Reform Party members tell us they need more than the 48 hours being provided to debate the bill. The member for Kelowna said that he would strike out on the details of the equalization program. Did he address the fact that the program includes changes to the ceiling and floor provisions of the equalization program? I heard it on this side of the House. It will protect against unusually large fluctuations in equalization transfers. Was that addressed by members of the Reform Party? No, they did not touch on that.

At the time of the 1998 budget it was projected that equalization in 1998-99 would amount to \$8.5 million. The last official estimates released last October showed an increase to \$8.8 billion. Did they address that or ask why it has gone up to \$8.8 billion? Did they examine the equalization program and its importance to the country? No, they did not.

The member for Kelowna—

Mr. Werner Schmidt: Madam Speaker, I rise on a point of order. The hon. member opposite is suggesting that we could have addressed all those issues. The important thing is that if we could not—

The Acting Speaker (Ms. Thibeault): That is not a point of order. That is a matter of debate.

Mr. Stan Keyes: Madam Speaker, that is the member I was referring to a little earlier.

The member for Kelowna stood in his place with righteous indignation. Did he speak to the issue of the equalization program? No, he did not do that. Did the member for Kelowna or the member for Kootenay—Columbia address the specifics of the equalization program? No. Did members opposite in the Reform Party want days to discuss the equalization program? Yes. Are they going to discuss the issues? No.

The member for Kelowna talks about his party's policy on the equalization program. Maybe the hon. member could save that debate for his united alternative meeting this weekend because there is a policy on equalization in the country and it is working terrifically well. It has been examined for two years by federal and provincial representatives. Does the member want to attack the issue at hand? Does he want to look at all the points that are important to the equalization program? No, he does not. To his constituents in Kelowna I apologize on behalf of the member.

I understand my time is up. I appreciate the opportunity to contribute to the debate and to show how government members are trying to articulate the importance of this cornerstone of the federation.

• (1815)

Mr. Ken Epp: Madam Speaker, I rise on a point of order. We are debating Bill C-65. I think you should ask the member to actually debate the issues he said he was going to talk about.

The Acting Speaker (Ms. Thibeault): That is not a point of order.

[Translation]

It being 6.15 p.m., pursuant to order made earlier today, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the stage of second reading of the bill now before the House.

[English]

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1840)

(The House divided on the motion, which was agreed to on the following division:)

Government Orders

(Division No. 317)

YEAS

Members

Adams	Anderson
Assad	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bakopanos
Barnes	Bélair
Bélanger	Bellemare
Bennett	Bergeron
Bertrand	Bevilacqua
Bigras	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bradshaw	Brien
Brison	Brown
Bryden	Byrne
Caccia	Calder
Cannis	Caplan
Casey	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chrétien (Frontenac—Mégantic)	Clouthier
Coderre	Collenette
Comuzzi	Crête
Cullen	de Savoye
Debien	DeVillers
Dion	Discepola
Doyle	Dromisky
Duceppe	Duhamel
Easter	Eggleton
Finestone	Finlay
Folco	Fontana
Fry	Gagliano
Galloway	Gauthier
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Guimond	Harb
Harvard	Harvey
Hubbard	Ianno
Iftody	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keddy (South Shore)	Keys
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lalonde
Lastewka	Lavigne
Lebel	Lee
Lefebvre	Leung
Lincoln	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Mahoney
Malhi	Maloney
Manley	Marceau
Marchand	Marchi
Massé	McCormick
McGuire	McKay (Scarborough East)
McLellan (Edmonton West)	McTeague
McWhinney	Mifflin
Minna	Mitchell
Muise	Murray
Myers	Nault
Normand	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Peric	Pettigrew
Phinney	Picard (Drummond)
Pillitteri	Pratt
Price	Proud
Provenzano	Redman
Reed	Richardson
Robillard	Rocheleau
Rock	Saada
Sauvageau	Scott (Fredericton)
Sekora	Serré
Shepherd	Speller
St. Denis	Steckle
Stewart (Brant)	St-Julien
Szabo	Telegdi
Thibeault	Torsney
Turp	Ur
Valeri	Vanclief
Venne	Volpe
Wappel	Whelan
Wilfert	Wood—168

Adjournment Debate

NAYS

Members

Abbott	Ablonczy
Anders	Bailey
Blaikie	Cadman
Casson	Chatters
Cummins	Davies
Desjarlais	Duncan
Earle	Epp
Gilmour	Godin (Acadie—Bathurst)
Goldring	Gouk
Grewal	Grey (Edmonton North)
Hanger	Hardy
Hill (MacLeod)	Hill (Prince George—Peace River)
Hoeppner	Jaffer
Johnston	Konrad
Laliberte	Lowther
Lunn	Manning
McDonough	Meredith
Mills (Red Deer)	Morrison
Nystrom	Pankiw
Penson	Proctor
Reynolds	Riis
Ritz	Robinson
Schmidt	Scott (Skeena)
Solberg	Solomon
Stoffer	Strahl
Thompson (Wild Rose)	Vautour
White (Langley—Abbotsford)	Williams—54

PAIRED MEMBERS

Alarie	Alcock
Bellehumeur	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Bulte
Carroll	Dalphon-D-Guiral
Dubé (Lévis-et-Chutes-de-la-Chaudière)	Dumas
Laurin	Longfield
Marleau	Martin (LaSalle—Émard)
Mills (Broadview—Greenwood)	Peterson
Pickard (Chatham—Kent Essex)	Plamondon
Tremblay (Rimouski—Mitis)	

The Deputy Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

(Bill read the second time and referred to a committee)

ADJOURNMENT PROCEEDINGS

• (1845)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, on November 23, 1998, I rose in this House to speak of the 4,000

workers on Prince Edward Island who were forced to wait six weeks to qualify for employment insurance or to receive benefits.

The response by the Minister of Human Resources Development sidestepped the question entirely. He said, and I quote:

What I keep saying is that this reform has been such an important one for Canadians that we as a government will monitor very closely its impact and we will make the right changes when they need to be made, as we did not too long ago with the small weeks to address the concerns of my Atlantic colleagues.

I never said anything about small weeks. I spoke about the 4,000 workers on Prince Edward Island who were forced to wait six weeks before receiving EI benefits. That shows how much the Minister of Human Resources Development is out of touch with the real problems people are facing.

In his response, he also spoke of the “gappers”. I did not say anything about “gappers”. I was speaking about people who have had to wait six weeks for an employment insurance cheque.

Today I got a letter from a lady who wrote “How is a person supposed to manage on a starvation income of \$636 a month, when the rent is \$400 and then there is the phone and the electricity, not to mention all the little payments that have to be made? Food has to be paid for somehow”. She continues “I often ask God to come and take me away. I wonder what point there is in living, why we are put on earth to live in such misery. Help us. Urgently”.

This is the kind of message I am hearing from all over. Our people are suffering. Canadians are suffering.

The minister referred to “7,000 people in a black hole. Today, there are only 2,000”. Only 2,000 suffering. There are only 2,000 with no money coming in from January to May, whose refrigerators are empty and who are sending letters like those I have received from people telling me they want to kill themselves after 27 years of working in plants. It is a disgrace that they are being treated like this by the Liberal government after 27 years of work.

The members opposite should be ashamed because, when they were in opposition, they spoke out against the Progressive Conservative Party’s UI cuts. The hon. member for Saint-Maurice, the Liberal leader, said that the Progressive Conservatives were not attacking the real problem, which was the economy, preferring instead to go after unemployed Canadians.

• (1850)

[*English*]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the member asked the question in the past and asked it again tonight about

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people waiting for their claims to be processed in Prince Edward Island. He claimed that 4,000 people had to wait for six weeks.

We went back and looked at the records and in Prince Edward Island from April to October 1998 the average number of claims filed was about 2,000 per month. Ninety-seven per cent of those entitled to EI received their first payment within 28 days. In my lexicon 28 days is not six weeks and is pretty good service to people who apply.

His second point was about gappers. He forgets to mention that seasonal workers or workers with irregular working patterns face particular issues with regard to accessing EI. Some gappers are unable to find enough work so that the combination of work plus EI gets them through an entire year. This problem is most prevalent in his province.

We are sensitive to the plight of seasonal workers, and a change to an hours based system benefits many who work very long hours during the work season. The member has to understand that EI is not intended to be a regular income supplement and the Government of Canada prefers to put emphasis on creating additional employment to address this issue.

We have invested \$2.1 billion in active employment measures and have renewed funding for the Canadian jobs fund which provides the most direct response to the gapper issue.

In New Brunswick alone the federal government has made \$5 million available directly for the gapper issue in partnership with that province.

ROYAL CANADIAN MOUNTED POLICE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, on October 22, I asked the former solicitor general to back away from any decision to implement the so-called alternate service delivery at the RCMP depot division training academy in Regina, in my riding.

Alternate service delivery or ASD, as it is called, is the latest bureaucratic buzzword for privatization, a bad policy of right wingers who do not believe government has or ought to have any role in providing public services. We have lots of experience with privatization and right wingers in my province in Saskatchewan, lots of fiascos that I wish the federal government would try to learn from.

Privatization is synonymous with lost jobs, higher costs, low wages and reduced services. ASD or privatization has been tried in various federal government departments like CFB Goose Bay.

Here is what happens. The government fires you and then if you are one of the lucky 55% a subcontractor offers you your job back at about half the pay. Privatization: jobs are lost, costs go up to the taxpayers, wages do down and public services are reduced.

ASD is being invoked as a potential money saver by this right wing Liberal government. The Liberals believe they need to save money at the RCMP because the force's budget is in a management mess. Things are so bad that when treasury board realized last October that the RCMP had apparently overspent its budget, treasury board would not release any more funds without undertaking a \$1 million audit of the operation of the entire force by management consultants KPMG.

How bad a budget management problem do you need to justify spending \$1 million on an audit? The RCMP has a budget of \$1.2 billion. By October it was overbudget by \$11 million, mainly in B.C. and Alberta. Ten million was transferred to B.C. from other divisions of the force, cadet training was frozen at the depot in Regina and other serious cuts in policing were implemented, leaving Canadians dangerously under protected.

Now they are looking around for scapegoats and they have seized on the civilian workers at the depot as prime targets. For the record, civilian services at the depot account for \$1.9 million of the division's \$40 million budget, or 4.75% of the salaries are for the support services by the public servants in that depot.

I met with many of these workers who are concerned for their jobs and their families. They are also concerned about the RCMP and the credibility the force has. They provide a dedicated and cost effective service to the depot division and the RCMP, a quality service that would be lost if plans for privatization proceed.

These employees have already participated in one study of privatization, a study that proved privatization cost the force more money than if they had just kept the status quo.

• (1855)

There is plenty of evidence that the high management and administrative costs of the RCMP are the real culprit. The rights and privileges of the officer class also come at a very high price. If I were working at KPMG that is certainly where I would be looking first.

But in a rush to jump the gun on any other recommendations that KPMG might suggest, a last minute report from depot division management to old division headquarters in Ottawa is recommending that privatization be pushed ahead instead. The report was not done by outside consultants but by area RCMP management. It was based on out of date and incorrect information and in spite of claims that they consulted, the so-called consultants never actually consulted the affected workers. It is strange but it is true.

I wrote to the President of the Treasury Board and the solicitor general last week based on further meetings with my constituents. I have asked them to hit the pause button on the drive to privatize and to make sure they receive and read the KPMG report before making any fundamental decisions like privatizing the civilian depot employees in Regina.

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This is no laughing matter for the civilian depot workers or their families and it is no laughing matter for me or the RCMP. I hope the parliamentary secretary can report to me today that there will be no new moves to privatize those civilian services and that any decisions about the depot will wait for the KPMG report.

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, cadet training has been suspended at the Regina depot.

I want to make it clear that this is a temporary suspension. It is temporary, because the RCMP is carrying out a detailed review of its programs and service delivery mechanisms across the country, not just in Regina, but throughout Canada, as part of its duty to manage its resources responsibly.

The RCMP must make the best possible use of its resources in order to focus on its primary mandate, which is policing.

Once the review is complete, a date will be set for the reopening of the RCMP training centre.

The RCMP is recognized the world over for the quality of its training, and our government will naturally do everything it can to see that this reputation continues.

[English]

EAST TIMOR

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, in late October last year the Minister of Foreign Affairs met with Timorese leader and Nobel prize winner José Ramos-Horta.

Mr. Ramos-Horta was in Canada to urge the Government of Canada to support the people of East Timor, in particular to support their right to self-determination and to an internationally supervised referendum on their future. On that day I asked the Minister of Foreign Affairs what the position of the Government of Canada was with respect to support for East Timor's right to self-determination.

Unfortunately the Minister of Foreign Affairs did not come out in support of the right to self-determination. In fact, there have been 10 votes at the United Nations since the brutal invasion by Indonesia of East Timor and the annexation in 1975 and on not one of those votes has Canada supported the people of East Timor and their fundamental right to self-determination.

Earlier today in this House we spoke about the genocide in Armenia from 1915 to 1923. There has been genocide in East Timor as well. Since 1975 over 200,000 people, over one-third of the population, have lost their lives in the brutal repression and genocide that followed the occupation.

The East Timorese people have carried out a valiant fight for independence. We know that in 1991 hundreds of innocent marchers were massacred at a demonstration in Dili. The documentation of human rights abuses by Amnesty International, the East Timor Human Rights Centre and the UN human rights commission is extensive.

Just in the last few months Yayasan Hak, a very reliable East Timorese NGO, has monitored complaints filed by victims of extrajudicial executions, detentions, torture and forced disappearances. Over 7,000 refugees have been forced to leave their homes just in the last few months as a result of the terror and intimidation taking place there.

• (1900)

For too long the Canadian government has turned a blind eye to these abuses and instead placed the focus on establishing a cosy trade relationship with Suharto. We saw that in spades at the APEC leaders summit in Vancouver in 1997.

The fall of General Suharto last May provided some hope but clearly it is essential that the international community provide support for the people of East Timor at this time. I ask the Government of Canada today, I call on the Government of Canada to join in the growing call for a United Nations monitored peacekeeping force to oversee a referendum for self-determination. I call on our government to provide support for a transitional administration to help the territory toward independence.

The Minister of Foreign Affairs spoke just last week at the security council about the importance of his human security agenda and the importance of protecting civilians in armed conflict. What better place to apply those principles than in East Timor.

I call as well on the United Nations to dispatch a monitoring force to East Timor as soon as possible to oversee the disarming and disbanding of the paramilitaries, paramilitaries that are being actively armed and supported by the Indonesian army. We want to see a reduction in occupying troops. We want to see the protection of the population against further human rights abuses.

I urge the secretary of state, who I see in the House today, to call for a permanent United Nations office in East Timor to support and co-ordinate these very important activities. The time has come for Canada to play a positive role and to send a delegation to monitor the elections in East Timor and Indonesia. The people of East Timor have suffered long enough. Canada has been silent long enough. The time for justice is now.

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, it is not true that Canada has not paid attention to the human rights issue in East Timor. We have continuously monitored the situation and raised those concerns with the Indonesian government. At the end of last year I paid a special visit to Indonesia on human rights issues.

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Canada welcomes and is encouraged by indications that the negotiations in New York on the future of East Timor included discussions of ways of directly consulting the East Timorese people. We maintain that the East Timorese should have a say in determining their future. Now that East Timorese leader Xanana Gusmao has been moved from prison to house arrest, this will facilitate the consultation process with the East Timorese.

In October last year I personally visited Xanana Gusmao in prison. He was very appreciative of Canada's efforts in East Timor.

The Government of Canada is engaged in discussions with a number of countries regarding East Timor's future at this very pivotal time. These countries include the main parties to discussions at the United Nations. In this context, Canada is closely examining its position with a view to providing continuous support to the people of East Timor.

Canada is the third largest aid donor in East Timor and provides about \$1.1 million annually through NGOs. Canada has also regularly contributed to the All Inclusive Intra-East Timorese Dialogue. Canada's ambassador to Indonesia visited East Timor in December, one aim of his visit being to explore options for further Canadian assistance in order to build indigenous capacity and further peace in East Timor.

POVERTY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, back in December I asked the government how it could in good conscience defend its record on poverty.

Under the Liberal government homelessness is now a national disaster. Poverty is a new growth industry as a result of Liberal policy.

The 1989 unanimous House of Commons resolution to eliminate child poverty is a mere echo as child poverty has now increased by approximately 50%. The attack on the unemployed under the dreadful unemployment insurance program is a national disgrace. It is not just me who is saying this. Even the United Nations has condemned Canada for lack of compliance with the UN covenant on social, economic and cultural rights.

• (1905)

I recently completed a cross-Canada tour on homelessness. I saw for myself the awful circumstances that growing numbers of Canadians live in as a result of the federal government's abandonment of social housing in this country.

I want to ask the government: If the Liberals are genuine about eliminating poverty, why is the government not indexing the child tax benefit? Why is the government not ensuring that the child tax benefit goes to the poorest of the poor, the families on welfare? Why has this government ensured that income assistance is being

cut across the country so that more and more people are living below the poverty line? If the government is genuine about eliminating poverty, why are the Liberals not ensuring that they return the UI program to its rightful owners, the unemployed workers of Canada?

If the Liberal government is genuinely concerned about poverty, why have we not seen a commitment to build social housing in this country, something that has not happened since 1993? Why have we not seen a commitment to live up to the UN covenant on social, economic and cultural rights?

Finally, why does the government not heed its own report from the finance minister? As an opposition MP in 1990 he said "The lack of affordable housing contributes to and accelerates the cycle of poverty which is reprehensible in a society as rich as ours". That was the now finance minister speaking.

We want to know what is the commitment of this government to alleviate poverty in Canada?

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I applaud the member's dedication to and illustration of poverty in this country. Certainly many members on this side of the House share that concern.

However, I do not think it is helpful to anyone in this House to always target and blame the actions of this government. Nowhere in her remarks did I hear any recognition of some of the other social phenomena which exist in the 90s and indeed sometimes interact to exacerbate poverty.

For example, the technological revolution of which we are in the middle is putting us in a period of transition, a transition between the industrial age and the information age. Historically, social revolutions of this sort actually impede some people from moving forward. Some people adjust quickly and prosper. We are finding that today with the information workers who are training themselves upwards and are getting the good jobs with the high salaries.

Often in these periods other people find it difficult to adjust. It might be because of where they live or because of the level of their education. They fall behind. This is simply part of the period of history we are in.

The member often talks about the change to our EI system and calls it a national disgrace. Nowhere in her remarks have I heard an analysis of the new labour market and understanding that the work people do is changing. All I hear is a nostalgic wishful thinking to go backward in time and bring back a system that was suitable for the 70s, not for the 90s.

This government is attempting to eliminate poverty. We are moving forward step by step as we have the dollars to afford the actions necessary.

Adjournment Debate

ABORIGINAL AFFAIRS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am pleased to have the opportunity to clarify the exchange between the minister of Indian affairs and myself during question period on October 28, 1998.

I want to preface my remarks by stating that I have been bombarded by aboriginal people begging for forensic audits on their reserves since that exchange in October. Since that time I have realized that the confusion on this matter clearly lies in Ottawa with the department of Indian affairs which is making up the rules as it goes along.

By that I mean the department first stated that it refused to conduct investigations unless it is requested by the band leadership. I guarantee that no leadership is going to ask to have themselves investigated. Then we heard in the department's own words that forensic audits are extremely expensive and time consuming and a request from a few upset band members would not be enough to warrant one.

I have a message for the minister. It is not just a few band members, it is hundreds, probably thousands. I was just informed last Thursday that a list of 5,500 names from the Yukon to southern Alberta has been collected all asking for help with forensic audits. These people are living in buses, sitting on apple crates, freezing and starving in tarpaper shacks. They are not being frivolous when they ask for forensic audits.

• (1910)

The minister talks of accountability, transparency and working in partnership. She says she is reviewing the management practices of every first nation and that she is allowing the chief to set the minimum standards for accountability practices. Can she not see that this is the problem? The grassroots people say that most chiefs and councils do not have the first clue on how to set standards of accountability.

The minister claims that those who report financial mismanagement will lead to pitting members of the community against one another. This is simply not true. This will bring people together and put them all on a level playing field.

The largest problem today is the fact that the department has repeatedly told the grassroots people that when they have documented proof of financial mismanagement by chief and council to report it to the RCMP. However, in a letter from the commissioner of the RCMP, Phil Murray, he very clearly contradicts this statement. He says that in cases of misappropriation of band funds and/or assets, DIAND will initially review the allegations. Should the department believe an investigation is warranted, it will refer the case to the RCMP for investigation.

There are a few people on one reserve who managed to get hold of some documents. They did those things very secretly. I

would not disclose who they were because they would be in real trouble with their chief and council. The documents were a list of social payments made to members of a band every month for two to three years.

I looked at these documents and noticed that a few hundred dollars was being paid to the odd member from the band from time to time. Then every month one or two names would get a cheque for \$8,000, or \$9,000, or \$4,000. When I looked at that I wondered why those people would be getting so much compared to what the rest of them were on the lists. Then they produced death certificates. One of the people who were getting these cheques had been dead for 13 years. Not being an expert, I thought it looked a little suspicious that a dead person would be receiving that much money every month.

The band members and I went to the RCMP. We showed them the documents and the RCMP agreed that there was probably something serious here. The RCMP in turn sent it to commercial crimes in Edmonton which looked at it and notified me a few days later that there was insufficient evidence to carry on an investigation. In other words the department must not have agreed to it and told the RCMP to back off.

This whole system needs cleaning up. I would encourage the member across the way who is going to respond to me that he get out and check with his Winnipeg Coalition for Accountability Group. Let them explain the problems to him.

Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am pleased to respond to the hon. member for Wild Rose on behalf of the Minister of Indian Affairs and Northern Development concerning the forensic audits.

For too long the solution has been to have the federal government come to the rescue and fix all the problems that emerge in and around the reserve communities. We tried this approach and we know that having evaluated it in the past 50 years it has not worked. The Royal Commission on Aboriginal Peoples sent us a message to change. Today our approach is to work in partnership with first nations to build a plan that will create real change on behalf of aboriginal people.

First nations governments are expected to conduct their affairs in accordance with the principles common to all governments in Canada, namely, transparency, disclosure and redress. These principles are intended to ensure accountability of first nation leaders to their communities. To help build effective administration for this responsibility, all first nations are required to complete an evaluation of their current accountability and management practices. Where weaknesses are identified, first nations develop a plan to strengthen them. First nations are taking the initiative to build the necessary support for this activity.

Adjournment Debate

First nations governments and the Department of Indian Affairs and Northern Development work together. When problems do occur, and they do occur, a remedial management plan is put into place to help restore the first nation's financial health. This plan could include placing the first nation under a co-management plan or even third party management.

Where there is evidence of wrongdoing, it should be taken to the police as the member has alluded to. In this case of course they found there was no wrongdoing. In a first nations community, as in other communities, the police have the authority and responsibility to investigate allegations of wrongdoing.

Accountability is fundamental to self-government. We continue to partner with first nations private sector organizations and governments and we will continue to work constructively with all first nations to ensure accountability.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.15 p.m.)

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