



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, March 3, 1999**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

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

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# HOUSE OF COMMONS

Wednesday, March 3, 1999

The House met at 2 p.m.

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*Prayers*

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• (1400)

**The Speaker:** As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Sackville—Eastern Shore.

*[Editor's Note: Members sang the national anthem]*

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## STATEMENTS BY MEMBERS

*[English]*

### KRISTIN WILLEMSSEN

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, it has often been said that Canada's future is only as bright as its youth. With teenagers like Stittsville's Kristin Willemsen in our communities it makes the nation's outlook for the new millennium that much better.

Ms. Willemsen was recently honoured with the 1998 Ontario Junior Citizen of the Year Award by the Ontario Community Newspaper Association for her outstanding contribution to her community.

Kristin is not your average teen. At just 15 she is an inspiration to us all. She maintains an amazing 94.5% average in her grade 10 studies at St. Paul's High School while being an active member in a number of varsity sports and doubling as a peer helper. She also volunteers at the local library, with the community choir and she enjoys precision skating.

In short, Kristin's efforts enhance her school, her home and of course our community. In the words of her nominator, "Kristin is committed to the community and an excellent role model for all youngsters". That is one very good reason to be optimistic about our future.

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### ENDANGERED SPECIES

**Mr. Rick Casson (Lethbridge, Ref.):** Mr. Speaker, it is expected that this spring the environment minister will finally, after

many delays, be introducing legislation that will give our endangered species the protection they so desperately need. Before the minister tables this legislation I want to make one thing crystal clear so she does not make the same mistakes that her predecessors made.

Co-operation, not confrontation, is what will ensure the prosperity of our threatened wildlife.

This government must work together with provinces and landowners. It must recognize the responsible stewardship practices of landowners and create an environment where these practices are rewarded. It must respect private property rights and provide fair compensation for those landowners affected by endangered species recovery plans.

Wildlife is not protected by top-down command and control government regulations. Wildlife is protected when the government works with landowners through voluntary incentive-based legislation. It is protected when all members of society work together. It is time for our endangered species to be given the kind of co-operation and protection they deserve.

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### INTERNATIONAL WOMEN'S DAY

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, on Friday, March 5, I will be hosting a breakfast in my riding to commemorate International Women's Day and to celebrate the accomplishments of the women of Parkdale—High Park.

International Women's Day in Canada was born in the 1900s. Women in large urban centres began fighting unsafe working conditions, contesting low wages and the lack of job security. In 1907 International Women's Day was first celebrated in Copenhagen, Denmark, where thousands of women rallied and marched in the streets.

Parkdale—High Park will celebrate the success of local women, including Connie Dejak, Vice-President of the Runnymede Chronic Care Hospital; Susan D'Olivera, of the Parkdale Community Watch; Dorothy Grey from the Parkdale Community Station; Mary Jo Leddy, a professor and refugee activist; award winning and critically acclaimed actor Fiona Reid; and film and television producer Mary Young-Leckie.

*S. O. 31*

International Women's Day is a wonderful occasion to acknowledge the progress made by women from all walks of life in the advancement of gender equality, as well as an opportunity to honour all women in our communities.

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**JUNO AWARDS**

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, on March 7, 1999 the great riding of Hamilton West will once again host the Juno Awards. I cannot think of a better place to honour our performers and to show our appreciation for Canada's best musical talent.

Canadian music has never enjoyed more success at home and abroad than right now. Canadian International Music Week, the week leading up to the Junos, allows us to acknowledge Canadian talent in an increasingly competitive world.

The tidal wave of sales and success for Alanis Morissette, Céline Dion, Bryan Adams, Shania Twain, Sarah McLachlan and, dare I say, the True Grit Band certainly have international music industry observers wondering if there is something magical here.

There really is magic on the Canadian music scene. This week we pay tribute not only to those artists who are currently reaching the high notes, but also to hall of famers like Anne Murray, Gordon Lightfoot, Glenn Gould, Buffy Ste. Marie, Maureen Forester—there are just too many to list—and this year's inductee, Luc Plamondon.

We don't need a million dollars to hear the rock, jazz and Canadian folk music live on stage in Hamilton next week.

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**OFFICIAL LANGUAGES**

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, our two official languages are an essential value and part of our Canadian identity.

[*Translation*]

This is why the Minister of Canadian Heritage announced yesterday that the Government of Canada would be giving an additional \$70 million annually to promote linguistic duality.

The government is devoting its efforts to the optimum development of official language minority communities throughout the country.

[*English*]

This money will go to direct support for official language minority community groups as well as to encouraging the delivery of essential services such as health and job training and will also be

used to reinforce minority language education and second language education.

This support helps more than 260,000 young people study in their first language, while 2.7 million are learning their second language. It ensures the further development of a network of 19 French language colleges and universities outside Quebec as well as 8 English colleges and universities in Quebec.

[*Translation*]

This money will enhance the vitality of English and of French, in accordance with the terms of sections 41 and 42 of the Official Languages Act.

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● (1405)

[*English*]**THE LATE JACK WEBSTER**

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.):** Mr. Speaker, on Tuesday, British Columbia broadcasting legend Jack Webster passed away. Friends have said that Jack probably would have wanted his obituary to state that he died on Tuesday, March 2, at 10.18 a.m. precisely.

Jack Webster was born in Glasgow, Scotland in 1918 and immigrated to Canada in 1947. He spent his life in reporting and broadcast journalism. Canada remembers his face on CBC *Front Page Challenge*.

Jack was a pioneer of open line radio on New Westminster's CKNW. He was notorious for finding a molehill at 9 a.m. and building it into a mountain by noon.

One story that separated Webster from the others was the 1963 riot at the B.C. Penitentiary. The prisoners demanded to speak to either Prime Minister Lester Pearson or Webster. What followed was an all-night negotiation session between Webster and the inmates, a story that changed the country.

Jack Webster was never one to avoid a challenge or succumb to political correctness. There is now a journalism award in his honour. Canada will miss him. His irascible voice of courage defined him as a great Canadian.

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[*Translation*]**CANADIAN SPACE AGENCY**

**Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Mr. Speaker, on March 1, the Prime Minister of Canada helped the Canadian space agency celebrate its 10th birthday.

Canada has every reason to be proud of this concrete example of excellence in a sector which generates over 5,000 jobs throughout the country and revenues of \$1.2 billion, 45% of this from exports.

Since its creation, the Canadian space agency has spared no effort to maintain a national vision of space, and this has culminated in our developing lead roles as experts in such areas as robotics and computerization.

Quebec, the Montreal region in particular, holds a special position in this field, both nationally and internationally.

I wish the Canadian space agency a long life, and look forward to our young people having the opportunity to become members of this skilled team working toward an even greater program focusing on—

**The Speaker:** The hon. member for Jonquière.

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#### WORLD PUPPETRY WEEK

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, the organizers of world puppetry week at Jonquière have been awarded a prestigious prize, le prix Rideau, in the initiative category, by the independent network of special event organizers.

This award goes to the organizers of an original event that has attracted and developed a new audience.

As well, two particular productions within the 1998 festival also attracted the attention of the provincial jury at the Soirée des masques, *Les enrobantes*, presented by Populus Mordicus, and the Théâtre de l'Oeil's *Le Porteur*.

The world puppetry festival was a great success for the city of Jonquière and the region of Saguenay-Lac Saint-Jean. My congratulations to the organizers, and wishes for continuing success for many years to come.

In conclusion, I extend an invitation to everyone to attend the next edition of the festival, which will be held at Jonquière in the year 2000.

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#### AGRICULTURE

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, on February 24, the Government of Canada announced that it will give \$110 million to Quebec farmers to ensure their financial security.

Farmers in my riding of Brome—Missisquoi are very pleased about this news. The program will be administered by the Quebec government, through its own aid program for farmers hit by the farm income crisis.

Back in December, the Canadian government had announced the creation of a new program designed specifically to help those affected by the international financial crisis, particularly on the Asian market.

*S. O. 31*

The Quebec Minister of Agriculture has joined the national program. This, in our view, is a fine example of co-operation between Ottawa and Quebec City, something that will serve first and foremost the interests of Quebec farmers.

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[English]

#### BRITISH COLUMBIA FRUIT GROWERS

**Mr. Jim Hart (Okanagan—Coquihalla, Ref.):** Mr. Speaker, I rise on behalf of the people of Okanagan—Coquihalla to express my concern over this government's gross neglect of the British Columbia fruit growers.

About 5,000 jobs in the Okanagan Valley are directly linked to the \$700 million orchard industry. After two years of weather related disasters, cash-strapped growers were looking to the government's Agricultural Income Disaster Assistance program for immediate relief.

After being told they would have to wait until the summer, the growers have said enough is enough.

On March 15 the sound of chainsaws will ring through the Okanagan Valley. Growers, who have nothing to lose, will cut down their apple trees.

Financial relief is needed now, not in the summer, and long term solutions like reduced taxation must be a priority. This is just another example of Canadians paying more in taxes and getting less in services. Will the Liberal government stop the March 15 Okanagan chainsaw massacre?

\* \* \*

● (1410)

[Translation]

#### SUCH A LONG JOURNEY

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, I would like to thank all the members of this House who will be among the some 600 guests expected this evening for the showing of the feature film entitled *Such a Long Journey*.

[English]

This feature film is the result of a pan-Canadian effort involving Toronto based production company Film Works, as well as director Sturla Gunnarsson and distributor Red Sky Entertainment, both of Vancouver. The film has already achieved considerable success with 12 Genie Award nominations, taking home three Genie Awards, including best performance by an actor in the leading role for Roshan Seth, who is with us today as well as others involved in the making of this film.

*Such a Long Journey* is based on the internationally acclaimed novel by Governor General Award winner Rohinton Mistry. Set in Bombay in 1971, the year India went to war with Pakistan, this feature film tells the story of a hard working bank clerk and

*S. O. 31*

devoted family man who gradually sees his modest life unraveling.

Please join me in wishing success to all of those who have contributed to the making of *Such a Long Journey*.

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**SONS OF ITALY**

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, founded in 1905, the Sons of Italy have been a vital cog in the Canadian dynamic. Several chapters are in Ottawa today from disparate parts of the country to celebrate the achievements of Canada and to recognize the participation of Italian Canadians in the development of the country.

Italian adventurers and entrepreneurs accompanied voyageurs in the 17th century, fought alongside Montcalm and Vaudreuil in the 18th century, and in the 19th and 20th century Italian Canadian settlers immersed themselves in the agricultural, mining, forestry and transportation industries in emerging Vancouver, Trail, Canmore, Calgary, Winnipeg, Thunder Bay, Sudbury, Hamilton, Toronto, Montreal, Sydney and elsewhere.

Their descendants have become respected entrepreneurs, professionals, academics, jurists, doctors, politicians—leaders in strengthening the fabric of Canadian society. Their Canadian experience has always been marked by a sense of personal responsibility, sacrifice, self-reliance and civic duty, no matter the challenge or the hostility.

I join all colleagues today in saluting the representatives of the Sons of Italy, some of Canada's most valuable, dedicated and energetic pioneers.

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**RACISM**

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, Canada's legal system is as white as an Ottawa blizzard. Racism infects Canada's legal system and it is not getting any healthier.

A Nova Scotia study says that the chances of a person of colour being hired by the firm where they applied are virtually nil. As well, white men are twice as likely as women to be hired by the firm at which they applied.

How are visible minorities reflected in the number of judges appointed by this federal government?

The Canadian Bar Association admits that this plague of racism in our legal profession infects the whole system, from law school admission tests to hiring practices to appointments. Each and every member of parliament has both the moral obligation and political duty to fight racism in their own lives and communities and in all federal operations.

Our bill of rights outlines freedoms "without discrimination by reason of race, national origin, colour". Canada's legal profession miserably fails the test of our bill of rights.

\* \* \*

[Translation]

**PHARMACEUTICAL INDUSTRY**

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Mr. Speaker, I am pleased to rise and tell the House some very important news for the pharmaceutical industry in Canada and in Quebec. Technilab Pharma has bought out Altimed Pharmaceutical, an Ontario company.

Technilab Pharma, a company that was founded in 1974 and has its headquarters in Mirabel in my riding, will now be the third-ranking generic drug manufacturer in terms of revenues and the fourth-ranking pharmaceutical company in terms of number of prescriptions filled by pharmacists across Canada.

Technilab Pharma expects to more than double its annual revenues to \$160 million and currently employs 350 people in its three plants.

Congratulations to this leader of the pharmaceutical industry for its contribution, on the economic level, to the health of all Canadians.

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[English]

**PAY EQUITY**

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, one of the demands of striking federal public servants in my riding is that they should be paid the same in all regions of the country. However, at this very moment a federal electrician in Newfoundland, doing exactly the same job as his counterpart in British Columbia, gets \$4 an hour less.

This is the policy of the same government that recently changed our health transfers to a per capita basis, saying it wanted to make all Canadians equal no matter where they lived. If the cost is the same per capita in all regions of the country to build and equip hospitals, to hire nurses and doctors, why does it not cost the same all over the country to hire an electrician?

I support pay equity. Glaring pay inequities, be they gender based or geography based, are a disgrace and should be eradicated from the public service of Canada.

\* \* \*

• (1415)

**YEAR 2000**

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, I was pleased to read an article in the *Financial Post* today which indicated that a special United States senate committee investigating the year 2000 computer problem found that Canada is among the top ranked countries in the world in terms of its year 2000 preparedness. The

U.S. senate committee found that 70% of Canadian businesses and 94% of medium and large companies have launched programs aimed at heading off the year 2000 problem. It estimated that Canadian companies have spent over \$18 billion U.S. so far to ensure year 2000 compliance.

The members of the industry committee have worked hard on this issue and continue to monitor the year 2000 progress of business and services for consumers. We commend the Minister of Industry, his department and the private sector task force for ensuring that companies across Canada are aware of this potential problem and are taking steps to ensure that January 1, 2000 will arrive with little disruption.

With less than 10 months to go, let us continue to work toward eradicating the problem with the possible millennium bug.

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## ORAL QUESTION PERIOD

[English]

### TAXATION

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, yesterday the Secretary of State for International Financial Institutions took a swipe at parents who stay home with their children. He said they do not work as hard as parents who work outside the home, that their expenses are smaller, and that is why the Liberal government discriminates against them in the tax system.

Will the Prime Minister explain to the millions of Canadian parents who stay home with their children why their work and their financial position are of such little value to this government?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the secretary of state explained himself very clearly this morning and I am very surprised to see the Reform Party raising the question today about support for families.

Where was the Reform Party's support for families when its members voted against the child tax benefit in this House? They voted against increased funding for the community action program for children. They voted against increasing funding for the prenatal nutrition program. They voted against making child support payments tax exempt for recipients. They wanted to dismantle CPP and employment—

**Some hon. members:** Shame.

**The Speaker:** The hon. Leader of the Opposition.

### Oral Questions

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, obviously the Prime Minister was not listening yesterday. His minister was asked why government tax policy discriminates against stay at home parents and he did not deny the discrimination. Instead he justified it by saying "Well, they don't work as hard as parents outside the home".

Is this the reason the government continues to discriminate against stay at home parents in its tax policies and in its budget?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I have known the secretary of state for a long time. In everything that he has done he has shown an acute sensitivity and a great appreciation for the work of Canadians, whether their workplace be in the home or outside the home.

Anyone who has any doubt of that only has to look at the transcripts of when he was the chairman of the House of Commons finance committee, when time and time again he fought for the rights of children against the Reform Party.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, whenever the finance minister starts to bellow like that I am reminded of the preacher who wrote in his notes "Argument weak here, yell like hell".

I want to ask the finance minister, which weakness in his budget is he trying to cover? Is he trying to cover the establishment of two tier health care? Is he trying to cover the highest income tax rates in the western world? Or is he trying to cover discrimination against stay at home parents?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have a record of voting for the protection of the family in this House. It is not only speeches. It is action that this government has provided.

The only marriage that the Reform Party is interested in is the marriage with the Progressive Conservatives, and Joe Clark will not give them bedroom privileges.

• (1420)

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, if only it were so easy as to try to explain this. The government's real agenda is that next week it is going to the UN in New York City to argue the tax discrimination against stay at home parents is really okay. The Prime Minister's lawyers will be arguing that tax fairness for stay at home parents would reduce their incentive to work. Maybe he did give the government's position yesterday.

Is the Prime Minister really telling us that he thinks these moms and dads are lazy and that they do not perform any real work?

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, I wish to assure the House

*Oral Questions*

and all Canadians that it was never my intention to convey the impression that a person who stays at home does not work. This was never my intention. This is not what I meant and this has never been my belief.

The role of a partner who works in the home can be even far more demanding than the role of one who has to go outside the house to work.

Mr. Speaker, I thank you for this opportunity to clarify my words of yesterday.

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, that is great. If that is not what he meant and it was just an oops, perhaps he could change the law to make those differences.

This was a stupid, idiotic remark yesterday from a chauvinistic minister. He cannot just explain it away.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. I ask the member to go to her question.

**Miss Deborah Grey:** Yes, I surely will, Mr. Speaker. They are saying that stay at home parents and the whole tax fairness issue would reduce their incentive to work.

Why does not the Prime Minister just admit that he honestly feels single income families and stay at home parents should be punished with extra taxes? Who is going to admit it?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have a progressive tax system in Canada. I know the Reform Party is not interested in looking into the facts.

We have introduced legislation to help the family. The programs we have introduced are helping those families where one spouse stays home to take care of the children. We have new initiatives for them and the Reform Party votes against them all the time.

\* \* \*

[Translation]

**BUDGET SURPLUSES**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, repeatedly, including on October 1 in this House, the Minister of Finance has said that the surpluses in the employment insurance fund are justified in order to offset hard times or a possible and hypothetical recession.

How can the Minister of Finance say that surpluses must be accumulated for rainy days, when the Minister of Human Resources Development said last week that there was no surplus, that they had been spent and that the money did not exist any more?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, first we must look at what this government has done.

When we came to office, employment insurance contributions were \$3.07. Today, they are \$2.55. That represents over \$3.5 billion we are giving to employers, employees and SMBs in Canada.

At the same time, we have to look at the employment figures. The level of unemployment in Canada is 7.8%. That is why things are going well in Canada and why things are going well when we start talking about an economy that works.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the minister could have said it is snowing today, because what he has just told me has nothing to do with the question.

If there is no more money, if the fund is empty, if the employment insurance surpluses have been spent, what does the Minister of Finance propose to do in the event of a recession?

Will he return to a deficit situation? Will he again cut benefits to the unemployed or will he increase employers' and employees' contributions to the employment insurance fund? If there is no more money, what solution will the minister choose?

• (1425)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, in the last recession, the fund was running at a \$6 billion deficit. Today, it has a surplus, and that is a good thing, because it provides us with a bond for the future.

Deficit and recession were mentioned. Let us look at job creation: over 1.5 million new jobs, including over 525,000 new jobs in the past thirteen months. Canada is creating jobs faster than any other country, and the opposition leader is talking about recession.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, it is interesting to hear the Minister of Finance telling us there will not be a recession, that everything is fine in Canada, that unemployment is going down.

In his last budget, on page 64, the Minister predicts a \$1.3 billion increase in employment insurance benefits in 1999-2000.

Since the Minister of Finance is telling us that unemployment is going down, how can he explain such an increase in benefits for this year? Is he going to enhance the program, or is he going to hide surpluses from us once again?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, it is because salaries are increasing, which is the best thing that could happen for Canada.

The hon. member is not pleased by that, but I like to see salaries in Canada increasing.

*Oral Questions*

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, what he is not telling us is that, according to the chief actuary, there will be a 2.5% increase in earnings, while he is increasing employment insurance benefits by 11%. His answer does not hold up.

Is he again telling us that, as in past years, he is again going to conceal the surpluses he is taking out of the pockets of the unemployed?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, it is absolutely obvious that, as salaries increase, as the economy grows, as the work force increases by 1.5 million, inevitably we will also see benefits increase, as there will be far more people in the workforce who could lose their jobs.

This is how we need to do advance calculations. This is the proof of a dynamic economy.

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[English]

**PENSIONS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, first it was the unemployment insurance surplus. Now it is the pension fund. The government has never seen a pot of money that it did not want to raid.

The public pension plan was created to pay pensioners, not to pay government. Let us remember that the majority of pensioners are women.

What is the scheme? Government raids the surplus and then raises contributions. Why should these workers have to pay twice for these pensions?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, as my colleague should understand, because I have said it a number of times and I will say it again, public sector pension plans are legislated that the outcome, which is the payout to employees, is guaranteed by law.

In the past when there were deficits, for instance when the plan was indexed and the liabilities suddenly increased by close to \$8 billion, it was the government and the taxpayers who paid for it. Because it is a legislated plan and a guaranteed outcome, every cent of that surplus belongs to taxpayers.

[Translation]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the surplus in the employment insurance fund has disappeared. One-third of the federal employees' pension fund has been spent. The surplus in the Canada pension plan is going up. From whom will the government take money next, after the workers?

Is the government now going to tell retirees that it's "Goodbye, Charlie Brown"?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, as I have said on numerous occasions, but will say again, the government pension plan is covered by legislation, and public sector employees have their pension plan benefits guaranteed by law.

All the risks are assumed by the government, and hence by the taxpayers. Every time there has been a deficit in the public service pension plan, the government has made it up. For example, when the plan was indexed, there was an \$8 billion deficit and the government was the one that made it up. The surplus therefore belongs to the taxpayers.

\* \* \*

● (1430)

[English]

**TAXATION**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, yesterday Canadians were appalled to hear the Secretary of State for International Financial Institutions say that two income families are putting in twice the amount of work of single earner families.

If the Minister of Finance genuinely disagrees with the statement yesterday of the Secretary of State or International Financial Institutions that two income families deserve special tax treatment, why does he not give the tax relief that Canadians deserve to all Canadians families?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member knows that is not what I said, but let me repeat it for his benefit. What I said was that I have known the secretary of state for a long time.

If the hon. member would like to go back and look at the transcripts when the secretary of state was the chairman of the House of Commons finance committee, what he will see is a member of parliament, a member of the House and a member of the government who consistently fought for Canadian families, who consistently fought for Canadian children. He did not do it with any help from the hon. member or any of his ilk.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. I would ask all hon. members to be very judicious in their choice of words.

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, the secretary of state probably also said he would abolish the GST when he was in opposition. The fact is that the C. D. Howe Institute has calculated that a two income family with two children will pay \$14,000 more in tax than a single earner family in Canada.

If the minister agrees that stay at home parenting is real work, why does he not eliminate his discriminatory tax policy that punishes stay at home parents?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, if my word was unparliamentary, I apologize. It is very hard to figure out what to say about them.

In essence we have a progressive tax system. If the hon. member does not agree with a progressive tax system, let him stand in the House and say it.

How do we make sure that Canadian children are taken care of and are best protected? That is what the government has worked on. That is why we brought in the child tax credit. That is why we brought in the other measures.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I can assure the finance minister that this tax system is regressive for single income families.

This is more than just about the junior minister's foot in mouth disease. The senior minister is not blameless in this whole episode either. Two weeks ago he brought in a budget and entrenched the discrimination against single income families. It actually got worse in the last budget.

What is the minister's excuse? He cannot blame this simply on a slip of the tongue.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, our tax system is based on two principles, progressivity and individual taxation.

If the hon. member opposite does not agree with progressivity and believes in fact that higher income Canadians should be taxed at a lower rate than lower income Canadians, let him stand in the House and say so.

If the hon. member believes that in fact we should be taxing not on an individual basis but on a family income basis, that a lower income spouse should be taxed at his or her higher income spouse's tax rate, let him stand in the House and say that. What is their agenda?

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I believe the government has an obligation to show that it values parenting. It has an obligation to treat single income families like they have some value when they stay home to look after their children.

What is the matter with that? Why can Canadians not be treated fairly so that when they stay home and look after their children the government shows through the tax system that is a good thing?

In budget after budget the government has chosen to discriminate against those families. How can it do that? How can it justify that?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, it is almost obscene to hear the Reform Party cry crocodile tears about children.

The Prime Minister gave a list. Let us just go on. Why then is the Reform Party seeking to dismantle the maternity benefits and the paternity benefits in the Canada pension plan? Why did members of the Reform Party vote against the way in which we reversed the taxation of child support payments to benefit children? Why do they want to cut welfare payments? Why do they want to cut equalization payments?

• (1435)

The fact is that every single day since the Reform Party was elected along with the government in 1993 it has fought against kids and it is—

**The Speaker:** The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE FUND**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, people have had enough of watching the Minister of Finance tinker with the employment insurance fund, alter the figures and make up new twisted excuses to continue to take more than \$6 billion per year from the EI fund, at the expense of workers, businesses and the unemployed.

Does the Minister of Finance agree with his colleague, the Minister of Human Resources Development, who said on Monday that the Bloc Québécois proposal to turn the employment insurance fund into an independent fund is an interesting suggestion?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I said that, as a government, we had clearly launched a debate in recent months, and the public is taking part in it. The Bloc Québécois told us it would like to see an independent fund, such as what they have in France.

I said “there is an interesting suggestion” because it is indeed an interesting idea. But it does not mean it is the only solution.

I also reminded the Bloc Québécois that when the fund was running a deficit, they never proposed the creation of an independent fund. I also asked them to think about the impact of an independent fund. Should it run a deficit, what would be the position—

**The Speaker:** The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Minister of Finance knows that the employment insurance fund paid back to the government all the money borrowed, including the interest, and that this year the fund will have an accumulated surplus of close to \$25 billion.

Again, is it not time to remove the employment insurance fund from the hands of the Minister of Finance and of the Minister of

*Oral Questions*

Human Resources Development and turn it into an independent fund that would be run by those who pay into it?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I can tell you one thing: the system that has been in effect since 1986 in Canada remains in effect.

The Minister of Finance pays interest each year on the money that comes from the employment insurance fund, as stipulated in 1986 by the auditor general.

Therefore, all these claims by the Bloc Quebecois to the effect that money is being stolen are utterly false, since we rigorously pay interest on that money, as we must.

\* \* \*

[*English*]

**TAXATION**

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, yesterday the junior finance minister told us that the government does not value the work of parents who stay at home. Let me tell the government that the most important work in the world is done by parents who stay at home and raise future generations.

It was not just a slip of the tongue. I have in my hand a memo from the Prime Minister's Office which says that the assumption that increased tax deductions will encourage parents to quit their jobs and return to the kitchen is naive.

Why does the government perpetuate these kinds of negative prejudicial stereotypes about parents who make sacrifices to do what is best for their kids?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the preamble to the hon. member's question is simply nonsense. The issue is how best can Canadians take care of their children and what is the role of the state.

I have asked the hon. member and his party whether they are against progressive taxation. We have had no answer. I have asked the hon. member whether they are against individual taxation. We have had no answer.

The one thing on which we have had an answer is that the government brought in the child tax benefit and its improvements. These apply to Canadians who work in the home and to Canadians who work outside the home. We know that the Reform Party opposed it.

**Mr. Jason Kenney (Calgary Southeast, Ref.):** Mr. Speaker, we are for progressive taxation. Maybe the minister could tell Canadian stay at home parents what is progressive about a system that discriminates against their choice to raise their kids at home.

Maybe the minister could tell us whether or not he will continue to penalize those families by increasing the deduction for child care and not extending it to all families including those who stay at home.

Maybe the minister could tell us whether or not he will allow a free vote for the members of his party when we put forward a supply day motion tomorrow allowing for tax fairness for all families.

• (1440)

**The Speaker:** Order. The question of course is out of order but the hon. Minister of Finance may answer it if he wants.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, for well over five years, the essential debates that have taken place in terms of how to protect children have taken place within this caucus, whether it be the member for Mississauga South, whether it be the women's caucus of this party or whether it be our social caucus.

The fact is every progressive idea has come from this side of the House and on that side of the House they have reacted negatively to everything.

To stand up here today with crocodile tears pretending that they are interested in the future of our children is simply not on and it will not be bought by any Canadian.

\* \* \*

[*Translation*]

**IMMIGRATION**

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, on Monday, the Government of Quebec requested full responsibility over the selection of temporary workers to complement the powers it recently acquired as part of manpower training.

Could the Minister of Citizenship and Immigration tell us whether she intends to respond favourably to the request by Quebec, which wants to assume the responsibility involved when temporary workers come to Quebec.

**Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I wish to take this opportunity to inform the members of this House that I met all of my provincial counterparts responsible for immigration matters to get their reaction to the new directions the government is taking regarding legislation on immigration and refugee protection.

That said, I also met my counterpart from Quebec, who shared his opinions on the government's policies. Let me say that I was delighted to see that the Canada-Quebec agreement currently in force was very well received. Naturally, we already knew, but it has been praised by the new minister of immigration.

*Oral Questions*

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, I think the minister is a bit tired.

While there is a natural generally acknowledged link between immigration policy and manpower policy, will the minister not agree that Quebec should have control over the validation of temporary job offers, if it is to maintain consistent policy on manpower and the labour market?

**Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, indeed, those working hard as an MP and a minister can at times become tired. We might wonder about those who do not.

We are open to all suggestions and to reviewing the Quebec-Canada agreement. If the Bloc member is suggesting the agreement be reopened, I would be pleased to look at it, but with the Government of Quebec only.

\* \* \*

[English]

**TAXATION**

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the finance minister is in full damage control mode. He has been asked four or five questions about an obviously discriminatory tax position in the government's tax policy and he has not answered. I ask him one more time why did his 1999 budget make things worse rather than better for stay at home parents?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the premise of the hon. member's question is simply wrong. The fact is we brought in a \$300 million addition to the child tax benefit which goes directly to middle income Canadians whether their workplace is at home or outside the home.

If the hon. member wants to talk about damage control, it is a fact that on the whim of the Reform, suddenly it decides it is interested in children. For five years it has been against children. For five years it has talked only about the deficit.

While we were fighting the deficit and at the same time protecting kids and protecting Canadian families with children, the Reform Party opposed every single measure.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, these are the facts. A two income family and a one income family, each with children, each earning \$50,000 a year, are taxed differently by this government. The one income family is penalized up to \$4,000 more than the two income family.

• (1445)

If the finance minister does not believe in that discrimination, why does he not change his tax policy which is at the root of it?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, we have made it very clear, following on the work that has been done within this caucus and within the various departments, that what we want is the finance department this year to work very heavily on those things we can do to help families with children, improvements to the child tax benefit and others.

If the hon. member believes that the solution is not things like the child tax benefit, I simply ask him is he now saying that he no longer believes in progressive taxation? Is he now saying that he no longer believes in taxation of the individual? Does he believe that somebody who is earning \$25,000 a year—

**The Speaker:** The hon. member for Saint-Bruno—Saint-Hubert.

\* \* \*

[Translation]

**FEDERAL EMPLOYEES' PENSION FUND**

**Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, the federal government's foot-dragging in the Singer affair was difficult to comprehend. But things are clearer now that we know that the government plans to treat its own employees the same way and pocket the surplus in their pension fund.

**Hon. Pierre S. Pettigrew:** That is dishonest.

**Mrs. Pierrette Venne:** Does the President of the Treasury Board in fact intend to engage in a new confrontation with public servants over the surplus in their pension fund, just as he is now at daggers drawn with blue collar workers, women, professionals and retired employees of the public service?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, once again, I must repeat that the public service pension plan is a legislated fund and thus differs legally from a private sector pension plan.

All the risks associated with the public service pension plan are assumed by the government. When there is a deficit, the government picks up the whole tab. Through legislation, the government has guaranteed the benefits of employees receiving pensions. These pensions are guaranteed by the government.

\* \* \*

[English]

**HEALTH**

**Mrs. Sue Barnes (London West, Lib.):** Mr. Speaker, my question is for the Minister of Health. There are indications that marijuana could be beneficial for the relief of pain and nausea in cancer, AIDS, MS and glaucoma patients. Is the minister supportive of making marijuana medically available to persons in medical

*Oral Questions*

need and of supporting research into the medical effectiveness of marijuana?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the member for London West has done a great deal to advance this issue. This government is aware there are Canadians suffering, who have terminal illnesses, who believe that using medical marijuana can help ease their symptoms. We want to help.

As a result, I have asked my officials to develop a plan that will include clinical trials for medical marijuana, appropriate guidelines for its medical use and access to a safe supply of this drug.

\* \* \*

**THE SENATE**

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, yesterday Senator Carstairs threatened to hold the work of the House hostage if senators do not get their funding increase. Appointed senators intend to restrict the activity of the House of Commons but it is our responsibility to be accountable for the spending of hard earned tax dollars.

Will the Prime Minister publicly rebuke Senator Carstairs for her remarks?

**Some hon. members:** Oh, oh.

• (1450)

**The Speaker:** I will permit the hon. House leader to answer the question.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased to answer the question from the hon. member when he is questioning the estimates of the other place. We know of course that he is almost virtually everything around here, but he and the House should know that a good portion of what is in our estimates are the salaries of the employees of the other place. Among other things he is now against the employees of Parliament Hill.

**Some hon. members:** Oh, oh.

**The Speaker:** Order. I think we are going down a path here that is getting a little slippery. I ask the hon. member to pose his second question but to please be very judicious.

**Mr. Rob Anders (Calgary West, Ref.):** Mr. Speaker, to add insult to injury, the Senate is threatening to go on strike. Who would notice? Yet it is demanding \$3 million more. That type of ransom is out of line.

Is the Prime Minister allowing the unaccountable Senate to wag the elected dog?

**The Speaker:** I judge the question to be out of order. If the Prime Minister wishes to answer the question, I will permit him to do so.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I remember not long ago we wanted to reform the Senate and they opposed it. They never take a very long view of things, like earlier today. They voted against every change in the law to help the family. Now they have changed their minds. They voted against Senate reform. Now they are complaining about what they voted for.

\* \* \*

**FAMILIES**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, my question is for the finance minister. While the Liberal and Reform parties argue about who gets the benefits, parents who work outside the home or parents who work inside the home, the real story is the kids get the short end of the stick.

Parents who stay home with their children get no help from this government and parents who work outside the home are being forced to work longer and longer hours to make ends meet and have less time to spend with their kids.

What will this government do to relieve the stress on Canadian parents and support children?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, that is precisely the point we have been trying to make to the Reform Party, that what is really important here are Canadian children.

That is why as a government we brought in the child tax benefit. That is why we brought in increased funding for the community action program for children. That is why we brought in the prenatal nutrition program, all these items. That is why we protected maternity and paternity benefits in the Canada pension plan against the onslaught of the Reform Party, precisely because the end game here is the welfare of Canadian children.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the fact is the child tax benefit does not even begin to do the job.

Last month Tom Kent, one of the architects of Canadian social programs, issued a study on how we can support children and families. He called on the government to introduce a universally accessible early childhood education program.

Will the minister listen to the architect of Canadian social programs instead of destroying the social programs that we have had and support Canadian children and their families?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, at the time we moved with the national child benefit our government had conducted extensive consultations across the land and many experts advised us on the very way that has been chosen by this government to help children.

*Oral Questions*

There is \$2 billion invested in it per year on top of what we were doing.

I remind the member that all provincial governments are participating in it and think it is an extraordinary program helping children and making the provinces and the Government of Canada work together better for Canadian children.

\* \* \*

**NATIONAL DEFENCE**

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, the late Captain Peter Musselman was a Labrador pilot who took this Liberal government at its word and signed a pilot terminable allowance entitling him to a bonus of \$25,000 a year for three years.

• (1455)

He was killed less than a year ago in the Labrador 305 explosion in Gaspé.

Will the minister explain to this House why this man's family is not entitled to the remaining \$50,000?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I will be happy to look into the particulars of the case the member is talking about.

While he has raised the matter I should note that the investigation is still underway with respect to the Labrador crash. It was a tragic event. We do not want that to happen again. We want to get to the bottom of it as quickly as possible so that if any action needs to be taken to rectify the matter in terms of the safety of our aircraft it will be taken. The safety of our pilots is of utmost importance to us.

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, this does not have anything to do with the crash itself. It is the family.

Families of Canadian forces members who lose their life on duty, such as Captain Musselman, are entitled to a supplementary death benefit equal to two year's salary. The pilot terminable allowance was a three year bonus on his salary. I think we owe his family.

Will the minister ensure that this man's family receives the \$50,000 remaining in his PTA? Let us do it right for a change. Please, yes or no?

**Hon. Arthur C. Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, as I indicated a moment ago, I will look into the matter and advise the hon. member accordingly.

We want to do all we can to support the family which has suffered such a great loss.

**FOREIGN AFFAIRS**

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

Last December the International Court of Justice rejected Spain's suit against Canada in the fisheries jurisdiction case. The verdict removed earlier questions as to the effect of the 1982 UN convention on the law of the sea on Canada's legal case before the court.

Will the minister consider proceeding now to ratification of the convention?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, as the House knows, Canada has taken a very active role in securing a UN convention to protect straddling stocks, those fishing stocks that are on the 200 mile zone border or on the high seas. We are now actively pursuing a negotiation to get it fully ratified.

I can tell the hon. member that once that enforcement regime is put in place to protect and conserve fishing stocks, Canada will be in a position to ratify the law of the sea convention.

\* \* \*

**HEALTH**

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, the health minister just made an announcement that he will allow the compassionate use of smoked marijuana for those who are ill.

Is this the first step in the Liberal government's decriminalizing marijuana for other purposes?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, what I said is I have asked officials to develop a plan that would include access to clinical trials so we can look at evidence. Surely the hon. member's mind is not so closed that he is not prepared to consider evidence from research into the question.

There are people who are dying. They want access to something they believe will help with their symptoms. We want to help. Clinical trials would allow us to get research to know more about how we can help.

\* \* \*

[Translation]

**MR. JUSTICE ROBERT FLAHIFF**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, it will soon be two years since Mr. Justice Robert Flahiff was suspended with full salary of \$178,500, while defending himself against money laundering charges which have just culminated in a three year prison sentence.

Can the Minister of Justice tell us how this judge, who has just been given a prison sentence, can continue to draw a full salary and benefits, at the taxpayers' expense?

[*English*]

**Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as has been said in the House, the minister has put a complaint before the Canadian Judicial Council. The complaint is still before it. The case of the judge is in appeal.

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#### ROYAL CANADIAN MOUNTED POLICE

**Mr. Svend J. Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, yesterday three members of the RCMP commercial crime squad in B.C. executed a search warrant on the home of the premier, accompanied to his door by two journalists from BCTV.

In view of the seriousness of this matter will the solicitor general fully review the circumstances that led to the presence of the media with the RCMP and will he clarify the policy of the RCMP with respect to this apparent collusion between the RCMP and the media?

• (1500)

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, as my hon. colleague is well aware, the RCMP was acting under its provincial capacity which comes under the direction of the attorney general of British Columbia.

\* \* \*

[*Translation*]

#### TAXATION

**Mr. Jean Dubé (Madawaska—Restigouche, PC):** Mr. Speaker, the way the Secretary of State for Financial Institutions insulted women who work in the home yesterday shows just how totally disconnected from the reality of Canadian families this government is.

His words are on record, we have heard them, and all Canadian families have heard them. His response ought to be simple.

Will the secretary of state offer his apologies to homemakers for his offensive remarks about them?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member is a bit late. First of all, the secretary of state has already responded to this question numerous times here in the House, and very well too. I myself have also responded.

I can say that I have known the secretary of state for a very long time and that he has always been very much aware of work in the

home and outside the home. When he headed the Standing Committee on Finance, he fought very hard for the children of Canada.

\* \* \*

#### POINTS OF ORDER

##### DECORUM IN THE CHAMBER

**Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, a few years ago, when Mr. Fraser was the Speaker of the House, he struck a committee which deliberated on matters of mutual respect among members. The committee no longer exists, but I have the strong impression that it should be re-established after what I heard today in the House.

I would mention that the member for Papineau—Saint-Denis, who, when I put a question shouted, or should I say, yelled, "That is dishonest".

• (1505)

Mr. Speaker, I ask you to have the minister at least withdraw his words and I strongly suggest that the committee, which served a purpose at the time, be re-established.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. The member has raised two points. I was not aware that there used to be a committee to review the language used by members of the House.

In my opinion, it is a very good idea, because it would be of help during Oral Question Period, and not just then. If hon. members wish such a committee, perhaps the best place to discuss it would be with the Standing Committee on Procedure and House Affairs.

The hon. member also mentioned that another member had "yelled", I think was her word. The hon. member is not here, at least I do not see him. We could ask the member if he used the word "dishonest". I did not hear it myself.

**An hon. member:** He is here, Mr. Speaker.

**The Speaker:** He is here, I am sorry.

I did not hear the word "dishonest". I do not know how he used it. However, before turning the floor over to the hon. minister, I merely wish to point out to members that I hear yelling from several of our members on both sides of the House from time to time, and that this is not acceptable in this place.

I agree with the hon. member that, when a question is asked, we should listen to it, and when an answer is given, we should listen to that too.

Now, If the hon. minister wishes to add something, he has the floor.

*Routine Proceedings*

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I should not have used the word “dishonest” in fact, but it is not as bad as “thief”, “liar” and whatnot that we constantly hear from the members opposite.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. May I say that the hon. minister withdraws the word?

**Hon. Pierre S. Pettigrew:** Yes, Mr. Speaker, I withdraw the word dishonest.

**The Speaker:** Thank you. In my opinion that ends this point of order, but the hon. member’s suggestion is a good one and I hope—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. I do not often get an opportunity to speak, so members should listen to me a bit. If I wish to say something, I would ask members to listen to what I have to say. If this committee were to be struck again, I would be very pleased.

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## ROUTINE PROCEEDINGS

[Translation]

### GOVERNMENT RESPONSE TO PETITIONS

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

\* \* \*

• (1510)

[English]

### FIRST NATIONS OMBUDSMAN ACT

**Mr. Myron Thompson (Wild Rose, Ref.)** moved for leave to introduce Bill C-480, an act to establish the office of first nations Ombudsman to investigate complaints relating to administrative and communication problems between members of first nations communities and their first nation and between first nations, allegations of improper financial administration and allegations of electoral irregularities.

He said: Mr. Speaker, indeed it gives me pleasure to table this private member’s bill, an act to establish the office of First Nations Ombudsman to investigate complaints relating to administrative and communication problems between members of First Nations communities and their First Nation and between First Nations,

allegations of improper financial administration and allegations of electoral irregularities.

Leona Freed and Rita Galloway were in town yesterday. They were talking to us about the problems they are facing on the reserves. They have asked for an ombudsman. This bill will do that. I have heard favourable comments from government members and the press that it might be a solution to deal with these problems. I am looking for support from all sides of the House to get this bill into action as quickly as we can.

I congratulate the people in the accountability coalition group for initiating this and I am honoured to present it on their behalf.

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

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## PETITIONS

### CUSTOMS

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, I am pleased to present a petition, mainly from people in the city of Estevan in my constituency, who are asking that the hours of entry at the port of No. 47 highway which is directly south of Estevan be extended. A number of Americans are coming north to shop in this progressive city. I am very proud to present this petition at this time.

### THE SENATE

**Mr. Roger Galloway (Sarnia—Lambton, Lib.):** Mr. Speaker, I am pleased to present a petition duly certified which contains about 1,500 names of people from my riding and from the province of Quebec. It notes that the Senate of Canada costs taxpayers some \$50 million a year, that it is redundant, that it undermines the role of MPs in the House of Commons, and that there is a need to modernize our parliamentary institutions. It calls upon parliament to undertake measures aimed at the abolition of the Senate.

**Hon. Lorne Nystrom (Regina—Qu’Appelle, NDP):** Mr. Speaker, I too have a petition surprisingly signed by 104 people, I guess representing 104 senators. I notice they are from Hamilton, London, and Grimsby, Ontario; and Saskatoon, Regina, and Pilot Butte, Saskatchewan; and so on. These people are saying the Senate is undemocratic, unelected, unaccountable and costs the Canadian people some \$50 million a year. They are saying it undermines the role of MPs in the House of Commons. They want to modernize parliamentary institutions. Because of that, these 104 people are calling upon the House of Commons to begin the process of abolition of the Senate.

### HUMAN RIGHTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition

signed by a number of Canadians, including from my own constituency of Mississauga South, on the subject of human rights.

The petitioners would like to draw to the attention of the House that human rights abuses continue to be rampant around the world in countries such as Indonesia. They also point out that Canada continues to be recognized as the champion of human rights around the world. Therefore they call upon parliament to continue to condemn human rights abuses around the world and also to seek to bring to justice those responsible for such abuses.

## THE SENATE

**Ms. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I too have a petition on behalf of a number of western Canadians who want to voice their dissatisfaction. They desire to see the abolition of the Senate. They consider it an undemocratic institution and it is not doing the job it should be doing for Canadians.

• (1515)

## GASOLINE ADDITIVES

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I am honoured to present two petitions signed by residents of the Windsor and Grand Bend area.

They urge parliament to ban the gasoline additive MMT, noting that it is not used in Europe and most American states as it clogs emission control devices in vehicles and is opposed by all major car companies.

## MARRIAGE

**Mr. Rick Casson (Lethbridge, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I am pleased to present the following petitions which come from concerned citizens in my riding of Lethbridge, Alberta.

The petitioners call upon parliament to enact Bill C-225, an act to amend the Marriage Act in order to define in statute that a marriage can only be entered into by a single male and a single female. It is my pleasure to support them.

**The Deputy Speaker:** The hon. member for Lethbridge has been here long enough to know that his support or otherwise of the petition is uncalled for in the presentation of petitions. I know he would want to comply with the rules in every respect.

## VIOLENT CRIMES

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition signed by constituents of Windsor West.

The petition requests that parliament introduce legislation to publicly acknowledge offenders of violent crimes.

*Routine Proceedings*

## THE SENATE

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, it is a pleasure on behalf of many constituents in the province of Saskatchewan in communities like Rama, Invermay, Margo and Hazel Dell to present a petition to let the House of Commons know that they are sick and tired of the waste of \$50 million a year on the Senate.

They think this is an undemocratic place where only friends of the Prime Minister are appointed and that they are unaccountable. They want the House of Commons money to commence action to abolish this terrible waste of taxpayers money on the Senate.

## MERCHANT NAVY VETERANS

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I am pleased to present a petition from 55 of my constituents from places like Bowmanville, Orono and Newcastle who were members of our merchant navy during the second world war and Korea.

They call on parliament to act now to compensate merchant navy veterans for their services and hardship after serving on Canadian and allied ships during World War II and Korea.

## PAY EQUITY

**Ms. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, I would like to present a petition on behalf of residents of Edmonton and Calgary on pay equity.

## NUCLEAR WEAPONS

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition on behalf of Manitobans, some of whom are my constituents, who are concerned about the possible sale of Candu nuclear reactors to Turkey.

The petitioners point out that the reactors would be located in a seismic area known for frequent earthquakes. The petitioners are concerned about a possible nuclear accident that would affect not only Turkey but neighbouring countries.

They also contend that Turkey is a state that does not respect the human rights of its citizens, represses its minorities and has used force and military aggression against its smaller neighbours, and that giving nuclear technology to such a country will give it the ability to produce nuclear weapons of mass destruction and destabilize the whole region.

The petitioners call upon parliament to oppose this sale and to take all possible measures required to stop it.

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, a perfect sequel. This petition reminds parliament that the continuing existence of 30,000 nuclear weapons poses a threat to the health and survival of human civilization in the global environment and calls upon parliament to support the immediate initiation and inclusion by the year 2000 of an international convention

*The Budget*

setting out a binding timetable for the abolition of all nuclear weapons.

## HEALTH CARE

**Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I am very pleased to present a petition from hundreds and hundreds of Canadians in all parts of the country expressing their concern about the state of the Canadian health care system.

The petitioners call upon the government to preserve and enforce the Canada Health Act. They also call upon the government to ensure that the principles of universal coverage, accessibility, portability, comprehensive coverage and federal funding are lived up to.

Most important and most appropriate in terms of the state of health care in the country today, they call on the government to ensure that the principles under the Canada Health Act are applied broadly and are there for every citizen as a matter of being part of a civilized country.

\* \* \*

• (1520)

[Translation]

**QUESTIONS ON THE ORDER PAPER**

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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**MOTIONS FOR PAPERS**

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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**GOVERNMENT ORDERS**

[English]

**THE BUDGET**

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 2 consideration of the motion that this House approves in general the budgetary policy of the government.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.):** Mr. Speaker, I am pleased to have the opportunity to add my thoughts on the federal budget that was tabled a couple of weeks ago in the House.

A budget sometimes seems like a boring document, but it is really a statement of how much of our earnings the government intends to take. It touches each one of us, the work we do and the money we have in our pockets. It is a statement of how much money the government intends to spend, remembering that the government does not have money of its own. It only has our money. It is also a statement of what the government is to spend our money on.

We have some very strong criticisms of the government in all those three areas in terms of how much it intends to take from our earnings, the way it is managing the spending of our earnings, and what it is spending our earnings on.

We could have reversed the enormous tax hit and the slashing of dollars from medical care, which we were told when the government was elected was necessary to eliminate having to borrow to meet government obligations. We did not want to live on borrowed money. The government said it would have to tax us more and cut support for health care.

We took that, some of us perhaps more willingly than others. Some of us were astonished that it was the Liberals, who had always stood up with their hands on their hearts saying that they would protect the Canada Health Act against the fires of hell if they had to. However, when push came to shove, their words meant nothing as so often happens with Liberals.

Here we are today with no deficit. In fact we have a healthy and growing surplus. Yet there is still extra taxation and there are still cuts to the former support that we had for our health care services. Why do these continue?

Federal revenues are an astonishing \$42 billion between March 31, 1994 and March 31, 2000. On average each taxpayer is paying over \$2,000 more a year in taxes than they did when these Liberals came to power. The government is taking \$2,000 more from each taxpayer's pocket. That is a lot of money to most Canadians.

The *Globe and Mail* on February 23 made this cogent statement: "A real tax cut doesn't just slow the growth in government's revenue. It leaves the government with less revenue". We have not really had a tax cut if government is still taking in more this year than it did last year, which the government is doing. There has not been a tax cut at all. There is less of an increase than there might have been. When the Liberals talk about tax cuts they are simply not being accurate with their words.

Since the government is confiscating billions more of the income we worked so hard to earn, what wonderful things is the Liberal government doing for us with our own money? I might add that \$1 billion would be like winning a million dollar lottery three times every day for an entire year. That is how much \$1 billion is. The government is taking \$42 billion out of the economy, out of the pockets of the hardworking people of the country.

*The Budget*

• (1525)

In the most critical area of meeting our medical and health care needs, especially as we get older and we know that the population is getting older as the baby boomers retire, very little is being done by the government to meet our health care needs.

For the 10 year period from the time the Liberals were elected in 1993 to 2003, they will have slashed \$33.3 billion from support for health care and education. During the same period of time, 1993 to 2003, they will put back \$11.5 billion into health care. They slashed over \$33 billion in this 10 year period. There was an outcry, which there might well have been, and they grudgingly put one-third of it back.

In other words, the Liberals only made two-thirds of the raid on health care that they intended to make. We are supposed to thank them and feel that they are a wonderful, wonderful governing party because they only raided our health care funds by two-thirds of what they really would like to have done.

In fact each and every Canadian will have nearly \$500 less available to care for their medical needs this year than when the government took office, and that is not all.

In addition to the enormous and punishing tax grab Canadians have staggered under with the government, the government uses a sneaky device to ratchet up its tax take year by year called bracket creep. According to the Caledon Institute, this device has pushed 1.9 million taxpayers from the lowest to the middle tax bracket and 600,000 taxpayers from the middle to the top bracket. It has also added more than a million low income people to the tax rolls in the last 10 years.

When the government brags about the few people that its little tax cuts pushed off the tax rolls, hon. members might want to just balance that with all the people who are pushed on to the tax rolls and pushed into paying more taxes because of these sneaky stealth taxes which the Liberals have had over five years and six budgets to fix and have done absolutely nothing about.

In 1980 a single wage earner would be able to keep \$10,500 before paying tax. Guess what it is now under the Liberal government. Last year taxes were due after only \$7,000 of income. The Liberals in their generosity will now let that taxpayer keep an extra \$175 before the tax man comes knocking. Think of the generosity of allowing a single taxpayer to keep \$175 more before starting to pay tax. Even that paltry sum will quickly be eroded by the stealth tax that I spoke of before.

Let us look at the child tax benefit. The Liberals make a great deal of this so I think we should spend a minute talking about it. The child tax benefit system is a program which the official opposition supports. It represents the best of co-operation between

federal and provincial agreements. It is targeted to those families that have modest incomes from work. It is designed to encourage families and allow families to stay in the workforce. Regrettably it is not as generous as it first appears. The child tax benefit system was subject to this stealth tax, this partial deindexing in 1985, and 14 years later, six of them under a Liberal government, this regressive measure is still in place.

Each year the value of the child tax benefit declines at the rate of inflation and the value of the threshold at which the benefit is clawed back declines by the rate of inflation. A family with an income of between \$20,000 and \$30,000 a year faces a clawback of up to 27% of the benefit on any additional earnings under the Liberal government. What a nasty and insidious tax burden. It is heaviest on those with low incomes.

• (1530)

Secondly, the government announced increases in this child tax benefit in the 1997 budget. These measures were announced again in the 1998 budget. Some adjustments have been announced in the 1999 budget. However, the full benefits of the program will not be in place until 2000, a delay of over three years. Too many announcements; too little action. It is so typical of this government. Could the government not speed up this program and put money in the hands of families sooner?

The Liberal government would have Canadians believe it is using our tax contributions to ease the load on low income parents to help them. This is simply not the case.

Contrary to the purple prose of the finance minister and other Liberal misrepresentations, we in the Reform Party, the official opposition, support the national child benefit and have repeatedly offered and called for measures to make it a real benefit, not just Liberal lip service.

In addition, although Canada is a wealthy and prosperous country, an increasing number of our citizens appear not to have an opportunity to share in this wealth and prosperity. I refer to the many homeless people, as well as those families on very low incomes for whatever reason. We know much more about the problem of homelessness in our large cities following a major study released by the city of Toronto in January.

Homelessness has many causes and governments at all levels have responsibilities to take action. Homelessness is not a partisan issue, but one on which politicians of all stripes and at all levels must work to solve.

The Reform Party believes and one of our principles is that Canadians have a personal and collective responsibility to care and provide for the basic needs of people who are unable to care and provide for themselves.

*The Budget*

I would submit that in this budget the government has failed. Not only is it taking far more from the pockets of hard-working Canadians than is necessary, but it is also putting too much of a burden on those least able to afford it and giving too little and too poorly managed programs in return.

For that reason I will vote against this budget. I urge members of this House to get the government to clean up its act before they support this budget.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member made a number of statements in which she suggested that somehow taxes have been increased for Canadians.

I quickly looked back over the last two budgets and I saw an increase in the child care expense deduction which went from \$5,000 to \$7,000. I saw the total elimination of the 3% surtax. I saw the non-refundable tax credit increased by \$675 for each and every taxpayer. I saw an investment of \$1.7 billion in the national child benefit. There were no increases in tax rates. We introduced the RESP, government grants worth up to \$400 a year for parents. There were EI reductions worth \$2.8 billion in savings to Canadians.

If those are the facts, I would ask the member directly, could she explain exactly what tax increases she is talking about? If it is bracket creep, and if she wants to index the \$6,542 personal exemption by inflation, which is 1% or a \$65 increase in the bracket level, at the tax rate of the non-refundable tax credit that would mean \$16 a year to a taxpayer. I therefore do not accept bracket creep as the explanation. I want to know the real explanation from the member.

**Mrs. Diane Ablonczy:** Mr. Speaker, is this not a little ironic, considering that this is a member of the government which made the budget? Surely if they cannot explain their own budget we are in some pretty big trouble.

I would simply refer the member to his own government's budget where it states very clearly that tax revenue is going up by the amount I mentioned, \$42 billion since this government took office. These are the government's own figures, not a figure I pulled out of thin air.

This member, as Liberals so often do, reels off all of these supposed wonderful tax cuts that the government brought in, even though of course, in spite of these cuts, it is still taking in more revenue than when it began. It is taking in more revenue next year than this year. Its own budget figures say that. All we have to do is look at the budget.

• (1535)

I ask the member to listen not just to me, although I know he has a high respect for anything I would tell him. The Business Council

of British Columbia said that the tax cuts which the member speaks of will amount to 0.17% of GDP in the first year and perhaps 0.25% of GDP by the year 2000-2001. It concluded that the cuts are like "throwing a golf ball into Lake Superior".

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I would like to try once more to see if we can get clarification about where the Reform Party really stands on health care. In the last few days during this debate some members of Reform actually suggested that they truly do believe in a universally accessible, publicly administered health system. However, we know from the past that their health critic has said that core services of health care could be provided outside of medicare. We know from the member for Esquimalt—Juan de Fuca that the party stands for a parallel, private, two tier health care system. We know from the member for North Vancouver that he praises the system in Florida and condemns what he would call socialist medicine in Canada.

At the recent United Alternative conference Reformers had a chance to clarify. A motion was put and there was a debate. There was a chance to add an amendment calling upon delegates to uphold national standards for a health care system. The delegates, which I assume included Reformers who were all present, roundly defeated this amendment, especially after one participant defended the right of the provinces to introduce user fees. Where did the member who is speaking stand on this issue? What is truly the position of the Reform Party on health care?

**Mrs. Diane Ablonczy:** Mr. Speaker, this member should be asking questions of her sister governments in B.C. and Saskatchewan which have put a two tier health care system into place in those NDP provinces.

Let me clarify where the Reform Party stands on support for our health care system. First I will discuss 1993. This is verifiable. The member can look at our campaign literature. Even though we had more than a \$42 billion deficit in this country and there was overspending, our party campaigned on zero cuts to health care and education. Zero cuts. It is in our literature.

In 1997, after this Liberal government had slashed support for health care, our campaign was on restoring funding to health care to the tune of \$4 billion a year.

I do not know where this member gets the idea that there is anything less than the strongest support for health care from this party.

As far as the UA convention is concerned, that was not a Reform exercise. What those people did vote on were some strong principles in support of strong social programs which they said would be fleshed out in policy making sessions later on. I am sure this member would be welcome to participate in those united discussions to make sure good policies come out of them.

*The Budget*

**Mr. Gary Lunn (Saanich—Gulf Islands, Ref.):** Mr. Speaker, I am not all that happy to talk about this budget because it is about propaganda, not priorities. It is about brainwashing, not budgeting.

Despite all the government spins to the contrary, this budget leaves Canadians paying more in taxes and receiving less in health care. In 1999 the average Canadian will pay over \$2,000 more in taxes than they paid in 1993. At the same time total cuts to health care over the last three years amounted to \$1,500 per person.

There is no doubt that we had to eliminate the deficit. There is no doubt that Canadians wanted the federal government to balance the books. Before the 1995 budget a wave of protest ran across this country. Rallies were held in over 20 Canadian cities where thousands of overburdened taxpayers demanded an end to the era of chronic deficits. But they were also very clear about one thing: "Don't you dare raise our taxes". After decades of constant tax hikes the anger of Canadians was growing. The rally cries were around no more taxes and, more importantly, they continued to tell the Canadian government "It's the spending, stupid". Canadians gave the finance minister clear instructions: Balance the books on the spending side of the ledger, attack waste, inefficiency and lower-priority programs.

• (1540)

The finance minister appeared to hear these concerns. However, appearances can be deceiving. Instead of no more taxes, Canadians were hit with the single largest tax hike in the history of Canada. CPP payroll taxes were increased 73% and bracket creep continues to take a growing bite out of our wallets.

In addition, it seems the finance minister took "It's the spending, stupid" to mean keep up the stupid spending. Instead of cutting waste and inefficiency, the government ravaged transfers for health and education. Instead of funding hip replacement surgery, taxpayers are paying \$100,000 in government grants for a book on dumb blond jokes. The government slashes university funding while protecting \$4 billion in pork-barrel regional development grants over the last four years. Students get less while there is plenty of money for a very questionable hotel deal in the Prime Minister's very own riding. RCMP services are cut while this government continues to give millions of dollars in illegal trade subsidies to profitable corporations.

The government claims it was forced to cut health care spending. The government claims its hands were tied on real tax relief. It claims it had to make tough decisions so it could balance the budget. The government has no right to claim any credit for balancing the budget because it did nothing.

The credit goes entirely to Canadians—

**Mr. Paul Szabo:** Mr. Speaker, I rise on a point of order. I believe I heard the member say that the government gave millions of dollars of illegal subsidies to businesses. If that is the case, I would ask that the member withdraw that remark.

**The Deputy Speaker:** Perhaps the hon. member can clarify the position. I did not hear that remark myself, but perhaps the hon. member can clarify it if he did say that. I know he would not want to suggest such a thing.

**Mr. Gary Lunn:** Mr. Speaker, what I said was that this government continues to give subsidies to foreign businesses, which in our view—and there are a lot of ways to characterize them—is illegal, not that the government is committing illegal actions.

This government has no right to take any credit for balancing this budget because it did nothing. The credit goes entirely to the Canadians who have been forced to pay \$2,000 more in taxes each and every year. The credit goes to those who have lingered and died on hospital waiting lists, while waiting lists have grown longer because this government slashed \$20 billion out of health care over the past few years.

No, it was not the Liberal government which made tough fiscal decisions, it was Canadian families. They were the ones who were forced to prioritize their spending. They were the ones who were forced to pay more for less health care.

It is high time that Canadian taxpayers received the recognition they deserve. It is high time they got the tax relief they deserve.

What does this budget offer them? Guess what? More tax increases. While this government offers \$7.7 billion in tax cuts it will raise CPP premiums by \$7.2 billion over the next three years. Bracket creep will take another \$2.7 billion. I think it is absolutely shameful that this government tries to spin a \$2.2 billion tax hike and then tells Canadians they should be grateful for that.

It comes as no surprise that Canadian families are not grateful. Why should they be grateful for a government that continues to ratchet up the tax burden faster than income growth? Why should they be grateful for a government that treats stay at home parents as second class citizens?

Let us take a family of four, with an income of \$50,000, with one of those parents staying at home to raise the children. That family pays \$4,000 more in taxes each year than the same family with both parents working outside the home. This government has deliberately penalized stay at home parents.

Does this budget put an end to this inequity? No.

*The Budget*

• (1545)

Instead, stay at home families are treated to an insult, a slap in the face by the Secretary of State for International Financial Institutions. Instead of tax fairness we see discriminatory taxes and more shell games.

This budget reminds me of George Orwell's *1984*. In that novel the government announced that chocolate rations would be reduced from 20 grams to 10 grams. There was a second announcement the next day. There was all kinds of fanfare. The government with excitement announced it was increasing the chocolate rations from 10 grams to 15 grams. In that society citizens were brainwashed into believing that was an improvement. Canadian society is not so easily fooled. It is tired of the big brother from Shawinigan and his Liberal speak, Liberal speak like the finance minister's warning that Canadians must wait another two decades before they will see real tax relief.

I guarantee Canadians will not have to wait that long. Overburdened taxpayers do not have to wait another 20 years for something they have been demanding for decades. No, Canadians need only have to wait a year or two. Soon Canadians will take matters into their own hands in the next election. They will toss out big brother and his big taxes. They will vote for a party that is united in its resolve to give Canadians real immediate tax relief.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member talked about tax increases, as did the member from Nose Hill.

The figures members referred to are the estimated total revenues from personal income taxation from all Canadian taxpayers. They suggest that since that number is going up Canadians are paying more taxes. The fact is that since the government took power there are over 1.5 million more Canadians who have jobs, 1.5 million more taxpayers.

I ask the member very directly that when he considers all the changes that have taken place in the last series of budgets, all of which reduced taxes like the 3% surtax, the \$675 on the non-refundable tax credit and all the other improvements that were made, is he saying to the House that the government has introduced any changes which increase an individual's income taxes?

**Mr. Gary Lunn:** Mr. Speaker, that is an exact example of what comes from this government, a bunch of numbers and figures.

Every Canadian will be able to show their paycheque stub in two months or six months from now. Let us see if there is any real tax relief. Look at paycheque stubs for the last five years since this government has been in power. It goes down and down. We have less and less to take home every single time. That will continue to happen.

The government can put out all the rhetoric and fancy numbers it wants but at the end of the day Canadians will look at their

paycheques and there will be less and less to take home to provide for their families. There will be more and more deductions. The story will be told on the paycheque stubs of every working Canadian.

They will see that this is a shell game by this government. They will see there is no real tax relief. The government can tell us all the numbers it wants but Canadians will know the truth when they have less to pay their bills at the end of the month, less to provide for their families, less to give their children. Those are the facts. They can look at their stubs today and ask where the tax relief is and where are the hundreds and thousands of dollars this government promises. They are not there. It is a shell game. It is empty government rhetoric. The numbers will not add up on the paycheque stubs. I challenge the member to that.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, in his speech the Reform member failed to address the most important message Canadians are sending to Liberals and to Reformers. To use the words from the member's speech, they are saying "Don't you dare bring in user fees into our health care system. Don't you dare take our system any step further toward a two tier, for profit Americanized health care system".

• (1550)

Yet that is exactly what Reformers did only two weeks ago at their united alternative conference. That is what they voted for. They had a chance to vote for national standards for a health care system but they voted that down. They voted instead to leave the door open for user fees.

The member talks about a united voice for Canadians. How did the member vote on that resolution? Where does his party stand on user fees? When will he join us in preserving medicare and going forward?

**Mr. Gary Lunn:** Mr. Speaker, let me tell the member where I stand in the party. I spent five years in the province of British Columbia as a paramedic and nobody believes stronger in a national health care system available to every single Canadian than this party does.

The New Democratic government in British Columbia, my home province, has forced Canadians into a two tier health system where tens of thousands of British Columbians are forced to go down to the States to get health care treatment. That is an absolute disgrace. The Premier of British Columbia's home was raided today by the RCMP because of the questionable way he governs the province. It has led to a two tier health care system. That is what we have from NDP governance.

The Reform Party believes in a strong national health care system available to every single Canadian. That is what people would get from this party. We campaigned in 1997 on putting \$4 billion immediately back into health care. We are committed to that, not like the current Liberal government which slashed \$7

*The Budget*

billion and then gave back a mere \$1.5 billion or \$2.5 billion, and it wants us to thank it.

Imagine if a criminal came into your home and stole \$10,000 and came back and gave you \$1,000 and asked to be thanked. I do not think it adds up.

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I will be splitting my time. It is an honour to rise in the House today to speak to the 1999 budget. This year's budget is a Canadian budget. It invests in community, the community of Canada.

What the government does not do is often as important as what it does do. What we have not done with this budget is jeopardize our sound fiscal base, a base that has enabled us to withstand international fluctuation in economic trends.

This budget does not buy our way to prosperity as the authors of the alternative federal budget, the Canadian Centre for Policy Alternatives and Choices, would have us do.

We are investing in our national social system because this is what Canadians have stated they want. This is what our government is providing. It is the Canadian way, it is the Liberal way. This budget does not abandon sound fiscal principles. We will balance the books through to the year 2001. We are not setting unrealistic targets.

Three years ago when the debt to GDP ratio was at its peak, 36 cents out of every revenue dollar, more than one-third, went to debt interest. This was money Canadians could not use to prepare for the future because their governments were too busy paying for the past.

Last year with the debt ratio dropping, the portion of each revenue dollar servicing the debt also dropped to 27 cents. We have not returned to the old ways of the old days. We will continue to invest and build on last year's focus of research, job creation and knowledge.

This budget does not use borrowed money to invest in the future of Canada and the welfare of Canadians. We are in a position to reinvest Canadian dollars in the priority of Canadians.

It is impossible to cover everything contained in the budget in this 10 minute speech. However, in my opinion there are four main themes I would like to cover: fundamentals, framework, fairness and the future.

First, the fundamentals. Our economy is in excellent shape. Our unemployment rates are at all time lows. Interest rates are down. The deficit has been paid off. It is through the efforts of all Canadians that we are in a position to invest in our nation's social system. This budget does just that.

Debt reduction is a priority for this government but it is not its only priority. Of course we must pay down our debt. Step one is our

commitment to not overspend annually on our budget. We will not borrow to buy the groceries. This government will not put all our resources into debt reduction alone. It is like paying off the mortgage on the house but allowing the children to go hungry and leaving the roof leaking without repair. This scenario does not strike a balance. It lacks vision for long term health and it is not what Canadians have said they want.

• (1555 )

In a survey my constituents of Kitchener Centre responded that 80% of them wanted some debt reduction. They said it should be a priority. The government is making that a reality with the \$3 billion contingency fund which will go annually to paying down the debt.

I can stand in the House and firmly state that I believe this government will pay down the debt. As a matter of fact, we will eliminate the debt. But it will be by continually acting in a prudent fashion. We will meet the expectations of my constituents and all Canadians with sound fiscal management.

The tax policy of the federal government is based on three fundamental principles. I would like to take a moment to outline these. The first is that our tax system must be fair. Tax reductions must benefit those who need them the most, low and middle income Canadians.

Second, broad based tax relief should focus initially on personal income taxes.

Finally, because of our debt burden, broad based tax relief should not be financed with borrowed money.

As we know, this year's budget builds on last year's budget. On budget day I had a hard time going through it trying to find some kind of surprise that I could share with the local media. This speaks to the transparency and the broad based consultation that the government has been involved with to find out truly what Canadians want to see and the vision that we will share as a government.

The government has begun the process of providing broad based tax relief for all Canadians. Together the 1998 and 1999 budgets provide the largest proportion in tax reductions at the lowest income level. This is good news. We have removed 600,000 Canadians from the tax rolls. I am pleased that the government has continued to reduce the 3% surtax for those earning between \$50,000 and \$65,000. Fourteen million Canadians will receive tax reduction as a result of this measure.

The second theme to be addressed is framework. Through the social union, the government has provided true leadership. Canadians are tired of different levels of government pointing fingers at each other. The social framework allows all governments to move toward solutions that benefit Canadians. As a society we have

*The Budget*

shared responsibilities on issues such as homelessness, affordable housing and lack of skilled workers.

The government is looking to forge partnerships as well with labour and industry so together we can address these important social issues.

Faith communities in my riding of Kitchener Centre are planning a forum with members of parliament and our provincial counterparts as well as leaders at the regional and municipal level because they acknowledge there is a shared responsibility and are looking for solutions, not excuses.

There are fundamental issues of health care delivery that must be addressed. We must look at how we pay for health care, how we structure it in our communities and how we meet the evolving demographic needs and the changing roles of health care providers.

In addition, there is a strong desire by Canadians to see the development of key indicators for measuring health care delivery. Our investments in research will help develop these important research measures.

The government has gone beyond just transferring larger funds of money for health care to the provinces. We are setting a path for a clear vision for our health care system. We are building a system that is responsive and reflects the changing needs of Canadians. We are committed to working with our provincial and territorial colleagues on innovative health care programs, programs that meet the needs of all Canadians.

Only the most partisan individual can criticize the health care investments the government has made. We have invested according to the priorities of Canadians.

Over the next five years the provinces and territories will receive an additional \$11.5 billion specifically for health care. This represents the largest single new investment the government has ever made. For my province of Ontario this is good news. I know that constituents of Kitchener Centre are pleased to hear that Ontario will receive \$4.4 billion in health transfers.

A well rounded health care system must have a framework based on a number of key areas: research, home care, pharmacare and leadership within the medical community. This Liberal government has invested in all these areas. I am pleased that the government has committed to investing in projects such as the nurse fund. A \$25 million endowment announced in this budget will enable nurses to find solutions to systemic challenges which face them.

• (1600)

I would like to address my third theme, framework. The government has an important role to play in promoting access to knowledge and skills. The budget demonstrates our commitment

by the allocation of \$1.8 billion for the creation, dissemination and commercialization of knowledge.

In my riding of Kitchener Centre we have seen a great surge of knowledge based companies open their doors. These businesses are always looking for talented individuals capable of functioning in a high tech environment.

We are committed to providing the necessary funds to ensure that our youth can meet the needs of high tech knowledge based companies, whether it be through the Canadian opportunities strategy or the Canada Foundation for Innovation.

I am pleased that the budget makes \$150 million available through technology partnerships Canada to partner with the private sector to commercialize innovative processes and products.

It is important to note that the nation's program spending in relation to the GDP is only at 12.5%. This is the lowest level since 1950. This government has only increased spending in a minimal way, yet what we have done is reallocate existing funds and solidified a framework from which to work.

Equalization is a federal transfer program that goes to the heart of what it means to be a Canadian. It is about fairness. This budget fully restores per capita entitlements for all provinces in three years time. The government's increases to the equalization program will make resources available to most of the less prosperous provinces for public services, including health care.

In conclusion, I am extremely proud that not only have we addressed the queries that have been expressed by Canadians but we will be able to build on the gains of yesterday in order to create a bright future for tomorrow for all Canadians.

**Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP):** Madam Speaker, the member for Kitchener Centre will know that although I am from Winnipeg, I am fairly familiar with the Kitchener area. I was born and raised in a small village near Kitchener called Winterbourne, and I check in fairly regularly with my parents, Harry and Klazina Wasylcia.

I hope the member will agree with me when I say that my sense from that community is that the number one concern for all citizens in the area is health care. They are reeling from a double whammy, the effects of both cutbacks and regressive measures by the Harris Conservatives in Ontario and the cutbacks of the federal Liberals.

How does the member intend to deal with those concerns in that area? In particular how does she feel about any of this new federal money going to Premier Harris? He has opened up the whole home care program in that province to competitive bidding. This means that companies like Olsten, large American based profit making companies, are winning contracts to provide services at low cost while longstanding non-profit organizations like the Victorian Order of Nurses are fearing for their survival. It is really the

*The Budget*

patients who are at risk and people who need home care who are suffering because of this whole policy.

How does the member feel about money going to for-profit health care instead of non-profit delivery of home care?

**Mrs. Karen Redman:** Madam Speaker, I appreciate the hon. member's question. She really has put her finger on one of the large concerns in my community.

This federal budget is very good news for the people of Ontario. One of the things the social union framework acknowledges and legitimizes is the partnership we have with the province. This is a good news budget for the people in Winterbourne, for the people in Kitchener, for the people in all of Ontario because we are releasing resources and \$3.5 billion can be accessed immediately. What the Harris government decides to do with that will be something he will have to be accountable to the people of Ontario for.

• (1605)

**Mr. Ken Epp (Elk Island, Ref.):** Madam Speaker, I have enjoyed working on the finance committee with the hon. member.

I took note of one thing she said with respect to debt. I suppose nothing concerns me more than the fact that the governments of the last 30 years have driven us into debt to the point where, as she mentioned in her speech, at one stage some 31 cents of every \$1 collected in income tax went toward interest. Just think of what we could do if we did not have the debt to service. The amount of money that would be available for programs would be immense.

She then talked about this \$3 billion contingency fund which, if not needed, will go toward reducing the debt. She said she was sure the debt would be repaid.

I taught mathematics for a number of years and have these math and finance formulas in my head. I did a quick calculation. To get rid of the debt, \$580 billion, over the next 25 years, by the time I am 85, would require the posting of a surplus every year in those 25 years of some \$50 billion a year. Here we are paying a puny little \$3 billion if we happen to not need it at the end of each year.

I wonder whether she would comment on a greater urgency to reducing the debt so that we could reduce the amount of interest payments and have more of the taxpayers' money available for programs or to give them a tax break.

**Mrs. Karen Redman:** Madam Speaker, there are two halves to the equation. I really support the fact that we are looking at our debt through our GDP ratio. As the hon. member opposite points out, even with a \$50 billion investment, which would leave us no money to reinvest in the programs we hear Canadians asking for

and the kind of social structure Canadians are demanding, it would still take a long time to pay the debt off.

I do not see this government having a single focus on merely paying down debt. As we went across Canada, people said health care was up here and their second priority was down here. I believe that this budget and this government have achieved the balance that will give a quality of life to Canadians as well as help to retire the debt.

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Madam Speaker, I did not think I was going to have an opportunity to speak this afternoon but it has availed itself. I am pleased to make a couple of observations during the budget debate.

As the member for Charleswood St. James—Assiniboia, which is a west end riding of the city of Winnipeg, I was naturally interested in how my constituents would react to the February 16, 1999 budget.

I am happy to say that the budget is going over extremely well, in fact, so well that very often it is difficult to find reaction out there. When voters, constituents, are generally happy with an initiative by government, they do not say a lot. It is when government is seen to be doing something negative, something that is a mistake that we hear it from voters. I have not been getting an earful from constituents in the past week or so; in fact it has been quite the opposite.

What are they saying? First of all, they are very happy with our health care initiative. Most Canadians, and I think I can speak for most of my constituents—

**An hon. member:** What about where I come from?

**Mr. John Harvard:** I know the member for Winnipeg North Centre finds the budget very difficult, but then I am not too sure whether there is anything we could do that would make the hon. member happy. However, those are the things we have to put up with.

I want to talk about health care, which is a real passion for the hon. member for Winnipeg North Centre. It is also one of my passions. I am very proud of the fact that the government has restored health care funding to the tune of \$11.5 billion.

I am quite sure that if we asked any of the hon. member's New Democratic friends whether we would have come back with \$11.5 billion, they would have said no. I am sure most New Democratic Party members, if they were honest and straightforward, would say thank you very much to the Minister of Finance and to the government. That is what Manitobans are saying.

*The Budget*

• (1610)

I will quote a woman the hon. member for Winnipeg North Centre might even know, Lynda Kushnir Pekrul of the Canadian Nurses Association. I am sure the hon. member for Winnipeg North Centre would love to hear what this woman said. She said: "This budget is a victory for nurses". Shall I repeat it again in case the hon. member for Winnipeg North Centre did not hear? This budget is a victory for nurses.

**Ms. Judy Wasylycia-Leis:** Did you talk to the nurses on the ward?

**Mr. John Harvard:** If the hon. member for Winnipeg North Centre is not satisfied with that, I can find another quote to settle her down. "They have no excuses left. There is every reason why the Manitoba government must take immediate action. Hospital and home care services in Manitoba have deteriorated too far". Who said that? Dr. George Kelly, president of the Manitoba Medical Association.

I notice that the New Democratic member for Winnipeg North Centre has suddenly fallen silent. I hear nothing but silence from that side. The testimony hurts does it not?

The fact is in the budget we provided health care dollars to the tune of \$11.5 billion. Most people in my province of Manitoba are very pleased. I got a letter today from a constituent who said that he hoped this money would be well spent. Just a few minutes ago I was in the process of replying to that constituent pointing out the fact that the spending of that money falls within the ambit of the provincial government. It is up to the provincial government to spend that money wisely. I trust the provincial government will do that because it is answerable to the people of Manitoba.

If the hon. member for Winnipeg North Centre does not like the message on health care, maybe I could please her a little on the question of taxes. Again we had some good news regarding taxes. In the last two budgets, the finance minister, who probably will go down as the finest finance minister in this century, the finance minister, with the support of the Prime Minister, with the support of cabinet and with the support of the entire Liberal caucus, has been able to provide in a gradual incremental way tax relief of over \$16 billion. Is it enough? I suppose it is never enough but we are on track and we are on track toward further tax cuts. Relief last year, more relief this year. If everything goes according to Hoyle, if everything goes well, there will be more tax relief next year which is exactly what Canadians want.

I say that because we got into this deficit and financial pickle over a long period of time. Most Canadians understand that if it takes a long time to get into it, it will probably take some time to get out of it. The finance minister knows that; we on this side know it. We cannot do it overnight, but we are doing it. We are doing it with purpose and the job will be done. I know it will be very hard to convince the people on that side of the House, especially the hon.

member for Winnipeg North Centre, but we are going to get the job done.

• (1615)

I want to quote another Manitoban. This was on health care. It is by Dr. Gary Glavin, associate vice-president of research at the University of Manitoba. By the way, he is a constituent. He stated "This is the first time that I have been excited about a federal budget". How do you like those apples? That is coming from people who normally do not say great things about federal budgets.

The hon. Harold Gillishammer who is the new minister of finance for Manitoba spoke very highly of the budget when he said "This budget was billed as one with tax reductions and increased expenditures in health care. Certainly the federal government came through". Those are the operative words, "came through". He went on to say "They have balanced the budget, they have reduced taxes, and we believe in that to make this country more competitive". Imagine, that was said by a Conservative, who is hardly a Liberal flag waver. These are not bad comments from opponents.

Perhaps I will quote one more individual. This is certainly not from a normal Liberal flag waver. The fellow's name is Victor Vrsnik of the Manitoba taxpayers association. They are usually very critical of anything that Ottawa does. This is what he said about the budget: "The Canadian Taxpayers Association is delighted the finance minister is tuning into the message of tax relief. He is eliminating the 3% surtax and he is raising the basic personal exemption, which will mean that poorer or lower income Canadians will only start paying income tax now after \$7,200 as opposed to \$6,500".

There we have it. I think that is pretty good testimony. But we are not going to stop at that. Even if we have silenced many of our critics, even if many of our opponents are saying good things, we are going to continue to do a good job because Canadians want better health care and they want lower taxes.

**Mr. Gordon Earle (Halifax West, NDP):** Madam Speaker, I would like to address a question to the hon. member, who reportedly is my shadow in the riding of Halifax West.

I noted that the hon. member spoke about health care and he spoke about taxes. But I notice he did not address the issue of employment insurance with respect to the budget. The member who spoke previously indicated that the unemployment rates are at an all time low. The government seems to take a great deal of comfort in throwing out that statement. But I am sure that statement does not give a lot of comfort to the many people who remain unemployed and, in particular, to those who find themselves ineligible for EI benefits because of the many changes that have taken place: the intensity rule, the clawback, the change from weekly to hourly qualifications and so on.

*The Budget*

There seems to be a great significance in the fact that as the number of people who are eligible for EI benefits goes down we also notice that child poverty and homelessness is going up.

Does the hon. member feel that this budget in fact has dealt adequately with the question of homelessness, child poverty and EI?

**Mr. John Harvard:** Madam Speaker, first I would like to point out to the hon. member that I am not his shadow. I think we do have an arrangement. It is called twinning. I am sure he understands what twinning is in political jargon, but I am not his shadow. I am not going to watch him very closely. But if I can help my fellow Liberals in his riding, one way or the other, I will do exactly that. That is what twinning is all about. It has nothing to do with shadowing.

With respect to the question on the budget, was Rome built in a night or a day? I do not think so. Was the economy rebuilt in a day? Did the budget cover every possible avenue? Did it cover every possible issue? No. There is always work to be done.

I am very aware of how controversial EI is, particularly in his part of the country. I know the intensity rule is under question, as are many aspects of EI. What do I say to my hon. friend? Keep on raising those questions. If we do not hear those questions from the member and his colleagues, we hear them all the time from Liberal members from Atlantic Canada. There is genuine concern about EI, as there is about a lot of the issues.

• (1620)

If the member wants to throw this into the budget process, we have done something that no other government has done in the past, which is to have very wide open budget consultations. In fact we are into the pre-budget consultations for 2000 right now. If the member has something to submit, I am sure the finance minister and the rest of us will be all ears.

**Mr. Ken Epp (Elk Island, Ref.):** Madam Speaker, I suppose I should not be asking the member this question because I think it is unfair. I think that he, like most Liberal backbenchers, like most Canadians, does not really understand the implications of the numbers as announced.

When this budget was talked about as being a health care budget, the number which they chose to use was \$11.5 billion. If we look at what the budget is, it is an annual budget. The auditor general and other accounting experts have said that annual budgets should have their annual numbers stated. In smaller print, it says \$2 billion a year.

Beyond that, \$2 billion this year is mentioned, \$2 billion next year, \$2.5 billion, \$2.5 billion and \$2.5 billion. They project five

years in advance and use the big number of \$11.5 billion after taking \$20 billion out of the health care system.

It is my understanding—and I would like the member to correct me if I am wrong, if he knows, and I do not think he will know—that when they say \$2 billion this year and \$2 billion next, it means \$4 billion more and then \$6.5 billion more and so on as an accumulation. Or is it simply that next year there will be no increase at all, but rather just \$2 billion more than we had in the past? Then it would be \$2 billion and no increase and then another \$2 billion. Which is the right answer?

**Mr. John Harvard:** Madam Speaker, the way I read the budget, it is pretty simple. It is \$11.5 billion over five years, but upfront, the very first year, it is a payment of \$3.5 billion.

In other words, provinces can access not only the \$2 billion over each of the next five years, but they can get an advance of \$3.5 billion upfront.

For my province of Manitoba, that means a total of \$425 million, which is not bad.

[Translation]

**Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ):** Madam Speaker, I am pleased to rise today, not because this budget pleases me, but to give the people in my riding an opportunity to speak through me. I will be sharing my time with my colleague from Rimouski—Mitis.

If I may, I will pick up the thread of what has been said this afternoon. The member speaking before me mentioned that the Minister of Finance would go down in history as one of the greatest ministers of finance. The people of the Gaspé will remember the Minister of Finance as the greatest conjurer, that is, he has a talent for juggling figures, making believe a cut is no longer effective and having us believe that what he is giving us is coming immediately, when it can take three or four years, as the Reform MP mentioned. It is time to set things straight.

The other thing I must mention is that this conjurer opposite got his deficit to disappear by having the provinces and the unemployed pay first. I will elaborate on these two points.

First, let us talk about the unemployed. Everyone knows now that there is over \$20 billion accumulated in the employment insurance fund. I am entitled to speak to this subject today, because the Minister of Finance included the employment insurance revenues in his consolidated budget.

• (1625)

This year, he is telling us that he thinks he will have revenues of about \$18.8 billion, of which he expects to spend about \$17 billion.

*The Budget*

But everyone knows that he will once again save at least \$6 billion. The magician that he is comes up with various expenditures, but he never thinks about the well-being of the unemployed.

I want to take a moment to mention the excellent information work being done in the Gaspé region by the Mouvement action chômage Pabok and by its coalition, whose two co-chairmen, Mr. Cousineau and Mr. Blais, do a great job.

Let me go back to the manifest released by the coalition in New Richmond, two weeks ago. These people are asking three things from the government: first, to establish an independent employment insurance fund run by representatives of the contributors; second, to improve the employment insurance program; third, to put the surplus back into the fund.

These three issues are important to regions such as ours. I see that some Liberal members are listening carefully. Why is it so important? Because, in January 1999—I do not have the current figure—the actual unemployment rate was 20.8%. The average for 1998 was 22.8%.

Moreover, in the riding of Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, a paper mill may close and 300 jobs will be lost if one of the two machines is shut down, or 600 jobs will be lost if both machines are shut down. We are told “perhaps work can be done for other companies during down times”. But this requires maintaining the social security net, that is the employment insurance program, even though I would much rather see the paper mill operating year round with the two machines and the qualified workers who are already there.

I remind members opposite that our riding must also face the closing of a copper mine in Murdochville. This means that 300 jobs will be lost. This time, it is not the federal government's fault; it is because the mine is depleted.

When these job losses are added to the existing unemployment rate, members can see the how important the transition measure, the social net provided by the EI program really is. The Liberals did not say much about that. The minister of regional development will perhaps be able to confirm this, but my reading of the budget is that there is actually less money available for regional development. I would like him to respond to this.

The second point I would like to make is that the Minister of Finance magically transferred the deficit onto the backs of the provinces. Wearing three jurisdictional hats at once, he slashed the health, post-secondary education and social assistance envelopes.

However, this time, he is saying that, with the situation bad in the provinces and problems in the hospitals, the government will come up with some money and pretend to alleviate matters but will impose a medical police force to keep tabs on how it is spent.

This is disgraceful. Hospital management comes under provincial jurisdiction and the money is now in Ottawa, but it is always the same taxpayer footing the bill. The public will not be fooled.

That brings me to the following point. The sectors I have just mentioned come under provincial jurisdiction. But what about the fishery and the catch, which really do come under federal jurisdiction? Do members recall that there is a groundfish moratorium, that it is still in place, and that experts agree that the commercial fishery will not resume on its former scale any time in the next five years?

As for TAGS, the Atlantic groundfish strategy, the last lump sum payments will be made in May 1999. Nowhere in this budget is there any mention of what will become of fishery workers after May 1999.

• (1630)

What about the people approaching retirement age? What can we do in a devastated region such as ours, where fishing is no longer possible, when we get to be 50? What new job direction are we supposed to take, and where are the energies and catalysts for recharging our economy? There are none! Yet, they have jurisdiction over this, and it is easily enough understood.

I will use the other official language to pass the following message to my friends in the other maritime provinces, and I want the Liberals over there to listen carefully.

[English]

What kind of hope could this budget deliver to the fishing worker? There is nothing in this budget to cover the end of the TAGS program which will stop at the end of May 1999. This budget gives only dividends to people who have a chance to work, mainly Ontario workers. I am glad for them but nothing is done in this budget for the people from the maritimes and the Gaspésie. The people from Newfoundland and elsewhere in the maritimes should raise this question with their members, if the members have the courage to go back to these ridings after the last vote on this budget.

[Translation]

We are trying to stay calm, but this is becoming increasingly hard to do. In mid-January I was present at four or five different demonstrations. The people are taking to the streets of the Gaspé to voice their despair and confusion. At the moment they are doing so peacefully, but I am afraid, and I want the cries of the people to be heard all the way to this House.

I would like the Minister of Human Resources Development, or rather the Minister of Finance, to stop fiddling with the figures and to understand that the people need dignity, a social security safety net, and catalysts for a diversified economy. This is what they want

*The Budget*

the government to know. They do not want to be on employment insurance for the rest of their lives; they just want help in getting through some bad times, and unfortunately there is nothing in this budget that allows them any hope.

[*English*]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Madam Speaker, I listen intently every time the member from Gaspé speaks of the perils of fishermen and plant workers and the crisis in our fishing industry.

What do he and his constituents think of a government that writes a letter in 1994 promising income support until May 1999 and then a year before this literally rips up that contract with thousands of fishermen and plant workers and say here is the new deal, completely destroying their hope and faith in the Canadian federal government system?

[*Translation*]

**Mr. Yvan Bernier:** Madam Speaker, the hon. member for Sackville—Eastern Shore raises a very good point.

This government made promises to get elected, but it was just a smokescreen because, as soon as they took office, the Liberals started governing like a right wing party and making cuts.

Close to \$1.9 billion was invested in the Atlantic groundfish strategy but, unfortunately—and the hon. member is right—the very first year cuts were made to all transition and economic diversification programs, under the pretext that the number of potential clients had been miscalculated. These people still exist. There were close to 45,000 of them and they will still be there at the end of May 1999. What will happen to them?

People who work in the fishing industry, including fishers and the women who work in plants, will not disappear like the cod, because it is the federal government that now manages that program. These people are still there. They are human beings.

• (1635)

I remind our viewers that Canada was discovered precisely because there was cod along our coasts. Fishermen came close to the Newfoundland and Gaspé shores. Today, people from the Gaspé and Newfoundland are told “Sorry, we have had enough of you. Stay home and keep quiet. We are not giving you another penny”.

This is an insult. It is pure contempt on the part of people who claim that Canada is a wonderful country, full of life and full of compassion for all its inhabitants, including those who live in the regions that were the first ones to become part of Canada. I do not know how the Minister of Finance can tell them “Sorry, that’s it, that’s all”.

**Mr. Pierre de Savoye (Portneuf, BQ):** Madam Speaker, I listened to the remarks by my colleague, and I would add my voice to his indignation.

A budget is supposed to provide for the welfare of a society, and this is not the case here. For fishers and those working in the fishing industry or on its fringes in the Atlantic region, the situation is extremely precarious.

It is true that the Minister of Finance is using our tax money to pay off the debt, but in doing so he is putting people in debt. Our collective wealth is not really improved.

What is happening is that the Minister of Finance is paying off government debt by putting people in fishing in debt. That is the drama. The real drama is that there are families sinking into poverty and debt, whose heritage is being ruined, who are losing their house, their boat, their possessions, and who see no future for their children. That is the real tragedy.

I ask my colleague if he does not agree.

**Mr. Yvan Bernier:** Madam Speaker, the member for Portneuf is absolutely right. The government’s behaviour makes no sense.

I will conclude with the following statement: great magician that he is, the Minister of Finance, he tried to make his deficit disappear. This time he tried to make people in fishing disappear, and that makes no sense.

You can take an individual out of the Gaspé, but you cannot take the Gaspé out of the individual.

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Madam Speaker, I too am delighted to have an opportunity to take part in the debate on the 1999 budget, a budget that will see us into the third millennium.

Given the time available to me, I will not be able to examine the budget in minute detail, nor is that my responsibility. I will merely point out a few items that strike me as important.

Since 1994, individual income taxes have generated the modest sum of \$19 billion for the government, and the GST has brought in another \$5 billion on top of what the Minister of Finance expected.

**Mr. Michel Bellehumeur:** Fortunately, he did not scrap it.

**Mrs. Suzanne Tremblay:** Yes indeed.

When one looks at the Minister of Finance’s five budgets, one realizes that he has never been able to forecast good sources of revenue, to know whether there would be a deficit or surplus, to anticipate anything that actually happened. He has always managed to play with the figures, take a little from here, cover up a little there, so that only he knows exactly where he is headed.

*The Budget*

• (1640)

He is headed toward a budget that will enable him, on the eve of the next election, when he might expect to be the big boss of the Liberal Party of Canada, to—

**An hon. member:** He hopes so.

**Mrs. Suzanne Tremblay:** This is certainly high on his wish list. He is therefore planning on having the budgets and the surpluses he needs to be able to announce a huge tax cut for the public, to pass himself off as the greatest finance minister this country has ever known.

The bulk of revenues have come from the pockets of middle income workers and the unemployed, yet the budget contains nothing for them. The budget does, however, announce one thing: a new employment insurance fund surplus. It had already accumulated some \$20 billion or \$25 billion in recent years, but the Minister of Human Resources Development confirmed to us this week that all that money has been wasted.

For five years, the Minister of Finance has been telling us “I need reserves, in case a bad economic situation develops”. Now, all of a sudden, the Minister of Human Resources Development tells us the surplus the Minister of Finance wanted to save is all gone.

Now we are told of a new surplus, \$4.9 billion. Once again, this money will be used for something other than operating the program.

Now for the Minister of Canadian Heritage, the one who interests me the most. During the prebudget study and debate here in this House, we had reminded the government of the 40% assimilation rate across Canada and pointed out that, if it was a responsible government capable of doing more than just talk, one that wanted to actually do something, it ought to restore the budget envelopes for francophones to their 1993 level, at least.

Let us look at the situation a bit more closely. In 1993-94, the budget allocated for official languages was \$310 million. In reality, it was \$232 million, \$78 million less. Then in 1994-95, the budget was \$240 million, \$70 million less than the forecast figure. In 1995-96, it was \$210 million; this time \$100 million less than what was forecast. So, in all, the government will have spent for official languages \$248 million less in these three years, almost as much as he will be spending this year.

The \$70 million announced live on television on RDI by the Minister of Canadian Heritage in fact represents small compensation for the losses incurred by the official languages program since the Liberals arrived in office in 1993. However, during this time, the minister found pots of money for all sorts of other things.

She found \$60 million over three years to spend on propaganda with the Canada information office, the CIO. Such a fine thing. It is too bad she chose such a name for her propaganda service.

Then for her “million flags” operation, she found at least \$15 million. For the council on Canadian unity, she spent tens of millions of dollars from the official languages budget, including the \$4.8 million wasted by option Canada in one month’s time during the referendum, without anyone knowing where the money went. And then she hiked the Canada day budget by 500%, 60% of which was spent in Quebec.

The Bloc Québécois is certainly not celebrating today, because the government is giving \$70 million back to francophone communities. The minister should never have allowed francophone communities, like workers and the unemployed, to bear the brunt of reducing the deficit.

• (1645)

We have been here since 1993. Every day, we get surprises concerning the official languages. When it is not a crown corporation that submits a report in one language only, it is an organization such as Katimavik that sends an invitation to members of parliament in English only. When we contacted Katimavik, we were told “Well, we thought everyone could speak or read English”.

People everywhere forget that there are two official languages. The member for Anjou—Rivière-des-Prairies did not even bother to check—after all he chairs that UNESCO organization—to see that this organization could submit to us, right here, in a place not far from Parliament, a—

**Mr. Denis Coderre:** Madam Speaker, I rise on a point of order. We are talking about an organization for parliamentarians. I remind this House that when the incident took place, we postponed the event until a later date, to make sure that the whole thing would be bilingual.

**The Acting Speaker (Ms. Thibeault):** This is not a point of order.

**Mrs. Suzanne Tremblay:** Madam Speaker, I am very glad to hear this event will be held. I heard it from the minister herself this afternoon, when I went to see her after Oral Question Period. The failure to make the necessary arrangements, whether in this chamber or in adjacent rooms, is unacceptable. Naturally, I am aware that people decided to come back.

All this is to say that we must be constantly on the lookout to protect our language, to defend it at every opportunity, when it should be sufficiently well known that this is a bilingual country. That should be common knowledge by now.

While this government is tooting its own horn, francophone communities are in decline. According to the terminology used by the man responsible for language demography at Statistics Canada,

*The Budget*

Réjean Lachapelle, francophone communities are in the process of disappearing in six provinces out of nine. This is not the Bloc Québécois saying this, but Mr. Lachapelle.

Moreover, in a report for Heritage Canada, Donald Savoie pointed out that the challenge for francophones outside Quebec is clearly to survive, to resist assimilation and to promote the development of strong and vibrant communities.

I had many other criticisms, but as my time is running out I simply wish to say to members that I think that the increased funding to the CBC mentioned in the budget is good news for the Department of Canadian Heritage, for now, anyway.

I hope that the \$50 million earmarked for the CBC will mean that it can open a television station serving eastern Quebec, the North Shore and the Magdalen Islands.

[English]

**Mr. Mark Muise (West Nova, PC):** Madam Speaker, I am appalled at the level of poverty that still exists in the country. We have more poor children in Canada today than we had during the great depression.

The children are poor because their parents are poor. The Progressive Conservative Party in its last platform suggested that the basic personal exemption should be raised to \$10,000. This would put much needed money in the pockets of those Canadians who really need our help, be it those who are negatively impacted by the downturn in the east coast fishery or Canadian farmers who are negatively impacted by the lack of support given to them.

Does my hon. colleague agree that with the federal budget the government has let down Canadian people who really need our help?

[Translation]

**Mrs. Suzanne Tremblay:** Madam Speaker, I thank my colleague for this highly pertinent and interesting question.

I have been an MP since 1993, and we were discussing that just last evening at a committee we had struck precisely for the purpose of looking further into poverty in Canada, the poverty I see every time I am in my riding, every time people ask to meet with me. The needs that they list have changed over time, and it is most unpleasant to see this. Basically, the government has surpluses. What the President of Treasury Board tabled yesterday, or the day before, represents a \$6 billion increase in expenditures.

• (1650)

Going through it, one notes such items as a \$1 billion addition to the National Defence budget. Why was that not allocated to poor children? With 1.5 million Quebec and Canadian children going to school hungry, it is no wonder that the illiteracy and dropout rates

are on the rise. How can children learn anything on an empty stomach?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Madam Speaker, I listened to the remarks by the member for Rimouski—Mitis. She said that I had said recently in the House that all the employment insurance funds within the consolidated fund have been wasted. That is indeed the word I heard—that all the money was wasted.

I would therefore ask the hon. member from Rimouski—Mitis what she considers wastage in the latest budget. Is it the equalization payments, \$1.4 billion of which will go to Bernard Landry for his upcoming budget? What about the \$2 billion we are adding each year to the national child tax benefit, which combine with the \$5 billion we have already invested and which, obviously, will enable the Quebec government to make breakfast for children? The member for Rimouski—Mitis talks about breakfasts for children. I must also point out that this is provincial and not federal jurisdiction.

And the job strategy, which helps young people find jobs, is it wastage? Or the Canada jobs fund? What does she consider wastage in all that?

**Mrs. Suzanne Tremblay:** Madam Speaker, I said that the Minister of Canadian Heritage had found the heritage fund a useful source of money to waste on all sorts of things, such as the CIO, flags, and whatnot.

The minister is grandstanding a little more than he usually does.

**An hon. member:** A little more than he usually does.

**Mrs. Suzanne Tremblay:** That is right, when he answers questions in the afternoon, during oral question period.

The government told us that it needed to keep the money for five years as a contingency fund. It needed the money and there was a fund. Suddenly, we hear that there is no longer a fund, that the money has been spent on all sorts of other things. We do not even know why, we are unable to find out.

However, the legislation requires the minister to monitor the use to which money in the EI fund is put. That is his ministerial responsibility. He took an oath that he would perform his duties as minister to the best of his ability. Yet he allows the Minister of Finance to pillage the fund, to empty it out and divert it to other uses while, in my riding, there are people starving because they no longer qualify for EI benefits.

[English]

**Mr. Pat O'Brien (London—Fanshawe, Lib.):** Madam Speaker, as the member of parliament for London—Fanshawe I am pleased to join the debate on behalf of my constituents as we speak about a very important budget and a very successful budget. Let me first

*The Budget*

indicate that I will be splitting my time with my colleague from Nepean—Carleton.

There are so many positive things to comment on in the budget that one could use more than 10 minutes. However, as the chairman of SCONDVA, the House of Commons Standing Committee on National Defence and Veterans Affairs, let me first turn to the matter of defence in the budget.

For the first time in 12 years the Minister of Finance has given additional moneys to the department of defence, some \$175 million in each of the next three years. This is in direct response to the SCONDVA report which was tabled in the House last October. It was an all party committee which had the endorsement of most members of the House.

It called on some reinvestment in the men and women in our Canadian forces to help address their low level of pay and the very unacceptable quality of life that many of them found themselves facing as it related to housing, support for families, pay, and several other factors.

• (1655)

I would like to quote the minister's comment on defence in the budget speech:

That is why we are improving the compensation and benefits of the men and women of the Canadian forces, Canadians who put their lives at risk every day around the world and who have demonstrated uncommon dedication here at home helping their country cope with a series of natural disasters.

This is the kind of finance minister that I am very proud to serve with. For the first time in 12 years a government has seen the need to begin to reinvest in the Canadian forces. Is it enough? No. Candidly speaking probably it is not enough of an investment, but it is a major step in the right direction.

It is a major turn in the road as far as ending the cuts that have been repeatedly foisted on defence which the defence department has had to accept and now, for the first time in 12 years, the start of a reinvestment in defence.

What has been the reaction to the budget? I have listened to a party of avowed separatists today standing up for Atlantic Canada. That is an interesting reaction. I have heard members of the Reform Party decry the budget as the worst thing that has ever happened to the country. I have heard them calling for more tax cuts. I have heard my NDP colleagues calling for more spending as if nothing has been done at all to try to help low and middle income families.

Low income families in my riding know that is nonsense. One Roy Romanow, the NDP Premier of Saskatchewan, very candidly gave his full endorsement to the budget. How about Mike Harris, the Premier of Ontario? Admittedly he is facing the polls in the

near future, but Mike Harris is trying to hitch his star to the Minister of Finance. He is now going around talking about "The Harris-Martin tax cuts". It is interesting to see the reaction of these two premiers.

How about the lead speaker at the Reform convention—sorry, a Freudian slip—at the united alternative convention last weekend in Ottawa? One Ralph Klein, Premier of Alberta, said "I think the feds did the right thing".

The reaction to the budget is fascinating. We have premiers from the left supporting it and premiers from the right supporting it, but those are people in elected office.

How about my constituents in London, Ontario? Each year my colleagues and I in London, Ontario hold a budget round table in early September. We invite a wide cross-section of groups and individuals to come and present their ideas on the budget. Those ideas are directly reported back to the Minister of Finance. We go out of our way in London, Ontario, in my riding of London—Fanshawe, to seek as wide as possible an input. The reaction in London, Ontario, to the budget is quite positive.

Reactions of my constituents on the whole through calls and through the mail are running about 70% to 75% in support of the budget. I will take that report card any day.

Admittedly London, Ontario, is a major centre for health with several hospitals. The absolute glee that reigns in London, Ontario, over the reinvestment in health care can be imagined. There is a considerable amount of research done in my community in the health sector and in several other sectors.

Experts in London were very quick recently to come to a function where I was in attendance along with my local MPs, one after another to thank us for taking the message to Ottawa which they have been giving us repeatedly for several years and to ask us if—

**Some hon. members:** Oh, oh.

**Mr. Pat O'Brien:** If the NDP members will not heckle me, I will not heckle them. I know they may not like these truths. The fact is I was asked to carry back the message to this House which I am doing now and to the minister of how pleased the medical community was in London and across Canada at the reinvestment in research and development, particularly in the field of health.

• (1700)

Indeed, one only has to reflect on the words of Michael Smith, our Nobel Prize winner, who said that in terms of reinvestment in health, this is probably the best budget ever by a federal government in this country. To my knowledge, Mr. Smith is not a Liberal

*The Budget*

member of parliament. He is a highly respected international figure in the medical community.

Why is there such a positive response? It is obvious. For the second year in a row there is a balanced budget and a commitment by this government that we will balance budgets over the next two years as well. Therefore there will have been four consecutive balanced budgets under this government, and that when we faced the situation of a \$42.5 billion deficit which we inherited when we came to power in 1993.

We recently met with a wide cross-section of labour leaders in London, Ontario. They had a concern about unemployment, as I do. But they could not deny the fact that we inherited 11.5% unemployment and today it stands at 7.8%. It is not good enough, but it is a lot better than it was in 1993, and the lowest level since 1990. Youth unemployment is decreasing. In the last 12 months youth employment has had its strongest yearly growth rate in over 25 years.

We are a Liberal government and we see a Liberal balanced budget which is trying to reinvest the surplus that we have been able to realize through the efforts of Canadians and the leadership of this government and at the same time continue the tax cuts which were begun in past budgets.

One only needs to reflect on the fact that 200,000 more Canadians are removed from the tax rolls this year. They are low and middle income Canadians. Those are my constituents who live in co-op housing in my riding whom I just met with the other night. They praised that fact as well as they praised the government's stand on not transferring federal co-op housing to the province of Ontario.

It is very interesting to hear the champions of these issues. Let them come to London—Fanshawe. I welcome them to come to London, Ontario. I welcome them to a debate any time. I even welcome their heckling now because it is a sign that these truths do not sit well.

In conclusion, I say that we have had an excellent budget from an excellent minister. It has been very well received in London, Ontario. It has been very well received in my riding of London—Fanshawe. Yes, there are suggestions for future budgets. I intend to pursue them on behalf of my constituents but I am proud to support this budget wholeheartedly.

**Ms. Bev Desjarlais (Churchill, NDP):** Madam Speaker, I have two comments that might lead into questions with regard to co-op housing. The federal government has decided not to shirk responsibility in the province of Ontario. How does the member explain that we got rid of co-op housing for Manitoba and other provinces but what we do in Ontario I guess is a little bit different from what we do anywhere else in Canada. If it was okay in Ontario, why was it not okay somewhere else?

With regard to the singing and praising of the budget and how things are so much better and we do not have a problem with the EI or anything like this, I wonder how the member feels about moneys for employment insurance. People who are working pay money into employment insurance expecting that should they be out of a job that money is going to be there for employment insurance. Then they find out that the government thinks it is a-okay, correcto, to spend it on this, that and something else.

What about the trust the government has broken with the people who have put that money in? Whether it be employers or employees they expect that that money is there for employment insurance. The surplus the government is dealing with is dollars that it took irresponsibly and, for lack of a better word, misrepresented why it was taking that money from Canadians.

• (1705)

**Mr. Pat O'Brien:** Madam Speaker, I would be happy to answer the member's questions. I hope she will not heckle the answer because I did not heckle the question, although she was pretty aggressive during my comments but that is okay.

It is fascinating to hear an NDP member talk about "trust broken". Come to Ontario. Tell the people of Ontario who trusted Bob Rae one time, who trusted an NDP government in Ontario one time and then saw the tricks that were pulled on them. Ask the CAW—

**An hon. member:** Oh, oh.

**Mr. Pat O'Brien:** I guess she cannot resist the heckling. Ask the CAW why it is not supporting the NDP in the upcoming Ontario election. It is fascinating to hear.

**Ms. Bev Desjarlais:** Madam Speaker, I rise on a point of order. The CAW has come out very vocally that there is no rift—

**The Acting Speaker (Ms. Thibeault):** That is not a point of order.

**Mr. Pat O'Brien:** Madam Speaker, she is a new member but she is not going to intimidate me with that kind of nonsense. Maybe that would please her, I do not know.

She speaks about the problem with EI. Let me address that. We do not need any lectures from the NDP on the fact that we understand there are some valid concerns about EI. We on this side share them as well. We have a concern about the intensity rule. We have a concern about the clawback.

Come to London—Fanshawe, come and meet with me and the labour leaders in London, Ontario. They know we have those concerns. They know we are fighting for them on those issues. We have no lessons to learn from the NDP on that score.

*The Budget*

[Translation]

**Mr. René Canuel (Matapédia—Matane, BQ):** Madam Speaker, having heard my colleague praise the Minister of Finance and his budget to the skies, I have a very short question to ask him.

How can it be that the number of food banks in the country has tripled since 1989, and that the number of those who go to the food banks has doubled? How can he accept that people with incomes of \$250,000 or more are going to pay \$8,000 less in income tax? How can these things be reconciled?

[English]

**Mr. Pat O'Brien:** Madam Speaker, it is really quite simple for the member. The first tax cuts this government brought in since being in power were aimed at low and middle income Canadians. Four hundred thousand low income Canadians were removed from the tax rolls in the 1998 budget. Two hundred thousand more low income Canadians were removed from the tax rolls this budget.

This government understands that to be a Liberal is to help those who cannot help themselves. We are not the Reform Party. We believe in targeted tax cuts, which is exactly what we will continue to do in future budgets.

**Mr. David Pratt (Nepean—Carleton, Lib.):** Madam Speaker, it is a pleasure to rise in the House today to speak on the budget and what I would describe as a fiscal prescription for a healthy Canada as we enter the new millennium.

When the Liberal Party came to power in 1993, Canada's fiscal house was crumbling at its very foundation. The previous government had let the debt skyrocket out of control for years and was operating with a \$42 billion deficit.

This party, unlike others in this chamber, learned the lessons of history. This Liberal Party understood that if Canada was to be an economic force to be reckoned with in the new millennium, we absolutely had to get the country back on track.

Canadians wanted a government that would actually take a leadership role and devise a new economic plan for this country, one that actually worked. Sustained by our political courage and armed with the knowledge that Canadians supported our policies, we eliminated the deficit in four years and recorded a budgetary surplus in 1998 of \$3.5 billion, the first such surplus in 28 years.

We have put Canada's fiscal house in order. We delivered on our promise. However, we do not hear the opposition members recognizing the major strides this government has made over the last five or six years. No, they are much too busy trying to draft catchy sound bytes while we are developing sound economic policy.

● (1710)

The facts speak for themselves. Our record has shown that we have delivered the goods when it comes to fiscal responsibility. When the history of Canada is written in the years and decades ahead, I have absolutely no doubt that the historians and economists of the future will say that the last half decade of the 20th century was absolutely critical in terms of rebuilding Canada's economic foundation.

I am also supremely confident that history will record the Prime Minister and the Minister of Finance as being the people responsible for what the *Economist* magazine called Canada's economic miracle.

This budget is part of an overall plan, one which did not begin last year and one which will not end next year. It is part of a building process which eliminated the deficit and began producing surpluses which have allowed us to make major investments, last year in education and this year in health.

As the Minister of Finance has so eloquently said on several occasions, budgets are more than entries in the books of a government, they are chapters in the progress of a people. So true, so true.

Yes, budget '99 focuses on health. Over the next five years this government will inject \$11.5 billion into health into this country so that the provinces have the proper tools to address concerns about hospital waiting lists, crowded emergency rooms and shortages of diagnostic services. This will ultimately result in a stronger health care system that reflects and meets the changing needs of Canadians. I believe that this is good news for every Canadian and I am not alone.

My riding of Nepean—Carleton is located in the national capital region. This is an area that has felt the sharp edge of the Harris Tory cutting sword. The premature Tory tax cut put us face to face with the Ontario government's vision of better health care which was less hospitals, longer waiting lists and poorer service.

With the additional federal dollars, the health care situation in Ontario is starting to move in the right direction. This is recognized by people who are close to the issue. For instance, hospital and municipal officials in Ottawa-Carleton are labelling our commitment to health care as good medicine.

Local heart surgeon and Conservative senator Dr. Wilbert Keon said that the infusion of money into health care is "very good news". The mayor of Ottawa, Jim Watson, was even more optimistic. He said, "We could learn a lesson from this budget, that you can have more money to invest in social programs when you rein in your spending".

Hopefully the Ontario government learns from this budget, learns that our government's commitment to health care is just

*The Budget*

what the doctor ordered. However, there is much more good news in the budget than an investment in health care.

Whether one lives in Nanaimo or Nepean, the budget provides tax relief without borrowing money to pay for it. This is something that Canadians have not enjoyed since 1965. Building upon the initiatives in last year's budget, budget '99 prescribes \$16.5 billion in tax relief over the next three years for the 15.7 million taxpayers in the nation.

The government understands the tax burden on lower income Canadians. That is why we have removed 200,000 taxpayers from the tax roll this year. Over the past two years our initiatives have resulted in a total of 600,000 Canadians escaping the usual financial pain that comes with a T-4 slip.

Together the 1998 and 1999 budgets provide the largest income tax reductions to the lowest income levels. This translates into a 10% reduction for single taxpayers earning \$20,000 or less, and a 10% reduction for families with annual incomes of \$45,000 or less. Families with two children and an annual income of \$30,000 or less will pay no net federal income tax.

This year we have also removed the 3% surtax for all taxpayers. That is good news again for every Canadian.

One very important issue this budget addresses is that of productivity, the key to achieving sustained increases in our standard of living. Over the past few months the media has focused on what it calls Canada's decreasing level of productivity. Budget '99 has a plan to promote productivity growth to improve the standard of living and the quality of life for all Canadians.

We have already taken steps to foster this important initiative, including the elimination of the deficit as has already been mentioned, putting the debt to GDP ratio on a strong downward track, and the tax cuts that have already been mentioned.

However, knowledge and innovation are the real keys for advancing productivity growth. That is why we have decided to invest in creating, disseminating and commercializing knowledge. We are building on the 1999 Canadian opportunities strategy with an additional \$1.8 billion for various programs.

• (1715)

As members will know, my riding contains part of the city of Nepean and borders the city of Kanata. Both these west end municipalities in the Ottawa-Carleton region are the home of what has been referred to as Silicon Valley north. In fact, they are probably the most vibrant concentration of high tech companies anywhere in Canada. To say that they are enjoying explosive growth is almost an understatement.

Over the past couple of years and with the help of farsighted policies like the SR and ED tax credit and the Technology

Partnerships Canada program, our high technology industry has blossomed. The TPC program alone is a \$250 million per year program aimed at keeping Canada at the forefront of technological innovation.

Historically there have been more applications, unfortunately, than there have been resources available. Budget '99 adds another \$50 million per year for this initiative and that is good news. It is also the catalyst to give businesses a competitive edge in terms of getting their products to market faster.

Programs like the two I have just mentioned are making Canadian high tech companies world beaters. That is why when we travel abroad we hear more and more of companies like Nortel, Newbridge and JDS Fitel. These companies are showing our flag and making sales in places as diverse as Munich, Sao Paulo, Taipei, San Francisco and Johannesburg.

The allocation of \$550 million as well in another area, medical research, is extremely important, as is the creation of the Canadian institutes for health research. It marks a new and important federal commitment to medical research for scientists and researchers across Canada.

In the past our researchers have spent much of their time chasing grants and wondering where their next research dollar is coming from. This new initiative will enable these scientists and researchers to spend more time in the labs doing research extending the frontiers of human knowledge and increasing business opportunities related to scientific discovery.

Once again this budget is good for Canada. It is also providing more fuel for the growth of our local economy here in Ottawa-Carleton. This is what the regional chair of Ottawa-Carleton had to say about budget '99: "It will help create jobs and new spinoff companies that will continue to make this region the success story that it already is".

Locally this funding will help benefit some major players in the medical research industry, including the Ottawa General Hospital Research Institute, the Ottawa Regional Cancer Centre, the Heart Institute, the Loeb Institute and the faculty of medicine at the University of Ottawa.

I should also mention a few comments about what budget '99 does in terms of the national defence budget. As vice-chair of the SCNDVA committee I am very pleased that the government has provided additional dollars to help implement some of the 89 recommendations contained in our report.

We are now past the era when governments promise more than they can deliver and, as the Minister of Finance has said, delivered more than they could afford. This is responsible budget making, future oriented budget making and affordable budget making.

*The Budget*

From improved health care to tax relief, investing in technology to improving the quality of life for our Canadian forces personnel, this budget has all the right ingredients for a recipe to build a better Canada. This is the type of leadership that the Liberal Party of Canada was known for throughout the 20th century and the type of leadership that we will continue to provide into the 21st. This is the leadership that has made Canada a leader among nations.

[*Translation*]

**The Acting Speaker (Ms. Thibeault):** 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 Halifax West, National Defence; the hon. member for Winnipeg North Centre, Health Care.

[*English*]

**Mr. Reed Elley (Nanaimo—Cowichan, Ref.):** Madam Speaker, I would like to talk a bit and then ask the hon. member a question about the health component of this budget.

Before the budget came down I had an opportunity in my own riding to sit down with a number of health care professionals. I try to do this on a regular basis with focus groups within my riding to get a sense of where they are coming from.

If anybody knows the state of the health care system in Canada right now it is surely those people who are on the front lines, the doctors, the nurses, the people who run our hospitals particularly. One of the questions I asked was if in the next budget the government puts a lot of money back into the system would this necessarily fix the system. I have to say that those people were very skeptical about an infusion of money going back into the system that would in some way, shape or form fix the sad state of health care in this country.

• (1720)

I went back to those same people after the budget and I asked would this \$11.5 billion that the Liberal government intends to put back into this budget over the next five years do what we hope it will do, fix the health care system. These people had not changed their minds. I do not think they are fooled by the rhetoric of the government in trying to make it appear that somehow it is now the saviour of health care by putting this kind of money back into the system.

Does the member think that putting this kind of money back into the health care system will fix the system when indeed his government is responsible for taking \$20.4 billion out of the health care system in the last five years and creating the problem we are in today?

**Mr. David Pratt:** Madam Speaker, it is clear that when the government took office in 1993 we were facing some very daunting

challenges. Part of those challenges was the \$42 billion deficit that had been left by the previous government and it was absolutely essential that we get our program spending down which also meant reducing the transfers to provinces.

In some provinces, as in my home province of Ontario, we face a situation where there were cutbacks in transfer payments but the situation was significantly aggravated by a premature tax cut, something the party across the aisle seems to espouse as the be all and end all of what is good for Canada.

The situation in Ontario has pointed out fairly graphically how much in error that approach is and was. I think the government, in terms of increasing the amount of money for health care, the \$11.5 billion, is taking steps in the right direction. There is absolutely no doubt in my mind about that.

I am in touch with people in the medical community on a fairly regular basis. Just last Saturday night I was talking to a nurse who was complaining about the situation at the Queensway-Carleton Hospital which is just outside my riding but which serves a good portion of my riding. This nurse was very concerned about people lined up in the hallways of the hospital because there are not enough beds in the emergency department. This is something that obviously has to be corrected.

What is important not just in terms of the infusion of health care dollars is the future oriented spending in terms of medical health research. In that regard I should tell members that I have a sister who is a cancer researcher here in the Ottawa-Carleton region who is absolutely delighted with the foresight the government has shown in terms of investing more in medical research and the money going into it. It will have great benefits for the future.

**Mr. Dick Proctor (Palliser, NDP):** Madam Speaker, I will be dividing my time with my colleague from Sackville—Eastern Shore.

I intend to talk about health care and agriculture in this budget. I also intend to talk about some things that are not in this budget, the unemployed, the homeless and the poor in Canada and beyond our borders.

The finance minister announced on February 16 that the government will put \$11.5 billion into health care. The money is needed urgently for more nurses, for more cancer treatment and for more home care. I am sure we are all grateful for that.

It is also important to know that \$11.5 billion spread out over five years will take until the year 2003 before federal spending on health care reaches the level it was just four years ago.

• (1725)

Canadians know that Ottawa and the provinces share health care costs but in 1995 without warning the Liberals began a round of devastating cuts under the CHST, the Canada health and social

*The Budget*

transfer, that reduced Ottawa's contributions for said transfers by a whopping \$21 billion. That is *b* as in billions, *b* as in big booboo.

When medicare began in the 1960s, Saskatchewan's gift to Canada, it was the federal government putting up 50 cents and the provinces putting up 50 cents. Now the federal share is down to just 11 cents on the dollar and the budget will bring it only up less than 2 cents to about 12.5 cents.

The cuts have been felt everywhere but nowhere more than in the province of Saskatchewan. Our provincial government was forced to make very tough choices after 1995. It could either pass Ottawa's health care cuts on to its citizens and the district health boards or it could find scarce dollars to replace that money. Saskatchewan chose to replace the money and has increased spending on health care over and above what was cut by the federal government.

Replacing lost federal dollars on health care has meant that other pressing needs could not be met. It would be useful to have had that money to move more quickly on twinning our major highways and improving our roads. That is why the Premier of Saskatchewan, to respond to member for London—Fanshawe, was so pleased that finally the government woke up and was putting some real money back into health care so that he in turn can do some things that desperately need to be done in the province of Saskatchewan.

Canadians are extremely concerned about the future of our health care system, notwithstanding this infusion of money. We in the NDP caucus are committed to repairing existing health care services and increasing the emphasis on health promotions. We are determined to add home care and pharmacare to the health system and ensure that two tier American style health system never comes to this side of the border.

Looking briefly at the agricultural situation, in December after much prodding the agriculture minister promised \$900 million in federal funds for an income disaster relief program. Farmers have had to wait almost 80 days for the minister to announce any details. If the devil is in the details there is much devilry in this set of details.

In agriculture, like health care, it is important not to listen simply to the government spin doctors but rather to read the fine print.

In December the minister of agriculture was promising \$900 million for a farm disaster relief program, as the member for Charleswood St. James—Assiniboia knows, but now there are clear indications that the minister and his bureaucrats, or someone over there, have fiddled with the program design to ensure that Ottawa will pay far less than it originally promised.

For example, when the program was announced last week the minister acknowledged that the program would not cover negative margins. That means if farmers lost money, as they certainly did in northwest Saskatchewan because of drought last year and in previous years, those losses are simply not covered.

I am receiving calls from farmers who have lost money in the past few years and who fear, having looked at the details, that this program will do absolutely nothing for them. In addition to not covering negative margins, the minister also announced his intention to deduct from his payments any contributions the government has made to the net income stabilization account, NISA, so it can pay farmers less.

The minister will pay out \$600 million or less, not the \$900 million he promised as recently as last December. As an aside, at \$600 million it is no longer a 60:40 program in terms of federal-provincial. It is more like 50:50. The bottom line is that an agricultural manager for a Manitoba-Saskatchewan lending institution believes that under the rejigged rules announced last week so few farmers will qualify that very little of the \$1.5 billion will actually ever be paid out.

The provinces are also being forced to pay the 40%, and that is not fair, as the Minister of Natural Resources would know.

• (1730)

He would know that is not what happened in North Dakota. That is not what happened in South Dakota or Minnesota. It was Washington that paid in that case and it should be Ottawa in this case. Small population provinces like Manitoba, Saskatchewan and Nova Scotia are footing the bill to help our farmers through a trade war. Our small provinces cannot afford to take on the treasuries of the United States and Europe.

Ottawa used to take responsibility for safety net and disaster programs, but this Liberal government has walked away from its responsibilities. Since 1993 it has slashed spending on agriculture by 60%. The money it announced for the disaster relief program is a two year blip. By the year 2000 it will again be spending less than it did last year. That, in turn, is much less than it spent in 1993.

The minister the other day said that the announcement was a great day for Canadian farmers. It does not explain why farmers are still holding and planning to hold rallies as early as this Saturday in Regina or why provincial governments on the prairies are saying to Ottawa "You administrate this turkey because we do not want any part of it".

Farmers have played a key role in deficit reduction and the restoration of a balanced budget. It is time for Ottawa to put money back into agriculture. We in this party believe that Canadian farmers need sustainable incomes. Our federal caucus intends to keep the pressure on the agriculture minister so that a solid,

*The Budget*

sustainable farm income disaster program will be there, not for just one or two years but for the long haul.

There is new money for health care. There is some new money for agriculture disaster relief. However, in both cases we are just beginning to recover from years of devastating cuts. At best we are running to stand still.

My colleagues have talked about unemployment. I will not go into that in any detail except to note that in Saskatchewan only one unemployed person in three is now eligible for employment insurance. If we look back 10 years ago to 1989 we find that two out of every three unemployed persons actually received some benefits. This is a deliberate policy again by the federal Liberal government and it takes some \$10 million annually out of the Palliser constituency, which affects small businesses, but more importantly, it affects families who cannot afford some of life's basic necessities. These policies are callous and unacceptable. People matter most. They pay into unemployment insurance and when they lose their jobs EI must be there for them.

In addition, this budget has done absolutely nothing for the homeless in our country and very little for the poor. The United Nations published an in-depth study earlier this year which is not at all flattering to Canada. This is not the one that members opposite use when they stand to say the UN says that Canada is number one in the world. This is the UNESCO study which says that amongst industrialized countries Canada is number ten in the industrialized world when it comes to the human poverty index.

In addressing budget deficits the UN document notes that the Canadian government has not paid attention to adverse effects for the population in general. In other words, the Liberal government has balanced its books on the backs of ordinary families. Those hurt most were those most at risk.

The committee says that homelessness in Canada is an area of grave concern. The report states that it is of grave concern that little or no progress has been made to improve the lot of aboriginal people, especially in the areas of housing, unemployment and safe drinking water.

I will conclude by noting that there is absolutely no new money in this budget for underdeveloped countries. I was particularly disappointed that the finance minister was silent in his budget about any commitment to forgive the debt owed to our government by some of the world's poorest countries.

Thousands of Canadians are involved in the Jubilee 2000 campaign to cancel debts owed to Canada by 50 of the world's poorest countries. Leaders of the Jubilee 2000 campaign met with the finance minister last fall. They felt at that point that he was empathetic, but they and the poorest of the world's poor came away without any crumbs from the finance minister's table.

On this side of the House we hearken back to what J. S. Woodsworth said: "What we wish for ourselves we desire for all".

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I would like to make a brief comment and then ask the member a question.

The member will know that the Canada health and social transfer is made up of two components, the cash component as well as the tax points. The sum of those two equals the total entitlement of a province.

• (1735)

The member will also know that as the economy grows and more people are working and provinces earn additional revenue, the amount of cash does go down, all of which is subject to a floor which is going to be set at \$15 billion.

I wanted to raise that with the member because the cuts are not simply the cuts that otherwise would not have been made. As other members have already pointed out, some provinces like Ontario gave \$4.3 billion in tax cuts and the cut from the federal government was only \$1.2 billion. Clearly the provinces have priorities and clearly the province of Ontario showed that health care was not its priority.

My question to the member regards his final comments on homelessness. The Golden report in Toronto identified that 17% of the homeless in Toronto were aboriginals. The member will well know the amount of dollars invested in aboriginal health and wellness issues by the government, as well as in the last budget.

The member will also know that transfers to the provinces have increased because of these health transfers and that about 30% of homelessness has to do with mental and physical disabilities, and that money is addressing that.

He also knows that 28% of the homeless in the Toronto survey were youths. He knows how much money has been spent on youth employment initiatives and youth programs to ensure that our youth have the training and the education they are going to need to participate in society.

With those few statistics, I would ask the member whether he agrees that homelessness has been addressed directly by this budget and by other policies of the government.

**Mr. Dick Proctor:** Mr. Speaker, I would absolutely not agree with that comment from the member for Mississauga South.

There is a gentleman who is usually parked in front of the House of Commons at the East Block entrance, about 200 yards from the entrance to this building. He is there virtually every morning. I asked him the day after the budget how he had been affected as I dropped a few coins into his outstretched hand. He said "Not at all".

*The Budget*

With respect to the question on tax transfers, it is simply unrealistic to suggest that the provinces can make up the difference. The taxpayer is feeling the burden enormously.

On the homelessness issue, I thought it was particularly offensive the other day when the Deputy Prime Minister suggested to the member for Halifax that it was simply a photo opportunity. What this federal government needs to do is to convene a round table or a discussion on homelessness. I agree that it is more than one level of government, but there has to be some leadership shown.

The mayors of the 10 largest cities in Canada have asked for a meeting to discuss homelessness. So far this government has not acceded to that request and I think it should with alacrity.

**Mr. Joe Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I just want to ask the member a quick question. He talked about the need for sustainable incomes in farming. I think if the farm crisis shows us anything in this country, it is the value of supply management.

I am wondering if he would see this as an appropriate time to bring the hog producers under the supply management umbrella.

**Mr. Dick Proctor:** Mr. Speaker, I agree that supply management has made the farm crisis far less significant in some parts of the country than in others.

I was part of the agriculture committee that was in Washington last week. I can assure the hon. member that there is a deep-seated concern about supply management on the American side of the border. The Americans would like to see it done away with. The only thing they would probably put up on the same level is the Canadian Wheat Board, what they refer to as the state trading enterprise.

I would think in the great scheme of things that the government was making a choice. Knowing where their seats are, it would be that the Canadian Wheat Board would be offered up first, followed in the next round by supply management.

• (1740)

**An hon. member:** Not a bloody chance.

**Mr. Dick Proctor:** I hope you are right, Mr. Minister, but we will wait and see.

**The Speaker:** I know hon. members always want to address the Speaker when they speak.

[*Translation*]

**Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ):** Mr. Speaker, I found it interesting that the member referred to the fact that the trick the Minister of Human Resources Development had discovered was to make the unemployed disappear.

Initially, about two thirds of the unemployed in his province were entitled to unemployment insurance. Now the figure is no more than one third. Does he agree with the following statement. Just as the great magician David Copperfield always has an assistant, does the Minister of Finance have an assistant too—that is, the Minister of Human Resources Development—to make the unemployed disappear and to create the illusion that there is no more deficit?

[*English*]

**Mr. Dick Proctor:** Mr. Speaker, I think that 23% of eligible people in Regina actually receive some employment insurance benefits, the lowest in Canada.

We hear the minister of human resources on a daily basis say “There is no problem here. It is simply that there are more people working”. There is a huge problem in this country. Our constituency offices are being overwhelmed by claimants who are on employment insurance, demanding some relief. They are being told that they have no alternative but to go to welfare in order to seek relief for themselves and their families. The government knows it has a large problem and it is becoming more evident with each passing day.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, every time it snows outside this beautiful hallowed hall we call the House of Commons, the Liberal government gives us a snow job on the budget which we are discussing right now. It just goes on and on.

I would first like to talk about the hallowed budget surplus. The facts are the facts. Seven billion dollars has been taken out of the pockets of employers and employees in this country.

My question, which I have asked time and time again, is: Where is the money? We have heard from the minister of human resources that the money has already been spent on other programs. This government has no right to that money. It belongs to employers and employees. That is the first fact.

If the Liberals really wanted to do something about tax reduction, which all Canadians would like to see, why did they not do the simplest thing, which would have benefited the majority of Canadians, and reduce the GST, even by 1%? That would have put money in many people’s pockets and it would have put money back where it belongs, into the economy and job creation.

It is unbelievable that the government could do this while food bank usage is on the rise, while the environment of our nation is being “degredated” at a rapid rate and while public service workers are not getting the equity and equality they deserve.

This government turned around in its recent budget and gave John Cleghorn of the Royal Bank and Al Flood of the CIBC a \$32,000 tax break. That is what they will get for 1999-2000. Yet the chairman of the committee for SCONDVA and the vice-chair were

*The Budget*

both in here a moment ago bragging about how great this budget was for defence. The fact is that there was not one single word about compensation benefits for the merchant marines.

I would like these two to come back to the House and tell Ossie MacLean, in public, exactly what this budget does for them. It does absolutely nothing.

• (1745)

**Mr. Joe Jordan:** Mr. Speaker, I rise on a point of order. I do not think my hon. colleague intended to, but he referred to the absence of a member from the House. I think he has been here long enough to know that is not appropriate.

**The Speaker:** I did not hear that particular part. We all know that members cannot mention whether or not someone is here. I am very confident the hon. member knows that.

**Mr. Peter Stoffer:** Mr. Speaker, I thank the hon. member, for whom I have great respect, for pointing that out. The fact is I would like him to mention in future debates what the budget does for our beloved merchant marines who sacrificed so much and to whom the government gives so little.

It is unbelievable. The government talks about job creation. What about the garment workers of Levi Strauss who just realized they will be losing their jobs in Cornwall? What about the Volvo workers of Halifax who have lost their jobs? What about the thousands and thousands of fishermen and plant workers from coast to coast who have lost their jobs? What about the Boeing workers in Toronto who in November will be losing their jobs? What about the 2,400 Bell Canada operators who will losing their jobs?

There was not a single mention from the Liberals about those workers. All they talk about is tax breaks and health care concerns. I admit putting \$2.5 billion back into health care is a good first step. The fact is that spread over five years it will only match 1995 levels by 2003. It is an absolute disgrace.

Tommy Douglas, J. S. Woodsworth and all those beautiful New Democrats of before stood up and fought for health care. They were Saskatchewan's gift to Canada. My hon. friend from Palliser is absolutely correct. The premise of health care was 50% in dollars from the federal government and 50% in dollars from the provincial governments. After five years the government even admits that the grand percentage will be around 13% to 15% of federal contributions. It is no wonder that we are going to a two tier system.

An incredible amount of small business absolutely despises the budget. If members do not believe me, they can listen to Catherine Swift. I may not be a great fan of Catherine Swift but she is right.

**Some hon. members:** Oh, oh.

**Mr. Peter Stoffer:** I love the heckling. I have got them going. This is great.

In my riding there are 14 small business operators on my street alone. Every one of them complain about the underground economy because of the GST and HST rules. The GST-HST was shoved down the throats of Atlantic Canadians. It ended up that the underground economy grew to over \$4 billion in the country. It is an utter disgrace that competent, well meaning and honest small businesses have to compete with the underground economy. The government did not address that problem in the budget.

One of the greatest concerns of our country—it is a national disgrace—is what we are doing to hepatitis C victims. I know Joey Haché is watching us right now and wants to know why the government completely ignored the constant concerns of hepatitis C victims. The government ignored those people just like it ignored the fishermen on the east and west coasts and in our inland provinces, just like it will ignore the miners of Cape Breton, just like it ignored the miners of Kamloops and just like it will let go the Volvo workers, the garment workers, the Bell workers and everyone else.

It is absolute disgrace. The government sits here and I noticed that not one member of the Liberal Party stood and spoke off the cuff. They all had to read prepared speeches, obviously done by bureaucrats in the finance department. They sound like a broken record.

**Some hon. members:** Oh, oh.

**Mr. Peter Stoffer:** I am glad to see the debate livened up a bit. That is the way it should be. The government has completely ignored the future of our nation.

I will quote for everyone an article which is hot off the press, from Internet. Statistics Canada released information on family incomes today. This is dated March 3 at 4.40 this afternoon. It supports the old saying about the rich getting richer and the poor getting poorer.

• (1750)

Between 1970 and 1995 average family incomes in Canada rose by 32% but that affected only the richest 30% of families. For the rest there was a slight decline. Hardest hit are families with a single female parent. Such families have almost doubled in the past 25 years and about 40% of them are in the bottom 10% of income earners.

This information is from Statistics Canada. I took it off Internet about an hour and a half ago. Those people are seriously affected by what is not in the budget. The federal government can talk about the budget benefiting its friends like John Cleghorn and Al Flood, but the fact is that it does absolutely nothing for single parent families and working people. It is a sin.

*The Budget*

The hon. member for Palliser did not get the opportunity to mention the fact that family farmers across the country are devastated and hurt terribly by what the budget has done. There is a lack of commitment by the government to help them in their time of need.

The European Economic Community came up with \$60 billion and the United States came up with \$7 billion in aid for their farmers. What does our government do? It hems and haws. It even comes to the point where it denies its promise of a few months ago and reduces it by almost \$300 million. It is an absolute disgrace.

I would like government members to speak to Mr. Ray Martin of Flin Flon, Manitoba; Carol Ferguson of Louisbourg; and Alex Handyside of Porters Lake. Government members are bragging; they are proud of the budget. I can give them phone numbers so they can call these people and tell them how proud they are of the budget. These are only three people from across the country who have called me to say that they are very disgusted with the budget and very disappointed in the federal government.

**The Speaker:** It is not usual for me to intervene, but I thank the hon. member for giving me a new word, “deggregated”.

**Mr. Peter Stoffer:** I am sorry, Mr. Speaker.

**The Speaker:** No, that is fine. I appreciate it.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member's comments with regard to tax impacts on or benefits to single parent families are important. He said that the budget did nothing, but when I looked back over what happened in this budget and in the prior budget I saw that the child care expense deduction was increased from \$5,000 to \$7,000 for those who have preschool children. I saw that the basic personal amount under the non-refundable tax credits was increased by \$675. I also saw the announcement of another \$1.7 billion to the Canada child tax benefit, which benefits primarily low income Canadians.

Would the member try to reconcile all of those direct benefits to low income parents, in particular single income parents, with his statement that the budget did nothing for them?

**Mr. Peter Stoffer:** Mr. Speaker, I thank the hon. member for the question. He knows very well that the provinces claw back some of that money. He knows darn well that is exactly what happens. He is shaking his head but those are the facts. Francine Cosman, community services minister of the Liberal Nova Scotia government, stated quite clearly that it claws back some of that money. That is exactly what it does.

They are very proud of the national child benefit. I admit it was a good first start to helping low income families but it is nowhere

near enough. If that money went directly to the families and not through the provinces, it would have a much greater effect.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I am intrigued with the member's speech. We share one thing. I am sure there will be some heckling immediately, but we share a genuine concern about the health care system.

I expressed that earlier in the House when I talked about my dear aunt who just died. She got very poor care and had to be moved to a private health care facility, an extended care centre run by a religious organization, so she would get decent care. He talked a little about the restoration of health care dollars.

The Liberals want us to believe that they are putting in \$11.5 billion. I look at that as simply a very small amount. It is a \$2 billion increase per year. The next year there will be no further increase and they are still calling that \$2 billion. The next year there will be a \$.5 billion increase and they are calling that \$2.5 billion and so on for the next three years. They come up with this grand total of \$11.5 billion when in fact it is an increase of either \$2 billion or \$2.5 billion per year over the next five years.

• (1755)

I would like the member to take this opportunity to rip into the Liberals because of this.

**Mr. Peter Stoffer:** Mr. Speaker, I thank the hon. member for his statement. One of my favourite pastimes is ripping into the Liberal government. Although I have some personal friends on the other side and I respect a lot of them greatly, fact is fact.

The member is absolutely correct. When it comes to health care spending, the \$11.5 billion over five years, they did not take into account inflation or the fact that we have an aging population. They certainly did not take into account the needs of rural Canada when it came to the budget.

When they talk about the major urban centres and the health care crisis of downtown Toronto, Montreal, Halifax or Vancouver, they certainly forget areas like Medicine Hat, Sheet Harbour, Whitehorse, Yellowknife, et cetera. The government should not be very pleased with what it has been doing to rural health care.

**Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I am pleased to have the opportunity to join in the debate on the 1999 budget. I will be sharing my time with one of my colleagues, the member for Mississauga South.

I congratulate the hon. Minister of Finance for putting forward a budget that addresses the needs of Canadians. This is a budget we can all be proud of. Today I will use my time to speak briefly to three themes in the budget. I want to make sure my constituents who are watching this debate get some facts directly from the

*The Budget*

budget. I will address the issues of health care, knowledge, innovation and tax relief as outlined in the budget.

I believe the support of strategies to enhance quality health care for Canadians and the support to families and individuals in our tax system are essential for the growth of Etobicoke—Lakeshore and for all communities across the country.

Budget '99 is not an end in itself. It is a continuation of the federal government's commitment to building a strong, secure future for all Canadians. My constituents are pleased with budget '99 and agree that the government has taken yet another step in the right direction.

Over the past year my constituents have been saying to me that they would like to see the budget surplus used for deficit reduction, health, research and development, and tax relief among other things. In my consultations with them, those were the issues that kept coming to the top.

With the budget the federal government has delivered on their priorities without borrowing a single penny. I was pleased to share that with my constituents. Despite new investments in social and economic priorities, the federal government has not swerved in staying the course in sustaining sound fiscal management. This is what all of us in the House want our government to do.

In 1993 when the government took office the budgetary deficit stood at \$42 billion. The state of Canada's fiscal house was in poor shape. The federal government had a major task in balancing the books and restoring the confidence of Canadians in our economy.

My constituents were concerned. The phone calls and the round table discussions we held all expressed their concern about the deficit. In 1998, when we delivered a budget that eliminated the deficit and balanced the books for the first time in 28 years, we were pleased and proud to share that with every individual who sat around the table and moaned with us about the \$42 billion deficit we were in.

Today the policy of sound, prudent fiscal management pursued by the federal government has put our economy on the right track for the benefit of all Canadians.

• (1800)

Budget '99 continues the course. It continues to build on this comprehensive plan for creating a strong economy and a secure society. On this side of the House we believe that our young people deserve to inherit a country that is fiscally robust and capable of meeting the challenges of the next century. As we head into that next century the fiscal outlook of Canada is positive.

As we listened to our finance minister on budget day, all Canadians got the sense of renewed optimism about the economic

viability of our country. In budget '99 the federal government will again balance our books. For the first time since 1951-52, the government has been deficit free for two consecutive years. The federal government will remain committed. We heard our Minister of Finance speak to this.

The 1999-2000 budget and the 2000-01 budget are again recording consecutive balanced budgets. The fiscal policy of the government continues to put the debt to GDP ratio on a permanent downward track. Again, this pleased my constituents. This is of tremendous significance to them simply because balanced budgets and a decline in the debt to GDP ratio means that the government can free up resources to strengthen our health care system, provide tax relief, invest in a more productive economy and a higher standard of living by promoting access to knowledge, research and innovation.

Budget '99 also preserved our health care system by securing high quality, equitable health care for all Canadians. The budget sets us on a course that speaks to the highest possible quality of health care and other tools that will make healthy lifestyles and healthy lives.

The health agreement reached in last month's first ministers conference and the new social union framework shows Canadians that the federal and provincial governments will pursue a common vision that puts health and quality of life first. We know that the prosperity of any nation depends on the health of its citizens. It has a direct bearing on how well Canada is situated in the global economy and ultimately the future of our country.

In budget '99 the federal government reaffirmed to all Canadians that sustaining and strengthening health care is one of its key priorities. My constituents know the total number is \$11.5 billion and they are very much aware of the \$3.5 billion that will be provided immediately as a one time supplement which the provinces will have the flexibility to draw upon according to their needs and priorities. In the province of Ontario we know the importance of that immediate \$3.5 billion and what it will create for us.

In the weeks leading up to the budget, my constituents asked me over and over to ensure that the federal government addressed the problems of crowded emergency rooms, long waiting lists, shortage of diagnostic services, et cetera. As the media portrayed the upcoming budget as a health budget, there was more and more anxiety by constituents to ensure that these issues were addressed. This health budget is welcome news for the people of Etobicoke—Lakeshore. Ontario will also be receiving other moneys. It will receive a \$4.4 billion investment in health care to encourage the government to make fundamental improvements to Ontario's health care system.

Making decisions about one's health requires one to be given the information and the tools to make positive decisions and choices. I want to ensure that my constituents understand where some of the dollars will go in terms of initiatives to enhance the flow of health information. A national health surveillance network will be built

which will electronically link laboratories and public health offices across the country.

• (1805)

My constituents also need to know that we are establishing the Canada health network, accessible by computer and telephone and enabling Canadians everywhere to have direct access to objective, reliable, up to date information on a range of health issues and providing better reports on the health of Canadians and the functioning of the health system. Those initiatives are consistent with the government's commitment on health and are a concrete step to strengthening medicare.

Budget '99 takes action on many fronts. It builds on the Canadian opportunities strategy by investing more than \$1.8 billion over the remainder of this fiscal year and the next three years in the creation, the assimilation, the commercialization of knowledge and in support of employment.

There is just so much this budget has addressed that it would take minutes more to delineate the many positive items in this budget. I call on all of my colleagues as they debate this 1999 budget that they recognize the issues, that they recognize the measures which are in there and that they recognize the way in which this budget has addressed the concerns of Canadians.

**Ms. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I have a comment.

I have been taken aback at the praising of the budget and the praising of how great it is that this money is going back and everybody is cheering the government. I have sat here and thought that of course everybody is happy because there is money going back into health care. The government has cut \$20 billion out of health care. It is finally putting something back in. Of course we are going to be happy.

It is as if there has been a war going on. This is a war. The Liberal government has attacked and waged war on social programs in Canada with all the cuts. We had the Korean war, the first world war and the second world war. The war ends and of course we are all going to cheer and be excited. But that does not mean we are going to sing the praises of Hitler, our enemy, or anybody else who has been attacking those programs. We are going to make darn sure we keep fighting for what is right.

**Ms. Jean Augustine:** Mr. Speaker, I think I will comment on the comment.

I will not want to use the analogy of war. I tend to be a peaceful person and therefore I would like to see the positives.

I tried to speak to my constituents about what budget '99 has in it for them. We know that cuts had to be made. We know that we

### *The Budget*

started in 1993 with a \$42 billion deficit and some things had to be done. What we have done at this point in time is we have tried to address some issues and to move forward. Budget '99 has indeed moved the agenda forward.

**Mr. Jim Jones (Markham, PC):** Mr. Speaker, I want to thank the hon. member for Etobicoke—Lakeshore.

In this budget the fundamental problem with the government's approach is that it ignores the best approach to increase the business investment needed to improve productivity: lower business taxes and a lower regulatory burden.

Since the Liberals took office in 1993, corporate income tax revenue has more than doubled. Many of these taxes do not even depend on whether or not a corporation is profitable. The federal Department of Finance estimates that 70% of taxes that business pays are not related to any profit. Meanwhile, according to the Conference Board of Canada, of every single dollar in extra profit made by corporations over the past 30 years, a full 62 cents is clawed back.

I ask the member, if the government were truly concerned with productivity and jobs, would it not address the heavy tax burden that discourages needed business investment in this country?

**Ms. Jean Augustine:** Mr. Speaker, I am happy that I was able to give the member the opportunity to read into this debate the concerns that he has in the books.

Again, we are addressing some issues that we have advanced from the 1998 budget into the 1999 budget. If the member did spend the time to go through the documentation, he would see the progress that we have made from 1993 until now.

• (1810)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I want to comment on a couple of issues that have come up in this debate.

The first one has to do with personal income taxes. Some members have suggested that there have been increases in taxes and that Canadians are paying more taxes.

I looked back from 1993 and found that personal income tax revenue to the Government of Canada was \$51.4 billion. In the current year ended March 31, 1999, personal income tax revenue will rise to \$73.7 billion. Next year it is expected that it will further rise another \$1.3 billion to \$75 billion.

There is no question that personal income tax revenue is increasing in Canada, but since the time that the government took office in 1993, there are 1.5 million more employed Canadians paying income tax. There have been no increases in personal

*The Budget*

income tax rates. There have been no increases in personal taxes. In fact, there have been decreases and I will mention a couple.

The child care expense deduction was increased from \$5,000 to \$7,000. It is a direct savings for families with children. The federal 3% surtax has been totally eliminated for all Canadians. It is a savings in taxes to Canadians.

The basic amount, the non-refundable tax credit, has been increased by \$675 for all Canadians, a significant increase. It deals directly with the issue of bracket creep and indeed will cover any impact of bracket creep for an additional three years. If the member would like to know what bracket creep is, it is basically inflate that exemption portion.

The basic exemption for a Canadian is about \$6,500. Inflation in Canada last year was at a rate of 1%. One per cent of \$6,500 is \$65. At the tax credit rate it means the member is talking about an impact of \$16. That is not a significant amount. It is not the number the members are saying.

In addition there are non-taxable benefits that Canadians have received. The \$1.7 billion invested in the Canadian child tax benefit is directly related to low income Canadians who need help with their children. Important changes were also made to things like RESPs. A government grant of up to \$400 per year, per child was available to invest in the education of our children. These are very important.

The employment insurance premiums were reduced. They were going up to \$3.30. Today they are \$2.70. It was a \$2.8 billion decrease in employment insurance revenue to the government because of the reduction in those rates to Canadians.

The fact remains that 600,000 Canadians no longer pay tax as a result of the tax deductions delivered by the Government of Canada, by the Liberal Party of Canada.

In addition, there is program spending on matters such as prenatal nutrition to deal with fetal alcohol syndrome and fetal alcohol effects, programs such as CAPC that help children who are at risk.

I am very proud of the government's budget. I am very proud of the benefits and the programs it has bought, particularly for families with children. I look forward to the debate tomorrow when this comes up because I think Canadians will understand that the Liberal Government of Canada has children in mind first.

**Mr. Ken Epp:** Mr. Speaker, I want to ask the member whether he would answer one question. There is one minute for that. Could I do that?

**The Speaker:** The answer is no, the time is up.

It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means motion No. 19.

• (1815)

Is the House ready for the question?

**Some hon. members:** Question.

**The Speaker:** 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 Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Speaker:** Call in the members.

• (1845)

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

(Division No. 326)

## YEAS

## Members

Adams	Alcock
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Baker	Bakopanos
Barnes	Beaumur
Bélair	Bélanger
Bellemare	Bennett
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Boudria
Bradshaw	Brown
Bryden	Bulte
Calder	Cannis
Caplan	Carroll
Catterall	Cauchon
Chamberlain	Chan
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Comuzzi	Copps
Cullen	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Duhamel	Easter
Eggleton	Finestone
Finlay	Folco
Fontana	Fry
Gagliano	Galloway
Godfrey	Goodale
Gray (Windsor West)	Guarnieri
Harb	Harvard
Hubbard	Ianno
Iftody	Jackson
Jennings	Jordan
Karetak-Lindell	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lastewka
Lavigne	Lee
Leung	Lincoln

MacAulay  
Malhi  
Manley  
Marleau  
Massé  
McGuire  
McTeague  
Mifflin  
Mills (Broadview—Greenwood)  
Murray  
Nault  
O'Brien (Labrador)  
O'Reilly  
Paradis  
Patry  
Peterson  
Phinney  
Pillitteri  
Proud  
Redman  
Richardson  
Rock  
Scott (Fredericton)  
Serré  
Speller  
Steckle  
Stewart (Northumberland)  
Szabo  
Thibeault  
Ur  
Vanclief  
Whelan  
Wood—143

Mahoney  
Maloney  
Marchi  
Martin (LaSalle—Émard)  
McCormick  
McKay (Scarborough East)  
McWhinney  
Milliken  
Mitchell  
Myers  
Normand  
O'Brien (London—Fanshawe)  
Pagtakhan  
Parrish  
Peric  
Pettigrew  
Pickard (Chatham—Kent Essex)  
Pratt  
Provenzano  
Reed  
Robillard  
Saada  
Sekora  
Shepherd  
St. Denis  
Stewart (Brant)  
St-Julien  
Telegdi  
Torsney  
Valeri  
Volpe  
Wilfert

Muise  
Penson  
Plamondon  
Price  
Ramsay  
Robinson  
Scott (Skeena)  
Solomon  
Stoffer  
Thompson (New Brunswick Southwest)  
Vellacott  
Wasylycia-Leis

Nystrom  
Picard (Drummond)  
Power  
Proctor  
Ritz  
Rocheleau  
Solberg  
Stinson  
Strahl  
Tremblay (Rimouski—Mitis)  
Venne  
White (Langley—Abbotsford)—108

*Adjournment Debate*

PAIRED MEMBERS

Anderson  
Grose  
Marceau  
Perron  
Tremblay (Lac-Saint-Jean)

Graham  
Longfield  
McLellan (Edmonton West)  
Sauvageau  
Turp

**The Speaker:** I declare the motion carried.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NAYS

Members

Ablonczy  
Anders  
Axworthy (Saskatoon—Rosetown—Biggar)  
Bachand (Saint-Jean)  
Bellehumeur  
Bergeron  
Îles-de-la-Madeleine—Pabok)  
Breitkreuz (Yellowhead)  
Brien  
Cadman  
Cardin  
Chatters  
Crête  
Dalphond-Guiral  
de Savoye  
Desjarlais  
Dockrill  
Dubé (Lévis-et-Chutes-de-la-Chaudière)  
Dumas  
Earle  
Epp  
Fournier  
Gauthier  
Godin (Acadie—Bathurst)  
Goldring  
Grey (Edmonton North)  
Guimond  
Hart  
Herron  
Hill (Prince George—Peace River)  
Hoepfner  
Johnston  
Keddy (South Shore)  
Kerpan  
Laliberte  
Laurin  
Loubier  
Lunn  
Mark  
Matthews  
McNally  
Mercier  
Mills (Red Deer)

Alarie  
Asselin  
Bachand (Richmond—Arthabaska)  
Bailey  
Benoit  
Bernier (Bonaventure—Gaspé—Bigras)  
Breitkreuz (Yorkton—Melville)  
Brison  
Canuel  
Casson  
Chrétien (Frontenac—Mégantic)  
Cummins  
Davies  
Debien  
Desrochers  
Doyle  
Duceppe  
Duncan  
Elley  
Forseth  
Gagnon  
Girard-Bujold  
Godin (Châteauguay)  
Grewal  
Guay  
Harris  
Harvey  
Hill (Macleod)  
Hilstrom  
Jaffer  
Jones  
Kenney (Calgary Southeast)  
Konrad  
Lalonde  
Lebel  
Lowther  
MacKay (Pictou—Antigonish—Guysborough)  
Martin (Winnipeg Centre)  
McDonough  
Ménard  
Meredith

NATIONAL DEFENCE

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, the people of the Halifax regional municipality and all Nova Scotians deserve to know what plans are in the works for the Shearwater Canadian forces base.

I am becoming increasingly concerned about the past operations of Shearwater Development Corporation Limited and am equally concerned about what the future holds. Underscoring both these issues is a sense that this Liberal government is not willing to be entirely open with the people who will be affected by whatever decisions are made.

Shearwater Development Corporation Limited was created in response to the 1994 federal budget when it became clear that operations at Shearwater would be reduced. Now we have Frontec Corporation suing Shearwater for over \$663,000 for services and products.

Exactly what did Shearwater Development Corporation do for the past half decade and, in particular, what has happened to the \$2.6 billion in taxpayer money invested in the Shearwater Development Corporation?

• (1850)

The people of the Halifax-Dartmouth area deserve full and fair accounting of just what this corporation did over the past five years and how their money was spent. How many jobs were created? What long term projects were crafted and developed?

*Adjournment Debate*

The people of the Halifax regional municipality also deserve to know what the long range plans for Shearwater are. Will the military keep the shoreline property? How many jobs will be lost? What is the long term plan and use of both the base and the valuable lands on which it rests?

In response to my question in the House on November 18, 1998, the Minister of National Defence stated that the federal government would bring about an outcome where the lands would be used for the benefit of the people of the province and to create economic development opportunities so that jobs can be created. That is what the minister said in the House.

Will the people of the region have a say or will this just be one more deal made between the federal and provincial Liberals, behind closed doors, without the full and constructive input of the people whose lives will be affected by the decisions made?

[Translation]

**Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.):** Mr. Speaker, our government remains committed to making the most of the surplus property and the associated potential economic benefits at Shearwater Canadian forces base. The transfer of the surplus property has begun.

Since reducing its activities on the airfield, the department has done its best to maintain the property's viability, pending an official transfer.

As a local development agency, Shearwater Development Corporation has had some successes, including the Fisherman's Cove project.

Shearwater Development Corporation is no longer in the picture, but the tenants, which are still operating commercially on the property, are being accommodated to the extent possible by the base commander.

The Province of Nova Scotia is interested in acquiring the surplus property.

The Province of Nova Scotia and Public Works and Government Services Canada, representing the Department of National Defence, are now negotiating the transfer of the surplus property.

At the request of the Nova Scotia government, negotiations are taking place behind closed doors. Information on the transaction will, however, be released when an agreement has been signed.

[English]

The economic impact of the Shearwater transfer has always been the prime concern of national defence. As the Minister of National Defence previously stated in the House, our main objective with these negotiations is to use lands that are no longer required by the department for the benefit of the people of that province and that

community and to create economic development opportunities so that jobs can be created there.

It is important to remember that the Canadian forces still have a strong operational requirement for the land we are retaining. Moreover, there are some 1,000 military and civilian personnel who operate out of the site and the resulting economic benefits cannot be overlooked.

## HEALTH CARE

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, on February 8, I raised in the House some critical health care situations. I asked the Minister of Health to inform Canadians how he was prepared to address the growing crisis in our health care system.

I raised the issue of a Windsor individual who was asked to leave the hospital after tonsil surgery, bleeding and vomiting. He wanted to know why he had to be discharged that first day. I asked the minister why cancer patients in Ontario were being shipped to the United States for treatment. At that time the Minister of Health suggested that these were provincial issues and that he could not interfere with those decisions. In fact, he abdicated full responsibility for those critical situations. That was before the budget. That was on February 8.

The question for us all today, especially since the government has just approved its so-called health care budget, is has the situation changed at all. Will people facing these horrific situations be any better off? It would seem to me that the answer to all these questions is essentially no.

Since the government took office in 1993 it slashed and froze money for health care. Every day now we see the results of those health care cutbacks. Emergency room line-ups still exist today. We see pressure and stress on our nurses who are overworked and overburdened.

• (1855)

We see delayed surgical procedures and we see growing privatization of medical services. Will the health budget undo the damage? It does not appear so.

The question for us all today is what steps will this government now take to ensure that all Canadians regardless of where they live are able to enjoy quality of health services.

In that question, the minister also suggested that the solution was not with the Reform Party which is promoting a two tier privatized health care system. On that point I will agree, having just a few weeks ago been in Windsor, Ontario where the Reform candidate actually stood up in a public debate and said we must end the public monopoly on health care. That says it all.

*Adjournment Debate*

A couple of weeks ago at the united alternative conference, Reformers refused to allow for a resolution that would ensure national standards and raise the desire to allow provinces to implement user fees.

We know the solution is not with Reform's Americanized version of health care. I ask the parliamentary secretary today how they intend to pursue ending privatization of our health care and pursue their ideas for a national home care plan and a national drug plan.

**Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, this government stands committed to the principles of the Canada Health Act, as I have stated on numerous occasions.

We believe that access to necessary services should be based on health need and not on one's ability to pay. There is very clearly a constitutional responsibility for the provinces to deliver services.

There is also a responsibility for the provinces to do the planning and the managing of the resources in their provinces. The problems the member has identified are a result of stresses and strains the provinces have had over the years.

With the budget of February 16 we have seen the biggest single investment this government has ever made, some \$11.5 billion over the next five years. The budget clearly demonstrates this government's commitment to defending medicare. We are also defending access to quality care and ensuring that care is given to all those who need it regardless of their ability to pay.

Let me remind the hon. member that over the next five years \$11.5 billion will be available. What is needed is more than money.

What is needed is a more accountable, more integrated way of delivering services. The federal government has shown a leadership role in bringing together all the provinces, arriving at a health agreement.

I say to the member who has raised the principle of public administration that the NDP would have government run everything under the mandate of public administration. What we have in Canada today is a publicly funded but not government run method of delivery. The provinces have stewardship but they determine what partnerships they will engage, the corporate structures of their hospitals and their providers.

If people are dissatisfied with the way their health system has evolved, they must go to their provincial governments and say they are dissatisfied. Each province has done it differently and that is appropriate.

The role for the federal government is one, an important funding partner and two, the guardian of the Canada Health Act. We want to ensure that health services and the outcomes therefore are more accountable and the provinces develop a real system, more integrated models where people work together to ensure that when the people of Canada need care, they will get the care they need without having to pay for it.

[*Translation*]

**The 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 6.59 p.m.)



# CONTENTS

Wednesday, March 3, 1999

## STATEMENTS BY MEMBERS

<b>Kristin Willemssen</b>			
Mr. Pratt .....	12357	Mr. Martin (LaSalle—Émard) .....	12362
<b>Endangered Species</b>		Mr. Duceppe .....	12362
Mr. Casson .....	12357	Mr. Martin (LaSalle—Émard) .....	12362
<b>International Women's Day</b>		Mr. Loubier .....	12362
Ms. Bulte .....	12357	Mr. Martin (LaSalle—Émard) .....	12362
<b>Juno Awards</b>		Mr. Loubier .....	12363
Mr. Keyes .....	12358	Mr. Pettigrew .....	12363
<b>Official Languages</b>		<b>Pensions</b>	
Mrs. Finestone .....	12358	Ms. McDonough .....	12363
<b>The Late Jack Webster</b>		Mr. Massé .....	12363
Mr. Forseth .....	12358	Ms. McDonough .....	12363
<b>Canadian Space Agency</b>		Mr. Massé .....	12363
Mrs. Jennings .....	12358	<b>Taxation</b>	
<b>World Puppetry Week</b>		Mr. Brison .....	12363
Ms. Girard-Bujold .....	12359	Mr. Martin (LaSalle—Émard) .....	12363
<b>Agriculture</b>		Mr. Brison .....	12363
Mr. Paradis .....	12359	Mr. Martin (LaSalle—Émard) .....	12364
<b>British Columbia Fruit Growers</b>		Mr. Solberg .....	12364
Mr. Hart .....	12359	Mr. Martin (LaSalle—Émard) .....	12364
<b>Such a Long Journey</b>		Mr. Solberg .....	12364
Mr. Bélanger .....	12359	Mr. Martin (LaSalle—Émard) .....	12364
<b>Sons of Italy</b>		<b>Employment Insurance Fund</b>	
Mr. Volpe .....	12360	Mr. Crête .....	12364
<b>Racism</b>		Mr. Pettigrew .....	12364
Mr. Earle .....	12360	Mr. Crête .....	12364
<b>Pharmaceutical Industry</b>		Mr. Pettigrew .....	12365
Mr. Dumas .....	12360	<b>Taxation</b>	
<b>Pay Equity</b>		Mr. Kenney .....	12365
Mr. Doyle .....	12360	Mr. Martin (LaSalle—Émard) .....	12365
<b>Year 2000</b>		Mr. Kenney .....	12365
Ms. Whelan .....	12360	Mr. Martin (LaSalle—Émard) .....	12365
<b>ORAL QUESTION PERIOD</b>		<b>Immigration</b>	
<b>Taxation</b>		Mr. Ménard .....	12365
Mr. Manning .....	12361	Ms. Robillard .....	12365
Mr. Chrétien (Saint-Maurice) .....	12361	Mr. Ménard .....	12366
Mr. Manning .....	12361	Ms. Robillard .....	12366
Mr. Martin (LaSalle—Émard) .....	12361	<b>Taxation</b>	
Mr. Manning .....	12361	Mr. Manning .....	12366
Mr. Chrétien (Saint-Maurice) .....	12361	Mr. Martin (LaSalle—Émard) .....	12366
Miss Grey .....	12361	<b>Federal Employees' Pension Fund</b>	
Mr. Peterson .....	12361	Mrs. Venne .....	12366
Miss Grey .....	12362	Mr. Pettigrew .....	12366
Miss Grey .....	12362	Mrs. Venne .....	12366
Mr. Chrétien (Saint-Maurice) .....	12362	Mr. Massé .....	12366
<b>Budget Surpluses</b>		<b>Health</b>	
Mr. Duceppe .....	12362	Mrs. Barnes .....	12366
		Mr. Rock .....	12367
		<b>The Senate</b>	
		Mr. Anders .....	12367
		Mr. Boudria .....	12367
		Mr. Anders .....	12367
		Mr. Chrétien (Saint-Maurice) .....	12367

<b>Families</b>	
Ms. Davies .....	12367
Mr. Martin (LaSalle—Émard) .....	12367
Ms. Davies .....	12367
Mr. Pettigrew .....	12367

<b>National Defence</b>	
Mr. Price .....	12368
Mr. Eggleton .....	12368
Mr. Price .....	12368
Mr. Eggleton .....	12368

<b>Foreign Affairs</b>	
Mr. McWhinney .....	12368
Mr. Axworthy (Winnipeg South Centre) .....	12368

<b>Health</b>	
Mr. Hill (MacLeod) .....	12368
Mr. Rock .....	12368

<b>Mr. Justice Robert Flahiff</b>	
Mr. Bellehumeur .....	12368
Ms. Bakopanos .....	12369

<b>Royal Canadian Mounted Police</b>	
Mr. Robinson .....	12369
Mr. MacAulay .....	12369

<b>Taxation</b>	
Mr. Dubé (Madawaska—Restigouche) .....	12369
Mr. Martin (LaSalle—Émard) .....	12369

<b>Point of Order</b>	
<b>Decorum in the Chamber</b>	
Mrs. Venne .....	12369
The Speaker .....	12369
Mr. Pettigrew .....	12370

## ROUTINE PROCEEDINGS

<b>Government Response to Petitions</b>	
Mr. Adams .....	12370

<b>First Nations Ombudsman Act</b>	
Bill C-480. Introduction and first reading .....	12370
Mr. Thompson (Wild Rose) .....	12370
(Motions deemed adopted, bill read the first time and printed) .....	12370

<b>Petitions</b>	
<b>Customs</b>	
Mr. Bailey .....	12370

<b>The Senate</b>	
Mr. Gallaway .....	12370
Mr. Nystrom .....	12370

<b>Human Rights</b>	
Mr. Szabo .....	12370

<b>The Senate</b>	
Ms. Desjarlais .....	12371

<b>Gasoline Additives</b>	
Mrs. Ur .....	12371

<b>Marriage</b>	
Mr. Casson .....	12371

<b>Violent Crimes</b>	
Ms. Whelan .....	12371

<b>Senate</b>	
Mr. Solomon .....	12371

<b>Merchant Navy Veterans</b>	
Mr. Shepherd .....	12371

<b>Pay Equity</b>	
Ms. Bakopanos .....	12371

<b>Nuclear Weapons</b>	
Mr. Harvard .....	12371
Ms. Catterall .....	12371

<b>Health Care</b>	
Ms. Wasylycia-Leis .....	12372

<b>Questions on the Order Paper</b>	
Mr. Adams .....	12372

<b>Motions for Papers</b>	
Mr. Adams .....	12372

## GOVERNMENT ORDERS

<b>The Budget</b>	
<b>Financial Statement of Minister of Finance</b>	

Budget motion .....	12372
Mrs. Ablonczy .....	12372

Mr. Szabo .....	12374
Mrs. Ablonczy .....	12374

Ms. Wasylycia-Leis .....	12374
Mrs. Ablonczy .....	12374

Mr. Lunn .....	12375
Mr. Szabo .....	12375

Mr. Lunn .....	12375
Mr. Szabo .....	12376

Mr. Lunn .....	12376
Ms. Wasylycia-Leis .....	12376

Mr. Lunn .....	12376
Mrs. Redman .....	12377

Ms. Wasylycia-Leis .....	12378
Mrs. Redman .....	12379

Mr. Epp .....	12379
Mrs. Redman .....	12379

Mr. Harvard .....	12379
Ms. Wasylycia-Leis .....	12380

Mr. Harvard .....	12380
Mr. Earle .....	12380

Mr. Harvard .....	12381
Mr. Epp .....	12381

Mr. Harvard .....	12381
Mr. Bernier .....	12381

Mr. Stoffer .....	12383
Mr. Bernier .....	12383

Mr. de Savoye .....	12383
Mr. Bernier .....	12383

Mrs. Tremblay .....	12383
Mr. Bellehumeur .....	12383

Mrs. Tremblay .....	12383
Mrs. Tremblay .....	12384

Mr. Coderre .....	12384
Mrs. Tremblay .....	12384

Mr. Muise .....	12385
Mrs. Tremblay .....	12385

Mr. Pettigrew .....	12385
Mrs. Tremblay .....	12385

Mr. O'Brien (London—Fanshawe) .....	12385
Mr. O'Brien (London—Fanshawe) .....	12386

Ms. Desjarlais .....	12387
Mr. O'Brien (London—Fanshawe) .....	12387

Ms. Desjarlais .....	12387
----------------------	-------

Mr. O'Brien (London—Fanshawe) .....	12387
Mr. Canuel .....	12388
Mr. O'Brien (London—Fanshawe) .....	12388
Mr. Pratt .....	12388
Mr. Elley .....	12390
Mr. Pratt .....	12390
Mr. Proctor .....	12390
Mr. Szabo .....	12392
Mr. Proctor .....	12392
Mr. Jordan .....	12393
Mr. Proctor .....	12393
Mr. Bernier .....	12393
Mr. Proctor .....	12393
Mr. Stoffer .....	12393
Mr. Jordan .....	12394
Mr. Stoffer .....	12394
Mr. Stoffer .....	12395
Mr. Szabo .....	12395
Mr. Stoffer .....	12395

Mr. Epp .....	12395
Mr. Stoffer .....	12395
Ms. Augustine .....	12395
Ms. Desjarlais .....	12397
Ms. Augustine .....	12397
Mr. Jones .....	12397
Ms. Augustine .....	12397
Mr. Szabo .....	12397
Mr. Epp .....	12398
Motion agreed to .....	12399

#### **ADJOURNMENT PROCEEDINGS**

##### **National Defence**

Mr. Earle .....	12399
Mr. Bertrand .....	12400

##### **Health Care**

Ms. Wasylcyia—Leis .....	12400
Ms. Caplan .....	12401

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