



CANADA

House of Commons Debates

VOLUME 135 • NUMBER 194 • 1st SESSION • 36th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, March 11, 1999

Speaker: The Honourable Gilbert Parent

CONTENTS

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

All parliamentary publications are available on the
“Parliamentary Internet Parlementaire” at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Thursday, March 11, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

BUSINESS OF THE HOUSE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order.

I believe you would find unanimous consent for the following motion. It has been discussed between the leaders of all parties in the House:

That the hours of sitting and order of business of the House on Thursday, April 29, 1999, shall be those provided in the standing orders for a Wednesday;

That the address of the President of the Czech Republic, to be delivered in the Chamber of the House of Commons at 10 a.m. on Thursday, April 29, 1999, before members of the Senate and the House of Commons, together with all introductory and related remarks, be printed as an appendix to the House of Commons *Debates* for that day and form part of the records of this House; and

That the media recording and transmission of such address, introductory and related remarks be authorized pursuant to established guidelines for such occasions.

• (1005)

Just to assure all hon. members, this is the identical motion we had for His Excellency President Nelson Mandela with the exception of course that the name of the individual has changed.

(Motion agreed to)

* * *

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 11th report of

the Standing Committee on Fisheries and Oceans which recommends that it be granted leave to travel the week of March 22, 1999 to Nain and Cartwright, Labrador to hold town hall meetings in connection with fisheries issues.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. I suggest we defer this item with the permission of the House.

The Acting Speaker (Mr. McClelland): The document is tabled.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, we fully intend to debate this issue and would agree with the government deputy House leader that it could be deferred but we would like to know deferred until when.

The Acting Speaker (Mr. McClelland): As it stands right now the paper is simply tabled. It might arise again depending on what happens under motions. At that time it would be dealt with

Mr. Randy White: Mr. Speaker, I would like clarification on that. Is it the ruling of the Chair that this issue would arise today or any day subsequent to this introduction?

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I wonder if we could rescind the matter while there are negotiations among the parties and we will deal with the matter forthwith following some consultations with representatives of the official opposition and other parties who might have an interest in the same subject matter.

The Acting Speaker (Mr. McClelland): We may well be getting the cart before the horse. The document is merely tabled. There is no motion before the House. If the member for Miramichi at some future date under motions rises then it would be dealt with at that time, or with notice.

Mr. Peter Adams: Mr. Speaker, dealing with this under motions today, or any other day, without consultation with the other parties—

The Acting Speaker (Mr. McClelland): We are not going one inch further down this road right now. We will go to the introduction of government bills.

*Routine Proceedings***YOUTH CRIMINAL JUSTICE ACT**

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.) moved for leave to introduce Bill C-68, an act in respect of criminal justice for young persons and to amend and repeal other acts.

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

* * *

• (1010)

CANADA WATER EXPORT PROHIBITION ACT

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.) moved for leave to introduce Bill C-485, an act to prohibit the export of water from Canada by pipeline, railway tank car, tank truck, tanker or interbasin transfers.

He said: Mr. Speaker, this bill would prohibit the export of water from Canada by pipeline, railway tank car, tank truck, tanker or interbasin transfers. Water will be the defining issue of the coming century and the centuries beyond. It is the most cherished by Canadians of the values that define our natural heritage. The overwhelming desire of Canadians is to protect their water from export. The bill simply attempts to do this.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Peter Goldring (Edmonton East, Ref.) moved for leave to introduce Bill C-486, an act to change the name of the electoral district of Edmonton East.

He said: Mr. Speaker, I introduce this bill on behalf of an overwhelming number of my constituents who truly believe a change like this is appropriate. Edmonton Centre-East would properly describe this riding in full whereas at the present time the centre of the city of Edmonton to 109th Street is not described by the title of Edmonton East alone. The bill has overwhelming support and I am presenting it for that reason.

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

* * *

NATIONAL DAY AGAINST IMPAIRED DRIVING ACT

Mr. Randy White (Langley—Abbotsford, Ref.) moved for leave to introduce Bill C-487, an act respecting a national day against impaired driving.

He said: Mr. Speaker, today I am introducing a bill in the House that will call to the attention of Canadians the need to continue to fight against drunk driving. This private member's bill will

dedicate August 14 each year in Canada as the national day against impaired driving.

Each year in our country so many good people are killed or injured by those who deliberately drink and drive. This bill will remind us all of our obligation to resolve the problem. This bill was inspired by Sharlene Verhulst whose twin sister Cindy was killed by a drunk driver. I dedicate the bill to Mark Roffel, Cindy Verhulst, my niece Sheena, a very special person in my life, my niece Krista, and all victims of drunk drivers. This bill should be known as Cindy's bill.

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

* * *

• (1015)

WAYS AND MEANS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been consultations among the parties and I think you would find unanimous consent for the following motion:

That the questions on Government Orders, ways and means proceedings Nos. 23, 24 and 25, be deemed to have been put, and divisions requested and deferred to the expiry of the time provided for the consideration of Government Orders on Monday, March 15, 1999.

(Motion agreed to)

* * *

MOTION NO. P-26

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I seek unanimous consent to remove Motion No. P-26 from the order paper. It is up for debate today and I have received the documents I want under production of papers.

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

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

INDUSTRY

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been consultations among the parties and I think you would find unanimous consent for the following motion:

That the Standing Committee on Industry be authorized to travel to St. Hubert, Quebec, on Monday, March 22, 1999 for the purpose of visiting the Canadian Space Agency, and that the necessary staff do accompany the committee.

(Motion agreed to)

NATIONAL SYMBOL OF CANADIAN UNITY ACT

INCOME TAX ACT

CRIMINAL CODE

(Bill C-413. On the Order: Private Members' Business)

Second reading and reference to a committee of Bill C-413, an act to provide for the recognition of a national symbol for the promotion of Canadian unity—Mr. Lynn Myers

(Bill C-414. On the Order: Private Members' Business)

Second reading and reference to a committee of Bill C-414, an act to amend the Income Tax Act (wages of apprentices)—Mr. Lynn Myers

(Bill C-425. On the Order: Private Members' Business)

Second reading and reference to a committee of Bill C-425, an act to amend the Criminal Code (public disclosure of the names of persons who have served a sentence of imprisonment for an offence of a sexual nature)—Mr. Lynn Myers

(Bill C-426. On the Order: Private Members' Business)

Second reading and reference to a committee of Bill C-426, an act to amend the Criminal Code—Mr. Lynn Myers

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I would like to ask for unanimous consent of the House to withdraw my private member's bills. They are Bill C-413, C-414, C-425 and C-426.

The Acting Speaker (Mr. McClelland): Is there unanimous consent?

Some hon. members: Agreed.

(Orders discharged and bills withdrawn)

* * *

PETITIONS

HUMAN RIGHTS

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

The petitioners would like to draw to the attention of the House that human rights violations 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 internationally accepted human rights.

The petitioners therefore call upon parliament to continue to speak out against human rights violations and to seek to bring to justice those responsible for such abuses.

Routine Proceedings

VIOLENT OFFENDERS

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I have another 7,500 names, which makes it now over 21,000 names. The individuals signing this petition are informing the House that between April 14, 1997 and February 1998, a period of 10 months, four sexual assaults took place in the Abbotsford area. All four were committed by residents of the Sumas Community Correctional Centre.

They would like you to know, Mr. Speaker, that there would be fewer devastating sexual and other assaults if legislative measures would be taken.

Therefore the petitioners ask that Sumas Community Correctional Centre officials have the right to refuse violent, repeat and dangerous offenders who could pose a danger to society, and that habitual violent offenders and sexual perpetrators should not be allowed to reside at Sumas Community Correctional Centre any longer.

There are more names coming. I urge the House to follow up and follow through on this petition.

MERCHANT NAVY VETERANS

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, I wish today to present to the House five petitions by hundreds of Canadians who are concerned about merchant navy veterans.

Their concerns can be basically summarized as seeking war veteran status, prisoner of war benefits, recompense for years of denial of equality, and ceremonial day recognition.

• (1020)

I submit these petitions today on behalf of merchant navy veterans and their concerns.

[Translation]

PAY EQUITY

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on behalf of the people in the riding of Verchères—Les Patriotes, who sincerely believe in equality between men and women and in justice, I have the honour of tabling two petitions, pursuant to Standing Order 36, demanding that the government withdraw its appeal against the public service pay equity decision and give effect to the court ruling in this regard.

This petition combines with those presented by my other Bloc Québécois colleagues in the past few days.

[English]

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, it is my pleasure today to present to the House of

Government Orders

Commons, pursuant to Standing Order 36, a petition signed by Canadians who are very concerned that the OECD and the head of the OECD, Don Johnston, are continuing to negotiate a multilateral agreement on investment.

These Canadians are very concerned about the negative impact an MAI would have on Canada, our economy and jobs in our country in particular. They are asking the House of Commons to impose a moratorium on ratification of the MAI and to ask Don Johnston to stop negotiating something that is not wanted by anyone in the country except the large multinational American corporations that support the Liberal government.

[*Translation*]

PAY EQUITY

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, on behalf of the people in the riding of Charlesbourg, who sincerely believe in equality between men and women and in justice, I have the honour of tabling two petitions pursuant to Standing Order 36, demanding that the government withdraw its appeal against the public service pay equity decision and give effect to the court ruling requiring it to ensure pay equity for its employees.

This petition combines with those presented by my other Bloc Québécois colleagues.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAR VETERANS ALLOWANCE ACT

The House proceeded to the consideration of Bill C-61, an act to amend the War Veterans Allowance Act, the Pension Act, the Merchant Navy Veteran and Civilian War-related Benefits Act, the Department of Veterans Affairs Act, the Veterans Review and Appeal Board Act and the Halifax Relief Commission Pension Continuation Act and to amend certain other Acts in consequence thereof, as reported (without amendment) from the committee.

Hon. Harbance Singh Dhaliwal (for the Minister of Veterans Affairs) moved that the bill be concurred in.

(Motion agreed to)

The Acting Speaker (Mr. McClelland): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Hon. Harbance Singh Dhaliwal (for the Minister of Veterans Affairs.) moved that the bill be read the third time and passed.

• (1025)

Mr. Bob Wood (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, it is a pleasure for me to speak to third reading of Bill C-61 today. This omnibus legislation is designed to provide enhanced benefits for Canada's veterans and their survivors. It is a tangible expression of our gratitude to these men and women for their service and for their contribution to their country.

It is not often that members of the House agree on the need for swift passage of legislation. Let me at this point express my heartfelt gratitude to all members of the standing committee who saw the need and acted on the need by letting the bill pass through their deliberations with speed and dispatch. The fact they have done so is an indication of the high regard we all hold for our veterans.

The men and women who have served in our armed forces and in our merchant marines throughout the first half of this century have a number of things in common. They were young. They had high hopes for settling down, for starting families and for a bright future, and they loved their country. When war came they would surrender their youth and put their hopes, their families and their futures on hold for the love of their country. When called upon these young men and women, these ordinary men and women, they would come to do quite extraordinary things and in the process become quite extraordinary themselves.

When it was all over those who did not die on the field of battle came home to build a nation, and what a nation they built. We the generation that followed have known only peace and prosperity for the most of the second half of this century. As we are about to enter the new millennium we are the benefactors of the sacrifices of those brave men and women who served in two world wars and in Korea.

That is why the country made a pact with them which said "We will remember your sacrifices", a pact which said "We will take care of you as you took care of us". That is why over the years we have developed such a comprehensive set of programs that provide disability benefits for those whose injuries and illnesses from service continue to plague them; monetary allowances for those whose life circumstances have left them at the low end of the income scale; comprehensive medical and dental benefits as supplements to provincial plans; and a veterans independence program that allows veterans to stay in their own homes as long as

Government Orders

possible and, when that is no longer possible, provides access to long term beds so that their care needs continue to be provided.

During second reading of the bill I spoke about the progress which has been made in building and improving upon a package of programs and services for veterans which ensures they are able to live as comfortably as possible and with the dignity they so rightly deserve. Our challenge now is to make sure that these programs and benefits continue to meet their needs which are changing with the passage of time. The bill will do just that.

Like most omnibus legislation, Bill C-61 is not about making great changes to policy. It will generate no great newspaper headlines. Rather, it concerns itself with the details that will affect, for the better, the day to day lives of many of our veterans. In short, the legislation is another step forward in providing top notch quality care to these men and women and their dependants.

What does Bill C-61 do for veterans? Very briefly, it brings the merchant navy under the same legislation as armed forces veterans and it puts an end to any uncertainty regarding their status as veterans. It also opens up the disability pension process so that more widows of veterans might be eligible for an increase in their pension payments. More than 35,000 widows fall in this category.

• (1030)

We are recognizing the special needs of former prisoners of war and affording them the opportunity to receive an attendance allowance to help with their day to day personal care.

Bill C-61 seeks to defer the deadline for termination of war veterans' allowance payments to allied veterans residing outside Canada. In so doing we will remove the possibility of any undue hardship which might be caused by requiring these individuals to return to Canada in order to continue to receive their payments.

We are also looking for changes to the Department of Veterans Affairs Act to allow for more orderly procedures regarding grave markers and financial assistance for funerals and burials.

There are proposed changes as well to the Veterans Review and Appeal Board Act to help smooth the process for the board's hearings and to make the scheduling of these hearings convenient for the board and, more importantly, for the appellant. Finally, through the bill we are providing continuing pension payments for those survivors of the terrible explosion in the Halifax harbour in 1917.

What is also noteworthy about these amendments is that they respond to priorities identified by the main veteran organizations. Bill C-61 demonstrates that we are listening and that we are

prepared to act. Most importantly, it will provide direct improvements for the lives of these most cherished of our citizens.

I hope we can send another signal to veterans groups by demonstrating that we are prepared to act soon. I urge all members of the House to lend their support to this bill. We owe it to Canada's veterans by showing them that we care and that we have not forgotten them.

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, today I wish to speak of Canada's unknown navy, the navy shamefully not found in many of our schools' history textbooks, the navy Canada's young know not of.

Canada's merchant navy of World War II developed into a force of 12,000 men and women who collectively sailed 25,000 merchant ship voyages. Canada's unsung soldiers moved vital war supplies through enemy lines not by mule, not by truck, but by ship at a horrendous cost.

Young men and women signed up for this service, just as they did for others. Restrictions on enlistment were lesser for the merchant navy, allowing the under-age and under-weight to still serve their country with dignity and pride. Dedication to service came at a high cost to these brave Canadians and Newfoundlanders. The first service casualty of the war was with the merchant navy. On September 3, 1939, Hannah Baird of Quebec was killed aboard the unarmed vessel *SS Athenia* when a German submarine sank it.

To emphasize, as has never been done before in this Chamber, the real price of peace, the real sacrifice to merchant mariners, I would like to make mention of the lost ships. Canada's merchant navy was very small in the early days of the war. At that time it only consisted of 38 ocean-going vessels. By war's end, five years later, that fleet grew to 410 ships. Merchant crews were often unarmed and were forced to sail under rough sea conditions to supply the war effort. The crews did receive some training, but often that was done on the calm and safe inland waters such as the marine engineering instructional school located in Prescott on Lake Ontario.

By later 1940 the merchant fleet had grown from 38 vessels, but losses had already claimed eight vessels. In 1940 seven ships were lost: the *Erik Boyle* was torpedoed; the *Magog* was torpedoed and shelled; the *Waterloo* was bombed by German aircraft; the *Thorold* was bombed by German aircraft; the *Kenordoc* was attacked by submarine gunfire; the *St. Malo* was torpedoed; and the *Trevisa* was torpedoed.

We must remember that each ship also took the lives of many brave young Canadians to the ocean floor. Death was not often quick and painless. Badly burned, a person would swim until shocked to their death in the cold, oil-topped North Atlantic. Other ships in the convoy would do their best to help, but also had to consider their own safety.

Government Orders

• (1035)

Many veterans say, the worse the weather the better they slept. A calm, clear night with a full moon was cause for insomnia. A calm evening might end with the engine's monotony shattered by an attack that suddenly turned their world from peace into hell.

This was all too familiar in 1941 as 13 more ships were lost: the *Maplecourt* was torpedoed; the *Canadian Cruiser* was sunk by a raider; the *A.D. Huff* was sunk by a raider; the *J.B. White* was torpedoed; the *Canadolite* was captured by a raider; the *Portadoc* was torpedoed; the *Europa* was bombed by German aircraft; the *Collingdoc* was mined; the *Lady Somers* was torpedoed; the *Vancouver Island* was torpedoed; with the *Proteus* the loss was unknown; the *Nereus* was another unknown loss; and the *Shinai* was seized by the Japanese.

Canadians were not the only ones busy building for all-out war. In 1942 the German U-boat fleet grew from 91 to 212. This made the situation for the merchant ships deteriorate further. The addition of Canadian built, highly manoeuvrable Corvettes to Canadian convoys helped, but losses were still tragically high.

In 1942 alone 31 ships were lost: the *Lady Hawkins* was torpedoed; the *Montrolite* was torpedoed; the *Empress of Asia* was bombed by Japanese aircraft; the *Vicolite* was torpedoed and shelled; the *George L. Torian* was torpedoed; the *Lennox* was torpedoed; the *Sarniadoc* was torpedoed; the *Robert W. Pomeroy* was mined; the *Vineland* was torpedoed and shelled; the *James E. Newsom* was shelled; the *Lady Drake* was torpedoed; the *Mildred Pauline* was shelled; the *Mont Louis* was torpedoed; the *Calgarolite* was torpedoed; the *Torondoc* was torpedoed; the *Troisdoc* was torpedoed; the *Frank B. Baird* was shelled; the *Liverpool Packet* was torpedoed; the *Mona Marie* was shelled; the *Lucille M.* was shelled; the *Prescodoc* was torpedoed; the *Princess Marguerite* was torpedoed; the *Donald Stewart* was torpedoed; the *Lord Strathcona* was torpedoed; the *John A. Holloway* was torpedoed; the *Oakton* was torpedoed; the *Norfolk* was torpedoed; the *Carolus* was torpedoed; the *Bic Island* was torpedoed; the *Rose Castle* was torpedoed; and the *Charles J. Kampmann* was also torpedoed.

These were tremendous losses taken by the merchant navy with their ships sunk out from under them.

1942 was the year the ongoing battle of the Atlantic continued in earnest. German U-boats were infesting Canada's waters. Several ships were lost in the St. Lawrence River. Concern was at an all time high when even harbour anchorages did not put men's minds to rest. The wrath of the German U-boats was felt from the warm Caribbean seas all the way up to the chilly waters of Atlantic Canada.

As the war went on the Canadian contribution became so much more important. Supplies in continental Europe were quickly being depleted and supply lines into Britain were under constant attack. At one point it is said that a crisis developed when there existed

less than 30 days of stocks and Canada was responsible for bringing the situation back to a manageable level.

Canada supplied to the war material as no other nation, save the United States, with 17,000 aircraft, 900,000 land vehicles and a million men and women in uniform. This truly was a war of material supply. Canada contributed raw materials like wood and foodstuffs, but also multitudes of manufactured materials like airplanes, vehicles, tanks, weapons and clothes. All of this material was transported by our merchant navy.

• (1040)

There was no such thing as a typical merchant navy ship. Ships of every description were utilized as the need for supplies across the ocean multiplied. Many of the vessels used had previous lives in industry before the war erupted. Some ships had sailed all the oceans, while others had never left Canadian waters before. Some were lakers recruited for war on the high seas. The same could be said for their crews.

Many seamen had high seas experience, but others had never left Atlantic Canada or even the Great Lakes. There were men who had sailed the west coast and had never dealt with the threat of icebergs before. Despite all of these obstacles, each one of these men was proudly Canadian and knew their lives were not safe on the seas, but they felt a duty to serve king and country.

Just as there was no typical ship, there was no typical seaman. Many of the people in the merchant navy had been working on their respective ships prior to 1939, so they were not the young teenage men we often picture. Many had families, children and grandchildren.

Just as the merchant navy was home to older, seasoned sailors, it was also home to our youngest seamen. With the adrenalin of the war effort, men and boys of all ages wanted to serve Canada overseas. With manpower in desperate need, many questions were not asked.

Just as the young could skirt the rules to enter the merchant navy, so could those with health problems and disabilities. Many barely missed the cutoff for the armed forces, but driven by patriotic pride they joined the war via the merchant navy.

We must remember that not all members of the merchant navy were men. There were also many women who participated. Of the 1,500 who died, eight of them were women.

Many young lives were lost in 1943 when three ships were lost, bringing the total to 54 vessels: The *Angelus* was shelled; the *Jasper Park* was torpedoed; and the *Fort Athabasca* was blown up.

As the war progressed many of the sailors had sustained injuries and many had lost a friend or two, if not their entire crew. Many

wanted to return home to comfort grieving parents and some had not seen their wives for several years.

The tension of the battle of the Atlantic was several years old, but by 1943 the tide was turning to victory. However, losses in 1944 were still triple that of the previous year. Mines were taking a greater toll and the threat of enemy aircraft seemed worse, even as the RCAF and RAF began to gain air superiority.

In 1944 nine more ships came to rest at the ocean bottom: the *Fort Bellingham* was torpedoed; the *Fort St. Nicholas* was torpedoed; the *Watuka* was torpedoed; the *Fort Missanabie* was torpedoed; the *Albert C. Field* was torpedoed; the *Fort Norfolk* was mined; the *Nipiwan Park* was torpedoed; the *Cornwallis* was torpedoed; and the *Fort Maisonneuve* was mined.

The final year of the war was 1945, but the merchant navy continued its work long after the war's end, delivering humanitarian aid to the citizens of Germany. They still ferried supplies required for the rebuilding and restocking of Europe.

Merchant navy seamen were encouraged to continue on the ships by our government of the day. While a few were able to remain aboard the ships, most gradually lost their jobs when the ships were sold to other countries.

Merchant navy veterans were not entitled to the benefits of other veterans. They did not have the same access to education. They were disadvantaged as a result.

In early 1945 the merchant navy lost another six ships: the *Point Pleasant Park* was torpedoed; the *Soreldoc* was torpedoed; the *Taber Park* was mined; the *Silver Star Park* was lost in a collision; the *Green Hill Park* was blown up; and the *Avondale Park* was torpedoed.

We must also remember that the ships *Watkins F. Nisbett* and *R.J. Cullen* were also lost for unknown reasons on unknown dates. To this day their families are still wondering what happened and when.

The total of the merchant ships lost was 72. If a ship was lost, on average, only 50% of the crew survived.

• (1045)

I will reread some relevant comments I made in the House this past year in Statements by Members:

Canada's merchant navy of World War II is proud of its contribution to a free world and should remain the recipient of the enduring respect of all Canadians.

Canada's veterans of this global conflict are deserving of our undying gratitude for their service to our country.

Canadians must recognize fully that our existence and privileges enjoyed today are due not only to the efforts of our veterans, but also to the efforts of their missing comrades throughout the world.

Few finer examples of Canadian wartime success and magnificent effort can be found than in the annals of the battle of the Atlantic where merchant seamen sailed the enemy infested sea in keeping Allies supplied in World War II.

Government Orders

Many dedicated individuals have worked to have the merchant navy's concerns addressed. Their work will be remembered as part of the lengthy battle for equality.

I take a moment to pay a personal tribute to a man who has the utmost respect of all veterans and members on both sides of the House. Mr. Gordon Olmstead was forced to step back from the frontlines of this battle due to his health but he remains a respected voice among his peers. He was a prisoner of war and was instrumental in having this legislation drafted. No better tribute could be made than to call this bill the Gordon Olmstead act. I am pleased we can have this legislation passed without unreasonable delay.

Last year I was able to get the agreement of all merchant navy groups on these four points of outstanding concern: to be recognized as war veterans, to receive prisoner of war benefits, to receive compensation for years of denial of equality, and to receive recognition on ceremonial days. This legislation will address three of these four points and for this I am very thankful.

The fourth point will be addressed in committee due to a motion which I successfully had all parties support in committee. For the first time we will examine the issue of merchant navy compensation claims. The committee is committed to deliver a report with corrective recommendations to the House before the summer recess. Finally we will be able to bring closure to this unfortunate chapter in Canadian history. For the first time a formal committee will study the compensation aspect of the years of denial of equality.

I look forward to bringing closure to this long outstanding issue this year. Recompense is the final concern which begs for settlement.

[Translation]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I am pleased to speak at third reading of Bill C-61. This bill amends the War Veterans Allowance Act and certain other acts in consequence thereof.

It is with respect and honour that I will pursue at third reading the same objective I pursued at second reading, which is to improve the services provided to veterans and their dependents, to ensure the recognition of a unique status for all those who participated in these wars, and to pursue the retroactivity claim for merchant navy veterans.

Even though the bill is very incomplete, the Bloc Québécois supports it because it provides benefits to veterans and because, for the first time, those who served in the merchant navy are given the same status as other veterans. This legislation is governed by the same acts that recognize the critical role of merchant navy seamen in the victory of the nations that fought for freedom. This legislation also puts some order in the various acts that apply to veterans and it ensures a degree of fairness.

Government Orders

The bill meets the concerns of a number of associations. During the debate at second reading, the Parliamentary Secretary to the Minister of Veterans Affairs announced that the House would respond positively to a key priority of the National Council of Veterans Associations, by allowing former prisoners of war to receive the special allowances. He indicated that, in passing these changes, the House would also respond positively to the number one veteran's priority of the Royal Canadian Legion, which is to increase pensions for survivors.

• (1050)

The merchant marine veterans presented two demands: recognition under the same laws and the benefits they did not receive for the past 50 years retroactively.

Why is the government denying today what it wanted yesterday? The Minister of Veterans Affairs said the following before a committee on April 29, 1998, and I quote:

I have personal knowledge of this. It was the fall of 1991. Three members of the opposition, including myself, took it upon ourselves to address what I personally had felt had been an injustice for many, many years, and the other members agreed with me.

In opposition, this member tried to repair the injustices. Now, in power, as the minister, he remembers nothing.

Why did this member, now Minister of Veterans Affairs, not include provision for retroactivity in his bill? Is he really serious as he cries over the fate of these veterans?

On the whole, this bill is intended to correct the anomalies of the past and to include financial compensation, which would repair the deeds of negligence of a previous government. That government passed a bill giving numerous benefits to armed forces veterans returning to Canada after World War II, but did not extend these benefits to merchant navy seamen, who volunteered to serve their country.

In 1992, legislation was tabled to give merchant navy seamen the same benefits to which army veterans are entitled, but not the same status.

It took 45 years for the role played by merchant navy seamen to be recognized and the same benefits, but not the same status, to be extended to them. Now they are being given the same status as members of the armed forces, but not the retroactive benefits of which they have been deprived all these years. Their demands are slowly being met. However, the average age of these veterans is 75.

Thus the bill is incomplete, since it does not accept retroactivity of the rights now recognized for merchant seamen back to the time

they joined the battle. They have been deprived of 50 years of benefits. They have suffered all their lives because of this refusal.

Unlike other veterans, they never had the advantage of financial assistance for trade training or university. They never had priority for public service hiring, they never had access to land, housing or business funding.

At one of the committee hearings, a witness told us that most merchant seamen would discuss their post-war experiences amongst themselves, but hesitated to do so publicly, because they felt ashamed, although they were wrong to feel this way. They felt it was their fault that they could not support their families the way their fellow Canadians who had been in uniform could, with the help of government subsidies.

Yet they too were in the line of fire. In 1941, the monster Adolph Hitler issued the following order: "Attack the merchant marine, particularly on the return route, with all possible means. Sinking merchant marine vessels is more important than attacking enemy warships".

The merchant seamen were exposed to dreadful working conditions and heavy loss of life. They sustained more losses than any other Canadian combat forces. During World War II, 13% of merchant seamen lost their lives, or one in seven. Personally, I would have preferred to be on board an armed ship and attack the enemy rather than on a defenceless cargo ship to be used as a human shield.

These brave Canadians, who plied the corridors of hell, played a vital role in our war effort, one as vital as that played by the regular forces, and one that is recognized throughout the world.

• (1055)

It would appear from the strong support the public gave the former merchant marines who organized a hunger strike on Parliament Hill, that they do not support the longstanding government negligence in this matter.

The government has fallen short of its responsibilities and of the justice required by the sacrifices these men have made, because from the outset, it could have included retroactivity in this bill.

It is hypocritical, even. It gives the impression of wanting to gain time and let history hide the facts, and when the hour has sounded for the last of these brave defenders of freedom, the Minister of Veterans Affairs, as has happened in Europe at certain commemorations, will weep warm tears over the fate of these defenders of democracy. However, he is untouched by their great suffering, especially their mental suffering.

At second reading of this bill, all the opposition parties called for either retroactivity or a lump sum payment to replace the benefits

Government Orders

they did not receive after serving their country. Only the Liberal government remains intractable.

Great Britain gave full veteran status to the merchant marine seamen in 1940. In the United States, merchant navy veterans gained the same status as regular forces veterans in 1988, while Australia recognized full equality in 1995. Here in Canada, they had to wait until 1992 to get the same benefits, but not retroactively.

In 1993, the government decided to improve its image by inviting a few merchant navy veterans to participate in a pilgrimage to Liverpool, to commemorate the battle of the Atlantic. In 1994, the government made another symbolic gesture with the placement of a merchant navy book of remembrance in the memorial chamber. It lists the names of Canadian merchant mariners who lost their lives.

The Parliamentary Secretary to the Minister of Veterans Affairs said, at second reading of this bill, and I quote:

I want to assure members that merchant navy veterans are veterans in every sense of the word and this bill underscores that fact. By using the same acts to respond to the needs of both merchant navy and armed forces veterans we send a powerful signal that we value the service and sacrifice performed by the merchant navy during the wars.

If this intention and this assurance are real, why did the government not recognize the mistake made in this bill, apologize and make the whole thing retroactive?

Members will agree with me that Canadian merchant navy veterans can no longer wait: they have already been waiting for over 50 years. In addition to social benefits and disability pensions, they need a compensation package. Does the government have the necessary money?

An examination of the amounts not spent by the Department of Veterans Affairs over a 15-year period shows that it is not for lack of money that merchant navy seamen are not being compensated.

The Public Accounts of Canada lists the amounts not spent by the Department of Veterans Affairs for the years 1982 to 1997. They are as follows: in 1982-83, \$22,903,618; in 1983-84, \$56,128,372; in 1984-85, \$70,082,937; in 1986-87, \$33,631,696; in 1987-88, \$56,647,600; in 1988-89, \$56,050,578; in 1989-90, \$40,103,973; in 1990-91, \$35,262,562; in 1991-92, \$20,073,856; in 1992-93, \$50,489,052; in 1993-94, \$154,747,329; in 1994-95, \$113,023,778; in 1995-96, \$83,742,347; and in 1996-97, \$49,530,866.

A total of \$887,960,424 was not spent. Merchant navy seamen are asking for approximately \$40 million.

• (1100)

This bill could have restored this unspent money. For reasons unknown, the government put these funds into general revenue, as

it does with the EI surpluses, cuts in provincial transfer payments, and unpaid commitments to Quebec.

In this regard, the following amounts are owed to Quebec: \$435 million for Hydro-Québec towers after the ice storm; \$58.7 million for the Palais des congrès de Montréal; \$33.6 million for the Oka crisis; \$70 million for day care centres; \$86.7 million for young offenders; \$351.4 million for social assistance. And I could go on and on. The total unpaid bill for Quebec is \$3,807,400. The refusal of this government to pay retroactivity to the merchant seamen is just one of many similar acts.

Instead of solving problems, the government is concerned only with looking good, with enhancing its visibility. Such is the case, for example, with the millennium scholarships, although education is a provincial responsibility. Today the federal government is going to invest billions of dollars on window-dressing to create havoc and create duplication just to improve its image.

Nevertheless, in 1993, merchant marine veterans agreed to join with armed forces veterans in a visit to Liverpool to commemorate the Battle of the Atlantic.

Last year, they were again part of the delegation to commemorate that battle, and were also along on the pilgrimage to mark the 50th anniversary of various World War II battles and campaigns.

I was also there. The Army veterans' recognition and respect for the merchant seamen was obvious. The merchant seamen showed no bitterness. Why are they still being refused what they are entitled to, 50 years later?

The government is very good about these pilgrimages. They make it look good. But all this show does not, when it comes down to the nitty-gritty, do much for the merchant marine veterans. As we saw last summer, right here in front of the Parliament Buildings, it just leads to hunger strikes and to despair.

Is it not this minister's mandate to provide veterans, civilians and their families with the benefits and services to which they are entitled, in order to ensure their well-being and self-sufficiency within the community and to ensure that all Canadians remember their accomplishments and their sacrifices?

Was it ensuring their well-being and self-sufficiency, was it fulfilling the governments' mandate in this respect to refuse the same benefits and services to which merchant seamen were entitled retroactively, right up until 1992? And what about that other responsibility, of ensuring that all Canadians remember that war? The people of Europe and Asia, who lived through it, already do remember.

What happens in these former theatres of war in Europe or in Asia when a whole contingent of youth and invited guests turns up? Most of the time, a handful of local people attend. I think these veterans should be allowed to return once in their life to a theatre of war accompanied by a relative. But at the moment, it is pretty much

Government Orders

always the same people who go on these trips: the deputy minister and his team.

Why not establish a real national day of remembrance in Canada? It is Canadians we should be informing and involving. We should open Parliament the entire day to school children and veterans with their relatives, their MP and their minister and take the evening to remember those who were lost. In my opinion, providing documentaries to the media is a means of keeping alive the memory of their dedication. Having a real day of respect, of thanks and of commemoration. This first day could be devoted to the members of the merchant marine to compensate for the error of the past.

• (1105)

In committee, I introduced an amendment that was ruled out of order. However, included in the bill, it would have resolved the problem once and for all. It read as follows:

All payments of allowance or other benefits under the Pension Act or the War Veterans Allowance Act in respect of a merchant navy veteran of World War I or World War II or a Canadian merchant navy veteran of the Korean War are payable for a period beginning on the day on which that veteran would have otherwise first become entitled to the payment if the provisions of this Act had been in force on the date of commencement of World War I, World War II or the Korean War, as the case may be.

I once again call on the government so that the members of the merchant marine may obtain justice and the reparation of past errors through retroactive redress or a lump sum payment.

[*English*]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, I rise today on behalf of my New Democratic colleagues in support of Bill C-61.

As veterans affairs spokesperson for the federal NDP, I am pleased that part of the stain on the record of how Canada treats its veterans has been removed. This bill should become law so that in word and from now on in deed merchant mariners will be treated as full equals to other Canadian veterans instead of being relegated to the margins of Canada's official military history.

These brave Canadians played a central role in Canada's war efforts. Many lost their lives and their health for our country. Families suffered. Communities suffered. As a result our country was poorer for the loss of so many merchant mariners, yet so much richer for the role they played in bringing victory to all of us.

While many of those whom we remember and honour today are those who served in the regular military, we must not forget the many others who served their country in a unique yet very

important way, either as special construction battalions or merchant marines.

I am pleased to once again take the opportunity to commend the merchant marine veterans, their organizations, families, activists and supporters for bringing this bill into being. Without their tireless and for the most part thankless work, we would not be discussing this bill today.

What happened to the Canadian merchant mariners upon their return to Canada? In Britain they returned as full and equal veterans with equal access to post-war programs, services and benefits. In Canada they returned to virtually no support. They were denied upgrading courses at technical, vocational and high schools offered to regular forces veterans. They were denied health support and employment opportunities available to army, navy and air force personnel.

I am proud to support Bill C-61 which declares as law the equal status of merchant navy veterans with regular forces veterans.

I am not proud of this Liberal government's abject failure in providing just compensation for these Canadians. I mentioned at the outset of my comments that part of the stain on Canada's record of honouring and dealing with merchant mariners is to be scrubbed clean with this bill. The issue of compensation, one of paramount importance, remains a dark blotch on our record.

This government saw fit to provide an ex gratia payment of \$23,940 each to Hong Kong veterans who were Japanese prisoners of war. This payment was promised last December. It strikes me as at least an effort to achieve a just settlement.

As mentioned earlier in my comments, it is a disgrace that this government has betrayed Canada's merchant mariners by refusing to compensate them for the discrimination that the merchant mariners faced upon their return home from serving Canada's war efforts. It has been estimated that merchant mariners are dying at the rate of about 12 per month.

On November 24, 1998 in response to a question I put to the Minister of Veterans Affairs, the minister said concerning compensation negotiations for merchant mariners "I am there to listen". I already mentioned earlier that debating Bill C-61 before this House signals a time to act. Justice delayed is justice denied, particularly when the death rate among these veterans who served Canada so nobly is so high.

• (1110)

The Standing Committee on National Defence and Veterans Affairs is slated to explore this compensation issue after the passage of Bill C-61. Assuming that the committee comes forth

Government Orders

with a recommendation, I worry a bit that the government will then take its time to respond and make an announcement. How many more honourable Canadian merchant mariners must die before the Liberal government does the right thing and provides just compensation?

Even today as I am speaking I am reminded of Mr. Gordon Olmstead who has fought long and hard on this issue and is currently in the hospital dying of cancer. It is just a matter of time probably, unless the good Lord sees otherwise. From where the New Democratic members sit, one more death before proper compensation is provided is one too many.

Further to this point, it is high time that the government supported improvements in the health care package available to all veterans, particularly those at a venerable and often vulnerable age.

I sincerely hope that the spirit of justice in Bill C-61 has an effect on the government's treatment of other Canadian veterans. What about Canada's aboriginal veterans? First nations men and women served their country well alongside non-native forces personnel despite the fact that when World War II ended, they were not allowed to vote or even own their own land.

Many first nations veterans were never told they were entitled to educational opportunities or that they were able to purchase land at a cheap price. Some even returned to Canada to learn that their reserve lands had been seized by the federal government to compensate non first nations veterans.

I also think in particular of the Canadian veterans who were wrongly sent as prisoners of war to the Buchenwald concentration camp by Hitler and the Nazis. This government disgraced those brave Canadians when they were sent cheques for \$1,098 to compensate them for the horrors they faced in the concentration camp, horrors which are in some cases relived in the minds of these veterans over and over again.

Our Liberal government has failed miserably where so many other governments have succeeded. I hope the spirit of Bill C-61 has some effect on the government so that it moves to ensure the Buchenwald survivors find the justice they so richly deserve.

I am indeed pleased that this bill provides for the continuation of disability pensions for victims of the 1917 Halifax explosion. As the member of parliament for Halifax West, I am all too well aware of the horror of that tragedy and the pain, death and destruction it wreaked.

I am also pleased this bill clarifies which merchant navy veterans of the Korean War will be eligible for benefits.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise today to lend my support to the third reading and passage of Bill C-61.

This bill is something that many of our merchant navy veterans have been looking forward to for many years.

I have great feelings for those men and women who served in World War II, being the sister of two brothers who were overseas through the whole conflict of World War II. We were very fortunate that both my brothers came home safe and sound. I will never forget the day. I was only a little girl, about seven years old. I remember my uncle who was shot in the first world war, and we thank God that he lived through that, telling me, "Put on your very best dress, dear. We are going to the train station for the boys are coming home".

The veterans are very dear to my heart. The first real legislation to deal with the Canadian merchant navy was brought in in 1992 by the Progressive Conservative Party of Canada, by the Hon. Gerald Merrithew who was the Minister of Veterans Affairs. At that time, omnibus Bill C-84 was brought in with an additional \$100 million of funding to be allocated directly to the merchant navy and their claims. The bill brought in by my former colleagues was not perfect but it was a huge step in the right direction.

The reality of this legislation is that it took this administration six years to address the concerns of the veterans with the original legislation.

● (1115)

Bill C-61 will make changes to address some of the biases merchant navy veterans have faced when applying for benefits. By placing them under the coveted War Veterans Allowance Act, it puts an end to the cross-referencing each of the merchant navy veterans was subjected to when applying for benefits.

This I am sure will please many of the veterans as it now means that they will qualify for benefits they should have been receiving since World War II. Great Britain recognized the merchant navy men as the fourth arm of its services at the beginning of World War II and they received all the same benefits as other members of the armed forces.

It will also provide an additional \$8 million to address the needs of those merchant navy veterans who were prisoners of war and be used to assist those who were widowed.

My heart goes out to all those across this nation who lost a loved one in the line of duty and to those who died later due to the complications of war related service, the soldiers who gave their lives, the air force men, the navy and our merchant navy men, so that all Canadians from Victoria to St. John's, Newfoundland could enjoy the freedom we have today. A large part of the war effort was filled by the bravery and tenacity of the Canadian merchant navy.

To all the merchant navy veterans who are listening today, many from across the country waiting to see what will happen with Bill C-61, I want to say thank you.

Government Orders

Is it enough for us to just say thank you, knowing what we know to be true and how the merchant navy was treated after World War II? How they must have felt, each and every one of them, as they watched their counterparts receive many benefits.

The counterparts should have received benefits, but they were benefits the merchant navy men never received. One of eight of every merchant navy men died at sea. This is the largest percentage of any of the armed forces groups.

Imagine serving your country well, with pride and dignity, and returning after the war you see your counterpart who was on the same boat with you given everything and you are given nothing. How would you feel? You would feel hurt. You would feel let down. I was not there. I can only imagine what these men must feel today.

Some of those men come into my office with tears in their eyes. Their wives, as well, get in touch with me. It has been 54 years that they have been fighting for equality.

The question remains whether we, as a country, owe these men something. I believe the answer we would hear from most Canadians is yes.

Why would people feel this way? People today are well informed. After the hunger strike held here by some of the merchant navy veterans last fall, Canadians from coast to coast took the time to become more informed.

Last year when those men were on a hunger strike people from Germany, Japan and China came to visit Ottawa. They came up on the Hill. They could not believe our merchant navy men were on a hunger strike. They signed a petition asking our government to please give them some compensation.

They know these veterans were not really paid a high premium for their service. A privy council document from 1941 showed that these men were not to be paid any higher than a sailor in the navy. This certainly dispels the myth that they were paid a higher wage and therefore should not receive any compensation.

The reality of the post-war era for merchant navy men was that they were the big losers after the war. A video has been made by Mr. Cliff Chadderton, president of the National Council of Veterans Associations in Canada, entitled *Sail or Jail*.

• (1120)

I have a copy in my office and when I watched the video it truly brought tears to my eyes. I do not know how Cliff was able to do this video but it shows when they were torpedoed. It shows when they were in the water and it shows them dying. It is there. I will share the video with any of my colleagues in the House if they want to see it. It quickly becomes apparent in watching *Sail or Jail*

what the merchant navy lost. One of eight merchant navy men was lost at sea.

Regular forces veterans were given clothing allowances, and rightfully so. They were given rehabilitation grants, transportation costs to return home, re-establishment credit, employment reinstatement and out of work allowances for up to one year. They were also given education assistance, trades training, disability treatment, land grant opportunities and waiting returns allowances. I am pleased and proud that we gave these to them.

What was offered to merchant navy men? They were given hope as the government of the day talked about developing and maintaining the merchant navy. This is difficult to say but if we look at the history of the merchant navy, it appears that the government of the day did not want to pay benefits to these men so they were not given the opportunity to be part of the demobilization effort of the government. They were kept busy cleaning up the seaways.

After the troops were demobilized the boats they worked on were sold. The men were offered jobs on ships that were held in foreign registry and were paid wages in foreign currency. I know that may be attractive today but it certainly was not attractive in those days. After World War II the foreign currency being paid was not enough for people to survive on in Canada.

I had great concerns this week when I saw in the estimates tabled that \$1 million was to be taken from the veterans independence program. I thank the parliamentary secretary for responding and telling us no, \$1 million will not be taken from the veterans independence program because they need it.

Think about it, 54 years. Think of how old these men are today. They cannot go out and shovel. They cannot do the cleaning that has to be done. They cannot do the cleaning within the home. They need that part time service. We do not want them to be totally independent.

I am proud to be a Canadian. I do not think anyone would question that. When I think of how these men were treated after the war I get very angry inside and a bit ashamed. However, there is hope.

The Standing Committee on National Defence and Veterans Affairs is about to begin to study the issue of compensation. The findings of this study will then be turned over to the government for a response. I want to make it perfectly clear. There are all kinds of rumours out there that the merchant navy is looking for a great big lump sum payment. According to Cliff Chadderton, some would get \$5,000. Is that not a big lump sum payment? I think the maximum was perhaps \$30,000, although for very few of them.

I am told that every month we lose probably six or more of our merchant navy men across this country. There may be around 2,000 still living today.

*Government Orders***NATIONAL HOUSING ACT**

I feel very strongly when I look at the fact that we have had lapsed funds in our veterans affairs that have not been used. The money is there. We can do this. We can give these men back their dignity. We can show them that we love and respect what they did, that they took my brothers over there safely and they took over their needs, ammunition, food and clothing, so that they could fight for you and me and could come back safely.

Like many Canadians, I hope the response given is in favour of the Canadian merchant navy request for compensation. It would not justify the 54 years of neglect, as I have said. At least they would feel we have finally said we thank them for the work they have done.

• (1125)

It would not stop the years of pain felt by those widows who could not apply for benefits to help them along the way and it would not turn back the clock, but it would help ease the pain through the simple act of recognition of service to their country, not just through simple words of kindness but through a payment of some sort to say thank you for what you have done.

I know many of my colleagues on the government side agree with me. I thank today the hon. Parliamentary Secretary to the Minister of Veterans Affairs for his assistance and his help. When we went to him when the men were on Parliament Hill on a hunger strike he said he would meet with them and he did. They appreciated it. He came to my riding. He sat down with them. That is what we need, that kind of dialogue to get the understanding we need. I thank him very much today.

I also thank the Minister of Veterans Affairs and the other committee members from all parties who have been working together to put this study in place and making Bill C-61 hopefully unanimous today when we vote.

It is our role and the role of all those on the government side to tell all of those merchant navy men today that we support them, to stand up for what is right and proceed forward with compensation after the study is referred back to the House.

The Acting Speaker (Mr. McClelland): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): I declare the motion carried.

(Bill read the third time and passed)

Hon. Marcel Massé (for Minister of Public Works and Government Services) moved that Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make consequential amendment to another act, be read the second time and referred to a committee.

Ms. Carolyn Parrish (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is a great honour for me to launch the debate on Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act.

First I congratulate the Minister of Public Works and Government Services who is responsible for CMHC for providing us with such a progressive and balanced piece of legislation.

Indeed Bill C-66 will simplify the National Housing Act by removing unnecessary restrictions, enabling CMHC to respond quickly to the needs of Canadians and to opportunities in an ever changing market.

Since it was created over 50 years ago, CMHC has made an unparalleled contribution to help house Canadians. Over the years it has been involved in every aspect of housing from building units to direct financing, urban planning, mortgage insurance and now trade development.

The achievements of CMHC have benefited the country. Many of our own families and communities have been helped. Through partnerships with all levels of government, community organizations and the private sector, CMHC works to allow Canadians to obtain the shelter they need.

• (1130)

The government also works on a number of fronts to assist low income Canadians and the homeless. One important tool is the CMHC's renovation programs which have provided assistance to low income Canadians for over 20 years. The funds provide help to repair unhealthy and unsafe homes. They help to upgrade accommodations for the homeless, or for those at risk of becoming homeless, and to modify units for persons with disabilities.

Other CMHC initiatives such as Homegrown Solutions and the Canadian Centre for Public-Private Partnerships in Housing are fostering community based initiatives that address the problem of affordable housing, some of which are specifically directed at serving the needs of low income people.

All members will agree that we want to ensure the benefits provided to past generations of Canadians will continue to be available to future generations. Passing the legislation will help ensure that Canadians continue to have access to housing, have a choice of housing and benefit from new housing research.

Government Orders

The benefits of the bill are threefold. First, Canadians will benefit from these changes because CMHC will be able to respond to shifts in consumer demand and market conditions. They will also benefit from the availability of low cost funds and access to mortgage financing, no matter where they live in Canada.

Second, CMHC will be able to better promote Canadian housing products and services abroad. This will result in job opportunities for Canadians here and abroad. Third, CMHC will be able to provide better service to all Canadians.

I will illustrate how Bill C-66 reflects several of our government's priorities and what they mean to Canadians. I will begin with CMHC's mortgage loan insurance function, a key part of our efforts to provide Canadians with access to housing in all regions of the country.

In recent years CMHC has been approached to support many new and innovative products. Unfortunately under the current National Housing Act the CMHC has not been able to bring the benefits of some of these new types of home financing products to our marketplace.

With these amendments CMHC will have the flexibility to consider products such as insurance for a reverse equity mortgage enabling older homeowners to use the equity in their homes to obtain funds currently while allowing them to continue to live in their homes.

The CMHC would also be able to develop non-mortgage financing for remote areas where the land registry system does not facilitate mortgages. It would also include similar financing arrangements on Indian reserves where restrictions exist on providing land as security for mortgages.

The corporation would also be able to ensure a greater variety of financing options for the housing rental industry. Another benefit is that the CMHC will be able to respond quickly to shifts in consumer demand and market conditions with new and innovative home financing products.

With these legislative changes Canadians for generations to come will have access to the benefits of public mortgage insurance. By giving CMHC the means to better manage its business, these amendments will ensure that CMHC's mortgage insurance activities remain competitive while being managed in a financially responsible manner. With this new legislation the CMHC will be able to respond quickly to changes in domestic and international markets as well as to organizations looking to use Canadian housing expertise.

The legislation will greatly enhance the government's ability to better promote the products and services of our Canadian housing industry abroad. To illustrate this point, I will use the minister's own participation in last fall's trade mission to Chile. Thirty

housing industry representatives joined him on that mission. The delegation was made up of provincial and territorial governments, builders, manufactured housing suppliers, products and services providers, and urban planners. The members for the ridings of Kelowna and Québec also participated in the trade mission. The minister was pleased to lead this group of entrepreneurs and officials, successfully opening doors to Canadian exporters in this important Latin American market.

Through CMHC's market development programs and services it is anticipated that within one year following the mission this group of exporters will have generated over \$35 million in new business, which translates into direct economic benefits to all Canadians.

Two more trade missions are planned for Korea and Germany in May and October 1999. Similar public-private sector collaborations have recently been undertaken with Poland and Germany. This is what I mean when I say the legislation will help the CMHC create job opportunities for Canadians here and abroad.

• (1135)

Consumers in the housing industry, indeed taxpayers of Canada, all stand to benefit from these amendments which will result in a modernized and more efficient approach to housing. The corporation's greatest strength has been its ability to identify and respond to emerging needs.

Such initiatives are developed either by CMHC on its own or in partnership with other governments or the private sector. CMHC either moves once the private sector players have developed the ability to take on the challenge or becomes part of the ongoing solution.

The amendments that are presented today will build on CMHC's ability to adapt to changing circumstances and help the corporation to carry out the government's vision for the future of housing.

Earlier I mentioned that these amendments reflect our government's priorities. This is demonstrated in several ways. For example, one of our government's top priorities is its commitment to stimulating job creation and economic growth. We are proud of the fact that more than 1.6 million new jobs have been created since the government was elected in 1993.

However we want to do more. We know that the housing sector is a key component of the economy, with considerable job creation potential. For every \$100 million spent on construction, 1,500 person years of employment are created both directly and indirectly. Behind every construction worker many other workers are producing the materials needed to build a home.

Clearly the objectives of the housing industry and the government's goals of expanding international trade and stimulating economic growth are one and the same.

Government Orders

CMHC is proud of its record in participating in team Canada trade missions to many of the emerging world markets, unlocking opportunities for the Canadian housing industry and creating jobs at home. Canada's international reputation for excellence in housing technology helps to open doors to the Canadian housing industry in many foreign markets.

The corporation has helped foster that reputation through international representation and research. Now, through the Canadian Housing Export Centre, CMHC continues to play a key role in supporting the efforts of Canadian housing firms to market their products and their expertise abroad.

CMHC has also been a leader in helping to establish and research new building practices. The result has been improved housing quality, affordability and choice for Canadians. In so doing the corporation supports research and development, another one of our government's top priorities. As we can see, CMHC is helping our government turn its commitments into action in a wide variety of areas.

The amendments proposed in the bill will enable the corporation to continue these achievements by providing it with the tools it needs to move forward with its expanded role. At the same time the corporation will be able to ensure the long term viability of its mortgage loan insurance function.

Millions of Canadian families bought their first home thanks to the insurance program. In fact, one in three Canadian homebuyers have been helped by CMHC in this way. Through the bill we want to ensure that future generations of Canadians can continue to benefit from this service.

As one of Canada's oldest crown corporations, CMHC has always been a pioneer. As such, it has introduced government to a new way of delivering services. At the same time CMHC's core mission is not all that different from what it was 10 or even 50 years ago. Through the legislation the corporation will be able to continue to do what it has always done and will be able to do it well.

The bill to amend CMHC is part of the government's broader efforts to modernize government operations and ensure the efficient use of taxpayers dollars while improving services to clients.

CMHC will continue its most important basic function which is to help provide homes for Canadians. I encourage all members of the House to support the legislation and enable the Canada Mortgage and Housing Corporation to carry on with its work well into the new millennium.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, it is a privilege to enter into the debate on Bill C-66. The bill amends the

National Housing Act and the Canada Mortgage and Housing Corporation Act. There a consequential amendment to another act.

I couch my remarks with regard to the bill in terms of some questions I would like to ask. Does the legislation bring the Canada Mortgage and Housing Corporation closer to the purpose and intent as stated in the National Housing Act? Are the proposed changes in the specific legislation consistent with efficiency in terms of administration? Are they consistent with effectiveness, in other words reaching the goal or the purpose more effectively? What are the financial costs? What are the economic costs? What about the quality of life?

• (1140)

These are the questions I wish to address. Within that context I would like to refer to some discussions we have had with the officials of Canada Mortgage and Housing Corporation. They have indicated rather clearly that the policy of the government is the object of what Canada Mortgage and Housing Corporation does. Its purpose is to implement the government's policy on housing. The details of that policy are in fact contained in the corporate plan.

I will refer to the corporate plan for 1998 to 2002, in which the mandate for CMHC is stated as follows:

Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency. Founded in 1946, CMHC's general authorities are derived from the Canada Mortgage and Housing Corporation Act. CMHC is a crown corporation within the meaning of part 1 of schedule 3 of the Financial Administration Act (FAA) and is subject to the various conditions and requirements set out in this legislation. CMHC's specific authorities in housing are embodied in the National Housing Act (NHA). The NHA provides CMHC with a range of authorities and tools to address the housing and related needs of Canadians. These tools can be grouped under four main headings: housing finance, assisted housing, research and information transfer, and international activities.

In early 1995, CMHC's mandate in the area of housing research and information transfer was reaffirmed by the Treasury Board of Canada. Later that year, the government determined that CMHC should be given the authority to sell products and services in support of housing exports. In the 1996 federal budget, the government announced its intention to operate the mortgage insurance fund (IMF) and the mortgage backed securities guarantee fund (MBSGF) on a more commercial basis. At that same time, the government also announced that it was prepared to offer the provinces and territories the opportunity to take over the management of the existing federal social housing resources.

Is that not an interesting way of saying we are getting out of the business? In other words, we do not want it any more and will download it to the provinces. The government did not consult with the provinces. It simply said that it would not do it any more and in fact cut their funding. I will have more to say on that later. The plan continued:

Amendments to the NHA and CMHC Act are required to implement aspects of CMHC's new mandate.

The changes to CMHC's mandate have significant implications for the way the corporation will conduct its business in the future, necessitating changes to current products, structures and processes. The mission, vision and core value statements on the following page were developed by CMHC to reflect the new mandate.

Government Orders

We will stop there for the moment and indicate that the legislation before us today, March 11, 1999, follows the introduction of the corporate plan which clearly indicates what the direction will be.

Where is CMHC right now? I would like to go into some details as well. They too come from the corporate plan. With regard to mortgage loan insurance it stated:

Under the mortgage loan insurance program, CMHC provides insurance against borrower default on residential mortgages in consideration of a premium. Through default insurance, borrowers with down payments as low as 5% have access to mortgage financing at terms and conditions comparable to those with much greater equity. Financial transactions and mortgage loan insurance are recorded in the Mortgage Insurance Fund (IMF).

This is very useful for many young people or people with lower incomes that have not been able to accumulate a down payment of sufficient size. They are helped tremendously. It is a boon to families and to couples that wish to buy either a condominium, a townhouse or a single dwelling house. It is a wonderful program. That is what it is doing. It continued:

For 1997, mortgage insurance volumes were on track with more than 442,000 units. . . . Insurance-in-force was expected to reach \$152 billion by the end of the year. Under the NHA, the aggregate outstanding amount of all loans for which insurance policies are issued had previously been limited to \$150 billion.

● (1145)

It could not go beyond the \$150 billion.

The Corporation received a \$50 billion increase to the ceiling in the fall of 1997.

In other words it was increased to \$200 billion. It is very interesting that the bill does not change that. This is an interesting development. The corporation is running the show. It is fascinating and I will say more about it as we move along.

At the end of 1996, the MIF was in a surplus position of \$18.1 million. A loss before taxes of \$23.8 million was forecast at mid-year 1997, compared to a \$76.1 million before tax income projected in the original 1997 plan. This decline in 1997 is attributed to an increase in claim expenses. By the end of 1997, the Fund was expected to have a small surplus.

In mid-1997, Treasury Board approved a policy whereby CMHC will make annual payments to the government for its backing of the Mortgage Insurance Fund.

This is interesting. In 1996 it had a profit. In 1997 it looked like it was barely going to have a profit, but in 1997 Treasury Board said that it now had to pay it because it had access to the consolidated revenue fund.

As well, CMHC will begin to fund the additional policy reserves required by private mortgage insurance by the Office of the Superintendent of Financial Institutions (OSFI) imposed on the private sector. This applies to new commercial mortgage insurance business initiated after 1996.

What is beginning to develop with CMHC is very interesting. It is no longer simply a crown corporation. Legally it is, but it is entering into direct competition with the financial institutions. I will explain that a little later. It goes so far as to put itself under the same kind of guidelines and provisions that OSFI imposes upon other financial institutions, particularly federally registered trust companies, banks and so on. That is one area.

CMHC is also involved in mortgage backed securities.

Through the Mortgage-backed Securities (MBS) program, CMHC provides a guarantee of timely payment on securities based on qualifying pools of NHA-insured mortgages. Financial transactions for the MBS program are recorded in the Mortgage-backed Securities Guarantee Fund (MBSGF).

Projected MBS insurance for 1997 has been revised to \$3.9 billion, up from the original plan of \$2.1 billion and reflecting renewed interest from lenders. In 1997, the MBSGF was projected to generate \$13.0 million in revenues, compared to the original plan of \$10.7 million. . . . Higher cash flows and resulting investments of \$52.7 million were also expected. The year-end surplus was expected to increase to \$36.6 million.

The mortgage backed securities business expands beyond NHA mortgages or guaranteed mortgages. There is an MBS guaranteed fund but there are also other mortgage backed securities. As we go along, we will find that CMHC now wants to get into mortgage backed securities that are not NHA guaranteed mortgages. It is getting into direct competition with the private enterprise sector; a crown corporation is getting into competition.

Let us go into other areas. Canada Mortgage and Housing gets into assisted housing.

Unilaterally or in partnership with the provinces and territories, CMHC subsidizes, on behalf of the federal government, more than 656,000 units of social housing. The portfolio is operated through long-term administrative and funding arrangements between CMHC and the provinces and territories, and between CMHC and locally-based housing organizations.

The federal government announced a new On-Reserve housing policy in 1996. Throughout 1997, CMHC has been phasing in the policy. This involves the conversion of the existing NHA Section 95 non-profit Housing Program into a full-subsidy program, and First Nations' capacity development to help them take on responsibility for the housing in their communities.

To reduce overlap and streamline existing administrative arrangements in social housing, CMHC began negotiations in 1996 to transfer to the provinces and territories the management of existing federal resources, with the exception of housing programs for Aboriginal people living on-reserves. The Government of Canada will continue to honour its long-term funding commitments to social housing (currently \$1.9 billion per year).

● (1150)

In fact it is just under \$2 billion. In 1997, agreements were signed with Newfoundland, New Brunswick, Saskatchewan, Nova Scotia and the Northwest Territories to get out of social housing. This is very interesting. This theme will develop as we go along here. What is happening here is significant.

Government Orders

CMHC today is also involved internationally. The hon. parliamentary secretary referred to that in some detail. I want to commend the people who went on the Chile trip. I was one of the participants in that trade venture. It was a good one. It was well organized. The industries involved paid their way. There was no government subsidy at all. I commend the way in which it was conducted. Some good things are happening in that area.

The question however is whether this is a function that CMHC should be undertaking in the first place. That is a different issue altogether. What has been done in this area is very good and I compliment it. But the real question is, is this a proper function of a crown corporation?

There are other initiatives.

From time to time, CMHC is called upon to administer short-term housing initiatives linked to federal policy priorities. The 1997 Federal Budget included funding of \$51.9 million for 1997 short-term initiatives linked to job creation, including \$50 million for the continuation of the Residential Rehabilitation Assistance Program (RRAP), the Emergency Repair Program (ER), Home Adaptations for Seniors Independence (HASI), and the Shelter Enhancement Initiative (SEI) for victims of family violence. An additional \$1.9 million was included in ongoing annual funding for the SEI. In total, assistance for an estimated 12,868 units was delivered under these initiatives in 1997.

The corporate account is another area.

CMHC is a large mortgage and loan administrator as a result of activities in support of various housing programs. Including its land holdings, CMHC's asset portfolio is currently \$15 billion.

The Corporation's profits are the result of the margin on its financing operations and gains on the disposal of land. In addition, CMHC offers services to government departments and agencies on a cost-plus basis in areas such as land development, inspections and appraisals, and mortgage administration.

We begin to see the intricate web that is being woven as to the involvement and then the extrication and involvement again in all kinds of affairs. That is what it is now.

There is a history with CMHC as well. I want to address that for a couple of minutes.

Although the federal government built some housing for World War I veterans, the groundwork for a federal housing agency was not laid until 1935, with the creation of the Dominion Housing Act. By 1938 the act had helped finance almost 5,000 housing units.

During World War II the Wartime Housing Corporation built 46,000 units, mostly for war workers, and helped prepare and modernize thousands of existing units. When the war ended, more than a million Canadians in the armed forces were ready to return to peacetime life which created a housing demand the private sector could not meet. The federal government responded in 1946 by creating Canada Mortgage and Housing Corporation, CMHC. That was the beginning. That is why it was created.

CMHC built thousands of housing units for veterans, but from the beginning the corporation's mandate was to improve housing

for all Canadians. In 1954 the corporation began insuring mortgage loans made by private investors. The Bank Act was amended to allow Canada's chartered banks to lend money for mortgages, and the amount of mortgage funds available to consumers quickly increased.

Small surprise. There is no risk left for the lending institution if it is guaranteed by a crown corporation. Why would the financial institution not increase the amount of money available?

• (1155)

In the 1950s CMHC focused on improving the quality as well as the quantity of Canadian housing. The 1960s brought an emphasis on redeveloping inner cities, while new CMHC programs in the 1970s worked to maintain and improve existing communities. Since the 1980s the corporation has given priority to environmental concerns, sustainable communities and the housing needs of native peoples, the elderly and disabled.

There are other dimensions but before going into them I want to focus attention on the purpose and intent of the National Housing Act. It is very short. The housing act states very simply that it is "an act to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions". That is it.

We all know that adequate shelter for all households has long been a social goal of federal, provincial and municipal governments in Canada.

Although housing is within provincial jurisdiction as a matter of property and civil rights, or matters of a merely local or private nature, since the 1937 passage of the National Housing Act, the federal government has played a major role in its provision, mainly through the federal spending power.

In 1946 the federal government established the Canadian Mortgage and Housing Corporation. Since then, CMHC has carried out the federal government's commitment to provide Canadians with equal access and opportunity to suitable, adequate and affordable shelter in safe, healthy environments. This commitment means providing assistance to the most disadvantaged of Canadians, a fundamental value that underlies Canada's social safety net. It also means encouraging self-sufficiency in the private housing market through support to financial markets and to the housing industry.

Social housing ranges from single detached family homes to townhouses, walkups and apartments. It includes rental units owned and managed by the government, non-profit units owned and operated by community and charitable organizations, co-op housing units, units provided for aboriginal peoples on and off reserve, and privately owned units subsidized by governments and rented to low income people.

Government Orders

Of the social housing portfolio which had CMHC assistance in 1990, over 34% was public housing, 24% was non-profit housing and close to 21% was low rental housing. The balance entailed co-op housing, 8%; rental supplements, 7%; and aboriginal housing, 6%.

I am reading from paper No. 8 by R. E. Jenness, published on March 23, 1994.

There is also a historic federal and provincial partnership here. Until the mid 1960s, government housing projects entailed relatively minor expenditures. There was a small public housing program under which capital costs and operating costs were shared on a 75/25 federal-provincial basis, and a small limited dividend program creating privately owned housing units to rent at slightly less than market rates.

As the 1970s progressed, CMHC expanded and diversified its programs. The upshot was a de-emphasis on high density public housing projects and increased reliance upon the following.

One, a non-profit and co-operative housing program, fully federally funded, that provided an ongoing subsidy to sponsoring organizations, including urban native sponsors, and added new units to the stock of social housing.

I raise these points because this is the area the federal government is getting out of.

Two, a federal-provincial rent supplement program, cost shared equally with the provinces that subsidized units in private buildings for rent geared to income clients.

Three, a residential rehabilitation assistance program, fully federally funded, that made loans, partly forgivable, to homeowners, landlords or non-profit groups to undertake repairs and alterations. The minister announced that the program was to come to an end. He recently announced there would be an infusion of money into that program again so it will continue.

Four, a rural and native housing program, mostly cost shared, 75% federal and 25% provincial, to provide new housing and renovation assistance for low income native and non-native people in rural areas.

Indeed, during the 1970s and early 1980s the federal government along with the provinces, municipalities and community groups steadily increased their collective commitment to social housing. According to the Canadian housing coalition, construction of new social housing units rose from 110,213 in 1971-75 to 185,000 in 1981-85.

• (1200)

In 1986 after a task force report and consultations with the provinces, new directions were taken on social housing. Changes

were made with respect to program targeting, the nature of subsidy assistance, caps on special purpose housing, program planning and financial contributions from the concept of where need was accepted, and a housing needs allocation model was used to distribute federal resources among provinces under three federal main budget housing projects, non-profit, rent supplement, rural and native housing.

The lead responsibility for delivering the programs was in most cases given to the provinces. That is really the issue here. They were given the lead. Also, they are extremely capable of doing that.

I want to look at one of the most recent developments that I was very cognizant of shortly after I took over the lead critic role in this area. It has to do with co-op housing.

The government said for sure that it wanted to get out of social housing. It wanted to download it to the provinces. There are many different kinds of co-op housing but two basic ones, those that are federally operated and those that are provincial.

The federal government said the provincial ones are not its concern but the federal ones are. It wanted to download this. Then the association of federal co-op housing got a load of this and thought if this is to be downloaded, it is afraid it will lose its co-operative status. Lo and behold, enough pressure was created that the minister changed his mind. He said that federal co-op housing would stay where it is.

The philosophy co-op housing I support 100%. It provides pride of ownership. There are two kinds of co-op housing. One I really like is equity co-op housing. The individual buys a unit and begins to build up an equity they can use. They have the pride of ownership, the involvement and this is a good thing. It would be great if all social housing had some kind of pride of co-operative ownership. We all want this.

It is very interesting that as the government moved out of this the provinces recognized that if this would happen, they had better do something. They have been aware of this for quite some time.

I am not sure in Ontario where the numbers go, whether 16,000 co-op units are federal and 18,000 are provincial, but it does not matter very much. It is about a 50:50 split.

The province of Ontario has downloaded much of this to the municipalities. It is very interesting that I came across a study that I am sure members are aware of or have seen. It is the report of the mayor's homelessness action task force entitled "Taking Responsibility for Homelessness: An Action Plan for Toronto".

I would like to read what these people are dealing with and compare it with what we talked about in terms of the CMHC. This report deals with simplifying and co-ordinating the service system. What would be simpler than to have one level of government involved instead of three?

Government Orders

Exactly what these people are talking about are what services are available at present, why the current approach does not work, changing the role of urgency hostels and shelters and making drop-ins and outreach more effective. We are getting rather specific but it gets more specific. They talk about specific strategies for high risk subgroups, families with children.

There has been a dramatic increase. Some of these shelters are being populated to a large degree now by families. I do not think I have time to get into some of the statistics but they are very revealing.

They mention youth, abused women, aboriginal people, immigrants and refugees and go as far as to talk about prevention strategies and how we can prevent the problem, shelter allowances, rent banks, housing help, legal assistance, anti-discriminations measures, additional strategies for social assistance recipients, individual support, discharge policies and practices and community economic development, the whole area.

What about the health component in all this?

• (1205)

We are talking about homeless people but we are dealing with more than simply not having a house: an overview of existing services, removing barriers to health care, mental illness and homelessness, addictions and concurrent disorders, and the whole area of supportive housing. The report goes into affordable housing and the case for public investment, lessons from our past, producing new low income housing, preserving existing affordable housing and finally implementation. There are some 110 recommendations that follow this report.

It is an excellent piece of work but I do not think it is the end. When I talked to the councillor in charge of social housing for Toronto he said they were just beginning.

We have to come to grips with this. One government can do this. As we go into this corporate plan it is interesting to note what CMHC says. In the 1998-2002 plan CMHC says it:

—plans to conduct a forum on “best practices” for addressing homelessness. This forum will bring together experts on the homeless, representatives of service providers and various levels of government to share information on homelessness and to recognize and promote best practices in the area. This will provide the basis for potential partners to work together to develop future strategies to alleviate homelessness.

How many different ways do we have to look at the same problem? One would almost think the city of Toronto was doing this in isolation. This task force received assistance from all kinds of experts. Did it get it only from Toronto? No. Let me read into the record where they went to obtain some assistance. They received assistance from Canadian cities like Calgary, Montreal, Ottawa, Vancouver and Winnipeg. They also went to American cities like Boston, New York, San Francisco and Washington.

This task force is not made up of amateurs. These are not people who do not care about policy. These are not people who are unaware of what is to be done. Now CMHC says it will conduct a forum. We have the information we need. We say it is only Ontario. It has a 50:50 split on co-op housing. It knows all about this.

I refer to what is happening in British Columbia. This task force reported in January 1999. A 1992 amendment to the municipal act required municipalities to include housing policies in their official community plan. Additional amendments have provided municipalities with a greater range of powers to address community housing needs.

In summary, municipalities have reviewed or are in the process of reviewing their OCP. Nearly all have adopted or are in the process of adopting housing policies within their plan.

Definitions of affordable housing have been or are in the process of being written in several communities. In a number of cases housing strategy documents outlining definitions, policies, procedures and specific methods to address housing issues have also been produced.

A variety of housing related techniques such as density bonusing and housing agreements is currently being utilized by municipalities to increase the diversity of the housing stock or to produce affordable housing units.

To increase residential density, many municipalities are permitting housing above shops, manufactured home parks, secondary suites and small lots for single family housing.

A definition of special needs housing has been developed or is nearing completion in many municipalities. Although the definitions vary, they speak to the importance of creating both market and non-market housing for individuals with special needs.

Municipalities are taking up the challenge and finding innovative ways to meet the need for special needs housing. Committees or task forces are dealing with special needs populations or addressing disability issues at the community level in a large number of municipalities. Reports or surveys identifying the special needs population have been produced or are underway in several areas of the province.

Municipalities are developing guidelines for adaptable housing and several are promoting this type of housing to provide access to suitable housing for individuals with special needs.

• (1210)

The provinces are able and competent to deal with this issue and constitutionally they have been given that responsibility. That is

Government Orders

their job and now we have an intrusion into much of that through the National Housing Act and the central mortgage and housing act. There was a time when this was significant, in 1935. We have gone through this and we know what it is but it has changed into something quite different.

The involvement of multiple levels of government creates basic inefficiency. It creates mutual recriminations. If one level of government is not doing it, then the other level says it is your job, you go do it. As a result the very people who were intended to be helped by this act are the ones who lose. Most important in all this is the confusion, the chaos, the conflict, the confrontation and the contradiction that develops because of these different levels of government getting involved in each other's way. We do not need that. It could be simplified so easily. Then comes the worst of all, the lack of consistency in housing policy.

I suggest there is no consistent social housing policy as far as the federal government is concerned. There are immediate expedient types of solutions presented. The time has come for us to bring rationality to bear on this situation. The provinces have recognized this responsibility, have contributed to meeting that responsibility and have demonstrated they can do the job. As a federal government we need to create an environment that makes it possible for them to carry out the job they have ably demonstrated they can do.

We now know the CMHC has achieved many worthwhile things and is continuing to do that. This is not inconsistent with what the minister of housing has said. I quote directly from the statement he made on August 26, 1998 in Ottawa when he found agreement with Yukon:

Having only one level of government involved in the administration of social housing will maximize the impact of taxpayers' dollars. The territorial government will have the flexibility to meet the needs of its residents while adhering to national principles and an accountability framework.

Let us do that. This act does not come to grips with those kinds of things. It simply moves along and makes what is into law. Some of the things that are not yet approved are already happening and we just have not had the legislative provisions to do that.

I believe the CMHC has lost its way in another area. Not only has it not dealt specifically with some of the people who are in need, but listen to this strategy which comes from the corporate plan of 1998-2002. The strategy in one sentence is level the playing field for private-public competition. Interesting. The CMHC will now get into competition with the private sector.

It goes on to say:

This strategy involves behaviours consistent with the corporate value of entrepreneurship, as well as the creative and effective use of housing finance tools to achieve fair competition for the CMHC and the private sector, and otherwise support

competition in housing markets. Collectively these measures will place CMHC on a more competitive footing with private competition by reducing costs through operational efficiencies, effective asset management and product improvements.

These are the key tactics:

In 1998, CMHC will fund additional policy reserves and commence payment to government, based on the capital and additional policy reserves that the office of the superintendent of financial institutions (OSFI) requires of private insurers.

That is the very point I made earlier and that is what is to be done here.

Based on current projections, total fee payments to the federal government are forecast to be \$197.9 million over the 1997 to 2002 period.

CMHC plan improvements to its mortgage insurance product line. In 1998, CMHC will complete implementation of a plan for restoration of rental insurance viability through changes to existing products and the introduction of new products.

Also in 1998, CMHC will review revisions made to the First Home Loan Insurance (FHLI) program in 1997 to determine the impacts on the commercial viability of the product, and make more improvements if required.

• (1215)

In this whole area we have a private company that does essentially the same thing, G.E. Capital.

I mentioned earlier that CMHC was going to get into another aspect of mortgage backed securities.

To improve MBS program competitiveness, and in conjunction with improved program processes, the MBS fee structure is being reviewed to make MBS more competitive under a wider variety of interest-rate and liquidity conditions. In 1998, CMHC will introduce a new fee structure for the MBS program that is more responsive to current market conditions. The Corporation will pursue CMHC-led multi-lender MBS pools in 1998. In the latter part of the planning period, CMHC plans to develop MBS pools for non-NHA mortgages and non-mortgage loans subject to legislative changes. An annual payment to the government is currently being developed.

That is exactly what this law does. It allows CMHC to get into another area of non-NHA mortgages, to put these into mortgage backed securities. There is a market that exists now. CMHC does not have to get into that mortgage backed security market. It is already there. It is simply getting into direct competition.

Here we have a crown corporation with total assets of the consolidated revenue fund of the country of Canada competing with private enterprise. I think that is wrong in principle. I do not think it is fair at all.

It goes on:

For seniors, CMHC plans to introduce a Reverse Equity Mortgage (REM) insurance product through at least one Approved Lender by 1999. The objective is to ensure REMs are available through two or more Approved Lenders by the end of the planning period. The Corporation also plans to consider MBS for REMs in 1999 or thereafter if there is evidence that Approved Lenders are unable to use their own resources to issue REMs.

Government Orders

What does a reverse equity mortgage mean? This is for seniors who own a house or who have very high equity in a house. They take a reverse equity mortgage, draw down more money and the interest rate goes up.

Here it is with a reverse equity mortgage insurance program, or at least that is what it is thinking of putting together.

Last night I had the opportunity to meet with a representative of the Bank of Nova Scotia. I asked this gentleman how he would insure a reverse equity mortgage. He looked at me with a blank look on his face and asked me what I was talking about. I told him that I had just read that the corporate plans for CMHC state that it is going to introduce a new product called reverse equity mortgage insurance. He said that he did not know how it would work and he did not understand how it could actually work. He went on to tell me that it was actually a very small market to begin with.

Maybe that market will grow. I am not here to debate whether one should or should not get into a reverse equity mortgage. That is another issue. However, one of the major financial institutions in Canada does not understand how this product could work. There is something fundamentally wrong in what is going on here.

We need to come to grips with a much bigger issue, which is the whole housing issue and how best it should be handled.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I will be sharing my time with my colleague and friend, the hon. member for Hochelaga—Maisonneuve. Over the next 20 minutes, I will address Bill C-66, which is currently before us.

• (1220)

At the end of World War II, the Canada Mortgage and Housing Corporation, commonly called the CMHC, was given the mandate—

The Acting Speaker (Ms. Thibeault): I apologize for interrupting the hon. member. If he wants to share his time, he must first get the unanimous consent of the House.

Is there unanimous consent?

Some hon. members: Agreed.

Mr. Ghislain Lebel: I will resume, Madam Speaker. As the previous speaker pointed out, the Canada Mortgage and Housing Corporation was established in 1946.

At the time, its role was to implement a program designed to create housing units and thus meet a basic need, particularly for the troops coming home. These young people wanted to start families

and to settle down. They would often come back to settle down in a region that was not necessarily their place of origin.

Following the signing of the peace treaty in 1945, cities such as Montreal, Toronto and Ottawa welcomed large numbers of new residents. With the large increase in the number of immigrants, the CMHC's mandate was broadened in 1954 to open up Canada to immigration and to make it possible for people coming from countries the world over to at least have a decent roof over their head.

The CMHC therefore began to guarantee the loans certain financial institutions made to these new residents of towns and cities so that they could build their own home, even if they lacked the necessary capital for a down payment.

The CMHC continued in this role over the years, with the odd legislative amendment to its status, a name change, and so forth. The primary role of the CHMC has been to put in place mechanisms making home ownership possible for many people and allowing them to live decently in our society.

As the years went by, the CHMC also acquired know how, and because of its involvement in loan insurance and housing development, invested in research and development.

Building materials unknown at the end of the last war became popular and were used almost constantly, because one of the things the CHMC did was approve new materials, supervise the quality of construction. It also had a program under which, when it was loaning money or guaranteeing loans, it sent out inspectors to check that housing was up to code.

The party I represent in the House admits this. We are not necessarily congratulating the government, but all Canadians who, back then and even today, have made the CMHC and its mandate possible. It did not spring up out of thin air. CMHC was not created with money that came out of thin air. It was created with public funds, with the money of all Canadians, through their various taxes and other means.

• (1225)

However, despite CMHC's good intentions, it is not entitled to hog all the control over a specific area. I would point out to the Parliamentary Secretary to the Minister of Public Works and Government Services, who is responsible for administering CMHC, that when housing is considered according to the areas of jurisdiction set out in the 1867 Constitution—unfortunately none of us here today were present at its signing—it is a provincial responsibility.

In the past, there was an implicit acknowledgment of this by CMHC, since most of its programs were joint efforts with provincial authorities.

Government Orders

The situation in Quebec is rather special, because we have the Société d'habitation du Québec, which is kind of the Quebec equivalent of CMHC. Judging by my experiences with several transactions, it seems to me that—at least in the eyes of the general public, or even the smaller group of those involved in real estate transactions—there is, or at least was, a certain degree of harmony between the texts and policies of the two, Canada Mortgage and Housing Corporation and the Société d'habitation du Québec.

There was a throne speech, in 1994 I think, before the time of the Minister responsible for Intergovernmental Affairs. Much has changed since this troublemaker has been on the scene. When he enters the lions' cage, they do not attack him, but devour each other instead. This troublemaker comes out unscathed.

But before the Minister of Intergovernmental Affairs arrived, in a speech from the throne in 1994, the federal government—which at the time, before the arrival of the troublemaker, showed some understanding, indicated a certain intent to work with the provinces on matters of varying degrees of difficulty—indicated that social housing would be returned to the provinces.

Following the sudden urgency that brought about the creation of the CHMC, the situation calmed down somewhat, and the government considered that, the Canada Mortgage and Housing Corporation having fulfilled its mandate, it might be time to give back to the provinces the jurisdiction that was theirs to begin with, a jurisdiction they could exercise in the normal course of events.

Unfortunately, with the arrival of the troublemaker, these things are no longer the case, and this is reflected in Bill C-66, which is currently under consideration.

This bill reflects in many of its terms what the Canada Mortgage and Housing Corporation did or does, but it goes further. We may well raise questions. We know that the Government of Canada, a member of the OECD, negotiates WTO, world trade organization, agreements. It almost got taken as well in its negotiations on the multilateral agreement on investment, MAI.

A government, like the federal government, does not like to become entrapped. In international negotiations, they do not like to have to say to their negotiating partners "Sorry, this area is not completely under federal jurisdiction, we will have to ask the provinces, we need their approval. We cannot say yes immediately, we must consult at home".

• (1230)

This gets to be embarrassing. We are not at fault. As I said, we were not there when the Constitution of 1867 was signed, and we were not there either when the Constitution of 1982 was signed. Quebec was never there.

It is embarrassing for a government to have to say "Listen, we cannot make a decision and sign right away. We must go back home and see what the provinces think about this".

This is happening in several areas. The federal government decides to go over the head of its provincial partners and to enter into high level international agreements that affect jurisdictions which come under the provinces by virtue of our Constitution of 1867.

The spirit of Bill C-66 is a first reflection of this. I am convinced that the hon. member for Hochelaga—Maisonneuve will elaborate on this, because I know he is in full agreement with me, and so is the hon. member for Châteauguay.

I was hoping the bill would provide that "If the CMHC wants to finance construction and residential development projects, it should reach an agreement with the provinces, including Quebec". I realize the other provinces do not have a housing corporation such as the Société d'habitation du Québec. But let us not blame Quebec for exercising its legislative and constitutional jurisdiction, for assuming its responsibilities. This is why it created its own housing corporation. It could not let others look after its problems, because the cost was too high. No. With all the courage that such a measure implies, the Quebec government established the Office municipal d'habitation and manages what comes under its constitutional jurisdiction.

And then, in 1999, the troublemaker, with his colleague the Minister of Public Works and Government Services Canada, ups and produces a bill that appears to ignore the policies announced in the 1994 and 1996 throne speeches. A new policy is taking shape and, as always, this government is inconsistent.

One example is the trade missions, where the Prime Minister invites a gaggle of businessmen from all sectors, informatics, housing construction, modular housing, or whatever, to accompany him to Asia. They all head overseas, contacts are made and the foundations for future trade relations are laid.

There are people in my riding who excel in modular construction and are establishing contacts in China to try to sell their products, houses that are made in the lovely riding of Chambly, which I have the honour to represent here in the House. Business cards are exchanged and there are handshakes all round.

When the Chinese indicate an interest in coming over here to examine the modular housing they have been hearing about, and wonder if there are factory models they can actually see and touch, they are encouraged to make the trip, but are refused a visitor's permit that would enable them to enter Canada and see which of our products they might like to buy.

This has happened in my riding. The excuse given was that there is some concern that the Chinese—presidents of Chinese corporations who have the buying power—will not want to return to China and that this will become a problem for Canada, and so all the good

Government Orders

intentions shown by both groups during the trade mission to China come to nothing.

• (1235)

One might say that the right hand in this government does not know what the left hand is doing. This is not the first such case I have seen; it happens frequently. It is far less alarming if it is a Quebec company that is unable to export its know how or its products to another country. If an Ontario company had been involved, I think the reaction on the other side of the House would have been much faster in coming. This being a Quebec company, however, the reaction is much slower, the urgency less. We have learned to live with that.

I am certain that, given its expertise and its finished product, the business in question will eventually manage to export. Perhaps it will manage to export its first modular home in two years, because this government is such a piecemeal operation. It is my impression that the ministers do not speak to each other much, with the exception of the Minister of Intergovernmental Affairs, who talks to everybody, and issues orders right and left. I am sure he is listening to my words with great interest, this man whom I have just described as a troublemaker, but of course I did not mean that in a bad way.

I just want to point out that I might have been inclined to accept the bill, as it stands, to see some good in it. When those of us in the Bloc Québécois say that we are a constructive opposition, it has to show; we have to ensure that we give people concrete evidence of that. We have never been untrue to that vocation.

We do indeed want things to go well, but with this bill again I have unfortunately to tell you that the government is once again denying an area of Quebec jurisdiction accorded under the Constitution. They are meddling in an area that is not theirs. They circumvent the provincial government with provisions such as the one now enabling the Canada Mortgage and Housing Corporation to undertake negotiations or discussions with municipalities, organizations, business groups or any other body. They are circumventing provincial authority, which despite all, has jurisdiction in this area.

As a Bloc Québécois member, I cannot allow that. I do not know whether my colleague from Hochelaga—Maisonneuve is more forgiving than I am, but I find it unacceptable. Once again the government is treading on provincial jurisdiction. Why? To gain visibility it cannot gain through good management, by doing a good job, realizing savings, not on the backs of the poorest with money literally stolen from the unemployed, but by cutting operating costs by so many millions—or billions—of dollars through good management.

Government spending has not significantly decreased in the past five years. At best, it has dropped by 9%. On the other hand, the

income of the unemployed has dropped by about 100%. This is where the savings are made and this is what they hold up to the public as a success. We are not fooled. I find no interest at all in this bill.

Before concluding, I want to briefly say that the Canada Mortgage and Housing Corporation guarantees loans when borrowers do not have the 25% for their mortgage equity, which is the rule with the banking system. People are told they can buy a house by putting down 5% of the purchase price. The CMHC lends the rest of the money.

Take, for example, a house being sold for \$100,000. A young couple interested in buying that house could get it with a 5% downpayment. The CMHC would then lend \$95,000, to be repaid over a 25-year period perhaps, and an insurance fee would be added to that amount. If I am not mistaken, the fee on a \$95,000 loan is 3.5%.

• (1240)

The downpayment on a house is often less than the fee required to guarantee the buyer's loan. This does not make much sense. First, we help the buyer and then we hit him hard.

Worse yet, the CMHC does not appraise the property for which it guarantees the loan. The buyer figures "If the CMHC is prepared to lend me \$95,000, this means the property is worth that much". Not so. The CMHC now proceeds by appraising large groups or sectors; as a result, it often ends up taking back properties for which people paid \$100,000, but that are hard to sell back for \$40,000 or \$45,000.

It is not the government that loses. It is ordinary people, with the insurance fee they are charged. They are the losers, because it is this 3.5% fee that is used to pay for all that. However, if things were properly managed and buildings were appraised, people might be charged 2% instead of 3.5% on a \$100,000 loan. It would feel more like the CMHC is helping someone buy a house, which was the ultimate goal of the act.

I will end on that note. I am convinced the hon. member for Hochelaga—Maisonneuve will go into much more details and discuss much more detailed cases than I did.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, it is with no small pride that I share my time with the member for Chambly. We both have points to bring to this issue, and I will try to make mine well.

I dedicate my speech to our colleague, the Minister of Intergovernmental Affairs, who is here in the House. I will be referring to a federal-provincial dispute and presenting a few points of analysis, particularly as we both hail from the same political science department, he as a professor and I as a student. I am sure he has wonderful memories of the time I spent in the department. I do not

Government Orders

have any bad memories of the days when he was a professor of organizational theory and the public service.

That having been said, we would have liked to support this bill. Why? Because we are all positive people. I think that is known. Examples of an opposition more responsible and constructive than the Bloc Québécois in recent years could not be found.

But there is a problem. The Minister of Intergovernmental Affairs knows very well that the throne speech is sacred, because it is a sort of blueprint of what the government intends to do during its term of office. As such, the throne speech contained a commitment, just as sacred, to decentralize a certain number of powers to the provinces. The Minister of Intergovernmental Affairs cannot fail to recall that housing is one of the sectors the government was going to give back to the provinces.

How can it be that we end up with a bill like this one, when what is needed is recognition of the full jurisdiction of the provincial governments over housing? I would like someone to explain this to me in the course of this debate.

There are two problematical clauses. I do not want to get into technicalities, but there is clause 58(1)—I am sure that the minister is familiar with it—which reads as follows:

58.(1) The Corporation may make loans and contributions for the purpose of assisting in the payment of, or providing allowances for, expenses that, in the opinion of the Corporation, are related to housing accommodation, and may forgive amounts owing on those loans.

This raised questions in my mind, which I put to the staff. My thanks to those who made themselves available to me, particularly Mr. Asselin, who was extremely kind.

I had the feeling that it was possible the federal government might be tempted to use this clause to create a national housing allowance.

• (1245)

So I asked him directly, and his reply was “Yes, that is a possibility”. This is of concern to the Bloc Québécois, and we would not view such a possibility favourably, since it would of course lead to encroachment on a provincial jurisdiction.

Our second area of concern is that this bill opens the door to the very real possibility that, with respect to housing, the federal government could deal directly with intermediary bodies such as municipalities, co-operatives and others involved in this field.

We do not understand how such a clause can be in a bill. If the government wants the Bloc Québécois to support the bill, I would ask the Minister of Intergovernmental Affairs, in the same spirit of positive and open co-operation that has always guided us, to be this

voice in cabinet. We ask him to draw on clause 88(2) of the bill and to broaden its scope. This clause, Madam Speaker, I dedicate to you. It reads, and I quote:

(2) Loans or contributions may be made and amounts owing on those loans may be forgiven under this section only with the approval of the government of the province where the corresponding rental housing project is, or will be, located.

In other words, to synthesize, as we learned in political science, we are delighted that this government wants to invest in the housing sector. It is well known that there is a tenuous, almost incestuous, link between the fight against poverty and housing. I will come back to this.

If the government has money for housing, it must go through those whose mission this is primarily: the provinces. The Government of Quebec is the only government in Canada to have a housing corporation, with the expertise, know-how, tradition, planning and management required to meet the housing needs of its citizens.

I ask the government to take note, and we will introduce amendments as we consider this bill, at committee stage or at third reading. It will all be considered to ensure that no direct intervention is possible in the housing sector without the provinces being involved.

I see that Minister of Intergovernmental Affairs is nodding. I would ask him to share this idea with his cabinet colleagues.

The second issue of concern to the Minister of Intergovernmental Affairs is the whole matter of the \$1.9 billion. The federal government is negotiating with the provinces so they will be the only ones to intervene in matters of social housing. That is good news. We have long awaited that. However, the amounts involved are totally ridiculous. I want to be very clear, because there is no room for generalization.

Canada wide federal spending on social housing is approximately \$1.5 billion. In fiscal year 1995-96, \$362 million of that amount went to Quebec.

A quick calculation shows that Quebec receives 18.7% of federal spending on housing. I imagine the parliamentary secretary is listening to the interpretation, so I repeat that Quebec is getting 18.7%. This means that 81.3% of federal spending on housing takes place outside Quebec.

But what is Quebec's demographic weight within the Canadian federation? It is 25.3%.

• (1250)

How many households are living in poverty in Quebec? Still with respect to 1995-96, there are 341,000 such households. I appeal to the Minister of Intergovernmental Affairs to note that

29% of Canada's poor households are in Quebec. Yet 18.17% of federal spending on housing is all we get.

All governments have decried this trend. I could tell members about someone who has the respect of the Minister of Intergovernmental Affairs, an intellectual in Quebec society, for that is what he is, by the name of Claude Ryan. Some people will immediately think of the beige paper, others of the 1980 referendum, others still of Robert Bourassa. However, the reason I am mentioning Claude Ryan today is because he was once minister of housing. And in that role, he made the same arguments as I have. All this to say that there is a strong consensus that Quebec has not received its fair share.

Madam Speaker, is there unanimous consent for me to table figures that could be passed out to members, particularly to the Minister of Intergovernmental Affairs?

The Acting Speaker (Ms. Thibeault): The hon. member is seeking leave of the House to table a document. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Réal Ménard: Madam Speaker, I think members will be the richer for it. Please pass it out on that side.

I mentioned earlier that the federal government wants to transfer \$1.9 billion to the provinces under this proposal. Have you any idea how much is being offered to Quebec? I could not believe it when I first heard it. Quebec is being offered a mere \$289 million, which is less than what the federal government spent on Quebec in 1995-1996.

I have the breakdown here. Last year, the federal government spent \$362 million on housing in Quebec, but now, under this proposal, it wants to transfer \$289 million to Quebec. The Minister of Public Works and Government Services, who is also the hon. member for Saint-Léonard—Saint-Michel, will have to work hard and meet with his counterpart, Mrs. Harel, one of the most endearing members of the National Assembly, with whom I have the pleasure of sharing some of my constituents.

The federal government will have to discuss the issue with the Quebec government and try to settle this once and for all. Quebec is ready to take on all of the responsibilities for social housing. It makes perfect sense. Which of the governments is best suited to adequately and efficiently meet the housing needs of the people and solve the housing problem? Quebec, of course, since it is the government nearest to the people.

However, Quebec does not want to incur losses. What the federal government wants to do is to transfer a lump sum that will keep on shrinking. You have to understand that, with a housing stock for which mortgages were signed 20, 25 or 30 years ago, at the time when the money starts decreasing, more and more repair, renova-

Government Orders

tion and restoration work will have to be done. That is why the Quebec government is asking for \$440 million just for the transfer, plus 3 tax points. If that were on the table, the Quebec government would not hesitate to sign an agreement and to meet its responsibilities.

I hope our voice can be heard and I hope we can count on the Minister of Intergovernmental Affairs, who we know is not afraid to speak loudly on some issues, to defend Quebec's interests.

This brings me to another issue. Members will recall that we were elected in 1993 but, since the Prime Minister had to attend a NATO conference, parliament convened only in January 1994.

• (1255)

In 1994, in the first budget of the current Minister of Finance, the Canada Housing and Mortgage Corporation was asked for a contribution over a number of years, ending in 1998-1999.

If members add all the amounts the federal government took from the CHMC, they will see that the total comes to \$487 million. It is a lot of money. Now it would appear that, over the next few years, there will be money available in the budget for housing. The CHMC will therefore be able to use for other purposes the \$487 million and all the money it was supposed to send to the Treasury Board or to the Minister of Finance.

We hope this money will be used for the development and construction of social housing, through the provinces, of course. I think this cannot be avoided. Housing initiatives must be linked to land management, income security and the fight against poverty.

Again, I repeat and I hope they are listening, my question is for my colleagues across the way: Which government is better able to meet the needs of our fellow citizens in the most efficient and direct way? The Quebec government, of course. It is closer to the people. The main areas of provincial jurisdiction, such as health, education and income security, are central to our fellow citizens' lives.

This is why we want money to be invested in social housing. If the hon. member for Chambly was to trade places with me, I am sure he would be just as passionate as I am in his defence of social housing. I know this is an issue of great concern to him. I am sure he will fondly recall going door to door in the riding of Sherbrooke, which resulted in a resounding victory for us. I believe we should still today celebrate our victory in the riding of Sherbrooke a few months ago.

All this to say that the hon. member for Chambly personally went door to door in the riding of Sherbrooke. I had the opportunity to talk to him about this, since he knocked on every door in a low cost housing project and has fond memories of this. I dare not say it was a revelation to him because he was already quite aware of the problem, but he came face to face with it and was able to see with his own eyes—the member for Chambly is a hands-on kind of

Government Orders

guy—how important low income housing, co-op housing, is in terms of social action.

What is low income housing about? It is about people who form a community and know that no matter what happens to them, they never have to be alone. These people can count on a community room, but also on a support network and a solidarity that are always there, in good times as in bad times.

Again, this bill is a grave source of concern, since two of its clauses would allow the federal government to get directly involved in areas of provincial jurisdiction. This bill seeks to give a more commercial role to the Canada Mortgage and Housing Corporation. It sends a conflicting message.

On the one hand, the government said, in its throne speech, that it wants to decentralize things and give back to the provinces the responsibility for social housing, but on the other hand, it gives greater powers to the Canada Mortgage and Housing Corporation.

We would love to support this bill, because we realize something must be done in the area of social housing. But there has to be the assurance that this will be possible, to the extent that provincial governments, including the national government of Quebec, agree to that. It is our hope that this will be included in the bill.

How? I ask government members to look at clause 88(2). I will read it again, because I think this provision should be a model, a source of inspiration. If this condition were met, we could support the bill.

• (1300)

Clause 88(2) reads:

88(2). Loans or contributions may be made. . . only—

“may be made. . . only”. These words mean something. I will read the rest of the clause:

—with the approval of the government of the province where the corresponding rental housing project is, or will be, located.

This is not rocket science. We are not asking for the impossible. We are asking that provincial jurisdictions be respected. If this is put in writing in the bill, we will be very pleased to support it.

Before concluding, I want to ask the government to resume negotiations. The Minister of Intergovernmental Affairs must do his utmost to have Minister Harel and the Minister responsible for the Canada Mortgage and Housing Corporation sit down together and come to an agreement regarding traditional demands.

I will conclude by saying that all the governments in Quebec, regardless of their political stripes, have asked for more money from the federal government for social housing.

I am pleased to have taken part in this debate. I hope we will be able to support the bill. However, we will not do so without the assurance I have asked for today.

[English]

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, I will be sharing my time with my hon. colleague from Sackville—Eastern Shore.

If I were to summarize this bill in one word it would be destructive. It is destroying the hopes and dreams of Canadians who can only imagine living in decent housing and who see this bill as the final step away from any chance of their dreams being fulfilled.

These are people from across Canada who can talk of the difference social housing has made in people's lives. However, as the member of parliament representing the community of Reserve Mines I feel I have a unique perspective on what we will lose if this bill is allowed to go through. It was in Reserve Mines that the first housing co-operative in Canada was built. At one time people in Reserve Mines were forced to rent houses from the mining company that were overpriced and often substandard.

Owning their own homes was a dream many thought was unachievable. However, with the encouragement of their parish priest, Father Jimmy Tomkins, the co-operative that the people of Reserve Mines formed succeeded in planning, financing and building houses for its members. For people who had never thought they would have a decent home for themselves and their families, it was a dream come true.

The dream of living in well maintained affordable homes that inspired the people of Reserve Mines in 1938 continues to be the driving force behind efforts to build and maintain social housing. Unfortunately in the last few years the federal government has been doing its best to kill that dream.

On the surface Bill C-66 appears harmless. The government has attempted to portray this bill as little more than a housekeeping measure to simplify the current legislation, remove unnecessary restrictions and improve the flexibility of the CMHC. To use an old saying, the devil is in the details. There are a number of details to which this government is not keen on drawing attention. It is these details that administer the coup de grace in the Liberal government's retreat from social housing. They pave the way for the privatization of social housing in Canada.

We have already seen the first step in the destruction of social housing in Canada with federal downloading. Every province except Ontario, Alberta and British Columbia has had the complete social housing portfolio dumped on them. It is disappointing but not surprising that my own province of Nova Scotia was the first to agree to the downloading. Housing activists warned that the

compensation offered by the federal government for taking over its housing responsibilities would not be enough in the long term but, as with DEVCO, a small pile of cash persuaded the Nova Scotia Liberal government to bend over backwards to capitulate to Ottawa.

In contrast, New Democrats in British Columbia have held out against the download. They have looked at the long term costs of downloading and they know the federal government has an important role to play in housing. I know housing activists appreciate the efforts of British Columbia to get the federal government to live up to the commitments made in the many operating agreements it signed with individual non-profit housing providers across the province.

• (1305)

In the provinces that have accepted the downloading we have seen that the end result is abandonment of social housing. For instance, the Filmon government in Manitoba has made clear its intention to gradually withdraw all funding from social housing. In my own community we see the effects of abandonment of housing by the federal government.

The Open Door shelter is one of two homeless shelters in Sydney. The building it is in is 60 years old and is in need of repair. In a region where the real unemployment rate is 40%, there is not a lot of money to go around. Since the federal government is not providing support for the community, the staff and board of the shelter must go elsewhere to look for money.

In the last few months I have had constituents coming to my office desperate for help. There are people in my riding who are living in homes with plastic sheeting for a roof. They are looking for help from the federal government and all too often there is none.

Now the federal government is preparing to take the final step toward abandoning any responsibility or obligation for responding to housing problems in this country.

Current statutes contain very clear definitions of what is meant by terms like public housing project or eligible contribution recipient. This bill eliminates these definitions from the act and puts them at the discretion of CMHC. This opens the door for private, for profit corporations to be recognized as social housing providers. This bill also eliminates the statutory requirements for social housing to be safe, sanitary and affordable. These are currently minimum requirements for social housing units. Now this Liberal government apparently feels that getting rid of these requirements will, to use its language, remove unnecessary restrictions.

It would be nice to believe its intentions are honourable. It would be nice to believe that the maintenance of social housing projects

Government Orders

across Canada is so good that including any minimum standards in the legislation is redundant.

Unfortunately the evidence points to another, nastier conclusion. The reason the Liberal government is getting rid of these requirements is so it will not be required to live up to them.

The government has tried to justify getting rid of these definitions on the grounds it needs flexibility. According to it, dumping minimum standards for housing is just a little housekeeping measure.

What I want to know is exactly why requiring homes to be safe, sanitary and affordable is so restrictive. Is the government trying to tell us it needs the flexibility to allow people to live in fire traps, to allow conditions where diseases develop and spread, to raise rents through the roof?

Either one believes all Canadians should have a right to decent, safe, affordable accommodation or one does not. By removing these requirements the government is saying it does not think the homes of Canadians should have to meet even the most minimal standards of safety, sanitation or affordability.

I would also like to touch on the proposed changes to mortgage insurance. Under the current CMHC act, if the CMHC takes any losses when it underwrites someone's mortgage, the federal government absorbs those losses. This enables CMHC to underwrite mortgages for people who cannot get mortgage insurance from banks such as people with low incomes, people with poor credit ratings and people in remote areas who do not have access to a bank or credit union.

What the government is proposing is that CMHC will have to absorb any losses from underwriting mortgages itself out of the mortgage insurance fund. Having to absorb any losses itself may force the CMHC to deny mortgage insurance to high risk applicants. This will exclude applicants with low incomes.

Under the current mortgage insurance system the CMHC acts as a bulwark against a recession because it can underwrite mortgages in poor market conditions without risk. This encourages housing development at a point in the market cycle where the market may discourage it. This will change with the commercialising of CMHC's mortgage insurance. CMHC will now be forced to weigh risk according to market cycles. Thus it will no longer be able to play this valuable counter-recessionary role in the economy.

Now we come to the real reason for these changes. It is well known that GE Corporation of the United States, which has large interests in the insurance industry, wants to expand into Canada. It is well known that it has been lobbying the Liberal government for the commercialization for CMHC's mortgage insurance to make this possible.

Government Orders

• (1310)

In this bill, the agenda of GE seems to have been put ahead of the needs of Canadians. According to the government, there was a risk that if it did not make the changes in this bill, GE could have forced the changes using NAFTA. In which case why, if NAFTA is such a fundamentally flawed agreement, was this government willing to sign it in 1993 and why has it not tried to change it since?

I would like to touch on what this bill says about the real agenda of this government. In the last few months we have heard regular expression of concern from this government about the problem of homelessness. The recent announcement that social housing would not be transferred to the province of Ontario was portrayed as an attempt to protect social housing in that province.

This bill proves that all the lip service the Liberal government has paid to the problem of homelessness was nothing but hot air. Homelessness has skyrocketed since the Liberal government came to power. More and more Canadians are freezing to death on the streets. This bill could have addressed these problems. Instead it will make things dramatically worse.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I rise today with great pleasure to speak on what I consider to be one of the most important debates in the House of Commons when it comes to the social housing needs of all Canadians.

I wish to give accolades to my colleague from Churchill, the critic for this area. She has done an excellent job on behalf of the New Democratic Party in pointing out the major flaws within this bill.

Members may wish to have a copy of a book written by our member for Vancouver East entitled *Homelessness, An Unnatural Disaster: A Time to Act*, a guide to the study she did across the country with members from social housing, NAPO and groups of that nature to discuss the social housing needs.

I also recognize that the Conservative Party of Canada is now doing a similar tour of its own. I wish the party good luck with coming up with long term solutions for the problems that exist.

As a young lad in 1974, I attended the UN sponsored habitat conference in Vancouver on housing and the need for housing not only in Canada and the Americas but around the world. It is interesting to sit here today in the House of Commons and now have this debate on a domestic level 25 years later. It is quite fundamental.

I want to start with something very interesting which is how Liberals, especially those in cabinet, can flip-flop and change their opinions literally at the drop of a hat.

In 1990 the then official opposition and chair of the Liberal Party task force on housing, the current finance minister, condemned the government of the day for doing nothing while the housing crisis continued to grow out of control: "The government sits there and does nothing. It refuses to apply the urgent measures that are required to reverse this deteriorating situation. The lack of affordable housing contributes to and accelerates the cycle of poverty, which is reprehensible in a society as rich as ours".

I and my party could not agree more. The question is why did the finance minister change his mind. Why did the Liberal Party change its mind on many other issues? On such a fundamental issue as this one, why did the so-called caring finance minister change his mind and literally destroy the advancement of 75,000 new social housing units in this country?

I come from the beautiful province of Nova Scotia where the federal government has abandoned all responsibility for social housing and literally tricked the current Liberal government in Nova Scotia to take over responsibility for it. It is absolutely reprehensible that a federal Liberal government would abandon its social housing policies in the beautiful province of Nova Scotia.

I would like Liberal or opposition members to come with me to Catalina, Newfoundland. When we did a fisheries tour with the Standing Committee on Fisheries and Oceans we saw a row of houses completely abandoned because those people had no more jobs and there was no more work. They had to go elsewhere in Canada to find a place to live and work. Meanwhile, a perfectly good home was left abandoned. This is the history of our country. Farmers in the prairies and in the Atlantic provinces and fishermen in the east and west have had to abandon their homes to look for work elsewhere in the country because the centralized governments of our day completely abandoned the extremities of this nation.

• (1315)

There is no way we can support the bill because of what it does to aboriginal people and first nations reserves. I will not go into the details of it as it has been explained quite well already.

All members of the Liberal Party of Canada have to do is read a fantastic magazine out of Newfoundland called *The Downhomer*. *The Downhomer* will send them at a cost of \$36 Canadian, no tax, a copy of a Ted Stuckless print. It is a picture of two Newfoundlanders in a dory with a make and break engine. They are towing a home on logs across the bay as was done during the resettlement program. That picture says a thousand words on the devastation of the resettlement program which moved people from their ancestral homes for so-called economic development. People from Newfoundland and Nova Scotia are abandoning their homes now and moving elsewhere to other parts of the country.

Homelessness is no surprise. Cities like Toronto, Winnipeg, Vancouver, Montreal and Halifax are in a crisis state. It only makes

Government Orders

sense. They cannot keep taking, taking, taking and destroying the social programs and then turn around and say it is a surprise that there is homelessness in Toronto. They cannot say "What a shock" or "When did this happen".

For the life of me I cannot understand why the Liberal government abandoned all of the principles of their sixties agreement. Back in the sixties the current deputy minister was left of centre and has now completely abandoned all those principles. The government has abandoned the great principles of former Prime Minister Lester Pearson. It has abandoned the principles of Warren Allmand. It has abandoned most of those principles for the so-called fiscally conservative right which benefits the few and puts the majority at disadvantage.

I recommend that the Liberal Party of Canada, especially the deputy House leader, if he wishes, go to Newfoundland, or *The Downhomer* would be proud to send a lovely print of the two Newfoundlanders in the dory with the make and break engine. I have a copy of that beautiful print hanging on the wall of my office. Every day it proves to me that we have a serious crisis when it comes to homelessness.

A fundamental basic right of the nation and of all world citizens should be decent shelter. I do not understand why a rich and wealthy country can abandon that basic, simple principle. It just does not make sense.

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Madam Speaker, I followed carefully the hon. member's speech on this subject. He was in a big rush to condemn the Liberal Party and every other government. He forgot to mention the NDP in Saskatchewan and B.C. B.C. did not sign on to RRAP.

Would the hon. member comment on the refusal of the British Columbia NDP government to sign on to that program to help the homeless?

Mr. Peter Stoffer: Madam Speaker, I welcome the question from my hon. colleague for whom I have great respect. He basically premised his question in a very answerable way.

Housing is a federal responsibility. To try to manoeuvre the provinces to say it is their responsibility is absolutely false. Social or co-operative housing should always be a federal responsibility, not a provincial responsibility.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I listened with great interest to my hon. friend telling us his points of view on housing. I have some personal interest in this area as I used to be the president of a housing co-op that was seeking allocations of units so we could build social housing within the inner city of Winnipeg.

The Liberal member of parliament who I defeated in that riding joined my housing co-op to show that he was interested in social

housing. That is the only reason he would pay \$10 to join our co-op. At the only meeting I saw him attend he said that Canada was the only country in the world which did not have a national housing strategy. He made that comment because prior to 1993—this is what I was leading into and I would like the member to comment on—it was Mulroney who started to tear down any kind of a national housing strategy.

• (1320)

Members opposite were incredibly critical of that. I remember passionate debates and arguments that Mulroney was doing a terrible thing by tearing down the national housing program. There were campaign promises to the effect that the Liberals intended to reinstate some kind of national housing program.

In the inner city of Winnipeg none of the normal market controls or influences work. The value of the property is too low to interest landlords in investing in low income housing. In the absence of social housing, or some kind of subsidized housing, no new units will be built. We are facing a ghettoized situation where we have a donut shaped city.

The result has been epidemic arson. Landlords are turning in desperation to torching their houses. It looks like burn baby, burn in the late sixties in Watts. There were 80 or 90 arsons in a 12 block area in three months. That is five or six a night sometimes, places being burnt out of desperation. I would argue this is because of the complete absence of any commitment to a national housing strategy.

In the member's personal experience in the communities in which he has lived, has he seen a similar deterioration of housing stock without new housing being built through social housing programs?

Mr. Peter Stoffer: Madam Speaker, the hon. colleague is absolutely right. It is something we have been saying time and time again: Liberal, Tory, same old story. The Liberals have reformed Tory policies. That is exactly what they have done.

My hon. colleague is absolutely right. The Liberal government has abandoned its heart when it comes to policies on medicare, EI and especially social housing. It is a national disgrace. In the next election the Liberals will be paying for it.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Madam Speaker, I am pleased to address the House today on Bill C-66 which proposes amendments to the National Housing Act and the Canada Mortgage and Housing Act.

I have divided my speech into two portions. I would first like to speak about the bill as proposed. There are a few things in the bill that are good and I would like to talk about some of those areas. However, our party also has some serious concerns with some of

Government Orders

the provisions in the bill. I would like to walk members through some of the proposed changes and explain exactly our concerns.

Specifically I would like to deal with the proposal to commercialize mortgage insurance and the effects this would have on the risk aversion of corporations and the \$200 million payment to the federal government from CMHC for the crown backing of its insurance and loan guarantee operations. I would also like to discuss the changes to the structure of CMHC's board.

In the second part of my speech I want to talk about the social housing sections of the bill or, more specifically, what has been left out of the bill and how the government has missed a prime opportunity to address some of the problems involving affordable housing and homelessness.

CMHC is mandated to deliver federal housing programs in four general areas. First, under housing finances, CMHC promotes the availability, accessibility and choice of housing funding. For many home buyers this takes the form of mortgage insurance.

Second, CMHC strives to encourage competitiveness in and the health of the housing market by conducting research, by improving housing, by supporting the housing market and by the dissemination of information.

Third, CMHC has an ongoing responsibility for federal assisted housing initiatives, including support for aboriginal communities in their efforts to become self-sufficient in developing and maintaining their housing.

The federal government provides the corporation with \$1.9 billion of funding each year. The lion's share of these funds goes to meet the long term financial obligations arising from subsidies for 656,000 social housing units such as non-profit housing, public housing and housing co-operatives.

• (1325)

Early in its first mandate the government announced that it would withdraw from funding further social housing units. Since then the government has signed agreements with seven provinces and territories to offload social housing on to them. Finally, CMHC supports the export of Canadian housing products and expertise.

Bill C-66 contains the most extensive changes to the National Housing Act and the CMHC Act since 1985. Among other things, the government is proposing changes to CMHC's mortgage insurance activities.

In essence, the government wants to commercialize the corporation's mortgage insurance functions. Any losses as a result of mortgage insurance underwriting must come out of CMHC rather than general government revenues. This removes any competitive

edge the government agency has in the marketplace and puts CMHC's mortgage insurance on a level playing field with private insurance.

CMHC would be able to introduce new mortgage products such as reverse equity mortgages. These mortgages enable older residents to use the equity in their homes to obtain funds to supplement their income while allowing them to continue to live there.

The changes will also allow CMHC to accelerate the growth of the secondary market by providing a wider range of secondary mortgage market products through mortgage backed securities guaranteed funds.

The pooling of individual mortgages provides lenders with a lower cost source of funding and ensures an adequate supply of mortgage funds. These commercialization measures are a response to potential challenges under the North American Free Trade Agreement. While these changes would give Canada Mortgage and Housing Corporation the flexibility to offer new products, they also eliminate the advantages of government underwriting.

For example, forcing CMHC to cover any losses will decrease its willingness to finance high risk borrowers such as low income people. If it also makes it more difficult for borrowers in rural Canada to qualify for mortgage loan insurance, speaking as someone who grew up and lives in rural New Brunswick it would not go too well in my riding.

The second problem we have with the proposed change to CMHC's mortgage insurance activities involves the payment to the federal government in compensation for the crown's backing of its insurance products retroactive to January 1, 1997.

I understand the objective of the new section 18 in that the government wants to create a level playing field with the private sector sellers of mortgage insurance. It has to pay compensation for the backing of its insurance operations. To be fair, CMHC should have the same obligations. I agree with that.

The problem arises when it is realized that over the next few years the government will pull \$200 million out of the corporation. According to CMHC's summary of the corporate plan for 1998 to 2002, by the year 2002 the government will have starved Canada's social housing programs by \$197.9 million to pay this fee.

How can the government possibly justify taking \$200 million out of CMHC that is charged with helping house Canadians while thousands of Canadians are forced to sleep in shelters each night?

The government needs to find a way to reinvest this money into social housing programs so that no Canadian who is in need of housing suffers because of this measure. It seems the government has not completely thought this issue through.

Another problem that concerns my party and should concern all Canadians involves one proposed change to the CMHC Act with respect to the composition of CMHC's board of directors. Presently the board consists of the chairman of the corporation, the president, a vice-president, two public servants and five political appointees, for a total of 10. All in all this is not a bad balance. We would have a board of five highly qualified housing professionals and five people appointed by the Liberal cabinet.

I would not want to speak against the Liberals, but the government has developed a reputation, deservedly so, of appointing Liberals to government boards, qualified or otherwise. The minister is proposing in the bill that we should reduce the number of qualified professionals on the board by three and replace them with Liberal appointees.

Under the legislation the requirement to have a vice-president and two public servants sit on the board would be removed. Only the chairman and the president would remain and the Liberal patronage appointees would have a healthy majority of eight of the ten director positions.

● (1330)

Aside from the distasteful nature of this change that could put three more Liberals on the CMHC board, it would also threaten the independence that CMHC enjoys as a crown corporation. Just think, right now CMHC management has to answer to a board that at least has some balance between five highly qualified professionals and five Liberals. However, under the new board CMHC management will be under the direction of a board comprised of a majority of Liberal appointees.

Just as important as what is proposed by the government in this bill is what was conveniently left out of it. I will take a few minutes to talk about social housing policy in general and how it relates to this bill.

In the past month the government missed two prime opportunities to deal with the problem of the lack of affordable housing in Canada and its impact on homelessness in particular. The first opportunity occurred on February 11 of this year when the bill was introduced and the second was when the budget was brought down on February 16.

It is ironic that the person who introduced the budget, the finance minister, the member for LaSalle—Émard, was once the champion of social housing. In 1990 he and his colleague, the MP for London North Centre, published the report of the national Liberal caucus task force on housing. In that document the current finance minister set out a manifesto on how a Liberal government would provide affordable housing for all Canadians and eradicate homelessness.

Alas, like so many other broken Liberal promises, like the GST and free trade, the finance minister's promises on social housing

Government Orders

were relegated to the dustbin just as fast as the Liberals took power in 1993. That may suit the finance minister just fine, but he and his government have done nothing to provide affordable housing for Canadians and to eliminate homelessness. It is exactly the opposite.

If the government is looking for some good ideas on what should be included in Bill C-66 to deal with these problems, I will quote liberally from both its party's task force document as well as a report that was released in January of this year by the Toronto task force on homelessness, chaired by Dr. Anne Golden, entitled "Taking Responsibility for Homelessness."

In his report, the finance minister promised that a Liberal government would recognize in the Constitution the right to adequate shelter. It never happened. He said that housing is a fundamental human right and that a Liberal prime minister would discuss housing rights at a first ministers' conference. We are still waiting.

He told Canadians that he would provide more money for housing in provincial transfers, but instead he cut provincial cash transfers by 40%.

He promised a new federal-provincial social program to assist the working poor with housing costs, but none ever materialized. He told anyone who would listen that his government would increase funding for housing co-operatives and look for new ways to use housing co-ops to provide affordable housing. Instead it froze and then decreased funding for co-ops. Now it is trying to offload housing co-ops to the provinces and cut off funding entirely.

This is my favourite. The finance minister promised that he would eliminate all substandard aboriginal housing by the year 2000. I guess he has missed that target.

According to the Assembly of First Nations, almost 50,000 or 60% of the 83,000 housing units on reserves are inadequate. More than 10,000 of those units have deficient or non-existent water and sewer services and 16,000 units are overcrowded. So much for the word of the finance minister.

With respect to this bill, there are some concrete steps the government could take to deal effectively with the problems of inadequate housing. As I have already mentioned, many of these proposals were outlined by Dr. Anne Golden in her report released in January. In her report she refers to four causes of homelessness: increased poverty, lack of affordable housing, deinstitutionalization and a lack of discharge planning, and social factors such as domestic violence and physical or sexual abuse.

Because the scope of Bill C-66 deals only with housing issues I will limit my discussion to how the government could increase the

Government Orders

supply of low cost rental units and rooming houses, and the need for increased support for social housing.

• (1335)

The federal government has been a key player in social housing development for over 50 years, since the founding of the Central Mortgage and Housing Corporation after the second world war. The decision by the Liberal government to offload social housing on to the provinces has contributed to the growing shortage of affordable housing.

Indeed, the Golden report notes that among major western industrialized countries only Canada has no policy on homelessness. It recommends that the federal government provide capital assistance for the construction of new affordable housing and the rehabilitation of existing affordable housing. Because the federal government is largely responsible for aboriginal people, immigrants and refugees, it also suggests that Canada should fund projects to prevent and reduce homelessness among these groups at risk.

The report also recommends that the federal government should change the mortgage and valuation rules so that in addition to commercial transactions through the CMHC mortgage insurance fund the government could introduce policies that encourage not for profit rental construction. Right now CMHC permits lower debt coverage ratios for certain special purpose projects and it could do the same for non-profit rental projects, including innovative housing forms that may have uncertain market values such as single room occupancy units.

The Golden report suggests that CMHC get into direct mortgage lending. Direct lending is the cheapest source of financing and could generate revenues for the corporation. Additional mortgage funding could be piggybacked on to the mortgage backed securities that now fund social housing mortgage renewals. It also recommends that the federal government provide land at less than market value from its holdings of surplus land and buildings through Public Works, CMHC and the Canada Land Corporation.

The report also calls for an investment of up to \$300 million in capital support for new low income housing and for CMHC to reinvest the savings realized each year for the devolution of social housing to the provinces. Unfortunately, as I noted previously, the Liberals have instead decided to take \$200 million out of social housing, which is disgraceful by any measure. Perhaps we can persuade the government to change its mind.

Another recommendation of the report calls on the government to channel federal capital to new affordable housing by way of an infrastructure program for housing or set up local foundations for affordable housing and/or a tax incentive for contributions to eligible foundations or projects. The residential rehabilitation assistance program should also be expanded to include rental apartment buildings, rooming houses and second suites.

Finally, it is very difficult for the operators of rooming houses to obtain mortgage financing or insurance. When they are successful it almost always at a premium rate, reflecting the higher perceived risk by lenders. Since CMHC has expertise in mediating lending rates, the report suggests that CMHC assist rooming house owners in accessing mortgage financing.

These are all simple steps the government could take in part through Bill C-66 to alleviate homelessness and to increase the supply of affordable housing for all Canadians. The Liberals, through the finance minister, promised they would deal with this problem. They have recently had two opportunities, through this bill and in the budget, but they have not.

There could be no more potent reminder of the need to find solutions to the housing problems in Canada than we saw a week after this bill was tabled and a few days after the budget. A few blocks from Parliament Hill, Lynn Maureen Bluecloud, a 33 year old homeless, five-month pregnant aboriginal woman was found dead in a park at the corner of Nicholas Street and Laurier. She died from hypothermia.

We need action on homelessness now. The government must live up to its promises and use the means available to it to increase the supply of affordable housing for all Canadians.

There is much room for improvement in the bill. I look forward to dealing with this bill in committee so that we can propose ways of doing just that.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, what we have heard is a change of policy from the Conservative caucus.

• (1340)

I would like to ask the hon. member a couple of quick questions, but I will make a brief statement beforehand.

In 1993 the Liberals were responding to what the Tories were doing to social housing policy and what they were going to do to social housing in this country. Is this a change in the Conservative position with regard to social housing? Does he not believe that all the Liberals have really done is reformed Tory policies?

I do not want to pick on the hon. member that much because he is a decent fellow from New Brunswick.

He is absolutely right that this bill needs a lot of work. I wish him and his party, along with our party and other parties, the best of luck in committee in putting amendments in place. He is absolutely right when he says that all Canadians deserve affordable housing no matter where they live in this country. I wish him and his party the best of luck when they go on their cross-country tour to discuss homelessness and poverty issues.

Government Orders

Would the member not agree that with CMHC becoming more privatized that would in effect set up a privatized for-profit social housing policy in this country?

Mr. Gilles Bernier: Mr. Speaker, I thank the hon. member from the NDP for his question. I have a great deal of respect for that gentleman, but it is too bad for his line of questions. When the member speaks he makes us feel as though the NDP is the only party that has ever said anything right in this House. Over the years the Conservative Party has said some good stuff, which was right, as well as the Liberals.

When we were in power between 1984 and 1993 we had our own record on housing. We had a lot of money attached to it. When I open this to the second page I see that under the National Housing Act from September 1984 to November 1988 some \$4.8 billion went toward social housing in this country. Today there is \$1.9 billion going toward social housing. Therefore I wonder why he criticizes the previous Conservative government.

He also said that my party has changed its mind. The money was there and we did great stuff to make sure that every Canadian had affordable housing.

I will go even further than that. In 1986 we put money upfront to help persons with disabilities. In 1986 we increased assistance to renovate housing for persons with disabilities from \$1,500 to \$5,000. That was done under the previous Conservative government. The NDP was never in power.

I will go even further. Today the budget of Canada Mortgage and Housing Corporation is \$1.9 billion for 656,000 homes. In 1992-93 we had a \$2 billion cap on social housing for 652,000 homes. Today we have 4,000 more homes, but less money. That is where the gap is.

In our 1993 budget we said that we would continue to fund all existing social housing stocks, which included co-ops.

In December 1991, Canada Mortgage and Housing Corporation rural and native housing programs were to receive \$33 million in additional funding over what they were already receiving. This followed discussions with interest groups in meetings across Canada. From 1986 to that time the program had helped over 96,500 rural households across Canada. It said that it would spend \$108.4 million in 1993-94 for on reserve social housing.

I was listening to the national news last night. Peter Mansbridge was saying that Canada Mortgage and Housing Corporation or Public Works would contribute an extra \$20 million to help natives on reserve.

• (1345)

Today a contractor who purchases land and builds a house will have to put in a sewer system and dig a well. A well would have to be dug especially in rural areas where the reserves are because they

do not have city water. This adds to the construction costs of the house. Building a house today with all those incentives, \$80,000 a house, there will not be much luxury. By the same token, using the price of \$80,000 for a house, \$20 million will only build 250 houses to help the natives of this country.

The same report last night said that over 100,000 new houses were needed on reserves to help families. Pictures of the inside of some of those houses were shown last night. I was very disgusted to see that in as rich a country as Canada is. Aboriginals are Canadians too.

I live four kilometres away from the second biggest reserve in New Brunswick. I own a little business and 85% of my business is with those people. They are good people. I am also associated with the Knights of Columbus on that same reserve. I am not saying they do not have any problems, but problems can be fixed. People should see the number of people who live in a small house or a small room. They should see the condition of some of those houses. I cannot describe it.

We have to work together. I am not trying to bash anyone. I say to members on the government side and to all parties on the opposition side, let us all work together so that we can have a good housing bill so that we can put money up front. It is money that is not going to be wasted. The money will go to Canadians who need a good and decent home to raise the kids of today.

[*Translation*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I commend my hon. colleague for his excellent speech on this bill.

However, I cannot help but smile when I hear members of the New Democratic Party pick on my party. I have a lot of respect for the hon. member, but a little bit less for his party.

Take the situation in Ontario for example. When they were in office, the New Democrats have put the province in a very difficult position. The people can thank the Ontario Conservative Party for getting the province's fiscal house in order.

The Conservative member mentioned that, as a result of the reform brought about by this bill, rural areas would have more trouble qualifying. Could he elaborate on what he meant when he said it would be harder for rural areas to qualify for this program?

[*English*]

Mr. Gilles Bernier: Mr. Speaker, I want to thank the hon. member from my party. He is a great colleague and a next door neighbour to my riding.

[*Translation*]

I will say it in French since my seatmate from the Bloc is telling me to speak French.

Government Orders

I am saying that rural communities will be affected because I believe the Canada Mortgage and Housing Corporation is going commercial instead of answering the housing needs of Canadians in urban as well as rural areas.

When we look at the bill, we realize that the corporation would rather do business abroad. I understand substantial amounts will be invested outside Canada because the CMHC will have the power to sell new products.

My father taught me that charity starts at home. There are Canadians who are homeless. I know families of 15 living in one home, sharing a small room.

• (1350)

What is going to happen with the new CMHC insurance is that \$200 million a year will have to be paid to the government of Canada. This will mean \$200 million less for the Canada Mortgage and Housing Corporation. If I wanted to buy a house, it would be easier for me to borrow the money from the CMHC than from the bank.

[*English*]

It is going to be harder for them to give me the money. I am going to be at a higher risk because I live in a rural area, maybe with seasonal work six months of the year. That is a big concern.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I appreciate the opportunity to speak on this matter as homelessness is of considerable concern to the people in my riding and to the people of Toronto generally.

Coincidentally, the mayor of Toronto was here yesterday for a meeting with the Prime Minister. It is ironic. Toronto fancies itself as the centre of the universe and indeed it is an economic engine and does house many of Canada's largest corporations. There is a level of prosperity in Toronto which is seldom matched in the rest of the country. Toronto, as I say, is a bit conceited in seeing itself as a world class city.

One would therefore think that the topics on the agenda between the Prime Minister of Canada and the mayor of Canada's largest city would involve something like the Olympic bid or a fixed rail link between Pearson airport and downtown Toronto. I regret to inform the House that the number one topic between the Prime Minister and the mayor of Canada's largest city yesterday was homelessness. That is distressing.

Homelessness is an enormous problem in Toronto and I dare say it is an enormous problem in various other centres across the country. At least 5,000 people are homeless each and every night in Toronto. In my riding alone there are 1,100 homeless people each and every night. They are from everywhere. They are from every province and virtually every city in this nation and from around the

globe. They are not overly fussy where they come from, but they all end up in my riding.

Let us take a tour of my riding. My riding is at the east end of Toronto. It butts up against Lake Ontario and the Rouge River. It used to be the entrance to Toronto before the 401 was built. As a consequence, there are a number of motel units, 23 motel units in all, of which 11 are retained by metro housing to house homeless people. This was supposed to be a temporary solution. As a consequence, when someone is homeless from anywhere else in the country and is in Toronto or lands at Pearson airport, the likelihood is that he or she will end up in my riding that night. There are 1,100 people each and every night.

It simply overwhelms our school system. The local school, West Hill Public School, has a 200% to 300% turnover for children on an annual basis. I do not know how the principals and the staff cope. I do not know how the children cope. How can they expect to run a soccer team or conduct a science fair when all of their schoolmates are leaving for other places. Similarly with food banks, there is an endless lineup at food banks.

I am extremely proud of my community because we have coped magnificently. The local churches have stood up to the plate. They provide meals on a weekly basis, whether it is a breakfast or a dinner. However, we are starting to have compassion fatigue. We cannot continue to cope with 1,100 people in my riding each and every night. In some respects, I would dare say that the people of Scarborough East are being unfairly asked to house the rest of the people from Canada and around the world who are homeless.

All forms of housing are linked. In some respects Scarborough East can be seen as a microcosm of the country.

• (1355)

In my riding we can buy a \$2 million house. We can literally go from a \$2 million house, to a \$1 million house, to a half a million dollar house down to townhouses, to apartment buildings, to social assistance housing. Twenty-five per cent of the people in my riding are on social assistance of some kind. Then we get down to the motel units.

If a family was a functioning family when it entered one of these motel units, I dare say by the time it exited the motel unit, the family would have become dysfunctional. These motel units are no way to house homeless people. I dare say that anyone in this House who spent any amount of time with a spouse and children in these motel units would not have a functioning family when they left.

All forms of housing are linked. This bill addresses those forms of housing. It is a mark of a civilized society as to how it shelters its people. That is fundamental. It is a mark of a civilized society as to how it houses its people particularly in a northern climate. There is no choice. We cannot have people on the street in a northern climate. This bill somewhat addresses that issue. The purpose of the bill states:

The purpose of this act, in relation to financing for housing, is to promote housing affordability and choice, to facilitate access to, and competition and efficiency in the provision of, housing finance, to protect the availability of adequate funding for housing at low cost, and generally to contribute to the well-being of the housing sector in the national economy.

The test of the success of this bill will be how it meets its purpose.

I address the House's attention to clause 8 which provides insurance for reverse mortgages. This is a form of protection of housing for elderly people. This is a response in some measure to the feeling that people who are in a certain situation, a certain age bracket, are unable to stay in their home and stay there together.

I notice that time is going on, Mr. Speaker. If I may, I will continue my speech after question period.

The Speaker: The hon. member will have in excess of 13 minutes left and he will be recognized first. We will now go to Statements by Members.

STATEMENTS BY MEMBERS

[English]

CANADA CORD CEREMONY

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I rise today to recognize a group of young women from my riding of Scarborough Centre.

The Canada Cord Ceremony was recently held for Pathfinders who achieved this award in 1998. For those who are not aware, the Pathfinders are part of the Girl Guides of Canada, and the Canada Cord is the highest award which is earned by successfully completing levels which emphasize experiences with the community, the world, and leadership, among others.

I want to congratulate Katherine Atkinson, Cheryl Brown, Gayle Brown, Lisa Gasson, Heather Goodyear, Jeanette Jackson, Lindsey Kirchner and Andrea Nyhuis on receiving the Canada Cord award.

I commend these young women on the time and effort they put into reaching their goal. With the recent celebration of International Women's Day, these young women are perfect examples of the dedication and participation that women indeed contribute constructively to our society for a better tomorrow.

* * *

MEMBER FOR EDMONTON NORTH

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, this Saturday will mark the 10th anniversary of

S. O. 31

the election of the first Reform member of parliament, the hon. member for Edmonton North.

Few of us can appreciate the hardship and isolation that she withstood for four and a half years as the sole Reform member of parliament, tucked away in a back corner of this House. But many of us will remember the pure delight she experienced the first time she took her new seat in the front row surrounded by dozens of her Reform colleagues.

This weekend will be a very special time for the member for Edmonton North as she celebrates this anniversary with family, friends, colleagues and constituents.

• (1400)

I can assure Canadians that she will not be celebrating it in the kitchen. They may want to check out the local Swiss Chalet.

* * *

FAMILY AND CHILDREN SERVICES

Mr. Joe Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I rise today to pay tribute to the Family and Children Services of Leeds and Grenville located in my riding.

This organization has recently received its accreditation from the Ontario Association of Children's Aid Society. I am proud to say that it received 94% full compliance, the requirement set out by that association.

I commend all those involved and thank them for their tremendous efforts made on behalf of all children in their care.

Congratulations to the Family and Children Services on receiving this prestigious status and on its outstanding contributions to our community.

* * *

NATIONAL FARM SAFETY WEEK

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, this week is National Farm Safety Week. Having a riding such as Waterloo—Wellington in which there are many farms and still living on my own family farm, I realize the importance of this nationwide event.

The farm can be a very dangerous place, as members know, if precaution is not taken. It is very important for all Canadians, especially those living in or visiting rural areas to learn about the dangers surrounding farm equipment and farm animals. Children and adults alike must acknowledge these dangers and act accordingly.

This week offers an excellent opportunity for Canadians to learn about and identify the possible dangers of farms. Events taking place across the country can provide education and awareness of farm safety procedures.

S. O. 31

I urge all members of my riding as well as all Canadians to get involved in this event, to learn more about what they can do to keep their farms safe.

I would also like to commend the Canada Safety Council for putting on the National Farm Safety Week. Its efforts in this and other fields must be appreciated and acknowledged.

* * *

MEMBER FOR EDMONTON NORTH

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker,

It was 10 years ago
The records will tell
Elected to this House
Was one we know well.
Beaver River riding
Was clear in its choice
They sent a Reformer
To give them a voice.
They weren't disappointed
For you may have heard
That this is one member
At no loss for words!
Here, the welcome was cool
Her courage, tested
But Reform's pioneer
Was never bested
Hardworking and friendly
She was a stunner
Travelling her riding in
A red 4-Runner
Senator Stan Waters
Soon joined her as friend
And the next election
Loneliness would end
Today she's surrounded
By colleagues who say
We cheer our First Lady
You're the best, Deborah Grey!

* * *

NATO

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, tomorrow, March 12, the foreign ministers of Hungary, Poland and the Czech Republic will deposit the official ratification documents to become full-fledged members of NATO.

I spoke in support of this matter two years ago to the day. Canada's leading role helped make this day a reality.

It will mean more stability in Europe and more security for Canadian soldiers in the region. It will mean strengthened links between Canadians of Hungarian, Polish and Czech origins.

These communities consider NATO enlargement as the ultimate guarantee for democracy, freedom and stability in their native countries.

As a member of parliament of Hungarian heritage, I was proud to meet last week with Mr. Sandor Papp, Hungary's ambassador to Canada. Mr. Papp conveyed that next year Hungary celebrates its 1,000 birthday as a state.

Tomorrow we gain new partners in NATO with shared principles of freedom and democracy.

* * *

BIOARTIFICIAL KIDNEY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, during National Kidney Month, it is appropriate to draw attention to research on a bioartificial kidney that is cause for hope for those with kidney problems.

The bioartificial kidney would be an alternative to transplants and dialysis. Implanted in the body, it would provide relief for thousands of sufferers. Two research projects are underway at the present time in the United States.

I have presented petitions from thousands of Canadians who support bioartificial kidney research. Ken Sharp of Peterborough has organized this petition crusade, which has resulted in the collection of signatures from all across Canada.

I congratulate Ken and all his supporters and wish them well in their continuing efforts to help kidney disease sufferers.

* * *

• (1405)

ORGAN DONATIONS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, organ and tissue donation represents a personal gift of life from one individual to another. For many people in Canada receiving an organ or tissue transplant is the only hope for a healthy, productive life.

About 3,200 Canadians are on waiting lists for organ transplants. Last year only half that number, 1,612 people, received the organs they needed. Since one donor can help more than 50 people in need I encourage my colleagues to help Canadians improve a system in which supply has fallen tragically behind demand. Today's promise can be tomorrow's precious gift.

* * *

MEMBER FOR EDMONTON NORTH

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, ten years ago on March 13, 1989 the hon. member for Edmonton North made political history. By winning a byelection in Beaver River she became the first elected Reform member of the Canadian parliament.

Since then she has become a tireless champion of grassroots Canadians, one of the best communicators in the House of Commons, a constructive critic of two governments that needed criticism, chairman of the official opposition caucus, the loving wife of Lew Larson and a role model for countless young Canadians.

Those of us who know her best know her as more than a parliamentarian. We know her as an outgoing, caring person whose heart is still humble despite all her achievements and who still values her family, her faith and her personal relationships above everything else.

We love you, Deb, and offer you our heartfelt congratulations on the 10th anniversary of your election to the Parliament of Canada.

* * *

[Translation]

EDUCATION

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, the Council of Ministers of Education, Canada, has just released a report on the performance of Canada's francophone students.

It reaffirms the great importance for governments, parents and organizations concerned with our children's future to do their utmost to ensure that our children are prepared for the new millennium with a quality education.

Not only does the future of our society depend on it, but so do the individual futures of our young people, who will have to deal with realities that are different, and perhaps more difficult, than they are today.

* * *

[English]

FOREIGN AID

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, today the Canadian Council for International Co-operation has called on the government to improve our foreign aid policies. Our international reputation as a caring country has been under attack for the past decade. Liberal government cuts have caused Canada's aid to fall to a shameful low of .27% of our GNP, a far cry from the UN target of .7%.

More money for the foreign aid program is not enough. Canada's aid program is not doing the job it should, to be solely focused on the elimination of global poverty. New Democrats have long called for a move from donorship to local ownership in aid relations, to involve Canadians in development issues and to spend enough money to meet our global obligations. We endorse the call today of the CCIC to cancel debts to the poorest countries and to rebuild our Canadian aid resources to .35% of GNP by 2005.

I salute the efforts of the CCIC and all Canadians who understand that fighting poverty, whether at home or abroad, is the hallmark of a truly civilized society.

Might I join my voice on behalf of my colleagues in congratulating the member for Edmonton North on her 10th anniversary in the House.

[Translation]

S. O. 31

LUC PLAMONDON

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, Luc Plamondon is arguably the most prolific lyricist in the French speaking world. He has written more than 500 hit songs, and has had a significant impact on the careers of a number of singing stars, among them Céline Dion, Diane Dufresne, Ginette Reno, Julien Clerc, and Fabienne Thibault.

His first major international success was the rock opera *Starmania* in 1979. Twenty years later, his prolific talent is being showcased in the hit show *Notre-Dame de Paris*, a modern-day adaptation of a classic of French literature.

Luc Plamondon believes in Quebec and in its artists. Over and above his personal successes, he has enabled many Quebec singers and stage performers to gain recognition in France. He has also been a champion of copyright.

Mr. Plamondon has received many honours over the years. His songs and his name have been on the lips of Quebecers for many years. Today, finally, he is being honoured by the Canadian Music Hall of Fame.

* * *

NUCLEAR CHALLENGE

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, last December, the foreign affairs standing committee tabled a report on Canada and the nuclear challenge. We are still waiting for the government to state its official position on that here in the House.

However, we read in the newspapers that the government seems to have a position on this issue, which it refuses to share with parliamentarians.

• (1410)

And there is more. The government is sending invitations to groups that share its position, which has not even been announced, and is forgetting the other side of the coin.

The consultation process is over. The government should stop inviting groups just because they share its views. If it wants the committee to continue to hear groups on the nuclear challenge, it must invite groups representing both sides of the issue. It is a matter of safety and credibility.

* * *

[English]

INFO FAIR

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I am sure I speak for all members on this side of the House in offering congratulations to the former member for Beaver River,

S. O. 31

now the member for Edmonton North. I am sure we will see her for another 10 years as the lioness of the House of Commons.

I want to recognize the work of HRDC in my riding that has put together the Info Fair. It put 15,000 youth in a situation where they could actually deal with the question of employment.

There are a number of people in the Oshawa area, in the Durham region, who should be commended for this. Over 2 days a number of partners including corporate sponsors IBM, Xerox and Power Broadcasting put together an opportunity to recruit many of the youth in our region.

I commend Sharyn Little, Merle Cole and Carl Gulliver of HRDC's Durham region office, as well as Julian Luke and Darlene Woodward of the Durham District School Board.

It is clear that when the Durham regional school boards work together, along with the local training boards and with linkages to HRDC and Canada's youth employment strategy, it is all successful.

* * *

MEMBER FOR EDMONTON NORTH

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I rise today in tribute to my hon. colleague, the member for Edmonton North. I first met her in 1989 during the Beaver River byelection.

As we greeted the voters on the streets of Glenden I was amazed at the warm and positive response that came from complete strangers to this pleasant, gracious and outgoing lady. On election night I watched the voters' choice come in from poll after poll, amassing a landslide victory for Canada's first Reform Party member of Parliament.

For five years she alone represented the Reform Party in this place. I have heard her speak of that exciting period, marked by feelings of loneliness at times as she dealt with the barbs thrown at her by some members in the House.

I remember as well her speaking of the friendships she developed here and her deep appreciation to these members. And you, Mr. Speaker, stand out in this category.

For ten years this member has been one of Canada's finest ambassadors to this place, serving Canadians with great distinction. To the hon. member who now represents the good people of Edmonton North I say, on her 10th anniversary, congratulations, thank you and keep on marching.

* * *

FAMILIES

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, what Canadian mothers need is the freedom to choose

between working at home with their children and working outside the home for pay.

Reform members believe the only barrier to women staying at home is the tax system. The fact that the government's changes to employment insurance prevent many women from even getting maternity benefits escapes them.

Canadian women want to know when will the government take the first steps toward allowing women a real choice and support them in their choice by repealing its anti-family changes to employment insurance?

* * *

[*Translation*]

YEAR 2000

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, a few days ago, every household in Quebec and Canada received a brochure entitled *Your Guide to a Bug-free Home Environment*.

Designed and distributed at a cost of tens of thousands of dollars, this guide is supposed to be a tool to demystify the impact of the millennium bug on the daily lives of Canadians.

I read the brochure and I am happy to report to my colleagues that they can rest in peace; the government was successful in its research.

It is written in black and white. We can now be assured that our lawnmowers will not be affected by the millennium bug, and neither will be our dishwashers, vacuum cleaners, lamps, fans, smoke detectors, barbecues, pool equipment and snowblowers. That is what the brochure says. It is enough to make you want to mow the lawn in January.

Even if the year 2000 is still more than nine months away, it is obvious that the Liberal government is already deeply affected by the bug and has been for several months. Hurrah for the year 2000.

* * *

[*English*]

MARKHAM PHILHARMONIA SOCIETY

Mr. Jim Jones (Markham, PC): Mr. Speaker, on Friday the Markham Philharmonia Society held its gala premiere at the Markham Theatre. I commend founder and artistic director Christopher Cotton for assembling such a talented group of musicians for the society's debut.

The goal of this new organization is to develop a multifaceted arts program in the town of Markham, York region and the entire greater Toronto area.

Oral Questions

• (1415)

With the professional orchestra of 40 players, a professional chorus ensemble of experienced singers, a community based choral society and a youth choir, the society is well on its way to becoming a showcase for musical excellence.

To cover the costs of its relatively modest funding, the society needs financing. I therefore call on all levels of government to work with community volunteers to ensure that the Markham Philharmonic Society has a bright and successful future in advancing fine arts in the greater Toronto area.

ORAL QUESTION PERIOD

[English]

YOUNG OFFENDERS ACT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, after six years of delay the Prime Minister has finally agreed to changes in the Young Offenders Act.

Reforms to hold parents of young offenders more accountable and to give victims a greater voice have been included. For that Canadians can thank Reform MPs from Surrey North and Crowfoot. Beyond that Canadians will be disappointed today.

For example, why did the justice minister reject the recommendation of her justice committee that the age of application of the Young Offenders Act be lowered to age 10?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we need to understand what the Standing Committee on Justice and Human Rights recommended.

Its concern was that children under the age of 12 who commit crimes not fall through the cracks in our system generally. We agree with that, but we do not believe that the formal criminal justice system is the best place in which to deal with and help those young children.

We have sat in the House listening to this party express its concern about children and families. We have got—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the justice committee and many members of parliament have found that older criminals were recruiting 10 to 12 year olds into criminal activity because they knew they could not be touched under the act.

The idea of lowering the age to 10 was to get those young people into the system so that the rehabilitative aspects of the Young Offenders Act could be applied at a younger age.

Why did the minister reject that advice not only from Reform MPs but from her justice committee?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. Leader of the Opposition misunderstands the recommendation of the Standing Committee on Justice and Human Rights.

Let me reiterate that we on this side of the House believe a 10 year old or an 11 year old who breaks the law does need support, does need help. Where we need to look for that support and help is not in jail. It is in the child welfare system and the mental health system.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the best rehabilitative system for young people is strong families. That is where rehabilitation and preventive actions can occur.

If the hon. minister really believes the statistics that link criminal activity on the part of young people to economic deprivation in families, why does she and why does her government support discriminatory taxation against families that aggravate the problem?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, again let me say this is a party that talks, that blathers on about fair commitment to children and families. This is a party which voted against the national child benefit. This is a party that voted against increased funding for CAPC. This is a party that would jail 10 year olds.

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, I am not interested in jailing 10 year olds, but there has been no change.

Canadians have been demanding a change to cover 10 to 15 year olds. The justice committee recommended that 10 and 11 year olds be held criminally responsible for their crimes, not sent to jail. In order to rehabilitate these children we have to get them within the system before it is too late for them.

Why did the minister refuse to listen to the demands of Canadians to get these kids into the system so they can get the help they need?

• (1420)

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me reiterate that we are not suggesting these young people should not be within a system.

It is the view of the government—and I thank my colleagues on this side of the House for supporting me on it—that it is best to use the child welfare system or the mental health system to help those children under 12.

Oral Questions

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, the age of application has been at issue for decades. In 1962 the justice department recommended that 10 and 11 year olds be included. The government refused citing economic and political considerations.

Is the government letting politics getting in the way of public safety? There is an extremely low number of 10 and 11 year old offenders. Do they not deserve to be saved by our criminal justice process and to get the help they need?

What political considerations caused the minister to fail to comply with the wishes of Canadians?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think the hon. member misunderstands the desires of Canadians.

What Canadians want is to make sure that 10 and 11 year olds, if they break the law, are not left to their own devices but get the help, support and treatment they need. That is why we believe the child welfare system or the mental health system is the best place to provide that assistance.

I have also made it plain my officials are working with provincial and territorial officials to make sure that together federal and provincial governments have a seamless system of services to make sure that no—

The Speaker: The hon. leader of the Bloc Québécois.

* * *

[Translation]

SHIPBUILDING

Mr. Gilles Dupeppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the owners of Davie Industries and various stakeholders want to ensure the survival of the shipyards in Lévis.

In 1996, the Government of Quebec established a policy to provide tax credits to assist shipbuilding.

Is the Minister of Industry prepared to offer tax advantages to the shipbuilding industry compatible with those offered by Quebec, in order to facilitate the sale of the Lévis shipyard and to thus ensure the survival of the hundreds of jobs there?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member must be aware of the fact that, with the existing tax system, there is an accelerated deduction of depreciation costs of 33% for ships built in Canada. It is very quick, it is direct depreciation. That means that after four years the buyer of a ship built in Canada can deduct the entire cost of the ship. That is a very generous tax shelter.

Mr. Gilles Dupeppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Industry would do well to discuss with his

colleague the Secretary of State for Agriculture, who last month said in *Le Soleil*, and I quote “There are some very generous people there—on investors. I have had contact with them. They have set as a condition the federal government’s relaxing tax advantages for shipbuilding”.

In the light of this statement by his colleague, could the Minister of Industry tell us why he refuses to provide tax advantages compatible with those provided by Quebec?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would also mention the fact that with the existing tax shelter, there is also a 25% customs duty on ships imported into Canada outside the NAFTA agreement.

There are also internal contracts for the federal government and funding for commercially viable transactions by the Export Development Corporation. Not only in this sector, but in others as well, there is the system of tax credits for research and development that are also very favourable.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, in an interview with a journalist from the *Soleil*, the Secretary of State for Agriculture and Agri-Food said that the next budget might contain new measures for shipbuilding.

As we saw nothing along these lines in the last federal budget, are we to understand that the Secretary of State for Agriculture and Agri-Food failed miserably in his attempt to convince his colleagues of the importance of providing assistance for shipbuilding in Quebec?

• (1425)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am delighted to note that the last budget again contained help for R&D in Canada and for the process of innovation.

These are some of the most important sectors for building the industries of the 21st century here in Canada and in Quebec. These were the same sectors that received funding in the budget brought down a few days ago by Quebec’s finance minister.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, given the inflexibility of the Minister of Industry, will the Secretary of State for Agriculture and Agri-Food go back and tell the men of the Davie shipyard that there is nothing he can do for them?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, it is not true that the federal government has done nothing for the Lévis shipyard. It invested large amounts of money in the shipyard for several years.

I have also just explained that there are tax shelters for the shipbuilding industry here in Canada. The assistance that has already been given and that will given in the future is not negligible.

Oral Questions

[English]

YOUNG OFFENDERS ACT

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the justice minister. Ten and eleven year old kids are being recruited to commit crimes. They are being recruited into youth gangs in Winnipeg and elsewhere.

The minister knows what I am talking about. Yet the new package fails to come down hard on those who would lead those kids down that road. The bill is silent in the face of that growing problem.

Why did the justice minister ignore the problem of the recruitment of 10 and 11 year olds into criminal activities?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we have not ignored that. There are existing provisions both in the Criminal Code and in the existing Young Offenders Act that can deal with exactly that question.

I am appalled to hear that from members of the New Democratic Party. Are they suggesting, along with their friends in the Reform Party, that we should be putting 10 and 11 year olds in jail?

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, let me make it absolutely clear that we are advocating the very opposite of that.

The government seems to refuse to deal with the recruitment of 10 and 11 year olds by gangs. It is real. It is an ugly reality but the Reform solution is not the right one. We need to get at the cause of the problem.

Will the government amend its bill so youth gangs will stop using 10 and 11 kids to commit crimes?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, members of youth gangs who aid and abet in the perpetration of criminal offences can be charged.

* * *

NATIONAL DEFENCE

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, the numbers do not add up. The government announced \$175 million in new moneys for the defence budget and restored a cut of \$150 million, bringing the defence budget to \$9.7 billion for this year. However, the estimates state that the defence budget is \$10.3 billion.

Could the minister tell us why he did not announce the new spending of \$600 million and tell us where the money came from?

Was it transfers from the provinces, the finance minister's shell game, or did he again dip into the military pension fund?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, none of the above. There are also provisions in the defence estimates relevant to the disaster financial assistance arrangement, which is not directly related to military but does form part of the expenditures.

However, we are grateful that for the first time in a dozen years the Department of National Defence and the Canadian forces have received an increase in their estimates. That gives us the opportunity to pay more to our troops and to be able to deal with issues of housing, care for the injured and support for the families.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the air force is currently flying 35 year old Sea Kings. These helicopters require upwards of 60 hours of maintenance for every hour they are flown.

• (1430)

I know a lot of people on the government side do not believe in the estimates. We heard that this week. However, the estimates show that \$4 million went into a new joint strike fighter program.

Can the minister tell us why he is spending \$4 million on that program instead of spending \$4 million on initiating a Sea King replacement program? How many more crashes will we have and how many more lives will be lost before he brings in the Sea King program?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we want to ensure that all of our pilots and all of our air crews are in fact safe when they fly any of our equipment.

The Sea Kings are kept at a very high standard of maintenance. We ensure that they are safe to fly.

Yes, they are getting on in years. They do cost more to repair. There is more down time. That is why the government feels we need to replace them and that is why I will be bringing in a strategy for their replacement very shortly.

* * *

YOUNG OFFENDERS ACT

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, my question is for the Minister of Justice.

The new youth criminal justice bill allows for provinces to opt out of adult sentencing. Canada's justice system is based on uniformity and universality of application. What happened to treating Canadians equally right across Canada?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member shows a fundamental misunderstanding of division of power as it relates to the criminal justice system in this country.

Oral Questions

Our obligation and that which we have discharged today is to pass national criminal legislation. We have done that.

The administration of the criminal justice system is left to the provinces in this country. For example, presently under the existing young offenders legislation prosecutors all over this country in communities every day make decisions as to whether young people should be prosecuted and seek a transfer to adult court or whether they should remain in youth court. Those are the kinds of local decisions that—

The Speaker: The hon. member for West Vancouver—Sunshine Coast.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, one of the glaring problems with the old Juvenile Delinquents Act was the discretion it provided the provinces to create their own system of youth justice. That is why it was changed.

Why are we going back in history? Should the criminal law of the land not be the same in every province?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the criminal law is the same.

I would ask members, especially those of his party who come into the House to argue relentlessly for provincial rights, to respect the Constitution of this country in which the administration of the criminal law rests with the provinces.

We do that so that prosecutors can reflect local values, community values, and take into account on a daily basis those local young offenders.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, this morning the Minister of Justice introduced a bill making sweeping amendments to the Young Offender Act.

In the documents she tabled, she said the principles of the current act lacked clarity, were inconsistent and contradictory.

How does she explain that it is under this supposedly unclear, inconsistent and even contradictory act, according to the statistics she quoted this morning at a press conference, youth crime has come down 23% since 1991?

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in fact there are a number of reasons—and I think we should be happy about this—that crime rates generally are decreasing in this country, one of which is

because of this government's insightful approach to children, to the family and to crime prevention.

Let me remind the hon. member that, tragically, we do see increases of certain kinds of violent youth crime in this country and that is why we have chosen to make in this new legislation a clear distinction between violent crime and non-violent crime.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, since 1995, even violent crime has dropped constantly, by 3.2%. What the minister just said is not true.

Some hon. members: Oh, oh.

The Speaker: I advise the hon. member to choose his words very carefully.

Mr. Michel Bellehumeur: Mr. Speaker, the numbers were wrong.

In spite of the so-called opting out clause, which was the object of a calculated leak on her part, will the minister admit her bill is her response to pressure from the right wing in western Canada, and that the measures she is proposing are useless, ill conceived and even dangerous?

• (1435)

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Indeed, Mr. Speaker, I will not concede that. In fact what we have presented today in the House is a balanced and principled approach to a growing concern on the part of Canadians in terms of their lack of confidence in the youth justice system.

Let me remind members that in fact our balanced approach is based upon an overarching commitment to protection of society. We do not take a uni-dimensional approach to that challenge, unlike some. We believe that we achieve that protection through, first, crime prevention; second, meaningful consequences when crimes are committed; and third, rehabilitation and reintegration.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Minister of Justice seems to think that only she and her government know what is good for people and she in fact says that other people just do not understand.

Let me remind the justice minister that the member for Surrey North is a victim of youth crime. He paid a terrible price and he ran for parliament on those grounds.

How can the minister possibly say that the member for Surrey North, or this caucus or anyone across the country who does not agree with her, just does not understand?

Oral Questions

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am not saying that Canadians do not understand. In fact, we have listened to Canadians. We have been told by Canadians that they want a new youth justice system which reflects their values, values of accountability and responsibility, with a further emphasis on prevention. The other thing they told us was, for them, that does not mean putting more kids in jail for longer.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I have a degree in criminology and I do not think that putting ten and eleven year olds in jail is the answer. I agree with the minister.

These people need to be brought into the system. Ten and eleven year olds need to be brought into the system so they can be rehabilitated when we know that they are there. The child welfare system is not going to salvage these kids, and the minister knows it.

Again, the minister says that the member for Surrey North just does not understand, that we do not understand about ten and eleven year olds. How in the world does the minister think she has all the answers and that this is going to solve the problems of youth crime?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we do not suggest on this side of the House that we have all the answers, unlike our friends over there who have a simplistic, black and white, uni-dimensional answer for every complex social problem.

If the hon. member for Edmonton North bothered to read the youth justice strategy she would see that we have a multi-dimensional approach that speaks to the real concerns of Canadians. We prevent crime in the first place. When crimes are committed, we provide meaningful consequences and when—

The Speaker: The hon. member for Québec.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, a woman who leaves the work force to stay home with her child is discriminated against by the employment insurance program.

Even if training may be available, she will have work 910 hours to requalify.

Since most women who return to the work force have no job security, does the Minister of Human Resources Development not understand that most of them will never be able to accumulate enough hours to qualify?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I find the opposite to be true.

The labour market has been rather favourable for women in recent years.

There has been a 3% drop in female unemployment in recent years. The bulk of jobs were full time, not part time, as the member for Québec says.

We are making available to women who wish to return to the workforce active measures to make that possible, as well as training to enhance their employability. I believe, therefore, that our reform serves women's interests.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, we know that the minister is constantly telling us that women who work part time now find it easier to become eligible, but the complete opposite is true.

• (1440)

Will he agree to tell us that, yes, these women pay premiums, but 70% of unemployed women do not qualify for benefits? Yes, they pay in but, no, they do not draw benefits.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I shall shortly have the opportunity to table a report in this House assessing the impact of our employment insurance reform.

I recognize the hon. member for Québec's interest in this issue. It is true that women who work less than 15 hours are now in a better position with our hour-based employment insurance system. This is definitely the case for those who work less than 15 hours some weeks.

Now, for those women who work more than 15 hours and up to somewhere around 30, there will have to be a careful review of what the impact of employment insurance reform is on them, and what steps will have to be taken in future.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when the Prime Minister cannot convince members of his own family that he has cut taxes, we know things are pretty bad. But listen to what his in-law Paul Desmarais had to say. "Why pay taxes in Canada when taxes are so exorbitant?" He went on say "When the government is too greedy, people find other solutions". That is his own family.

Since even they do not believe the Prime Minister's junk about cutting taxes in this year's budget, why should the rest of Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, we made it very clear that we were going to bring down the tax burden in this country and we have, by \$16.5 billion over the course of the next three years.

Oral Questions

We also said that we would move right up the income scale, but that we would begin with those who need it most, low income Canadians, and then we would do it for middle income Canadians. That is what we have done.

However, I am prepared to admit that as we move up the income scale it may take us a long time to get to Paul Desmarais.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, Paul Desmarais is also the finance minister's mentor and old boss. Too bad his good sense did not rub off on the finance minister.

Is the finance minister proud that even his old friend Mr. Desmarais thinks his high tax policies are killing Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member will note that in the same article what Mr. Desmarais said was that he was going to stay in Canada and that he was going to pay his taxes in Canada because he recognizes that it is those taxes, the taxes of all Canadians, which pay for our health care and education.

The hon. member talked about good sense rubbing off. I would rather have something bigger than simply cents rub off.

* * *

[*Translation*]

PUBLIC SERVICE

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, we thought the government had learned a few lessons from the APEC scandal.

But no, yesterday the government literally let the dogs loose on the heels of the public service blue collar workers demonstrating for equal pay for work of equal value in different regions in Canada.

Will the President of the Treasury Board finally accept his responsibilities and negotiate with these employees or will he let this violence escalate on the assumption that dogs are not as bad as baseball bats?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, negotiations are continuing with the blue collar workers.

The government has accepted the conciliation report. We are hoping that those currently on strike will accept it too and that we will find a solution quickly.

In this case, obviously, there was violence because people were not obeying the law. We hope, however, that negotiations will conclude soon.

SNOW GEESE

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, my question is for the Secretary of State for Agriculture and Agri-Food, and Fisheries and Oceans.

Every year the crops of farmers in the St. Lawrence valley are ravaged by snow geese in their spring migration.

Could the secretary of state tell us what the Government of Canada intends to do to reduce the damage?

Hon. Gilbert Normand (Secretary of State (Agriculture and Agri-Food)(Fisheries and Oceans), Lib.): Mr. Speaker, again this year Agriculture and Agri-Food Canada will be working with the UPA and the Province of Quebec to reduce damage to farmlands.

To do so, we will be investing \$50,000 specifically to—

Some hon. members: Oh, oh.

• (1445)

The Speaker: Order, please. The secretary of state.

Hon. Gilbert Normand: Mr. Speaker, we have to start from the beginning. I succeeded in obtaining \$50,000 to protect farmlands in the St. Lawrence valley. We will be working with the Province of Quebec and the UPA to find an environmental solution to the damage the snow geese are currently causing to farmlands.

* * *

[*English*]

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, yesterday the highest court in Ontario ruled that the Red Cross was negligent in tainted blood in 1983. That is fully three years before this government admits its negligence.

Why does the government not just admit that its bogus date of 1986 is absolutely incorrect and throw it out?

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the member's preamble deals with a court case that dealt with AIDS.

While I am not in a position to comment on court cases, I would tell the member that our position on hepatitis C is very clear. Negotiations are ongoing at the present time for those who were infected in the blood system between 1986 and 1990.

A proposal has been made to provide ongoing lifetime care to those infected outside that window. That is because this government and the Minister of Health believe that people no matter how they were infected deserve to have the care that they need. We do not believe in cash compensation.

Oral Questions

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, this was not about AIDS at all. This was about the responsibility of the regulator of the Red Cross. I have the court case right here in front of me. It simply says that the Red Cross was responsible and the regulator was also responsible in 1983.

The 1986 date is artificial, legalistic and bogus. Why does the government not just admit it, pitch that date out and look after everybody who got tainted blood and hepatitis C?

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the member is incorrect in the premise of his question. This government believes very clearly that there is a very distinct difference between the infection of AIDS and hepatitis C.

We have taken appropriate action. We understand this is a very serious and sensitive issue. That is why we have offered \$1.1 billion. Negotiations are ongoing with those infected between 1986 and 1990.

We are hopeful of an outcome that will be put before the courts to ensure that that is approved before any final settlement is taken.

* * *

CONSTRUCTION CONTRACTS

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, my question for the Minister of Public Works relates to two public projects built adjacent to the Prime Minister's private cottage in Grand'Mère, Quebec. The first one, worth \$72,000, was to build an RCMP compound. The second one, worth \$65,000, was to build a road. I sent the contract award records to the minister.

Could the minister confirm that these two contracts were awarded without tender to the firm Construction R. Cloutier, Inc. in violation of Treasury Board guidelines for construction contracts over \$25,000, and if so, why?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, let us get the facts straight. The Prime Minister built a new home. It is a private matter. He paid for it. Security for the Prime Minister is the responsibility of the Royal Canadian Mounted Police. The RCMP indicated that an additional access road was required. The contractor was already working on the property. For security reasons, he was hired under standard government guidelines.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, the Prime Minister's conflict of interest code requires ministers to arrange their private affairs to bear the closest public scrutiny and not to accord preferential treatment to their friends.

In view of the facts that Mr. Renald Cloutier built the Prime Minister's private cottage in Grand'Mère, is the father-in-law of

the owner of the Grand'Mère Inn, and donates regularly to the Liberal Party, could the Deputy Prime Minister explain how the Prime Minister's conflict of interest code would permit the untended awarding of these public contracts to his personal contractor, Mr. Cloutier?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I indicated previously, the construction of the home was a private matter. It was paid for by the Prime Minister. The construction of the road was a requirement of the RCMP. The RCMP indicated it was required for security reasons.

* * *

● (1450)

YOUNG OFFENDERS ACT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, after 18 months and numerous media leaks, today's long awaited youth criminal justice act will disappoint Canadians. As before, Bill C-68 conjures up images of false hope. The bill does nothing to lower the age of accountability to 10 years. It ignores provincial demands for mandatory minimum sentences for weapons offences. The size and complexities of its clauses and subclauses will invariably lead to confusion and further backlog in the courts.

Why is the minister ignoring the advice of the provinces and her own experts and refusing to lower the age of criminal responsibility?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we have dealt with this issue this afternoon.

Let me say again that this government is not going to lower the age of criminal responsibility below the age of 12. We do not believe the formal criminal justice process is the best place to deal with these young people. However, we are not suggesting that these young people should not be dealt with, should not receive help and support and that their families should not receive help and support. Consequently, that is why we think it is so important to work with the provinces to ensure that the child welfare system—

The Speaker: The hon. member for Pictou—Antigonish—Guysborough.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, refusing to do so takes away a mechanism to do what the minister would accomplish.

The Liberals have tried to please everyone with this bill and as a result, will please no one. They have tabled a piecemeal bill that is costly and confusing to implement. There is no concern of the government of course because the current funding of only 30% for

Oral Questions

the cost of enforcement falls far short of the 50% intended for enforcement.

Where is the government's commitment to restore federal funding to properly implement a truly national and equitable youth criminal justice system?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me remind the hon. member which government it was that froze funding for the provinces in 1989-90. It was the Progressive Conservative government that refused federal contributions for youth justice.

Some hon. members: Oh, oh.

The Speaker: Order. The hon. Minister of Justice will answer the question.

Hon. Anne McLellan: Mr. Speaker, let me remind the hon. House that it was in our budget three weeks ago that this government made a commitment to youth justice with 206 million new dollars.

* * *

NATIONAL DEFENCE

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, the widow of one of our Canadian military crew members who died in the 1998 Labrador helicopter crash is one of my constituents. She is experiencing extreme medical, psychological and financial hardship. I was wondering what is the minister going to do to address this very immediate situation?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, this is a very tragic occurrence, the loss of this pilot and the other crew members in that crash. We are doing everything that is possible and will do everything that is possible.

I want to make sure we support Mrs. Musselman and the family and the families of the other crew members. There was an issue here with respect to the retention bonus and the balance of the retention bonus. I have now authorized its payment to Mrs. Musselman.

* * *

TRADE

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, when it comes to disputes with the United States, this government has a pretty spotty record.

This government was afraid to take on the Americans when it came to salmon. It was afraid to take on the Americans when it came to softwood lumber, grain and cattle. However, it was not afraid to take the bull by the horns when it came to defending the magazine industry.

Why is the government willing to sacrifice Canadian producers of salmon, lumber and steel but it stands up for magazine publishers?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, the member has it absolutely wrong. We do not accept for one moment the preamble to this question.

Canada is always prepared to stand up for itself. It regards its sovereignty and its issues of national interest as paramount. We make no apologies for being good friends and allies to the Americans, but as our Prime Minister has said often, business is business and friendship is friendship.

* * *

● (1455)

[Translation]

ELK BREEDING

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, my question is for the Secretary of State for Agriculture and Agri-Food.

For over two years now, Lucien Beaupré, who raises elk in Aston Junction, has been trying to obtain justice from Agriculture and Agri-Food Canada. The department ordered the destruction of his herd because one animal that had just been bought had tuberculosis. But Agriculture and Agri-Food Canada had twice certified the animal's health in writing.

Because Mr. Beaupré lost his livelihood by relying on the department, does the Secretary of State for Agriculture and Agri-Food not think it fair that he be adequately compensated?

Hon. Gilbert Normand (Secretary of State (Agriculture and Agri-Food)(Fisheries and Oceans), Lib.): Mr. Speaker, at the time of these events, Mr. Beaupré received compensation of \$2,000 for each animal, as provided for in the act.

I have in fact been asked by the UPA to look into Mr. Beaupré's case. We are doing so now.

* * *

[English]

YOUNG OFFENDERS ACT

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, my question is for the Minister of Justice.

We know that the best way to prevent crime is to work with young people, and I am glad the government agrees. But the current funding is not enough to support the present system, let alone the proposed changes.

Under this smokescreen of new legislation, the provinces will pick up the costs of probation officers, of victims' involvement in the courts, and of youth services.

*Oral Questions***YEAR 2000**

How can the minister guarantee to us that the \$206 million over three years will be spent properly? What guarantees are there that it is enough money to meet the requirements?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, all of us who are involved in the youth justice system are aware of the pressures that fiscal constraints have placed upon that system over the past number of years. That is why we are working so hard with provincial and territorial governments.

Now we have additional funds, and the member is quite right to point out that they are for the next three years. They are to implement large parts of our new legislation and build on that which the provinces and we at the federal level are already doing. We provide \$143 million every year now and in fact we will be providing more money in the coming years.

* * *

[Translation]

THE HOMELESS

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, at a meeting of the Prime Minister and the mayor of Toronto yesterday to discuss matters of mutual interest, one topic raised was an action plan initiated by Mayor Lastman to address the problem of the homeless.

Does the Prime Minister intend to support this initiative and, if so, how exactly does he plan to contribute to its success?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, this sort of meeting with Mayor Lastman was very productive. The mayor complimented the Prime Minister on how well the discussion went.

We will bear Mayor Lastman's comments in mind, but we have already taken significant steps to help the homeless. The problem is still high on our agenda.

* * *

[English]

TRADE

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have a question for the Minister for International Trade. This government is one that vigorously defends protected industries, like magazines, but where is it when it comes to defending the interests of genuine free traders in disputes with the United States? Why does the government not get its priorities straight?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, we have our priorities straight. It is the member who has his facts wrong. We make no apologies for standing up for culture. We make no apologies for defending Canada. The member should get on board and know who his friends are.

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is for the Minister of National Defence. The Y2K computer problem has been described as a significant threat to world peace and security of the computerized world.

Will the Minister of National Defence assure this House that the Y2K problem in the military system throughout the world, including China, Russia and North Korea, has been addressed in relation to the NATO missile defence system?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there has been substantial discussion of this at NATO. The NATO allies are quite understanding and quite supportive of doing everything possible to ensure that all military weapons systems are Y2K compliant.

● (1500)

We have also been addressing this matter, both as NATO and as Canada, to the Russians and to other non-aligned states to ensure their missile and weapon systems of all kinds are bearing in mind what will happen January 1, 2000.

I am confident everything is being done that can be done by Canada and by NATO to accomplish that.

* * *

[Translation]

URBAN SMOG

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, a recent study shows that the level at which health problems related to smog start occurring is five times lower than the authorized federal standards.

It is the first time that a study establishes a direct link between mortality rates and urban smog.

Given the study's findings, what does the Minister of the Environment intend to do to correct this dangerous situation as quickly as possible?

[English]

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, this government is very concerned about air quality. We have taken significant action, including last fall when we suggested that the levels of sulphur in gasoline be lowered.

We are also engaged in ongoing work with the provinces on air quality to reduce particulate matter out of air and other contaminants. We are working with the United States to improve air quality. We will negotiate an annex to our U.S.-Canada air quality agreement.

Business of the House

We will continue to explore all the methods possible to improve the quality of air for Canadians because it has a very direct effect on the health of Canadians.

* * *

HOUSING

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, it was very disheartening to read that when the Prime Minister met with the mayor of Toronto to discuss the disaster of homelessness in that city and across the country all he had to offer was a cold beer.

There was no offer of funding. There was no national action plan on housing, no new social housing and no social support for people who are living and dying on the streets. It is absolutely shameful.

Homeless people want to know when the Prime Minister will act on this crisis or will he continue to ignore homeless people?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, as usual, the premise of the hon. member's question is completely wrong.

The Prime Minister is taking the problems of homeless people very seriously. This is proven by the announcements of the minister for central mortgage and housing of millions of dollars to provide additional shelters for the homeless. This is proven by the fact that Mayor Lastman, who can speak very critically if he wants to, had nothing but praise for the Prime Minister and his approach to the problem of the homeless.

* * *

INTERNATIONAL TRADE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

The opposition has repeatedly said it costs more to do business in Canada than in any other G-7 country. I understand that a study has just been released on this very subject.

I would like the minister to tell the House how Canada compares with our international competitors.

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, I thank the member for asking because this afternoon KPMG International tabled its report.

The conclusions reveal that Canada has the lowest cost for establishing a business among all the G-7 countries. It looked at 8 countries, 64 cities and 9 different industrial sectors. Canada came out by a country mile, clearly in first place.

What it says is that Canada has an excellent environment for investment. We all need to tell the story loudly and proudly to the world.

[Translation]

POVERTY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, as you know, the Progressive Conservative Party of Canada set up its own task force to travel across the country and to look at the issue of poverty in Canada.

Since the Prime Minister claims to care about the poor in Canada, what does he intend to do to solve this national problem, which generates huge economic and social costs?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, first, we have invested \$300 million in the residential rehabilitation assistance program, the RRAP, and we have participated in various studies.

In 1998, through our private and public partnership centre, we have also built over 2,600 low cost housing units, and this year we hope to be able to build another 3,000. We are working on this project with our partners, the provinces, the municipalities and all the other community groups willing to co-operate with us.

* * *

• (1505)

[English]

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, during question period the Minister of Justice stated the Reform Party wanted to put 10 and 11 year olds in jail. That is untrue and I hope the minister would withdraw that statement.

The Speaker: You are into debate.

* * *

BUSINESS OF THE HOUSE

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, being Thursday, I ask the government House leader the nature of the business of the House for the remainder of this week and for the next week.

An hon. member: And whether we will adjourn.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I will respond to the last question first. I know some people are asking if we will have early holidays. I regret to inform them we will not.

We will be continuing today with Bill C-66, the housing legislation, followed by Bill C-67, the foreign bank bill.

Government Orders

Tomorrow we will debate the third reading of Bill C-55, the foreign publication bill. That debate will end tomorrow.

Monday and Tuesday of next week shall be allotted days.

Next Wednesday we would hope to get a head start on legislation emanating from the budget. Hopefully by the end of next week we will have passed both budget implementation bills and we will progress on legislation in the constructive way the House generally does.

GOVERNMENT ORDERS

[English]

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make consequential amendment to another act, be read the second time and referred to a committee.

The Deputy Speaker: When the debate was interrupted for question period the hon. member for Scarborough East had 12 minutes left.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I will not take the entire 12 minutes complete my comments.

I was speaking about the situation in my riding and the 1,100 homeless people who are there each and every night and the growing situation in Toronto which I know is being experienced by other cities. Homelessness continues to be a significant and major problem.

It is all linked. All shelter is linked. It does not much matter whether one can buy a \$2 million home in my riding or a \$500,000 home or if one is in a motel unit. It is all linked. That is what this bill attempts to address.

It may be obscure to some people that things like bundling insurance is somehow linked to homelessness. When a package of \$100 million in mortgages can be bundled and sold off to investors, that makes a pool of \$100 million available to lenders so they can in turn lend to other housing situations. We increase the pool. That is what this bill does.

• (1510)

It may be obscure to some that reverse mortgages are somehow a very limited form of shelter. If you are elderly, if you have equity in your home and if you do not want to move, being able to stay in

your home over a period of time through a reverse mortgage is a very useful thing to be able to do.

This bill speaks to direct assistance to housing projects. This bill speaks to lending to charitable corporations so housing can be provided to those people who are most in need of it. In my riding we have federal co-op houses. There is not a person in the Chamber who would not like to live in that kind of housing. It is good housing and it is provided through the auspices of the Government of Canada.

This is a good bill that deserves the support of all members. Is it enough? It is never enough. Will it address the problem of homelessness in its totality? Of course it will not. It does move toward eliminating homelessness in my riding of Scarborough East, in the city of Toronto, in the province of Ontario and in the nation. This bill, along with the measures announced in the budget to provide \$3.5 billion in health care funding, \$2 billion in additional cash funding to the CHST and in Ontario's case an additional \$900 million in catch-up money, speaks to the commitment on the part of this government to address the crisis in our largest city and in all cities.

This government has responded and it is responding enthusiastically to those issues.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very pleased to have this opportunity to speak to the second reading stage of Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act. Although our party is opposed to the amendments to these two acts, I am pleased to have this opportunity because the issue of housing and social housing is a very important fundamental issue in Canada that affects millions of Canadians and regrettably it rarely gets debated in the House of Commons.

Contrary to what the government member said a few moments ago, the amendments will not in any way improve or increase the supply of affordable, not for profit social housing in Canada. This bill will pave the way for the further privatization of social housing in Canada.

From that point of view this is a very sad day for Canada because historically Canada has played a very positive and innovative role in the provision of social housing right across the country. We have tremendous expertise and skill at a community level in the not for profit housing sector in developing resources and in the construction and development of social housing.

However, all of that has pretty well come to a standstill because of policies implemented by the Liberal government since 1993 to basically trash social housing in Canada. Regrettably the debate today is simply nothing more than one more nail in the coffin of social housing and affordable housing in Canada.

Today in question period I asked the Prime Minister why in a meeting with the mayor of Toronto yesterday about what is a

Government Orders

disaster in that city and across the country on homelessness, the Prime Minister had nothing more to offer the mayor of Toronto than a cold beer. There was no offer of funding for social housing. There was no offer of a national action plan for social housing. There was no offer of new social housing units or help for people who are living on the street, and yes, dying on the street as well.

• (1515)

What we heard today from the government was that it is thinking about it, it is studying it and in fact it has already done a lot. The reality is that we have a crisis in this country, not only in the city of Toronto, but in just about every major urban community and in smaller communities as well because the federal government abandoned the provision and the construction of social housing in 1993.

Let us make no mistake about that. There is a direct relationship between increasing homelessness, what we now see, even here in the city of Ottawa, what I see in my own riding of Vancouver East, what I saw in the city of Halifax and in other communities across Canada, and the policy decisions that were made by the finance minister in 1993 to axe social housing.

I want to say that I think it is an absolute disgrace. I think that Canadians understand intuitively that housing is a basic human need. It is a human right that is laid out in the universal declaration of human rights, and yet here in Canada we have no provision to ensure that this basic human need is being met.

I might add that the Toronto disaster relief committee has repeatedly called on the Prime Minister to visit this disaster area to see for himself what is taking place on the streets of Toronto. When I visited the city of Toronto, I visited the emergency shelters and saw the appalling conditions that people are living in. When I talked to people on the street it was really very shocking to learn what people are facing in this country.

The people who form what is called the Toronto disaster relief committee have put together a very urgent call that has actually been endorsed by the 10 big city mayors across Canada, including the mayor of my own city, the city of Vancouver, and the city council. What the Toronto disaster relief committee is calling for is simply this, that there needs to be a 1% commitment to the provision of social housing in Canada by all levels of government.

One would hope and one would have expected that there would be a response from the federal government, that there would be some kind of indication that there is an acknowledgement and a recognition of the disaster that is before us.

One would hope that there would be an acknowledgement of the work that was done on the Golden report in the city of Toronto, which was actually funded by the federal government, and that indeed there would even be some kind of response to that report. There was even a Liberal member on the task force. However, there has been deafening silence on this issue.

We have not seen one cent come forward for the provision of social housing. We had one small announcement saying that there would be additional funds for residential rehabilitation. However, I have to say that the Minister of Public Works, in making that announcement, really was just making a drop in the bucket in terms of the very critical situation that is facing us.

The federal government keeps on telling us that it is no longer in this business. In fact the bill that is before us today to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act is really going further down this path of the federal government offloading and abandoning its responsibility to Canadians in this area. In fact what we have seen is the federal government trying to download and devolve its housing responsibility to the provinces.

I am glad to say that in the province that I come from, British Columbia, we have been resisting this devolution and we have been saying consistently that the federal government has to have a national responsibility for the provision of housing. Yes, there needs to be a partnership with the provinces. Yes, we need to have the involvement of the Federation of Canadian Municipalities. In fact the federation is begging the federal government to come back to the table and to get involved.

In my province alone, because of the loss of federal dollars, because of the abandonment of social housing by this Liberal government, we have lost something like 10,000 units that would otherwise have been built if the program, as it existed in 1993, was still in place.

• (1520)

When we add the numbers and multiply them across Canada, on a very conservative estimate we have lost 75,000 social housing units in Canada that would have been built if those programs were still in place.

Today is a very bad day. Instead of facing that reality, instead of taking on the responsibility and saying that we will meet this human need, we will make sure there is adequate, safe, secure, affordable housing for Canadians, what is the federal government doing? It brings in this bill. It claims that this will improve housing for Canadians.

I read the press release from the Minister of Public Works who said that these amendments will better respond to the housing needs of Canadians. Where is the evidence? There is not a shred of evidence to show that will take place if this piece of legislation and these amendments pass.

This legislation is about privatizing the Canada Mortgage and Housing Corporation, privatizing certain provisions of its policies and practices and further commercializing the way CMHC operates.

Government Orders

We had the situation where CMHC insurance and mortgages were guaranteed by the federal government. As a result of very large corporations in the U.S. challenging us under the NAFTA and other international trade provisions, the Liberal government is now capitulating and saying that those types of assurances will no longer be provided. Therefore, people who unfortunately are considered to be high risk by the marketplace and our financial institutions will now be in greater difficulty, even through CMHC, because they will not have the same access they had before.

This is an important debate. We are talking about a very basic issue that does not often arise for debate in this House. I am glad we are debating it. However, I also want to say that we in the New Democratic Party are appalled and outraged that the Liberal government has gone so far from its own platform and commitments.

I can hear the words in my head of a Liberal member of parliament, now the finance minister, who in 1990, as the chair of a Liberal task force on housing, said that it was reprehensible in a society as rich as Canada that we would have an erosion of social housing and a growing gap between the rich and the poor. That is what the finance minister, then an opposition member of parliament, said in 1990.

I say to government members that this bill is not what we need. This piece of legislation is not what Canadians need. We need to be responding to the very dire circumstances of the people who are living and dying on the streets today in Toronto, in my community of Vancouver east and in the downtown east side where 6,000 people are still living in deplorable conditions. These people are living in substandard housing, in rooms that are ten feet by ten feet, with no washroom facilities. They have no cooking facilities and they have to share a broken washroom down the hall with 25 other people. That is what people are facing in this country. It is something that none of us should be tolerating.

We want a response from this government that will improve and make clear that there is a commitment for social housing in this country, that will use the expertise that has been developed at the grassroots level and in the not for profit housing sector and that will encourage the development of co-operative housing in Canada that has been so incredibly successful. Since 1993 no new co-operative housing units have been built. That is absolutely shameful.

We are opposed to these amendments today because they are taking us in the direction of the further privatization of social housing in Canada. The amendments basically undermine the programs we have had in the past and further abandon the federal government's response and responsibility to providing housing for Canadians.

• (1525)

I urge members of this House, particularly Liberal members, to rethink the provisions of the amendments that are before us today.

If we are genuine about our care and support for homeless people, for poor people, for people who live in substandard housing and for people who are paying more than 50% of their income for rent, then we should be defeating these amendments. We should be trying to get back to a national housing strategy. We should support the call from the Toronto disaster relief committee for a 1% commitment for social housing in this country.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member referred to the Golden report, the task force on homelessness in Toronto. I want to share with her a couple of facts from that report.

Of the total homeless, 28% were youth, 70% of whom had been physically or sexually abused; 15% were aboriginal persons; 10% were abused women; and 30% were mentally ill persons. That totals 83% of total homelessness in Toronto.

When one looks at those items with regard to youth, clearly the government has invested substantially in youth initiatives, youth employment strategies, education programs and all kinds of different programs. Therefore, I believe the member's assertion that the government has done nothing with regard to homelessness is incorrect.

With regard to aboriginals, it is the same. The member will know the substantial investment that the Canadian government makes to our aboriginal people.

The issue of abused women is primarily under provincial jurisdiction, as is the issue of the mentally ill. However, the member well knows that there has been a substantial increase in the moneys available for health care to address these issues. This is where the government's participation is, in front-line health care for the mentally ill and for those in need, et cetera.

In addition, the member also knows about the RRAP, the additional funding for rehabilitation.

The member should also know that the government puts forward about \$2,500 per unit for CMHC housing and about \$3,500 per unit for rent geared to income housing. Those are government contributions to deal with social housing. This shows an ongoing commitment.

She also talks about the poor. She should know that 40% of the people who are poor, according to Statistics Canada's low income cutoff, own their own house, and of those half of them have no mortgage.

The member should know these facts because it is very important to understand what is homelessness and its causes, as well as what is poor and who is poor.

Having been a director for five years of the Peel Regional Housing Authority, which managed social housing, we found that

Government Orders

half of the units that were available to us were family units, and of those more than three-quarters were mother-led.

I hope the member agrees that the breakdown of the Canadian family is one of the most significant contributors, not only to homelessness and the need for social housing in Canada, but also to poverty in Canada.

Ms. Libby Davies: Mr. Speaker, there were a lot of questions posed in the member's comments. If what the member says is correct, that there are youth programs, programs for aboriginal people and employment programs, I would not agree because I think those programs are very inadequate. However, let us assume that they are there and that they are adequate. That does not escape the reality that even with those programs we need to have a basic necessity in place, which is housing.

I spoke to young people in emergency shelters in Halifax. They were involved in youth programs and counselling. However, when they go through those programs, if they do not have an adequate, safe, secure and affordable place to live, then all of those programs become meaningless. I have seen that time and time again.

I do not necessarily disagree with what the member is saying. Those other programs are also critical. However, if we are dealing someone who is facing drug addiction or someone who is dealing with issues around mental illness, yes they need social support and the programs, but if they do not have a decent place to live it is very difficult to go to school. It is impossible to go to work. It is really hard to raise kids in an environment without housing. I hope the member understands that.

• (1530)

In terms of his involvement with the Peel Regional Housing Authority and the fact that there are a lot of single parent families in housing, we could have another debate about what causes family breakup. The fact is that families are living in poverty and high unemployment places a lot of stress on families. We must ensure that there is adequate housing and that people do not spend more than 30% of their income on housing. That is very important. Unfortunately, this bill does not address that in any shape or form.

This bill is taking us down the road of privatization. It is taking us down the road of abandoning people's needs. I think the member would agree. I ask the member to defend how this bill is improving the housing needs of Canadians. Having looked at it, I cannot see one sentence that will do that.

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, I am saddened when members of parliament particularly from that party see no good in what the government has done. They are prone to exaggeration of nothingness. I remember having

attended a few events in Winnipeg where I delivered federal government funding for social housing.

That being said, would the member agree that the meeting on homelessness between Mayor Lastman and the Prime Minister was important? Would she agree that the pledge of the Prime Minister to attend the summit on homelessness in Toronto on March 25 is significant? Would she agree that it is significant that health-related homelessness could be addressed by the \$11.5 billion transferred through the CHST? I hope that she would.

Ms. Libby Davies: Mr. Speaker, I thank the member for his comments.

On the situation in Winnipeg, I visited Winnipeg. I saw communities that were completely devastated because housing was abandoned and there were no funds to rehabilitate the houses in the north end of Winnipeg. A consequence of the public policy decision that was made by the member's government is affecting the member's constituents and the people of Winnipeg like other cities across Canada.

Yes, I agree that the meeting with the mayor of Toronto was very important. But why was the meeting required in the first place? Why did the mayor of Toronto have to come here hand in glove and beg for funds to meet the disaster that is happening in Toronto and elsewhere? Why has the Prime Minister not gone to the city of Toronto to view the disaster? That is the question I would like to ask the member.

The situation in Toronto is really bad. People are dying on the streets. And it is not just in Toronto, it is across Canada. The Golden report clearly pointed that out. To this date, we have not had a response from any Liberal member or from the Prime Minister as to what is going to be done to enact the Golden report, or more than that, to deal with the situation across Canada.

Yes, there will be an emergency conference in Toronto at the end of the month. I am glad that it will take place.

This entire disaster could have been prevented had the federal government continued its provision of funding social housing since 1993; 75,000 units have been lost. That is why we are seeing more people on the streets.

Regarding the money that was announced in the budget, it is Liberal members who are saying that it is going to health care. I would argue that housing is a health care issue. They should be looking at housing as a health care issue. Good housing is a basic determinant of health. I encourage the member to do that. By the government's own admission, that \$11.5 billion is going to health care which is also in a crisis.

Again, where is the money for housing? Where is the commitment to meet this very important social need?

Government Orders

• (1535)

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I rise today to speak to Bill C-66, amendments dealing with the National Housing Act and the Canada Mortgage and Housing Corporation Act.

I would like to thank my hon. colleague from Kelowna who this morning so aptly described the history, the background and many of the concerns surrounding this bill and CMHC.

The nature of housing covers a broad range of topics. It would be impossible for any of us to fully cover them in such a short period of time.

It is fair to say that every Canadian needs to have adequate housing. Many people suffer today from a lack of adequate housing. Tragically, many are faced with the prospect of no housing.

Thankfully, there are many private and non-profit organizations. One I have had limited involvement with is the Habitat for Humanity organization which takes resources in local communities through private donations and mobilizes community resources to provide housing for people who probably could not get it otherwise. Although these kinds of organizations do not solve all the problems, they solve many problems. With the right legislation, they probably could solve the majority of housing problems in Canada.

Housing means many different things to many different people. For those who can afford adequate housing, it may mean home improvements, care and pride and working to make their living space better for them. For those who cannot afford adequate housing, the thought of owning a house is just a dream. It puts a whole new meaning to the term dream house, does it not.

Why is it that people are not able to have adequate housing? Is it that we lack the physical resources of building materials? It does take a lot of cement, brick or wood, gyproc and nails, et cetera to build a house. However, we know this is not the major source of the problem.

My riding has a large resource base of timber. There are parts of my riding where we can stand on a mountaintop, look in every direction and see nothing but tree covered mountains. I know that sounds beautiful and perhaps those who are from the east have no idea what that is like. I do miss that kind of view when I am on Parliament Hill.

We know we have the available timber to build houses. There are many loggers and mill workers in my riding who wished everyone was building a lot more houses. They would love to get back to work. Many of them are having difficulties paying for their own houses as they have been idle for far too long. We also know we

have sufficient quantities of all the other materials to build as many houses as we need in this country. Neither do we lack expertise or labour force to build them.

What holds people back from finding suitable housing? It most often comes down to one factor: affordability, money, making ends meet.

One of the simplest ways to alleviate this problem is for the government to leave more money in the hands of the taxpayers to begin with. Let us end things like bracket creep. Let us index the tax rates. Let us end the discrimination between single and dual income families in this country.

Those are all things that this government has had a chance to do but has chosen to ignore. Somehow the Liberals think it is easier to ignore the plight of those who have taxes hung around their necks like a millstone than to make fundamental changes in the way government operates to ensure that taxpayers truly benefit.

Canadians want more than just tinkering by this government, yet this government just does not seem to get it. It sends a task force out west to find out why voters do not vote for the Liberals. I want to make a prediction. I predict that when the task force returns, they still will not understand. Canadians are intelligent people. What they simply want is good government.

The public is not looking for interference and intervention by government in their day to day lives. There are models and examples which show that when government gets out of the way of business, business can grow and expand at a rate far faster than the government could have thought possible. When government gets in the way, the public loses.

• (1540)

As an example of government interference, I just have to think back to my home province. The Insurance Corporation of British Columbia has had a government controlled monopoly on vehicle insurance for many years. What is the result of that? When I moved from Alberta to B.C., what it meant to me was a doubling of my insurance rate. So much for government interference in the workplace.

As a counterbalance, the past several years in Alberta have seen dramatic changes in the ways that the provincial government has extricated itself from many day to day transactions. The net result is that private enterprise now operates many of the services previously under government jurisdiction. My knowledge of this is that the revised system is working, and it is working well. What a concept. How novel. Government that lets the people move ahead with the business operations day by day.

We can break the category of money shortfalls into a couple of different sections.

Government Orders

There are those who although working and bringing in an income are simply not able to finance the type of housing they need. These are the people, perhaps single, perhaps a couple, who work hard but at the end of the month, the extra dollars just are not there.

Another category of people are those who face financial shortfalls. It may be a single parent who is trying to raise children, work a full time job and still cope with life. It may be a family that has faced unemployment for a prolonged period of time and cannot get the needed break. It may be the homeless person we see on the streets of most of our urban centres. These are the people who need some form of assistance that often seems unavailable to them.

While I do not adhere to all of the theories and beliefs of Abraham Maslow and his hierarchy of needs, he made a very strong argument for people and their psychological needs. He theorized that people could not move on to other things in their lives until their physical needs were met. Personally I believe there needs to be a strong spiritual component in order to make life here on earth fulfilling and many people forget that today.

I think I understand what Mr. Maslow was trying to say in this regard. He is saying it is difficult for mankind to grow, mature and contribute back to society if every day is such a struggle that people feel they have to fight their way through daily life. I understand how that can work.

One example I can think of is when we have a loved one who is sick. I do not know about others but I find I am thinking about that person continuously, so much so that some of the other things in life just do not seem to matter as much.

So it is with those who struggle to get adequate housing, always trying to put enough aside to get the down payment and they just cannot seem to make it. The need to find a safe place to sleep and rest will occupy much of their waking moments. Only when that need is met will they be able to move on to fulfilling other parts of their lives.

We ought to be careful here. There is a difference between needs and desires in human life. I believe that those who are living on the street need housing. There are others who would desire better housing but continue to live in their present accommodation.

What can be done for those who are not able to find housing that meets their physical needs yet remain affordable for them and their families? One would hope that a bill such as Bill C-66 might be of some help to them. Let us take a look at some of the attributes of the bill and determine if it meets the needs of this stakeholder group.

As we know, the purpose of Bill C-66 is to redefine the roles and responsibilities of the Canada Mortgage and Housing Corporation, particularly in relation to mortgage loan insurance and export and international support. There are a number of things within the bill that should be looked at in this regard.

One of the questions I have with any legislation is whether or not it will be good for the free marketplace. In other words, how will the small business owner in my riding of Nanaimo—Cowichan benefit by the bill? Or will the bill simply add one more layer of bureaucracy, of administrative nightmare which we will all be faced with as we attempt to find, grow and build our niche in the business world?

• (1545)

The least amount of government in the face of business is always the best. My read of the bill shows that CMHC will enter into competition with the private sector. Is the role of government to compete with the private sector? I sincerely hope not.

There are a couple of clauses that cause me concern in the bill. The first is clause 16 which states:

The Corporation may provide protection against the effects of changes in interest rates for housing loans.

On the face of it, the protection of homeowners against sharp rises in interest rates is admirable. There appears to be a certain amount of ambiguity, however, in this clause with regard to the protection of banks from losses.

I am concerned that the current wording leaves the clause open to potential abuse by financial institutions. There is no indication in the guidelines under which proposed clause 16 would be used. The hows and the whys are always important and they are not outlined in the bill.

My second concern is clause 6 which deals with the ability of CMHC to determine whether or not an approved lender is financially sound. Guidelines need to be in place to prevent CMHC from conducting business with a financial institution that is not financially stable.

In my own life I would not make an investment in a business that I do not think will make it. I would not put my money in a bank that I think will fail. The details of how and when CMHC would be made aware that the lender is no longer financial sound are lacking in the bill.

These concerns are examples of details that are currently lacking. We cannot allow the passage of the bill without these kinds of details being sorted out. Canadians do not want the government to simply sign any more blank cheques.

The question of the federal government dealing in housing is a matter that causes me concern. This is an area of exclusive jurisdiction for provincial authorities. The provinces are in a better position to determine the type and volume of housing necessary for their locales. To add bureaucracy only increases costs with government interference. It does nothing to ensure housing for those who really require it.

Government Orders

Government should not be in the business of competing in the private sector. I have said it before, I say it now, and I would say it again. The housing market is enormous. There are non-public mechanisms in place which could best serve the interest of a broad range of the public. I agree and support the principle that Canadians should have access to affordable financing to acquire housing. I support competition in the private sector for the provision of mortgage insurance.

Yet housing is a severe problem for a portion of Canadian society. For many, the problem would be better solved through less government interference. The biggest form of government interference is the tax grab into so many Canadian wallets. Every Canadian would be better served by having government reduce the tax burden. Surely even members of the government would agree with that.

Let us eliminate bracket creep that has taken billions of dollars out of the hands of Canadians. Let us eliminate the disparity of unfair taxation between single and dual income families. The numbers bear this out. Leaving money in the hands of Canadians is a far better solution to major portions of the housing problem in Canada today.

My hon. colleagues and I have raised a number of very pertinent questions. I would leave the House with one final suggestion. Do the changes introduced through Bill C-66 resolve the questions and issues raised throughout this debate? Unfortunately my answer is that I do not think so. We can do better than what Bill C-66 is attempting to do. Hopefully amendments at committee stage will make it easier to support.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am not sure whether the member heard my earlier comments in reference to the Toronto situation when I gave some statistics. Very briefly the make-up of the homeless in Toronto as a result of the Anne Golden report was 28% youth who have been alienated from their families, 15% aboriginals, 10% abused women and 30% who are mentally ill. None of them were as a result of economic deprivation. Some 83% of them are a result of what would normally be termed health and social problems.

• (1550)

The member asked an rhetorical question in his speech about what the bill would do for the people of Nanaimo—Cowichan. I want to share with the member another statistic from the Golden report, that 47% of the homeless in Toronto do not come from Toronto. They come from all across Canada.

It reminds me of the line from the movie *Field of Dreams*: “If you build it they will come”. In fact Toronto built it. It built up a social housing bank. It provided all kinds of support services for the homeless which attracted people from across Canada. The same has been experienced in other centres like Winnipeg, Calgary, Montreal, et cetera. Major centres are attracting people who need help.

The member’s question is very relevant, the rhetorical question about how the bill helps Nanaimo—Cowichan. It would appear there are no necessary services or no supports for those who have these problems.

Does the member really believe that the provinces would be better able to do it? If the provinces were trying to save some dollars they would not provide the supports at all. They would let them all go to Toronto.

The problem is that communities have to start investing in their people and in their families. When people have these kinds of health and social problems, it is up to all of us to identify them and to provide those needs so they do not become homeless as a consequence.

Mr. Reed Elley: Mr. Speaker, I thank my hon. colleague for that observation and question. He is certainly right in terms of getting to the root cause of poverty and displacement in society which makes inadequate housing a symptom of the problem rather than the problem.

I am a strong believer in community action, in local communities taking hold of local problems. Government has a role to play in this but it is not the major player. I do not see, in answer to the member’s question, that the bill has any effect upon the particular concern he has raised.

We need to be doing things in our communities, fostering the kind of community spirit that will help people get off welfare and find jobs and take a fresh look at their lives so they do not end up on the streets and move from community to community following free housing.

I appreciate the hon. member’s comments and take them under great advisement.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I also thank my hon. colleague across the way for his question to my colleague.

I would like to go one step further. We need to recognize the differences between social housing and public housing and homelessness. The characteristics of the homelessness are rather different from other kinds of housing that need to be provided for people suffering from mental health, drug addiction or convergent addictions. Maybe there comes a point where we need to separate homelessness which has all kinds of causes that are quite different from low income, for example.

Would my colleague like to say something about what has happened in society that puts all of them into one category: the poor fellow or gal who has a convergent addiction problem with drugs, alcohol or whatever the case might be, and the person on employment insurance or with an inadequate income? Those are not the same kinds of problems. If we simply took one size fits all,

Government Orders

one solution fits all, would that really help the situation? I wonder if the hon. member would like to comment on that point.

• (1555)

Mr. Reed Elley: Mr. Speaker, I thank my hon. colleague from Kelowna for that observation and question. I suspect that one reason this has happened in society is the preponderance in government at every level to look upon itself as big brother knows best. This is the philosophy that exists among governments today. When that kind of philosophy gets going through government and starts to permeate society, certain segments of society will naturally become dependent upon government for every aspect of their lives.

Government takes an approach to people which lumps them together in this regard. It is unfortunate because it does not foster the entrepreneurial spirit we need to get us truly working again in every aspect of our lives. We can do this if we start to work at it ourselves. There are agencies and people who will help, but in the final analysis we are the ones who have to do the job, take care of our lives and are responsible for that.

ROYAL ASSENT

[*Translation*]

The Deputy Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

March 11, 1999

Mr. Speaker,

I have the honour to inform you that the Honourable Michel Bastarache, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 11th day of March, 1999, at 16:30, for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. Larocque
Secretary to the Governor General

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-66, an act to amend the National Housing Act and the Canada

Mortgage and Housing Corporation Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very happy to be involved in the debate on Bill C-66 which deals with the very critical issue of housing, something that we believe has been left behind in national debates and has not had the attention it truly deserves.

Canada is probably the only developed nation in the world that does not have a national housing strategy. This is shameful. We are feeling the impact of it now in our cities, in our rural communities and in our northern communities. We are seeing the predictable consequences of not having any strong national standards or strong national plan in terms of providing clean, affordable housing for Canadians who cannot take part in the mainstream of the real estate market.

We have just heard the member for Nanaimo—Cowichan advocating strongly that this matter should be left to the free market, that if we let industry take care of it without government interference the market will take care of itself and provide an adequate number of units to meet the needs of people all over the country. If we take a serious look around, I would argue that is clearly not the case. We have failed the people waiting for clean, affordable housing by leaving it up to the market.

I am not blaming the private sector. I am merely pointing out that in some marketplaces, like my own riding of Winnipeg Centre, it is simply not economically viable to get involved in low income housing as a private landlord.

Landlords have been making representation to provincial governments and the federal government saying that this is so, that they simply cannot make a buck on it because of aging housing stock and the amount of rents they can charge. It just does not add up. Frankly they have been letting it go.

• (1600)

What we have is a ghettoization in the inner city of Winnipeg. I am not proud of this but the riding I represent has terrible aging, crumbling housing stock with landlords who no longer want it. One of our biggest problems is that these landlords cannot turn a buck on it. They cannot afford to pay for the necessary renovations so the houses are catching fire. There have been 85 fires in the last 3 months in a 12 square block area, 85 arsons in the last 3 months. This is an urgent situation. It is not a safe situation.

One reason we know it is arson and not some coincidence is when the firemen come to put the fire out, they find big holes cut in the first and second floors to allow the convection of the smoke and the flames in order to more seriously level the house rather than just damage it. It is a real hazard for the firemen who walk in and cannot see their hands in front of their faces for the smoke and who are then faced with four square foot holes cut in the floors. It is my

feeling landlords are giving kids \$50 and an address on a piece of paper and saying torch this house because it is a burden and a liability to them.

That is the desperation the private sector has found itself in in terms of trying to provide affordable housing in that market. As a result we have thousands of families that would happily move into some kind of social housing project within the city of Winnipeg. We have literally thousands on the registry looking for housing. It is not being built. It is not going up anymore.

This is another issue on which I think we are missing the boat. As a carpenter by trade I have built a lot of houses. I have built a lot of houses in the riding of Nanaimo—Cowichan, the riding of the last speaker. We all know what an engine for economic growth it is to have a healthy construction industry. There is a pent up demand for thousands and thousands of units. I do not have to go through the details of how many jobs that would entail, not just the actual trades people but all the building materials that go into it.

During the 1980s under Mulroney the Tory government pulled the rug out from underneath what we used to think of as the co-op housing program and other social housing initiatives. Had we not allowed that to happen and had the Liberals not allowed it to carry on, we would have built 75,000 more units in the country. That is the prediction. That is the pent up deficit. We got shortchanged by the 75,000 units of clean affordable housing that would have been built in our inner cities.

I will talk more about the need in my riding of Winnipeg Centre. A group of neighbours formed a housing co-op to try to take care of my own street. This was not because we needed housing since we all owned our own homes. We wanted to buy up some of the slum properties on my street and either tear them down or renovate them and put them back into the hands of families that needed them. We called ourselves the Ruby Housing Co-Op since we were on Ruby Street.

We did the research on one of the units we were trying to tear down and found out who the people really were and what kind of business it really was. The guy who owned this property owned 250 other units all through numbered companies and all through rings of other slum landlords to the point where one landlord might subcontract 10 units from the parent slum landlord. The landlord might owe the parent landlord \$1,000 per month per unit and be able to keep the rest. The onus is on the landlord to stuff that slum unit full of so many welfare people that the landlord will get more than \$1,000 and the profit is the difference.

We had a house on our street zoned R2T. You are allowed to have a duplex or transition, but a duplex at best. There were 17 units stuffed into a house rated R2T. To get to one person's bedroom you would have to walk through another person's bedroom. City welfare is paying for all these rooms. At \$237 a month for each

Government Orders

room times 17 rooms, he would be giving the slum landlord \$1,000 and keeping the rest. His main interest is just stuffing that place full of the most disreputable people you would ever want to meet, people who were our neighbours.

That is what motivated us to start doing some research and finding out who these people were. I will not use the individual's name here but he is one of the wealthiest, well known businessman in the city and I have every reason to believe that when he is at a cocktail party and someone asks him what he does for a living he says he is in real estate. He does not say he is a slum landlord which is what he should say because we know how he makes his living.

• (1605)

I was not pointing at anybody in particular on the other bench.

There are some bright lights. People are reacting to and dealing with the pent up shortage of housing in the inner city of Winnipeg. The Lion's Club, to its credit, is buying up gang houses and crack houses in the inner city and putting training programs on for inner city welfare kids who then renovate these homes and put them back on the market at low interest loans. It has been a good project. We are dealing with one or two units at a time.

That is also my criticism of Habitat for Humanity. Frankly, as much as I appreciate the volunteerism and all the goodwill, it is dealing with five or ten units at a time in a city that needs thousands of units. If we put the same amount of energy and volunteerism into lobbying for a social housing program through the federal government maybe we would be putting 500 units a year into the city, or 2,000 units a year, somewhere at least reasonably close to the actual need.

The issue is not just limited to the inner city of Winnipeg, although, as I say this, donut shaped city phenomenon is certainly happening to us as it is happening to other major cities. They are building good quality homes in the suburbs and going through all the cost of delivering services to those high end homes while letting the inner city rot.

The inner city is burning, frankly. It looks like the late 1960s in American cities. It is like burn baby, burn. These people are torching their homes out of desperation. It is Watts, Detroit or something. That is what it looks like. Every night these people are voicing their discontent by torching houses.

It is interesting to hear the Reform Party member say that government has no role to play here. In this example one would have to be ideologically driven with blinders on to even intimate that government has no role to play in at least setting the stage to provide for clean affordable housing for people who live in this country. It is a basic right. We have just heard the member for

Government Orders

Vancouver East speak very passionately about the United Nations declarations while recognizing the plight of homeless people as a national disaster.

I am very proud that our housing critic, the member for Vancouver East, toured the country recently and went to just about every major city and wrote a very good report on her findings on homelessness and substandard housing. That was the theme and it was not just people with no homes whatsoever, it was clearly about people living in inadequate housing.

From the front page of the report I will read a brief quote. I think she made reference to it in her remarks. It was written by the finance minister when he was in opposition. It was the way he felt when he was lambasting the Tory government for its woeful inadequacy in addressing this problem: "The government sits there and does nothing. It refuses to apply the urgent measures that are required to reverse this situation. The lack of affordable housing contributes to and accelerates the cycle of poverty, which is reprehensible in a society as rich as ours".

It is an excellent quote. I could not have said it better myself because a lack of adequate housing is both a cause and a consequence of poverty. It is one of those things that comes at us from both ends. We do not have to go through all the social aspects of adequate housing but we can imagine a young family trying to get on its feet or trying to keep kids on a straight and narrow direction if they grow up in absolute desperation in terms of their housing situation.

I have raised this in the past. There is a group in Winnipeg called Rossbrooke House. It is a safe house for inner city street kids. They can drop in and have some place to hang out where they are not at risk or getting into trouble. It is run by two catholic nuns, Sister Leslie and Sister Bernadette. They do a wonderful job. The member for Vancouver East and I visited the safe house as part of the study.

• (1610)

One of the things pointed out to us was that the people who live in that area in often terribly substandard housing will not sleep in the outer rooms of their house. They will sleep only in the inner rooms of their house like the den or the living room because of the gunfire every night. They will not sleep next to an outside wall. These two sisters pointed this out to us as being the reality people in that neighbourhood live with.

The reason I raise this is the biggest challenge they have in trying to deal with the problem youth who come through their doors is making them feel safe somewhere. One cannot work with a kid if that kid does not feel safe and trusting.

These kids all exhibit physical characteristics that are common among people who never feel safe wherever they are. If they are at

home with a substance abuse parent they never know if they will get hugged or swatted on the head. They are insecure about that. When they are on the street they are not safe so they are always spinning around looking to see if someone is going to jump them.

These kids have nervous ticks. It is hyper acuteness and they are fearful of their environment. I say this is largely due to the fact that even when they are at home, if it is not a secure setting, they can never relax. It could be a 10 year old kid on pins and needles all the time. These women work with these street kids who have these nervous characteristics that we see so often. Their argument again is that housing is the second biggest problem in terms of rehabilitation of these kids.

I have been involved in this issue for quite some time, first as a carpenter building houses. I know the value of the industry. I know a great deal about the technical side of housing, whether it is multifamily or single family units. As the president of a housing co-op I have been actively engaged in trying to get the resources together to build clean, affordable housing.

What we should point out is nobody is asking for any handouts in this regard. When social housing used to be built the numbers still had to crunch. A business plan had to be put together to prove that the revenue coming in would meet the debt service to the loan. The only favour the government would do was provide 0% down or 100% financing and it would be amortized over a longer period of time, maybe 35 years rather than 25 years. That is not some kind of handout.

That is not to say here is \$2 million, build 40 units of social housing. The applicant group, usually an ethnic group or a group of like minded people who come together and put together a proposal to build social housing, has to sit down and crunch the numbers. It has to figure out the bridge financing, the hard costs of the construction, the soft costs and the debt servicing on the loan, add all those things together in a total package and find a rent people can afford and be able to meet the debt service.

It all gets paid back. This was the beauty of CMHC's many housing programs that have been gutted and cut and offloaded to the provinces. There was no kind of handout. It was an empowering kind of thing where citizens were taking their housing needs into their own hands and learning about running a business plan and executing the actual building of this project and then managing it for many years afterwards with some kind of tenant association.

It is a very positive thing. It is a very community building thing. It is not any type of government handout. When I listen to the member for Nanaimo—Cowichan trying to make it sound that any kind of social housing is some kind of government handout, he clearly does not know a great deal about the programs that have been cut.

Government Orders

We are very concerned that Bill C-66 will put the final nail in the coffin of any hope to have a national housing strategy. We are very concerned that this pushes it just that much further to privatization of social housing. Who knows what kind of free marketers will swoop in and take this over.

We have seen what happens when things turn bad, when profit motive is the only reason for doing something. As soon as it is a little less than profitable, they turn their backs on it. These units are torched or they erode to the point where nobody should be living in these units. It is a time honoured expression where I come from that capital has no conscience.

• (1615)

Let us face it. It is the government's job to inject some conscience into the whole picture of providing social housing. Other countries such as Chile are leaps and bounds ahead of Canada.

I do not usually blow Chile's horn. It is not my favourite place because of its checkered history, although it seems to have cleared that up. It is building 200,000 units of social housing. It is nice that a Canadian company is signing contracts to build the first ones now. It will move a whole plant down to Chile and use Canadian building materials such as drywall and shingles, the whole shooting match, as well as Canadian expertise and technology.

The reason for that market for Canadian housing technology is that Chile has the vision to upgrade building stock. It realizes that over the years it has let it slide. Free marketers were not providing the necessary units. There will be a couple of thousand now and many more thousands next year, for a total of 200,000 units of social housing for Chile. In Canada it is zero. Since 1993 there has been nothing.

In an earlier intervention I mentioned the member of parliament I defeated in the riding of Winnipeg Centre. He joined my housing co-op just to demonstrate that he was sensitive to the issue. He was elected in 1988 and fought the Tories in their gutting and dismantling of the social housing system. In 1993 when it became a campaign promise he was a little taken aback, to be fair, that his government would not reintroduce any social housing. That became abundantly clear as 1993-94 went by and nothing was being done. From 1995-96 to this date all we have seen is a downward slide in this regard. He was probably as disappointed as we were.

My biggest insight into the condition of social housing in my riding was while knocking on doors for other candidates during the 1988, 1990 and 1993 federal elections and then in 1997 for my own campaign. I could walk down the same streets and knock on the same doors and see the dramatic slide in the condition of the building stock. There was no hope for property in that area. One could buy a pretty good little house for \$10,000 to \$15,000. It had no real value.

When a community is in decline like that it is very hard to pull it back up. That is why no private sector housing initiative will be viable without social housing being introduced and managed by the federal government.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I listened to my hon. colleague's presentation, in which he quoted the very famous phrase "Capital has no conscience, capital has no morals". Members opposite should take this phrase down, so that everyone may reflect on it.

If capital has neither conscience nor morals, then people must think about people and respect one another. The homeless are people too. Perhaps they have more problems in their lives, sometimes since birth. We treat them a bit like a herd, very often we put them together in places that cost as little as possible, but we do not respect the human being.

At the World Summit for Social Development held in Copenhagen in 1995, 117 heads of state and the 185 governments represented renewed their commitment not only to reduce poverty around the world, but also to eradicate it from the face of the planet.

They undertook to pursue the elimination of poverty in the world through determined national action and international co-operation, "as an ethical, social, political and economic imperative". Participating countries pledged to take national action to eliminate poverty within their boundaries.

• (1620)

Here in Canada, what are we doing for those who suffer the most? I am under the impression that members opposite do not understand and do not listen.

In my riding of Matapédia—Matane, which is a rural riding, there are many people waiting for housing units. This is the situation in 1999, not in 1979. In 1999, there are still people waiting for housing units. I find this completely inhuman.

I wonder if the hon. member could tell us how we could get our friends opposite to understand that capital is not everything, that human beings are also important, particularly those who are in dire straits.

The budget states that those who earn \$250,000 will save between \$8,000 and \$9,000 in taxes. Why is there nothing in the budget for the homeless?

How could we, once and for all, make everyone in this House realize that there is a major problem as the year 2000 nears? Why not give ourselves one year to solve this problem to some extent?

Government Orders

[English]

Mr. Pat Martin: Mr. Speaker, I thank the member for those very thoughtful remarks. I can be quite brief in answer to the member's comments. The whole issue seems to be about the redistribution of wealth. That is as simple as I can state it. When we live in the richest and most powerful civilization in the history of the world, it is very difficult to excuse the huge division and the huge inconsistencies in the distribution of wealth.

The simplest and the best way I can put it is when I was visiting Washington, D.C., Reverend Jesse Jackson once spoke to a group of carpenters. He had a way of trying to articulate this difference. He said, I think it went this way: "If you have five children and only three pork chops, the solution is not to kill two of the children". Right-wingers and people like the members opposite would probably tell us that the solution is to cut those three pork chops into five equal pieces. Then all the kids go to bed hungry because nobody has enough to eat.

The way that a socialist would review the problem would be to challenge the whole lie that there are only three pork chops and challenge the absolute baloney that there is not enough wealth to go around so that we can all enjoy a reasonable standard of living. It is not about the amount of wealth in the country; it is about the distribution of wealth. I thought Reverend Jackson had a very good way of pointing that out. He has a real gift for communication.

When it comes to housing it is not so much the distribution of wealth. We have other ways of dealing with that in terms of fair wages and the opportunity of workers to get a reasonable reward. Social housing should not be stripped down strictly to monetary terms. As I pointed out, most of the social housing programs, which were gutted by the Tories and then further gutted by the Liberals, did not require a huge cash outlay. Nor did they necessarily require grants.

They needed some enabling measures so the people involved could finance their own projects, friendly financing. Zero per cent down was the big thing. If one had a \$2 million project to build a 40 unit social housing project, one had to come up with 25% down or a half million dollars. Those people do not have half a million dollars to put down.

The government would underwrite them, giving 100% financing and a longer period of amortization, another thing we strongly recommend. Seeing that the lifespan of a brand new project with modern technology is 50 to 70 years, it is not a risky business move to let these people have a 35 year mortgage rather than a 25 year conventional mortgage. Those two things alone made the numbers crunch in both situations. Having that ability is what made a deal viable. That is how most of the ethnic based seniors' homes such as the Filipino seniors home in my riding, groups of otherwise

powerless individuals, people with no money and no resources, manage to build good quality housing, a really fine place that they can be proud of and in which to raise their kids.

- (1625)

It does not take a huge redistribution of wealth to embrace the idea of a national housing program. We are not talking about anything radical or innovative. We are just talking about catching up to where the rest of the world is already in terms of embracing the idea of clean, affordable housing as one of the rights of citizenship. No one is talking about giving it free but about making it accessible.

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am pleased to speak to Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act. The official opposition will oppose the bill unless we have clarification on certain elements and see certain amendments to the bill, some of which I want to speak about today.

Earlier my colleague, the hon. member for Kelowna, the official opposition critic for public works and government services, spoke very eloquently about the bill and stated the position of the official opposition. I hope my remarks add to his comments.

I would like to emphasize that there has been a steady erosion of federal funding support for new social housing, culminating in its virtual termination from 1994 onward. Effectively by disavowing the spirit and substance, if not the letter of its social housing agreements with provincial governments, the federal government was deliberately offloading its social and financial responsibilities on to the provinces and territories at a time when they could least afford it.

In the process, despite its commitment cited in the CMHC mandate to maintain the flow of affordable housing as part of the nation's social safety net obligations, the federal government has virtually gutted its new social housing programs, thus adding to the plight and suffering of homeless persons and inadequately sheltered households in Canada.

Let us look at the purpose of the bill. The purpose of the bill is to redefine the roles and responsibilities of Canada Mortgage and Housing Corporation, CMHC, in relation to mortgage loan insurance and to export and international support.

Let us deal with housing financing. The bill will enable CMHC to adjust its insurance and guarantee operations under the National Housing Act to help ensure the continuing availability of low cost financing to home buyers in all region of Canada, promote market competitiveness and efficiency, and contribute to the well-being of the housing sector.

Government Orders

These amendments will give CMHC the necessary tools to compete effectively and fairly in the loan insurance marketplace. They will simplify our National Housing Act by removing unnecessary restrictions and enable CMHC to respond quickly to shifts in consumer demand and market conditions.

This is important because, as we know, since 1993 the Liberals have stopped funding new social housing projects. They have caused Canada to be the only western nation that does not have a national housing policy.

British Columbia and Quebec are the only provinces pursuing a social housing policy. We have a housing problem in the country. We have as many as 200,000 homeless people in Canada. Thousands and thousands of people do not have a place to live. This is a tragedy in our nation that has so much prosperity everywhere.

• (1630)

Many thousands of people are living in substandard housing. These Canadians are very uncomfortable. They lack running taps with hot water. They lack enough room for their children. These are the people whose homes lack the appliances and furniture that would greatly improve their day to day lives and serve the needs of their young children. Many Canadian mothers have no place for their families to live. They miss the conveniences of, for example, a microwave oven. Their children are hungry.

The government is having us debate a bill that addresses mortgage loan insurance and facilities to export housing technology and to provide support for our housing industry as it takes on an international capacity. Today we are debating housing, but it is amazing that we are not talking about the homelessness crisis in this country.

I wonder how the Liberals can ignore homeless people and pass legislation dealing with mortgages and providing housing for people in foreign countries. This would be a funny joke if it were not true. There are about 200,000 Canadians who are considered homeless. They are not worried about mortgage insurance, they are worried about homes and shelters in which they can live.

We want to support the bill, but only with clarification and amendments. However, it is very difficult to deal with the concerns of this bill given our country's housing crisis and homelessness crisis which we can even see a few blocks away from Parliament Hill. We see it every day on our way to work and on our way home. We feel that we are fortunate to have homes or, at least, hotel rooms or apartments.

One wonders if the Liberals can relate to the housing crisis. They are out of touch with the rest of Canadians. They do not know about drug problems, refugee problems, immigration problems or the problems Canadians have paying taxes. Even if they know, they do not deal with these problems properly because they do not know how.

I will turn to the second part of Bill C-66, which concerns export promotion. These elements of the bill will expand export opportunities for Canada's housing industry by giving the CMHC broad authority to help Canadians sell their housing expertise to foreign countries, to participate in housing development and financial infrastructure projects and to better promote Canadian housing products and services abroad. This is said to result in job opportunities for Canadians at home. I doubt that, but let us take it at face value. This is a good thing because Canadians are so heavily taxed that they cannot find jobs and we cannot create jobs.

Liberal government policies have been killing jobs since 1993. Payroll taxes kill jobs. Even if you have a job, the taxes you pay are unbelievable. Paycheques are cut in less than half in this country.

I have copies of recent press releases from the Canada Mortgage and Housing Corporation which I can table if members want. We can see the dire straits of our housing industry through the press releases. It is no wonder the Liberals want to construct housing offshore. Clearly they are not doing it inside our borders. For example, as of February 11, 1999 residential construction was expected to stay at the same level as 1998. This is disappointing, particularly to me.

The CMHC is being given no direction from the minister to help his officials increase residential construction for Canadians.

Before becoming a member of parliament I was a real estate agent. I can relate to how this is affecting homelessness. I can relate to how first time homebuyers are facing problems. Construction of new housing units is actually dropping under this government, while the homelessness crisis is growing.

The housing crisis is getting worse, but the Liberals only want to help the CMHC build houses outside Canada. Maybe the Liberals think they can do a good job helping the homeless in other countries. They certainly have done a poor job in Canada.

• (1635)

I have a press release from the Infrastructure Works department, dated March 5, 1999. I can table it if members want. Backbench members of the government do not normally read Government of Canada press releases because they are told everything they are supposed to say by the Liberal Party whip, so those press releases become irrelevant.

The press release I am talking about is entitled "Infrastructure Program funds Seniors' Housing Project in Brandon, Manitoba".

Why are infrastructure funds needed to build homes for seniors? Why can the private sector not provide those services? The private sector can build homes. Why does the government have to get into

Government Orders

that business? What lessons we learn when we read these kinds of press releases.

The Liberals are using our tax dollars to build seniors' homes, yet they are now trying to send our housing industry offshore.

There is enough work for the housing industry right here in our country where 200,000 people are homeless. They do not know where to live.

I would like to emphasize what Canadians want to see with respect to Bill C-66.

They want to see that the bill is effective and efficient and that there are real cost controls on what is being proposed.

Regarding efficiency, the bill is silent on administration. I do not see anything in the bill that talks about how it is to be administered. The bill is silent on the relations the government intends to have with the provinces.

Regarding effectiveness, does the bill really help the banks and other financial institutions? I cannot say that with confidence because I do not see anything in the bill which would do that. We need to know the details of this bill.

We already know that Bill C-66 is not helping Canada's homelessness and housing crisis. Therefore, we would like to be sure that it is really effective in terms of doing what it is supposed to be doing.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I listened with great interest to the comments of the member for Surrey Central. There is no question that all members of this House should be deeply concerned about the housing crisis in Canada.

Recently we heard from the Federation of Canadian Municipalities about the national disaster of homelessness, not just in Toronto, but in my own community in the lower mainland of British Columbia, in the greater Vancouver area and in many other parts of Canada.

We know as well that this Liberal government has completely abdicated any leadership in the area of national housing strategy. This is one of the only industrial countries in the world that has no national housing strategy.

It used to be that Liberals believed in co-op housing. There is not a penny in funding for new co-op housing in this country.

It used to be that Liberals believed there was a federal role for housing for seniors, for students and others. There is nothing at all.

We know as well that the great market simply is not delivering affordable rental housing. The federal Liberal government is silent on that as well.

My question is for the Reform member. He said that he agrees that the Liberals are not doing what they should be in the area of housing. He said that the Liberals should be doing more to support social housing and to tackle the plight of the homeless in our country. Yet I read with great care the budget document that was prepared by the Reform Party before the government budget was tabled. I looked everywhere. I looked on the cover. I looked inside. I looked on every page. I looked on the back cover. There was not a single word, not one word, in the Reform Party's proposals to the Government of Canada about housing or about homelessness.

What planet is the hon. member on when he stands and rightly attacks the Liberal government for its failure to show leadership on housing when his own party is totally silent on the fundamentally important issue of federal support for housing? Why the double standard?

• (1640)

Mr. Gurmant Grewal: Mr. Speaker, the member has been in the House for a much longer time than I, so I do appreciate the concern raised by him. He knows very well that we have not formed the government yet, but when we do sit on the other side he will see a much more effective and efficient budget. We want to have that opportunity.

I would ask the member to look at our policies. I am happy that he has at least shown interest in our policies. I hope that he will look at the policies of the united alternative movement.

He did not fully read our document. If he had done that he would have seen what we are talking about. We are talking about poverty in this country. We are talking about high taxes in this country. We are talking about creating jobs in this country. The unemployment rate in this country has been quite high compared to our neighbours. The unemployment rate, particularly among youth, is very disappointing. What is the motivation for youth to get jobs? It is a vicious cycle in which we are living.

When children are young, they worry and struggle. When they go to school to get a better education they must be safe on the streets. When children grow up they worry about getting a job. When they do get a job they worry about paying taxes. When they get older they have to worry about their own families. After that they have to worry about their pensions.

We have to tackle this vicious cycle at a broader level. I can assure the hon. member that when we form the government he will see effective and efficient results.

Mr. Svend J. Robinson: Mr. Speaker, I will try again with the hon. member because it is important for Canadians to understand clearly that the Reform Party made a written proposal to the Government of Canada with respect to what it said were its priorities and what it wanted the federal government to do. In that list of Reform Party priorities there was not a word about housing or homelessness.

When the hon. member stands and cries great crocodile tears about the fact that Liberals did not do anything about housing—and he is right in that criticism—how does he explain that his own party, the Reform Party, did not have any proposals whatsoever on housing?

Let me give him one last opportunity to fess up and acknowledge the error of Reform Party ways. Will the hon. member tell this House now just how much money the Reform Party is suggesting the federal government put into a national housing plan?

Mr. Gurmant Grewal: Mr. Speaker, while the hon. member is wiping his crocodile tears, let me point out that Reform Party policies are policies with vision. We are for lowering the taxes in this country which are the root cause of all our problems. The social safety net that we are getting from this government is damaging our health care system, elevating poverty, creating unemployment, homelessness and so on in this country.

THE ROYAL ASSENT

• (1645)

[*Translation*]

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1650)

And being returned:

The Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-59, an act to amend the Insurance Companies Act—Chapter No. 1.

Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts—Chapter No. 2.

Government Orders

Bill C-57, an act to amend the Nunavut Act with respect to the Nunavut Court of Justice and to amend other acts in consequence—Chapter No. 3.

Bill C-41, an act to amend the Royal Canadian Mint Act and the Currency Act—Chapter No. 4.

Bill C-51, an act to amend the Criminal Code, the Controlled Drugs and Substances Act and the Corrections and Conditional Release Act—Chapter No. 5.

Bill C-465, an act to change the name of the electoral district of Argenteuil—Papineau—Chapter No. 6.

Bill C-445, an act to change the name of the electoral district of Stormont—Dundas—Chapter No. 7.

Bill C-464, an act to change the name of the electoral district of Sackville—Eastern Shore—Chapter No. 8.

GOVERNMENT ORDERS

[*Translation*]

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

The Deputy Speaker: Before resuming debate, 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 Jonquière, the Program for Older Workers Adjustment.

* * *

• (1655)

[*English*]

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I rise on a point of order. There have been discussions among representatives of all parties in the House and I believe you would find unanimous consent for the following. I move:

That no later than 5.30 p.m. this day, all questions necessary to dispose of the second reading stage of Bill C-66 shall be deemed put and divisions thereon deemed requested and deferred until the conclusion of Government Orders on March 15, 1999, and that immediately thereafter the House shall proceed with business pursuant to Standing Order 38.

(Motion agreed to)

* * *

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make a consequen-

Government Orders

tial amendment to another act, be read the second time and referred to a committee.

The Deputy Speaker: Before royal assent the hon. member for Surrey Central had the floor in response to a question.

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am sure by now the crocodile tears will be dry and I will give the answer to the hon. member.

Homelessness, poverty, unemployment, these are the byproducts of high taxes. These are the side effects of high taxes. We do not offer any band-aid solution. We want to offer a permanent solution. That is why we are asking for the taxes to be lowered. Taxes are killing jobs, creating poverty, unemployment, homelessness and all those things. We are offering a permanent solution.

I strongly believe people are not able to own a home unless jobs are created and unless the ability is created to earn the money to buy and live in a home. I think the hon. member will see that the solution to the problem is creating the ability to own a home, creating jobs and lowering taxes.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have children who are married and have families. In all cases both parents are working, trying to struggle to make a living. They find it very difficult to buy their own homes. They are all buying their own homes but it is very difficult because of the amount of money they are paying out in taxes.

Would it not be a better solution to the problem to cut taxes and leave more money in people's pockets so they can have the money at their discretion to do what they want with it, whether they want to rent or build or whatever?

Mr. Gurmant Grewal: Mr. Speaker, the hon. member is bang on. That is the solution.

All of us are homeless at one time when we leave our parents' home. For us to get a home we have to have jobs. Jobs can only be created when taxes are low. We can create more jobs. When taxes are high small businesses, the engine of the economy, feel the engine is smoking. The engine is being derailed with high taxes.

The hon. member is right on. The solution to the problem is lowering taxes. Government members do not get it. I plead with government members to lower taxes. That is what we do in our policy.

• (1700)

[*Translation*]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, first, I must tell you that I will be sharing my time with the hon. member for Yukon.

[*English*]

I am very pleased to speak to this bill, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act. This bill does a number of things. It is very important that we understand exactly what this bill does.

This bill in amending the National Housing Act and the Canada Mortgage and Housing Corporation Act, gives more options to CMHC in carrying out its mandate, such as increased ability to enter joint ventures and the ability to offer more financing options to borrowers.

The bill gives CMHC broad powers to set eligibility and other conditions for social housing grants. This broad discretionary power replaces the very detailed definitions and restrictions that have been laid out in the old act which causes us some concern.

The bill increases the ceiling of capital CMHC can control and gives the privy council the power to modify this ceiling through orders in council.

Finally, this bill commercializes, and take note of the word commercializes, CMHC's mortgage insurance function. Any losses CMHC incurs from underwriting mortgages will come out of CMHC rather than the general government revenues. CMHC would use a mortgage insurance fund to cover these losses.

Giving CMHC the ability to enter into joint ventures is the first step toward privatization of social housing. This causes us great concern. We see today this great trend toward privatization and we know that the bottom line in privatized ventures is usually profit. Usually privatization is aimed at profit, quite often to the sacrifice of the very important human values of compassion, affordability, accessibility and so forth. We have some concern about this.

We note that definitions such as those for "public housing project" and "eligible contribution recipient" are being taken from the act. This opens the door for private for-profit corporations to be recognized as social housing providers. The statutory requirements that social housing be safe, sanitary and affordable are also being eliminated.

We see along with the trend toward privatization the removal of standards which should apply to housing for Canadian citizens. This caused me great concern as well. In the city of Halifax, and I am sure in many other cities across the country, there are many what we refer to as slum landlords. People have properties that are really not fit for human habitation, yet they are renting out these properties to people who are in unfortunate circumstances, who are drawing social assistance. Quite often people are living in wretched conditions. They are unable to advance themselves beyond that state of housing. The move to privatization facilitates this. We are very much concerned about that. We would certainly be opposed to this bill because it enables that to take place.

Government Orders

There is also the commercialization of mortgage insurance. This is something that might have eventually been forced on CMHC by a NAFTA challenge from a foreign insurance provider. We know that the GE corporation, which has large interests in the insurance industry, has been lobbying the Liberal government for these changes to remove what it calls CMHC's "unfair competitive advantage".

It is true that CMHC had a big advantage in providing financing to high risk borrowers such as low income people. This was very necessary to enable people in less fortunate circumstances to have housing. Removing this advantage will hamstring CMHC's ability to fulfil its mandate to provide mortgage insurance to people who need it, such as high risk customers that the banks will not touch, and people living in remote areas without the full range of financial services available to them.

These changes really concern us because we know that today there is a great problem with homelessness. We also know that housing itself is a very basic human right. It is right up there at the very top along with the right to food, clothing and medical care. Every woman, every child and every man in Canada has a right to live in decent, affordable, secure and safe housing. This is a very important human right. The declaration of human rights in article 25(1) bears this out:

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care—

• (1705)

Yet we can look around today and see that homelessness, a very unnatural disaster, is present with us. All I have to do is leave this place and walk down Rideau Street. On my way home I pass by many homeless people, many people who through very unfortunate circumstances have no shelter, no place to rest at night, except on the cold streets in which they find themselves living.

This is true right across our country. It is becoming more and more serious every day. We see people dying on the streets. People without homes and without proper shelter are dying. This is a very disturbing thing in our society.

More than 100,000 Canadians are homeless. Some find temporary beds in shelters. Thousands of others sleep on park benches or huddle in doorways for warmth. Still thousands more live in ramshackle substandard housing in the urban core or on remote reserves. Homelessness is a national emergency.

The homeless are men, women and children. The streets and the cold do not discriminate against these people. The government does. The government has cut all funding for social housing.

I recall in 1993 when I became the deputy minister for housing in the province of Nova Scotia, it was right around the time when the

federal government had withdrawn its financial support for the social housing program. Over the years it continued to get worse. Eventually the federal government withdrew from social housing to the point of devolving all the responsibility to the provinces. In 1996 the government started downloading to various provinces. It has concluded downloading agreements with seven out of ten provinces, with B.C., Alberta and Ontario being the only holdouts.

It is a disturbing situation when our federal government does not accept any responsibility in the area of housing. We hear from time to time the minister speaking about the various things that the government is "doing" in providing more money for grants, RRAP and programs of that nature, but this does not get to the core of the problem.

Last month members of our party took to the streets to find out what was actually happening. We found that many people are homeless. The trip resulted in a very important report by one of our members who deals with these issues. We gathered opinions of people on the streets who are making a difference, activists, local politicians, volunteers, people seeking refuge from the streets, people living in shelters, rooming houses or substandard housing on reserves.

Our intent was to raise awareness, strengthen coalitions, present recommendations and to force the Minister of Finance to make housing a priority in the last federal budget, but this was not done. There was no real commitment to the homeless. There was no real commitment to those people who are living on the streets without adequate shelter.

Until 1993 the federal housing program helped contribute to the stabilization of low income neighbourhoods through the development of social housing. Regrettably, the Liberal government's retreat has meant that the vulnerable communities are increasingly defenceless with more and more people becoming homeless.

I want to emphasize that homelessness is not something that happens in isolation. Homelessness is very much connected with the unemployment situation and with the lack of benefits through EI. Today a bill concerning young offenders was tabled. Young offenders are sure to appear in our society if there are people who do not have adequate housing and adequate protection. Health problems are connected as well.

What has actually happened over the years is the Liberal government has sacrificed our social safety net for the sake of balancing the budget. This has been done on the backs of the most vulnerable.

We urge today that we not be fooled by this legislation and that we do not support something that will antagonize the problem. Rather, let us look for real solutions to the problem of homelessness and housing.

Government Orders

• (1710)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, there has been a lot said about homelessness and the lack of money for housing. But is it not true that over the last decade various provincial governments, including the provincial governments in Ontario and British Columbia, have systematically deinstitutionalized all kinds of people who normally would be in an institution? They have been put into subsidized housing in the community, which in turn has led to a lot of these people turning up in the streets, often by choice.

Would the member not agree that part of this problem is actually a reflection of a change in the attitude of provinces toward institutionalizing people? Schizophrenics are a classic example of people who are now in the streets who 20 years ago were in institutions. Would the member comment on that please.

Mr. Gordon Earle: Mr. Speaker, I thank the hon. member for his question.

The problem is not that simple. There were many cuts to federal transfer payments which affected the areas of housing, social services and so forth. The provinces were put in a position where they were not able to handle a lot of these problems. The cuts to social housing go back much further. Even before the deinstitutionalization process began, there were very serious cuts to the social housing program.

I can recall many years ago when I was in my late twenties there was a co-operative housing program under the federal government. It seemed to find a fair degree of support in a lot of small rural communities. People would band together and build housing under this program. That program no longer exists. That program could meet a lot of the needs today if the federal government were serious about capping the housing problem.

It is a bit of a folly to blame the provinces and their programs of trying to bring about the deinstitutionalization of people. We know that concept would not work unless proper supports were there for the people who are deinstitutionalized. Again, that support needs funding, much of which has been cut by the federal government.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I am glad the hon. member mentioned the critical problem of psychiatric patients who are now on the streets and are homeless. It is a serious problem in our country today.

The fact that the mindset of certain provinces was to deinstitutionalize psychiatric patients was good for some of them. However, for a large number of them it was a profound tragedy which cost them not only hardship but also sometimes death.

The hon. member is very experienced in this matter. How does he feel about individuals who make a good salary taking advantage of and participating in subsidized housing? Those people are taking positions away from the people who truly need them. What would the member do about that?

Mr. Gordon Earle: Mr. Speaker, I am not as familiar as my hon. colleague may be with people who make good salaries and live in subsidized housing. In most instances where subsidized housing is involved, there is a means test and an income test in terms of whether people qualify. If programs are being abused, then I would be the first to say that there has to be a better way of checking up on those programs to make sure they serve the needs of the people who need the services most.

Again we come back to whether or not the departments and the people administering the programs are adequately resourced to make sure these programs are carried out properly. That comes back to the huge amounts of cuts that have taken place. In many departments and agencies people are carrying caseloads well beyond the norm. They cannot devote the time and effort required to make sure the programs run smoothly. It comes back to the federal government's withdrawal of payments that were formerly transferred for these kinds of programs.

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, this bill unfortunately is about what we are losing as a country and as individuals. We would not suddenly just by lowering taxes have more houses available to those people who may or may not have jobs, because just having a job now does not guarantee one will get a mortgage to get into a home.

• (1715)

I know of women with decent jobs who are single parents and are not eligible for a loan. Neither were they eligible for any help from CMHC so that they could buy a home, even though they had the money to make the monthly payments.

The saddest point about this issue is what we are losing. The bill would eliminate statutory requirements for social housing to be safe, sanitary and affordable. Those are minimum requirements that we would expect for any housing, let alone social housing.

I quote from a letter dated September 22, 1993, from the current Minister of Finance to the National Housing Coalition in which he stated:

We believe the federal government has a positive, proactive role in a national housing policy and the responsibility of accessibility and affordability to over one million Canadian households living in need of adequate shelter.

I could almost cry knowing that this has not happened and that in fact the reverse has happened. The government is not even willing to shelter those who are most vulnerable in society such as those

Government Orders

who have psychiatric problems and have ended up on the street. We are also talking about the elderly and the very young.

I have a young friend who left Yukon to return to Ontario and lived on the street for two to three months. She struggled really hard, lived in shelters and managed to get herself into high school. In fact she will graduate this year. She spends her spare time volunteering to help other kids get off the street.

Every day when I walk to work I make sure that I have money for the people who are on the street at 8 o'clock in the morning because they have no place to live. One man has lived under a bridge for the last 17 months. Why on earth would we tolerate that? We do not need people living without anything but a sleeping bag, a hat and a pair of sunglasses. We can afford to do better.

The bill shows an unwillingness to build houses, to take money from people who pay their taxes and turn it into four walls and a roof so that nobody will freeze to death in the night.

Another part of our population that suffers disproportionately when it comes to housing are our first nations people. Recently I saw a video put together by an Ontario group of first nations. In three towns the first nations people were at dumpsites using scraps to build shelters. They were living in burnt-out old vehicles. They had 10 to 20 people in their little shacks so that they could stay warm at night. This is all they had.

Those little places are regularly either burned down by the townships or bulldozed because they do not want them there. They do not want those little shanty towns outside their rather nice cities. That is all these people have to call home. Whatever piece of two by four, plastic or plywood they can put together is their home. Then as a country we say it is all right to burn them down. In those three communities alone there were nine deaths. They were called natural causes but dying of TB and exposure are not natural causes. Not having a place to live is not natural.

Another tragedy for these people is that they are the ultimate victims of the residential school system. Ninety-eight per cent of them have come out of that system. They do not fit in their own community. They do not fit in a white community. They live in our garbage dumps.

The people of one of the towns had enough compassion to have the RCMP arrest them and put them in a cell so that at least they would have a warm place overnight. Some 2,300 arrests were logged in one year just to give these people a warm place to sleep.

It has been said over and over that first nations people are living in third world conditions. They do not have equality. Our minister of aboriginal affairs has issued a Gathering Strength document dealing with building new partnerships. The problem is that they need to be equal to be partners. In no way can we say the first nations people of the world are financially equal to the rest of us. All we have to do is look at the houses they are forced to live in to

know that they do not have equality. How can they be considered partners that can go out and get financing to build homes?

• (1720)

The CMHC bill has indicated an intention to seek joint ventures with first nations as a way of facilitating housing developments on reserves. However, it would be a radical change to make first nations borrow from financial institutions to pay for their own housing. This would be a back door abandonment of the government's responsibilities for housing on first nations. Over half of the first nations population live off reserve and in the ghettos of our cities.

Canada has signed a lot of covenants and conventions recognizing that aboriginal people have the right to an adequate standard of living for themselves and their families including adequate food, clothing and housing. This is not being met by any stretch of the imagination.

As I travelled around Yukon I met a couple. They were elders and were forced to live in a burnt-out cabin. That is all they had. The older gentleman had arthritis in his hand so he could not build a new cabin. That is the kind of housing we are expecting them to live in.

When it comes to living in the north, the CMHC underwriting of mortgage insurance has been absolutely essential for anyone to get a house there. We would lose the capacity of the CMHC to absorb losses. If it underwrites these mortgages itself, it might decide that it cannot afford to insure houses in the north, that it is far too expensive and it will not do it. The state of Alaska has had to deal with the issue because it only has commercial mortgage insurance. No one would go into Alaska to insure homes so it had to depend on government intervention to insure mortgages to allow people to get homes.

It is a very different situation to try to get a mortgage for a home in the north. It is not something that happens even if one has the money to buy a home and pay the mortgage on a monthly basis.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I thank the hon. member for her eloquent testimony of the problems faced by aboriginal people both on and off reserve. The member mentioned giving things to people. No one would argue giving people the essentials so they have the ability, where they are physically able to do so, to take care of themselves and to provide essentials for themselves.

I would submit that in many cases we have created institutionalized welfare states in many aboriginal communities. Rather than giving people the basic essentials and then providing them with the tools to take care of themselves, we have given people the basic essentials and cut the soul out of them by not giving them the tools to provide for themselves, by not giving them the obligation to

Government Orders

participate in opportunities to take care of themselves. Would the hon. member care to comment on that?

Ms. Louise Hardy: Mr. Speaker, in Yukon we have an umbrella final agreement with most of the first nations having signed on and finished their land claims to have the obligation to look after themselves, to make their laws, to produce the goods they need to support themselves whether off the land or through commercial ventures where they would join in the greater part of Canada. Land claim agreements are exactly about what the member of the Reform Party is saying.

By supporting first nations agreements, claims and treaties for their own self-determination and self-government, we would be giving them the freedom to improve their living conditions and their way of life in a manner that suits their cultural background.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I say to the member opposite that I feel very keenly that the government has not yet done enough in terms of the housing needs of the people living in remote communities.

• (1725)

I hear where she is coming from. She has my sympathy. I hope the government will continue to look in this direction to find ways of bringing adequate housing to Canada's remote communities regardless of whether they are on reserve or off reserve aboriginals.

I come from a riding very close to the city of Hamilton. Hamilton must be the capital of social housing in Canada. Huge tracts of social housing were built in the 1980s and early 1990s on Hamilton Mountain. This basically emptied the 19th century housing in the downtown core and transferred the population from downtown Hamilton to uptown Hamilton.

Essentially in the lower city there is block upon block of empty apartment buildings, empty storefronts basically because the people have been moved to brand new social housing on the mountain.

I suggest to the member opposite that perhaps what is wrong here, where the government should be going and where I think this actual legislation has a beginning is that it is not really a question of spending more money. It is spending money wisely.

There is no reason in my mind that the existing housing stock in Hamilton could not have received some government assistance, either directly or indirectly, so that people could be housed in the city's core rather than transferring them to the suburbs.

Surely what we are really talking about here is a reallocation of resources and not necessarily more money.

Ms. Louise Hardy: Mr. Speaker, if it were just a reallocation of resources there would not be such a big problem. It is the taking away of resources and making it far more difficult for people to have homes. It is really homes for profit and not homes for health.

We are dealing with the privatization of homes and people who otherwise would never have a chance to own a home or to even be part of a home. It is about turning social policy into profit rather than just reallocating resources, better town planning, better input. Where should this housing go? How will it benefit us as a community? If that was all it is about, it would be a really good step. It is not.

It is about taking away the prospect of a home. We see the results day after day with more and more people on our streets and under our bridges, the young and the old. Even those who are working are not able to afford a home.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I will be brief and to the point.

Point number one is subsidized housing. There are two groups of people, those who need it and those who do not. For those who do not, I have had them in my office. They are Gucci socialists. These individuals are making good money and what they are doing is taking away homes from those people who desperately need them. This is an absolute outrage.

Point number two is the issue of the people who are homeless and on the street. There are a number of groups. Group one consists of those individuals who are psyche patients, as was mentioned before. This bespeaks of the deinstitutionalization that has taken place and that has been an abysmal horror for the people who suffer psychiatric problems.

We must provide areas where these individuals can be taken care of. Not only does this make sense from a humanitarian point of view but it is also good medicine and cheaper.

Point number three is the individual on the street suffering from drug problems. It bespeaks of the abysmal failure we have had in terms of how to deal with drug problems.

What we can look at as a solution is the Geneva experiment, the post-needle park experiment, which is probably the best program in the world right now on how to get hard core drug addicts off the streets, employed and integrated members of society. I ask that this issue be dealt with in a multifactorial manner.

On the long term approach of preventing these people from becoming homeless, what we need to do is address the problem at time zero. We can have a national head start program using existing resources based on the motion I had passed in the House last year.

It would go a long way in preventing a lot of the social problems that are occurring.

I implore the Minister of Human Resources Development to work with his counterparts, the Ministers of Justice and Health and their provincial counterparts, to develop an integrated approach where they can start off with the medical community at time zero, train volunteers in the middle based on the Hawaii head start program and use educational services for children starting at age four to eight.

• (1730)

Essentially it strengthens the parent-child bond to ensure that children have their basic needs met in those formative years. If children in their first years of life have their time disrupted through child abuse, drug abuse, being subjected to alcohol while in utero, et cetera, it has a dramatic and damaging effect on the psyche of these children and therefore does not enable them to become integrated members of Canadian society.

This has been proven time and time again. We have wonderful programs from the head start program in Moncton that the Minister of Industry was a leader in to programs in Michigan and Hawaii. If we incorporate those and use the motion that I had passed we will have a seamless program that will prevent a lot of these problems from occurring in the future.

The Deputy Speaker: It being 5.30 p.m., pursuant to order made earlier this day, the question to dispose of the second reading stage of Bill C-66 is deemed put and a recorded division is deemed demanded and deferred until Monday, March 15, 1999 at the expiry of the time provided for Government Orders.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PROGRAM FOR OLDER WORKERS ADJUSTMENT

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, on February 5, I put a question to the Minister of Human Resources Development regarding the Program for Older Workers Adjustment or POWA.

The answer the minister gave me was not satisfactory. I had reminded him that on the program *Zone Libre*, where he had appeared, he had finally admitted that the active measures he is now offering older workers who have been laid off, such as those of the BC mine, are not the answer to the special problems of this category of worker.

Adjournment Debate

I asked him:

Are we to understand that the minister is going to quickly throw together a new and improved version of POWA, a program that he himself cut?

The minister answered in general terms, too general, saying he was very pleased with the creation of 87,000 new jobs across Canada, half of them for young people.

I believe my question was very clear. It dealt specifically with the drastic situation of older workers. Their problem is that it is not easy for them to have access to the new jobs.

The work place is changing quickly. It is undergoing a mutation and requires new knowledge and skills. It is not surprising that young people eventually find a place in the labour market. We are very happy about it, but it does not solve the problems of older workers.

The minister keeps on saying that the best way to fight poverty and alienation is to create jobs, but he must understand that it is not the only way. It does not extinguish the government's responsibility to help people in dire straits.

On its own, the labour market cannot remedy inequalities and injustices. The minister himself admits this in his book. The state must correct the inequities in the labour market.

We must see reality as it is: older workers have real problems getting back into the workforce. Employers hesitate to hire them because of their age. To get any retraining is a lengthy process. The doors to the workforce are not exactly wide open to them. The minister is closing his eyes to the reality of older workers, and taking refuge behind overall market statistics.

The immediate need of older workers is financial assistance to help them survive, to meet their obligations, and to negotiate the long and difficult process of career training. These workers have paid into the employment insurance system for years without ever using it, and now they are more than deserving of our consideration and support.

• (1735)

When I watched *Zone libre*, I was hoping the minister was finally aware of the plight of older workers. Was I wrong?

Instead of shedding false tears over those who have been excluded, when will the minister take action and introduce an improved version of POWA to do something about the poverty and exclusion of older workers who have lost their jobs?

[*English*]

Mr. Reg Alcock (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I am pleased to respond on behalf of the minister. In response to some of the things the

Adjournment Debate

member had to say I would like to provide some information that may help her understand what the government is attempting to achieve.

The government is committed to helping unemployed workers, including older workers. We believe, however, that the best way to help unemployed workers is to help them return to the world of work. The program for older workers which ended last year offered only passive income support and it did little to help older workers adapt to a changing economy.

What the government has now done is shift its support to active employment assistance to help workers reintegrate into the workforce. Therefore our efforts are being directed to helping those older workers who need our help.

We have developed partnerships with the provinces through a number of labour market development agreements. These agreements are helping to deliver active employment measures tailored to the needs of unemployed workers. The government is showing its support for these workers by offering the provinces \$2 billion a year in EI funds to help support these active employment measures.

The member may also be interested to know that the majority of older workers continue to do relatively well in the labour market

when compared to other age groups. In fact, the unemployment rate for workers over 55 has decreased from 9% in 1993 to 6.3% in 1998.

Any unemployment is still too much, but certainly within the target group the member is interested in there has been considerable progress. The government has also shown its commitment to this important sector of the labour force through our commitment to the working group established by the forum of labour market ministers. The working group will seek to address the concerns raised by older workers and we are constantly in discussion with all the provinces to find ways to address the needs of this group.

I thank the member for her question and for her concern. I hope she will continue to work with us to see that the needs of older workers are addressed.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.37 p.m.)

CONTENTS

Thursday, March 11, 1999

ROUTINE PROCEEDINGS		(Orders discharged and bills withdrawn)	12715
Business of the House			
Mr. Boudria	12713		
Motion	12713		
(Motion agreed to)	12713		
Committees of the House			
Fisheries and Oceans			
Mr. Hubbard	12713		
Mr. Adams	12713		
Mr. White (Langley—Abbotsford)	12713		
Mr. Kilger	12713		
Mr. Adams	12713		
Youth Criminal Justice Act			
Bill C-68. Introduction and first reading	12714		
Ms. McLellan	12714		
(Motions deemed adopted, bill read the first time and printed)	12714		
Canada Water Export Prohibition Act			
Bill C-485. Introduction and first reading	12714		
Mr. Lincoln	12714		
(Motions deemed adopted, bill read the first time and printed)	12714		
Electoral Boundaries Readjustment Act			
Bill C-486. Introduction and first reading	12714		
Mr. Goldring	12714		
(Motions deemed adopted, bill read the first time and printed)	12714		
National Day Against Impaired Driving Act			
Bill C-487. Introduction and first reading	12714		
Mr. White (Langley—Abbotsford)	12714		
(Motions deemed adopted, bill read the first time and printed)	12714		
Ways and Means			
Mr. Adams	12714		
Motion	12714		
(Motion agreed to)	12714		
Motion No. P-26			
Mr. White (Langley—Abbotsford)	12714		
(Motion agreed to)	12714		
Committees of the House			
Industry			
Mr. Adams	12714		
Motion	12714		
(Motion agreed to)	12714		
National Symbol of Canadian Unity Act			
Income Tax Act			
Criminal Code			
(Bill C-413. On the Order Private Members' Business) ..	12715		
(Bill C-414. On the Order Private Members' Business) ..	12715		
(Bill C-425. On the Order Private Members' Business) ..	12715		
(Bill C-426. On the Order Private Members' Business) ..	12715		
Mr. Myers	12715		
Petitions			
Human Rights			
Mr. Szabo	12715		
Violent Offenders			
Mr. White (Langley—Abbotsford)	12715		
Merchant Navy Veterans			
Mr. Goldring	12715		
Pay Equity			
Mr. Bergeron	12715		
Multilateral Agreement on Investment			
Mr. Solomon	12715		
Pay Equity			
Mr. Marceau	12716		
Questions on the Order Paper			
Mr. Adams	12716		
GOVERNMENT ORDERS			
War Veterans Allowance Act			
Bill C-61. Report stage	12716		
Motion for concurrence	12716		
Mr. Dhaliwal	12716		
(Motion agreed to)	12716		
Third reading	12716		
Mr. Dhaliwal	12716		
Mr. Wood	12716		
Mr. Goldring	12717		
Mr. Godin (Châteauguay)	12719		
Mr. Earle	12722		
Mrs. Wayne	12723		
(Bill read the third time and passed)	12725		
National Housing Act			
Bill C-66. Second reading	12725		
Mr. Massé	12725		
Ms. Parrish	12725		
Mr. Schmidt	12727		
Mr. Lebel	12733		
Mr. Ménard	12735		
Mr. Ménard	12737		
Mrs. Dockrill	12738		
Mr. Stoffer	12740		
Mr. Assadourian	12741		
Mr. Stoffer	12741		
Mr. Martin (Winnipeg Centre)	12741		
Mr. Stoffer	12741		
Mr. Bernier (Tobique—Mactaquac)	12741		
Mr. Stoffer	12744		
Mr. Bernier (Tobique—Mactaquac)	12745		
Mr. Dubé (Madawaska—Restigouche)	12745		
Mr. Bernier (Tobique—Mactaquac)	12745		
Mr. McKay	12746		
STATEMENTS BY MEMBERS			
Canada Cord Ceremony			
Mr. Cannis	12747		

Member for Edmonton North	
Ms. Meredith	12747
Family and Children Services	
Mr. Jordan	12747
National Farm Safety Week	
Mr. Myers	12747
Member for Edmonton North	
Mrs. Ablonczy	12748
NATO	
Mrs. Ur	12748
Bioartificial Kidney	
Mr. Adams	12748
Organ Donations	
Mr. Malhi	12748
Member for Edmonton North	
Mr. Manning	12748
Education	
Ms. Folco	12749
Foreign Aid	
Mr. Robinson	12749
Luc Plamondon	
Ms. St-Hilaire	12749
Nuclear Challenge	
Mr. Bachand (Richmond—Arthabaska)	12749
Info Fair	
Mr. McTeague	12749
Member for Edmonton North	
Mr. Ramsay	12750
Families	
Mrs. Dockrill	12750
Year 2000	
Mr. Guimond	12750
Markham Philharmonia Society	
Mr. Jones	12750

ORAL QUESTION PERIOD

Young Offenders Act	
Mr. Manning	12751
Ms. McLellan	12751
Mr. Manning	12751
Ms. McLellan	12751
Mr. Manning	12751
Ms. McLellan	12751
Mr. Cadman	12751
Ms. McLellan	12751
Mr. Cadman	12752
Ms. McLellan	12752
Shipbuilding	
Mr. Duceppe	12752
Mr. Manley	12752
Mr. Duceppe	12752
Mr. Manley	12752
Mr. Dubé (Lévis—et—Chutes—de—la—Chaudière)	12752
Mr. Manley	12752
Mr. Dubé (Lévis—et—Chutes—de—la—Chaudière)	12752

Mr. Manley	12752
Young Offenders Act	
Ms. McDonough	12753
Ms. McLellan	12753
Ms. McDonough	12753
Ms. McLellan	12753
National Defence	
Mr. Price	12753
Mr. Eggleton	12753
Mrs. Wayne	12753
Mr. Eggleton	12753
Young Offenders Act	
Mr. Reynolds	12753
Ms. McLellan	12753
Mr. Reynolds	12754
Ms. McLellan	12754
Young Offenders Act	
Mr. Bellehumeur	12754
Ms. McLellan	12754
Mr. Bellehumeur	12754
Mr. Bellehumeur	12754
Ms. McLellan	12754
Miss Grey	12754
Ms. McLellan	12755
Miss Grey	12755
Ms. McLellan	12755
Employment Insurance	
Mrs. Gagnon	12755
Mr. Pettigrew	12755
Mrs. Gagnon	12755
Mr. Pettigrew	12755
Taxation	
Mr. Solberg	12755
Mr. Martin (LaSalle—Émard)	12755
Mr. Solberg	12756
Mr. Martin (LaSalle—Émard)	12756
Public Service	
Mrs. Venne	12756
Mr. Massé	12756
Snow Geese	
Mr. Charbonneau	12756
Mr. Normand	12756
Health	
Mr. Hill (MacLeod)	12756
Ms. Caplan	12756
Mr. Hill (MacLeod)	12757
Ms. Caplan	12757
Construction Contracts	
Mr. Solomon	12757
Mr. MacAulay	12757
Mr. Solomon	12757
Mr. MacAulay	12757
Young Offenders Act	
Mr. MacKay	12757
Ms. McLellan	12757
Mr. MacKay	12757
Ms. McLellan	12758
Ms. McLellan	12758
National Defence	
Mrs. Kraft Sloan	12758

Mr. Eggleton	12758
Trade	
Mr. Penson	12758
Mr. Marchi	12758
Elk Breeding	
Mr. Plamondon	12758
Mr. Normand	12758
Young Offenders Act	
Mr. Mancini	12758
Ms. McLellan	12759
The Homeless	
Ms. St-Jacques	12759
Mr. Gray	12759
Trade	
Mr. Penson	12759
Mr. Marchi	12759
Year 2000	
Mr. Assadourian	12759
Mr. Eggleton	12759
Urban Smog	
Ms. Girard-Bujold	12759
Mrs. Stewart (Northumberland)	12759
Housing	
Ms. Davies	12760
Mr. Gray	12760
International Trade	
Mr. Calder	12760
Mr. Marchi	12760
Poverty	
Ms. St-Jacques	12760
Mr. Gagliano	12760
Points of Order	
Comments During Question Period	
Mr. Reynolds	12760
Business of the House	
Mr. Grewal	12760
Mr. Boudria	12760

GOVERNMENT ORDERS

National Housing Act	
Bill C-66. Second reading	12761
Mr. McKay	12761
Ms. Davies	12761
Mr. Szabo	12763
Ms. Davies	12764
Mr. Pagtakhan	12764
Ms. Davies	12764
Mr. Elley	12765

Mr. Szabo	12767
Mr. Elley	12767
Mr. Schmidt	12767
Mr. Elley	12768

ROYAL ASSENT

The Acting Speaker	12768
--------------------------	-------

GOVERNMENT ORDERS

National Housing Act	
Bill C-66. Second reading	12768
Mr. Martin (Winnipeg Centre)	12768
Mr. Canuel	12771
Mr. Martin (Winnipeg Centre)	12772
Mr. Grewal	12772
Mr. Robinson	12774
Mr. Grewal	12774
Mr. Robinson	12775
Mr. Grewal	12775

THE ROYAL ASSENT

The Deputy Speaker	12775
--------------------------	-------

GOVERNMENT ORDERS

National Housing Act	
Bill C-66. Second Reading	12775
Business of the House	
Mr. Kilger	12775
Motion	12775
(Motion agreed to)	12775
National Housing Act	
Bill C-66. Second reading	12775
Mr. Grewal	12776
Mr. Penson	12776
Mr. Grewal	12776
Mr. Earle	12776
Mr. Bryden	12778
Mr. Earle	12778
Mr. Martin (Esquimalt—Juan de Fuca)	12778
Mr. Earle	12778
Ms. Hardy	12778
Mr. Martin (Esquimalt—Juan de Fuca)	12779
Ms. Hardy	12780
Mr. Bryden	12780
Ms. Hardy	12780
Mr. Martin (Esquimalt—Juan de Fuca)	12780
Divisions deemed demanded and deferred	12781

ADJOURNMENT PROCEEDINGS

Program for Older Workers Adjustment	
Ms. Girard-Bujold	12781
Mr. Alcock	12781

MAIL  POSTE

Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

03159442

Ottawa

If undelivered, return COVER ONLY to:

Canadian Government Publishing,
45 Sacré-Coeur Boulevard,
Hull, Québec, Canada, K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à:

Les Éditions du gouvernement du Canada,
45 boulevard Sacré-Coeur,
Hull, Québec, Canada, K1A 0S9

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique «Parliamentary Internet Parlementaire» à l'adresse suivante :
<http://wwwparl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Canadian Government Publishing, Ottawa, Canada K1A 0S9

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9

On peut obtenir la version française de cette publication en écrivant à : Les Éditions du gouvernement du Canada, Ottawa, Canada K1A 0S9