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(HANSARD)

Monday, March 20, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, March 20, 2000

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

• (1100)

[*English*]

SUPPLY

ALLOTTED DAY—CANADA HEALTH AND SOCIAL TRANSFER

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

That this House calls on the Minister of Finance to increase the Canada Health and Social Transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

She said: Mr. Speaker, it is a pleasure to introduce this motion to the House this morning.

I would like to advise the Chair that I will be splitting my time with my colleague from Calgary East.

The motion before us today is very simple. It is a very small first step that the government could take today to put its money where its mouth is on the health care issue.

• (1105)

The issue is simple. The motion states that the finance minister be directed to cancel the additional money that he gave to grants and contributions in the last budget and instead put that money into health care.

We are talking about \$1.5 billion. The government at this point spends over \$13 billion on grants and contributions. The finance minister increased that in this budget by \$1.5 billion. We are saying

that over \$13 billion is plenty at this point for the government to spend on grants and contributions, particularly in light of its very uninspiring track record at mismanaging these moneys.

We are saying that, instead, this additional \$1.5 billion, topping up the \$13 billion already going into grants and contributions, should be put into our ailing health care system.

This is a very reasonable motion and it is a very small step that the government could take on the issue of health care.

I will first talk about the government's shocking record of mismanagement on grants and contributions. Of course, we know about the record of the human resources department, which spends over \$3 billion in grants and contributions a year.

A recent audit revealed that the government was so lax in managing this enormous amount of money that in 46% of the cases there was no estimate on who would be participating in the projects that were funded. In 72% of the cases there was no cash flow forecast. In 80% of the cases there was no evidence of financial monitoring. In 87% of the cases there was no evidence of supervision of the projects. In 97% of the cases there was no evidence that anyone had checked on the background and what money might be owed by the recipients of the grants.

Let us look at an audit that was done of the transitional jobs fund, just one of the programs that is being funded by the government. That audit showed that, of the private sector partners interviewed in the survey, 47% said their projects would have gone ahead without TJJ funding. Almost half would have gone ahead anyway.

In actual numbers, putting public and private funds together, because the minister likes to talk about partnerships, all of the partners together contributed \$104,000 for every new job. All of the others would have been created anyway. The jobs created were for an average of \$13 an hour, which works out to \$27,000 a year. It cost the government \$104,000 to create a \$27,000 job. Go figure. At the same time our health care system is going begging for funding from this government.

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The survey added: “The sustainable results must be treated with caution. The estimates are still based on mere expectations, not real experiences”.

In other words, these jobs that cost \$104,000 each to create are not even, for sure, long term. They may disappear shortly.

Let us look at an audit of the Atlantic groundfish strategy, which spent billions of dollars. The April 1999 report of the auditor general stated: “We have little assurance that all contributions under the Atlantic groundfish strategy were used for their intended purposes. These were part of TAGS active labour adjustment measures, which were managed, or shall we say mismanaged, by Human Resources Development Canada”.

• (1110)

Today the news is about HRDC grant cheques. Cheques for nearly \$200 million of HRDC job grants were sent to destinations with missing, invalid or non-designated postal codes. In other words, our money is ending up in the hands of people who were not intended to get it because the government is so mismanaging that it cannot even get the address right on the envelope.

Another headline reads: “Misusing federal grant money”. The human resources department tells the Bloc Quebecois that it cannot have information about a grant because it is under investigation. The minister said “No, it is not under investigation”, and that same day, mysteriously, the investigation disappeared. We have to wonder why. Is there an investigation or is there not an investigation? Yet, the Prime Minister has said that anyone caught abusing money will pay for it. Investigations seem to appear and disappear like fireflies on a June night.

Another headline concerns Amtrak. The government secretly loaned \$1 billion to a U.S. railroad. This is the same government that excoriates a supposed move toward American style health care. It seems quite happy to support \$1 billion for an American train company, but not \$1 billion for health care.

Another of today’s headlines concerns the Export Development Corporation, which has loaned billions of dollars to foreign companies, of which almost \$3 billion has already had to be written off. Imagine what that \$3 billion which the government squandered could have done for our health care system. The government does not have money for health care, but it does have money for the Export Development Corporation so that selected companies in Canada can get sweetheart contracts. Those companies, just by the by, have been heavy supporters of the Liberal Party.

Another headline today concerns Telefilm Canada, which is heavily subsidized by the government to protect our culture against those nasty Americans. One of the companies that we have been supporting with our money, which we work for, has been fraudulently using Americans to write scripts so they can get a tax credit. This is just today’s news.

Another headline concerns DND overpayments. It notes that on at least three cases the defence department paid the same bill twice.

That is the government’s record of mismanaging our money, and yet the government says it has no money for health care. That just is not good enough.

Today my colleagues and I will be talking about why the government should get serious about putting money into our health care system, which it has stripped of the resources needed to keep it on an even footing. My colleagues and I will talk about the numbers, about the billions that have been stripped from our health care system by the government, while it misuses, abuses, squanders, wastes and pork barrels billions of dollars on other programs. It is not good enough and we want it stopped. We want a reversal, and that is what this motion is about today.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, if my memory serves me correctly, it has been pointed out in the House that there were many grants supporting various organizations, institutions and other groups in the riding of Calgary—Nose Hill which created jobs that helped people return to the workforce, easing the transition. I just wanted to make sure that I understood her correctly. Is she saying that the administration of the grants in HRDC needs to be tightened up?

• (1115)

The minister has stated quite clearly that she has a plan in which the auditor general is involved and that she is coming in to clean that up. Perhaps the member could clarify what she is saying. Is she saying that all the grants and contributions which went into her riding would be part of this \$1.5 billion and that she would be happy to completely cut them out?

Mrs. Diane Ablonczy: Mr. Speaker, what a nonsensical question. Over \$13 billion are being spent by the government in grants and contributions. We have not said that we should cut a nickel of that, although a lot of people would. In addition to the \$13 billion the government put another \$1.5 billion into these grants programs in spite of its shocking track record of mismanagement.

We are saying that it should not put one more nickel into grants and contributions, but that money should be put into health care. The sick people of Canada are crying for support from the government, and instead the government has money for all the boondoggles and all the mismanagement of the past. It can increase that money but for health care there is only a pittance. We are saying the money that would have topped up grants and contributions should go into health care.

The member has the nerve to say that this money creates jobs. How does he know? Records have not been kept. In fact the government audits indicate that the job forecasts are not reliable because information is not available on which to rely. I ask the member not to mislead Canadian people by pretending this money

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has created jobs when the government's own audit says that job creation forecasts are not believable.

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I was very interested in listening to the comments of the Reform Party member. What is so inexplicable and hard to understand in HRDC are the inconsistencies such as in the young entrepreneurs program in Yukon and B.C. where \$300,000 were supposed to be available.

A group of volunteer businessmen got together to help young kids to do it on their own. Within a year a lot of them had jobs. They created newspapers and were involved in outfitting and guiding. They showed really advanced thinking and worked in remote communities.

This group got together and got everything up and running. They signed contracts based on the \$300,000, but a month later they were told there was no money for them, that all they would actually get was \$94,000. These people then had to make up the difference themselves because they were honourable and they had based their decision on what HRDC had said to them. All the information that could be brought to the officials at HRDC did not change them or move them.

This program was successful but was left in the lurch out of the blue without an explanation. I would like the member's comments on it.

Mrs. Diane Ablonczy: Mr. Speaker, the point is well taken. These programs have been so mismanaged and so poorly administered that even the people who were supposed to be helped are complaining bitterly about being jerked around by the improper communication and irresponsible management of the programs.

We are not asking that any of the money put into these programs be cut. We are asking for these programs to be left in place and for the money to be left in place. We should not give any more to those programs right now but the money instead should be given to health care.

The government cannot get its story straight on health care. On March 8 the Prime Minister rejected calls for health talks and told the premiers that they had to fix the system and then he would talk to them. A few days later the Prime Minister bragged about meeting with the premiers later this month. Is the government on or off? As the member said, we can never tell whether or not the government will go ahead with something. This does not give the required certainty to people who depend on the health care system.

• (1120)

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I am pleased to rise on behalf of the constituents of Calgary East to speak to today's Reform sponsored supply day motion. I would like

to repeat the motion of my colleague from Calgary—Nose Hill so that it is very well understood.

That this House calls on the Minister of Finance to increase the Canada health and social transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

We all know and it is no state secret that the finance minister is trying for the Prime Minister's job, but Canadians feel that health care is the number one priority. Even the Liberal pollsters stated at the convention that health care was the number one priority of the country. Partly they feel that under the Liberal government health care is in a crisis because it has cut and cut and cut its contributions to health care. At the same time it increased the HRDC grants and contributions by \$1.5 billion.

Over the last few months the official opposition has showed what has gone massively wrong with the grants and contributions in HRDC, especially the transition jobs fund. We have asked the minister and the government for answers on where and how taxpayer money was spent. We did not get any credible answer.

What we got was a spectacle of stupidity. We now see that the minister of HRDC was stealing supposedly so-called jobs from the government's own Liberal MPs next door to her riding and moving them into her riding in HRDC grants. It has been quite clear that in the last two and a half months that the HRDC transitional jobs fund was a slush fund for the government to blatantly buy jobs and give an impression.

The Prime Minister said that it was his job to work for his constituency. That is fine, but he forgets he is the Prime Minister of Canada and his constituency is the whole of Canada, not only Shawinigan. How can we account for his riding of Shawinigan getting more money than Alberta, Saskatchewan and Manitoba combined? How can that be explained? Perhaps the Prime Minister should be told that he has a whole country to take care of, not just his friends.

Let us talk about Earth Canada. When we asked a question about EDC giving money to Earth Canada, which has cronies of the Prime Minister as directors, the Minister for International Trade said that it was a business decision. They are hiding behind the fact that EDC gave money to a firm that could buy services from Earth Canada. At the end of the day, after we had gone around in circles, the cronies of the Prime Minister sitting on that board had benefited from the loan, not the other companies.

We have seen an exposé on EDC. The same has happened with Amtrak. Money was given to the richest country in the world for Amtrak and we are financing it. At the end of the day it comes down to Bombardier in Montreal that will benefit from the so-called grant. Where is all this money? Somehow somewhere it points to the Prime Minister, his friends and Liberal cronies that are appointed to sit on these boards.

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Canadians from one end of the country to the other are asking what is happening with the government, a government that is lacking in leadership? The pollsters have to tell the Liberals, not their own MPs who should be listening to their constituencies, that health care is the number one crisis. It is the pollsters who have to tell them. It shows how much in touch Liberals MPs are with their constituents. It is very easy. If they sit in their offices they will know what Canadians are telling them.

• (1125)

Why can it not be possible for the government to transfer that \$1.5 billion to health care, the Canada health and social transfer?

When I was in my riding this past weekend Canadians came to the office to say that they were worried about health care. Health care is their number one priority. They are very much worried about it. The cuts the government made to health care have created a crisis. The provinces are trying their best to balance the shortfall.

On the day the Minister of Finance brought down his so-called great budget, did the government listen to the Premier of Newfoundland, Brian Tobin, a Liberal colleague? This person, who would like to be the leader of that party, came out smacking the government by saying that the health care transfer was not sufficient and there was crisis?

What do we have? We have the Minister of Finance giving \$1.5 billion to grants and contributions in the federal budget so the government can feed its friends who hold all these positions. When will the government listen to Canadians? If it does not then it will end up sitting on the opposition benches.

Let us look at grants and contributions. The government says it wants to create jobs, but every economist says that taxes in the country are the number one job killer, the brain drain. A simple solution is not to throw money. That does not create jobs. Even the auditor general says so. The simple solution is to reduce taxes. That would clearly increase productivity in the country. That would be the simple solution.

What do we get from the Minister of Finance in the budget? A tax cut. I do not think it is even a modest tax cut. It is a band-aid solution. Canadian economists all stated that we should reduce taxes so that productivity would increase and Canada would rightfully go back to its position as the number one country in the world.

The official opposition has presented a 17% flat rate plan, contrary to what the Prime Minister would like to say. That would address many issues. It would put money back into the pockets of Canadians. It would put money back into the pockets of single mothers. It would put money back into the pockets of women who have decided to stay home to raise their children. That is where the money should be. At the end of the day it is the consumer who will drive the economy.

These are simple solutions, but based upon the Liberal convention last weekend we know the government is lost and without vision. At this time I would like to move the following amendment:

That the motion be amended by inserting after the words "the Minister of Finance to" the word "immediately".

The Deputy Speaker: The question is on the amendment.

• (1130)

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I have sat here and listened with a lot of interest to the two speeches by the Reform members. My evaluation of the speeches by the members for Calgary—Nose Hill and Calgary East was that they were long on rhetoric and very short on facts. I will try to get an answer out of the member for Calgary East.

In the last budget, we transferred emergency funds to the provinces and they were to spend it. Now we find that in Quebec, for instance, it took \$700 million, which was supposed to go into health care, and put it into a savings account at the TD Bank. We transferred \$1.3 billion to Ontario, Mike Harris' government. It spent \$750 million of it but banked \$556 million, again in a savings account. Mr. Harris says he will spend every cent of it on health care.

My question for the member is how do we get the provinces to spend the money we are transferring to them on health care instead of putting it into a savings account? How do we do that?

Mr. Deepak Obhrai: Mr. Speaker, that is quite an interesting and valid question. I will give him that point as to why the Quebec government did not use that money.

I would like to say to the member that just after the budget someone wanting to run for his party was on television stating that the government had not put enough money into health care. Last week Brian Tobin was on television saying that the government had not put enough money into health care.

Maybe the member can tell me if he really thinks that the government has transferred enough money for health care. Does he think that?

Mr. Rey D. Pagtakhan (Winnipeg North—St. Paul, Lib.): Mr. Speaker, my question is for the member for Calgary East.

I think what we heard from the speech was a camouflage of love and like for our medicare system. The Reform Party is asking for \$1.5 billion. The federal government has already increased the budget by \$2.5 billion. The Reform Party is too late in asking for something even less.

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I call on the consciousness of those who heard his speech filled with emotion purported to be for health and yet not one word did we hear about medicare.

My question to the member is does he believe in medicare?

Mr. Deepak Obhrai: Mr. Speaker, with all due respect to my colleague, I think he has everything wrong.

Let me repeat this so that he can understand it quite clearly. We are saying that the government should increase the transfer for health care and social services by the \$1.5 billion that it is going to give to the transitional jobs fund. We are not talking about the \$2.5 billion.

As we have heard, quite clearly, the premiers are saying that there is not enough money. Why is the government giving \$1.5 billion extra to the transitional jobs fund that everyone, including members of the House, say is a disaster and a fiasco for this country?

• (1135)

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, after listening to the member's speech I have to agree with him on the transfer payments going to Amtrak and Bombardier. However, with regard to health, everyone in the House knows that what the government did to the hepatitis C victims is a disgrace. It likes to talk about how caring and sharing it is and how it worries about people but it has only seen fit to pay off the lawyers in this case.

What does the hon. member think of a government that will pay off the lawyers and allow the victims to die?

Mr. Deepak Obhrai: Mr. Speaker, what my colleague has raised is exactly what is wrong in the way the whole program is handled by a government that has no vision. The point is clearly highlighted that the money has gone to the lawyers because the government would not make a decision. This is another waste of taxpayer dollars that is not directly helping Canadians but helping someone else, as the boondoggle has shown.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, when we look at this resolution and what we have heard in the House today, I find it passing strange that the resolution would call on the federal government to increase the transfers to the provinces with no strings attached.

In their speeches, members have called on increased spending for health care. Why would they not have had the forthrightness to insist that it go strictly to health care spending?

I also find it passing strange that the member for Calgary East called on us in a clarion summary to cut taxes. Instead of spending

\$1.5 billion here, not cutting spending and transferring it to the provinces as the resolution said, why did the hon. member not call on us to cut taxes by a further \$1.5 billion? It is just part of the inconsistencies that we see.

Let me address the issue of federal transfers. First, in the last four budgets the federal government has increased the CHST transfers to the provinces for their own spending purposes.

In the previous budget, that of 1999, we increased those transfers by \$1.5 billion. In February's budget, of this year, we increased it by a further \$2.5 billion. That is an increase of 25% over the last two years and the CHST is now at \$31 billion, the highest it has ever been in the history of the country.

In addition to the CHST, which is \$31 billion, we also have to consider the other transfers that we make to the provinces which they can spend according to their own priorities. That includes equalization which, through reforms that we have undertaken, is now at \$9.5 billion.

We also have to take into consideration that when we reformed the CHST in the previous budget we eliminated the so-called cap on the CAP. Provinces like Ontario will have benefited to the tune of almost a billion dollars extra over five years as we move to an equal sharing among the provinces on a per capita basis.

Let us look at how much these transfers should probably be. There are a number of issues. We know that the provinces have an insatiable appetite for any funds that we might make available. However, what is right and what is fair in the circumstances? Is it right that we should increase the transfers to provinces that are still in deficit, that are using the funds for creating tax cuts, that are borrowing money to pay for tax cuts and saddling future generations with that burden? Should this be one of our national priorities?

Should it be a national priority to increase the transfers to a province, such as Alberta, which has no sales tax today and which is introducing a flat tax that will proportionally benefit only the rich at the expense of middle income taxpayers, middle income taxpayers who will pay more under their flat tax than they would under the new federal personal income tax proposals brought down in our last budget? Is this what we should be financing?

• (1140)

Look at the debt burdens of the federal government and the provinces. Twenty-six cents out of every tax dollar paid federally goes to pay the interest on our debt. At the provincial level it is half that, 13 cents. Whose debts are the most onerous? Which ones should we give priority to as a nation in attempting to eliminate?

Let us look at health care transfers. The federal and provincial governments spend a total of \$64 billion on health care in the

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country. The federal government spends \$3 billion directly. In addition to that, when we look at the overall transfers that we make, the CHST, which consists of cash and tax points, is \$31 billion. The traditional share of that some 20 years ago was that 54% of that went to health care, so that 54% of \$31 billion is about \$17 billion. If we add the \$3 billion that we spend directly, the federal government's contribution to health care financing in the country is about \$20 billion or about 31% of the total of \$64 billion that is spent.

It is not fair for provinces such as Ontario to say that we are financing only 9% of health care. That is not right. If we add in the extra almost \$10 billion that we pay in equalization, it would take the federal share to over 50%, assuming all equalization payments were spent on health care.

In conclusion, regardless of the figures and the debates, Canadians do not care whether health care is a federal, provincial, municipal or even United Nations jurisdiction. All they want is top quality health care when they need it. This is why they do not want their politicians bickering and fighting. Canadians have a right to be upset. When ambulances are diverted away from the nearest emergency ward, when people are let out of the hospital too soon and do not have adequate alternative care or home care, when there are long waiting lines and when people are being shipped to the U.S. for health care treatment, Canadians expect their political representatives at all levels to work together to make sure that Canadians continue to have top quality health care.

As the Prime Minister has said many times, we will not sacrifice the Canada Health Act. This is why we will not give additional money to the provinces until we sit down with them and work out the ways to have those funds directed for the benefit of all Canadians and to preserve the five principles of medicare. This is why we have called on the health ministers to come to Ottawa and discuss these issues with us, to work together. Canadians expect nothing less of their political representatives and they deserve that we get together to protect and preserve one of the greatest health care systems in the world.

The Deputy Speaker: I am assuming that the minister was splitting his time because I noticed his speech was very short.

Hon. Jim Peterson: Yes, I am.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, it seemed very long to me. I would have expected a little more responsibility from the assertions made by the member. He is, after all, connected with the finance department. For example, he criticized the motion for purporting to give this money to the provinces "no strings attached". However, that is the very same condition under which this government is giving money to health

care. It is giving money under the auspices of the health and social transfer which is, as far as I know, the only way it can be given. Why would the member criticize the motion for doing the same thing the government is doing?

• (1145)

He also said that the last budget gave \$2.5 billion more to health care but he neglected to mention that is over the next five years. This year less than \$1 billion will be given to health care by the government. Is it not a little duplicitous to pretend that this budget gave \$2.5 billion more to health care when it is only giving it over the next five years?

Is it also not a fact that the federal government transfers in support of health care dropped by 28% since the government took office? We can juggle numbers but the raw fact is that the federal support for this important program to Canadians dropped by 28% under the neglect of the government. It cut the heart out of health care, slashed and burned support and now has the nerve to attack us for wanting to put back even the most modest amount, which is only \$1.5 billion in our motion.

I invite the member to set the record straight, to be straightforward when he gives facts, and to tell Canadians exactly why the government is trying to find excuses not to give extra money to health care, particularly when it is spending \$86 billion more over the next five years. It has \$86 billion more to spend over the next five years than it has today, but it has just a pittance for health care.

Hon. Jim Peterson: Mr. Speaker, there are three errors in what the member for Calgary—Nose Hill just said.

First, the total transfers reached a high in 1993-94 of \$29 billion when we consider the cash component and the tax points. Under this budget they will go to about \$31 billion, an all-time high. They have not been cut. We have to take into consideration not just the cash component but the tax points which we gave to the provinces which they can draw down on and which represent cash in their hands. Forgone taxes at the federal level, increased tax revenue at the provincial level, it is cash in their hands along with the cheque we actually give them.

Second, the member was absolutely wrong when she said that the \$2.5 billion in the February budget was over five years. That can be drawn down immediately by the provinces.

Third, she was wrong when she said that we are not prepared to give extra to health care. We have called on the provinces to send their health ministers to Ottawa to work out with us the ways to preserve the Canada Health Act and medicare. We will not give it no strings attached. We want to make sure that one of the best medical delivery systems in the world is maintained and is not

eroded by provinces that want to privatize it, such as Alberta. We will not allow that.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I remind the hon. member that when the provinces signed on to the medical system it was supposed to be a 50:50 proposition. Now we are down the member says 9% but I will give him the benefit of the doubt and say 13% of federal financing.

My question pertains more to what the government is doing in regard to the hepatitis C victims. The government has allowed the victims to sit with absolutely no compensation at all. Some of these people are not capable of working. They are sick. Some are close to dying and yet the government has seen fit to only pay the lawyers and not the victims.

I would like to know, since the member is in the financial end of this, how much interest is he saving by not paying the victims?

Hon. Jim Peterson: Mr. Speaker, obviously the member was not listening when I talked about the share of public money provided by the federal government and the provincial governments for the delivery of health care services.

Let me start again. There is about \$64 billion spent by the federal and provincial governments combined on delivering health care services in Canada. The transfers we make to the provinces, the CHST, are \$31 billion. Traditionally 54% of that went to health care as opposed to post-secondary education and social welfare. That would be about \$17 billion out of the \$31 billion which is our contribution. Add to that the \$3 billion we spend directly for health care to Canada's first peoples, to our military and to the RCMP and we are at \$20 billion. Twenty billion dollars out of \$64 billion is 31%. It is not 13% as the member said. If we add to that the close to \$10 billion in equalization that we make to the provinces, which can be spent on health care, it is well over 60%. It is not 13% as the member said.

• (1150)

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, it is a pleasure to speak to the opposition motion. It gives me an opportunity to highlight all the grants and contributions programs that are making such tremendous differences in the lives of so many Canadians.

The grants and contributions we are talking about are moneys that go to help Canadians who have not been able to find work. It is done through targeted wage subsidies and through self-employment assistance. It is money that goes to communities that may not have a diversified economy to help build new opportunities and jobs for the people who want and need them. It is money that goes to young Canadians to help them land their first work experience, or to youth at risk to help them make a fresh start in life. It is

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money that goes to hundreds of thousands of more Canadians to help them get the literacy and the life and job skills needed to turn their lives around.

These are the kinds of programs we are talking about. They are proven programs that Canadians have come to count on. That money is invested in communities across the country regardless of political stripe.

At the heart of these programs is the notion that in return for individual responsibility we must expand opportunity. We must give Canadians the tools they need to succeed. These programs are about expanding opportunity for hundreds of thousands of Canadians.

Our economy with its 1.9 million new jobs is stronger today than it has been in generations. We are making one of the greatest economic expansions in Canadian history with unemployment at its lowest levels in more than two decades.

These programs are hard at work for Canadians who have been left out of the new economy. Thousands of individual Canadians and thousands of small organizations depend on these programs for their livelihood and indeed for their very survival.

The transitional jobs fund created jobs for over 30,000 Canadians, bringing new hope to areas of high unemployment. Its successor, the Canada jobs fund, is continuing to create jobs today. These are practical programs that are helping the unemployed get jobs.

I should point out that the vast majority of the jobs created are permanent year round jobs. The Canada jobs fund's success is based on valuable partnerships forged between the Government of Canada, the provinces and territories, the private sector and local communities to help create opportunities and jobs for Canadians.

I am talking about 30,000 Canadians who now have work thanks to opportunities we have created, work that would not have been available otherwise. We are helping people to provide for themselves and for their families. Those people know the pride of bringing home a regular paycheque and know the dignity of making their own way in the world.

The Government of Canada also recognizes the need to help young people and has acted on it. We have created successful programs to help young people develop the skills they need to build for the future. So far over 300,000 young Canadians have been able to give their careers a boost by landing their first work experience, landing summer jobs or by starting their own businesses.

I am talking about programs that stress both opportunity and responsibility and give our young people the tools they need to compete in the new global economy. Programs like youth service Canada are giving young people the opportunity to serve their communities and to earn money toward their own education.

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• (1155)

These programs are bringing tangible benefits to communities from coast to coast to coast. They are giving young Canadians a chance to roll up their sleeves and get involved with projects in crime prevention, literacy and the environment right in their own backyards. These programs are helping youth at risk to put new direction in their lives. They are helping them to learn the enormous value of helping their fellow Canadians.

Programs like youth internship Canada are helping youth to break into the job market and break the no experience, no job cycle. They are giving young people the life and job skills they need to turn their lives around. These internships are providing young people with meaningful work experience in growth sectors of our economy such as science and technology, international trade and development. These programs are really working.

Seventy-eight per cent of youth service Canada participants and 88% of youth internship Canada participants who have finished their programs are now employed, self-employed or have gone back to school. At the same time more than 90% of students and employers were satisfied with their summer job placements. These numbers show Canadians real value for their tax dollars. Once again the numbers tell the story.

In 1998 youth employment in Canada increased more than it did in any other year on record. It increased again last year by another 73,000 jobs. So we begin the new century with the lowest youth unemployment rate in almost a decade and another 12,000 young Canadians found work in January. Even more important, we are giving our young people the confidence to build the future of their dreams. We are giving them the power to seize the opportunities of the new century.

I am absolutely convinced that these programs have helped countless young men and women find opportunities that would otherwise not have been available. I am convinced that these programs are transforming the lives of many Canadians. These programs are proof positive that government can play a significant role in the lives of individual Canadians. They can forge strong partnerships with business and communities to create new opportunities which reward work and strengthen families. We are determined to fulfill our promise to give all Canadians the opportunities to succeed.

Over the next year, rather than slackening the pace, Canadians can expect to see a focused and energetic drive to give more Canadians the tools and opportunities they need to support their families and ensure Canada remains one of the best countries in the world in which to live.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I would like to ask the member the same question I have asked other government members with regard to the health care issue.

Many people in this country had total faith in our health system. They became victims of hepatitis C. The government has recognized this fact. Provinces such as Quebec have voluntarily come across with their share to these victims, yet the government has done nothing. The only thing it has done is pay off the lawyers.

What does the hon. member think of this? Should these people be paid and paid now?

Mr. Bryon Wilfert: Mr. Speaker, yes these people should be paid. The government is on record as saying that they should be paid. In fact the government is working very hard toward that end. Unlike the province of Ontario with a one time payment of \$10,000 which would not go very far for many of the victims, the fact is that the Government of Canada has a long term commitment to make sure drugs and so on will be available, unlike the short term band-aid approach as in the province of Ontario.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, talk is cheap with the government.

I was astonished at the member's naive assertion of job creation numbers. The fact is that there is no evidence upon which the government can base its so-called job creation successes because it has not done its homework. It has not supervised the way the money is spent.

• (1200)

Even the last audit did not evaluate the results of the program. It simply evaluated the administration of the program. The government is blowing hot air when it talks about jobs being created. The fact is, it does not know for sure.

One audit states: "The sustainability results must be treated with caution. The estimates are still based on mere expectations, not real experiences". The government has not done an audit or an evaluation on which it could base these numbers. It throws them out, blindly assuming that everyone is going to swallow its rhetoric when it is not based on anything credible to which Canadians can tie their belief.

I would hope that Canadians would not be taken in by this kind of rhetoric about hope, about creating jobs, about 30,000 people having work and transforming lives. The fact is, there is growing evidence that these pork barrel moneys actually destroy jobs because they help certain parts of the economy and penalize others, competitors and other businesses that are not getting government help. There is no evaluation of that.

The last thing that was so amazing was that the member said unemployment is at low levels and the government has created jobs. The fact is that Alberta and Ontario have created jobs because they have gotten their act together, along with some of the other provinces, balanced their books, gotten their tax regimes in order and created jobs in their provinces all by themselves, while this

government continues to jack up job destroying taxes. For the government to claim credit for the good management of the provinces is absolutely repugnant. I ask the member to apologize to the provinces for taking credit for their hard work.

Mr. Bryon Wilfert: Mr. Speaker, I am not an apologist for the provinces, unlike my colleague.

My colleague wants evidence. When this government came to office in 1993 the unemployment rate exceeded 11%. In February it was 6.8%, the lowest since April 1976. I suggest that is evidence. I also suggest to the member that she go back and take a look at the fact that the province Ontario has not balanced its books.

As one of my colleagues said earlier on the whole health debate, the Government of Ontario was transferred \$1.2 billion last year, plus a one-time cheque for \$950 million after the CAP was eliminated. It then sat on \$500 million. At the same time, in December, when Ontario had one of the most major flu epidemics in the history of the province, 16 out of 18 hospitals in the greater Toronto area were redirecting the ambulance service.

If the province of Ontario is so concerned about health care, why is it not using the dollars to help the citizens of that province rather than sitting on \$500 million? Clearly, the Government of Canada transfers dollars. It does not administer the health care system, the ERs, ambulances, et cetera. Maybe the member should get her facts straight.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I will begin by thanking our colleagues of the Reform Party for their motion in the House today, which we as a party shall be pleased to support.

I would like to read the motion for the benefit of our audience. It reads:

That this House calls on the Minister of Finance to increase the Canada Health and Social Transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

This motion comprises two key ideas. The first is that we need to put more money into health and that this money needs to be put where it counts for the federal government, namely in transfer payments.

• (1205)

The second is that there is such a mess at Human Resources Development Canada, with the mismanagement of the present minister, that there is no point in increasing grants and contributions.

We say yes to both proposals by the Reform Party, and I will try to address them separately.

Supply

First, I would like to call for calm. I can sense a certain excitement among the Liberals and would ask them to keep calm. I would ask them particularly to spare us the disgusting spectacle—the member for Québec East and Drummond will agree with me—which I would not be able to stand for very long, of them shamelessly tearing each other apart publicly in an utterly painful spectacle.

I conclude my digression by saying that I had the impression watching the Liberal Party convention on the weekend that it was a sort of bitch back session, in which each had something to bitch about with the other.

I would appeal for calm and dignified behaviour. Yes, everyone wants the Prime Minister to go. However, the decision to do so is his. I think a certain amount of composure is necessary in politics.

That said, I want to return to the two elements of the proposal before us.

When history records the second term of the Liberals, it will record the blatantly gross incompetence displayed by the Minister of Human Resources Development.

People have to understand that we are not opposed to a program that helps to create jobs. I myself as the member for Hochelaga—Maisonneuve, representing a riding with over 20% unemployment, have nothing against a program to help develop business and create jobs. In an economy like ours, salary subsidies often play a role for those about to have their first job and often help get business going.

I have no hesitation in saying that, in Hochelaga—Maisonneuve, some companies found it helpful to get grants, and my community benefited from such grants. However, what the Reform Party motion says is that it does not make sense to have let things happen without any kind of control.

I remind members of Emploi-Québec. An extraordinary job was done by merging three major organizations into a single entity, Emploi-Québec. The members opposite behaved like hypocrites by making fun of Emploi-Québec, of the problems of a new organization and of Diane Lemieux.

It is unbelievable to see that the Department of Human Resources Development, which is not a new department and which did not integrate three new organizations, is characterized by a carelessness and lack of control that justify the opposition's concerns.

I would like to remind government members of a number of facts. The minister released the internal audit report on grants and contributions in mid-January. The auditor took a close look at seven categories of programs that were part of the sample being reviewed. The grants and contributions under these programs totalled about \$1 billion per year over a three year period, or about \$3 billion.

Supply

Let us look at the situation as it was presented in mid-January by the Minister of Human Resources Development. When we see these figures, we cannot imagine something like this taking place in a democracy. We cannot imagine that such incompetence in a department like Human Resources Development Canada, given the importance it should have within the government.

• (1210)

In 87% of projects, there was no indication of supervision by officers and, in 80%, no evidence of financial control. This is no small matter. The first thing one learns in public administration is that any accountant in whatever business in whatever town, however small, may not authorize an expenditure without supporting documentation.

In a department engaged in an undertaking as important as the job creation fund, there was no evidence of financial control in 80% of the projects in the sample I mentioned. I have this to say to the government members “Wake up, get with it, and do something because this is ridiculous”. How can the public trust this government when it is not even able to assume its most basic management responsibilities?

There was no indication that expected results were attained in 75% of projects and contributions in the sample. Management indicators is the administrative term used. As I am sure hon. members are aware, in the case of programs such as the community action program for children, the national AIDS strategy, or the drug strategy of years gone by, community organizations, which are often operating on tight budgets, in the field, and who make the difference for thousands and thousands of Canadians, are required to observe sound management practices, and they do.

They are required to have controls and to assess results, while a national program such as the transitional job creation fund was not even able to deliver the goods in 80% of the projects sampled.

For 70% of projects, there were no invoices or pay lists in support of expenditures. Of these project files, 66% contained no analysis or documentation. In 36% of cases where the amounts had been increased, no reason was indicated.

In politics, debates must not become personal. I do not doubt that the Minister of Human Resources Development is a fascinating and lovely woman. However, anyone administering an organization along the same lines as the minister’s administration of her department would have been let go long ago.

Anyone in charge of a community group, of a business, of any kind of organization with results as terrible as these, of any self-respecting body with the least bit of organization, would have long ago been asked to resign. This is a most worrisome situation.

Before getting into the health aspect of the motion, I could give some other examples. According to the documents, at least seven

projects in Quebec received approval and funding before they were even submitted. The same thing goes for 15 others elsewhere in Canada.

All manner of horror stories have prompted my colleague, the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, a man generally recognized as responsible and highly knowledgeable about the Department of Human Resources Development—he has been the critic for it since June 1998—to call for the government to cast some light on this. Members of the opposition, in particular members of the Bloc Québécois, have called on it to do so. The best approach is, of course, a public and general inquiry into all of the cases involved. This does not mean an investigation with a case by case report on all allegations that have come to our attention.

Before moving on to the health aspect, hon. members know that I cannot remain silent on the patronage in the form of nepotism, verging on misappropriation of funds, that went on in the Prime Minister’s riding.

The Prime Minister, who had never totally abandoned the tradition of patronage that has always characterized successive Liberal governments, has apparently resumed the habit. With all the subtlety of which he is capable, which we have seen at work this past weekend, the Prime Minister said to himself “Everybody wants to get on board the gravy train, and the gravy train stops at Shawinigan”.

• (1215)

How many investigations are currently under way in Shawinigan? My colleague, the member for Frontenac—Mégantic could tell me. I think they are up to four.

What can we say about what happened in Rosemont? Rosemont is in the centre of Montreal, and Montreal has undergone a process of industrial obsolescence, leading all the partners to take action to create a new knowledge based economy. How did a case of grants in Rosemont end up in Shawinigan?

Do you not think this is a nasty tradition of patronage, thievery, cronyism and mishandling of funds, which has not been seen for a long time on such a scale, but which has always been a Liberal trademark?

That said, members understand the essence of the motion. The aim of it is to have the \$1.5 billion that would normally go as additional funding for the grants and contributions programs go instead to transfer payments.

Many people in Quebec and Canada have called for the restoration of transfer payments. For example, at the premiers conference in Hull at the end of January, all the premiers, New Democrat, Conservative or Liberal—do not fool yourself that Brian Tobin,

who was here on budget night, does not want it—called for the restoration of the transfer payments.

The transfer payments are the most eloquent evidence of federalist hegemony, of federalism that could care less about the provinces. I would like to mention some figures compiled by the hard working Bloc Québécois researchers, whom I take this opportunity to thank, including Thierry Bransi, who recently joined our team. These figures are based on the official figures of the Department of Finance.

Since the 1994-95 fiscal year, the federal government made major cuts to cash payments. In 1999-2000, these cash payments totalled \$14.5 billion, compared to \$18.7 billion for the 1994-95 fiscal year. This means that cuts of \$4.2 billion were made to cash payments.

I said it a number of times in this House, Madam Speaker, and I believe you were in the Chair when I did. I apologize for repeating it and I would not want you to think that I always say the same thing. However, in politics it is sometime necessary to repeat the same thing over and over again to get the message across. We must be patient with government members. Liberal government members have great human qualities, but they are not always very courageous. They are not very energetic when it comes to calling their government to order.

Out of this annual amount of \$1.5 billion in transfer payments that we are asking for, that the Reform Party motion proposes, \$500 million should go to Quebec for health. As members may recall, the Quebec premier said at the first ministers' conference that this was the amount for transfer payments.

I want to make it very clear for our fellow citizens and explain that, historically, when we talked about transfer payments, we were referring to the established programs financing and to the Canada assistance plan. In 1994, the Liberal government, claiming that this would provide greater flexibility to the provinces in the use of these funds, created the Canada social transfer for health and social programs.

This Canada social transfer is more or less the funding available for post-secondary education, health and income security. For health alone, Quebec should receive \$500 million if the health component of the transfer payments were restored to its 1994-95 level.

• (1220)

Five hundred million dollars is not inconsequential. It is an amount that could be put to very good use by the Government of Quebec. It corresponds to the natural growth in Quebec's health and social services system. If, in 2001, we want to provide exactly the same health services we are now providing to Quebecers—CLSCs, hospitals, long term care—the natural growth is \$500 million.

Supply

We will not have bought any new equipment, eliminated the deficit, or added any new services. The natural growth of the system is such that, in 2001, we will be exactly where we are in 2000.

I would like to tell the House what \$500 million represents in the health and social services system. The \$500 million we should be getting from the federal government for the health budget corresponds to one quarter of the budget for hospitals in Montreal.

During last week's break, I met with hospital administrators. Things are not easy. They are facing some tremendous challenges. The Government of Quebec has put a considerable amount into Quebec's health care system but there are still needs that are not being met. Additional staff are also needed.

So the \$500 million is one quarter of the budget for hospitals in Montreal. It is one half of the budget for all CLSCs in Quebec. The innovative CLSC formula of delivering front-line services is well known. From the cradle to the grave, people can benefit from the services provided by the CLSCs, whether it is for home support, for community services, or for blood sampling, which is no longer done in hospitals. The purpose of this strategy is to relieve the pressure in our hospitals.

I must remind members that the \$500 million we are asking for represents the total budget for home support services. As I have said before, and I think it is worth repeating, there is a new trend whereby people want to stay in their community as long as possible.

I see people who are getting closer and closer to their golden years. Some of our parliamentary colleagues are getting there. I am thinking of our colleague from Willowdale—

Hon. Jim Peterson: Careful.

Mr. Réal Ménard: —the Secretary of State for International Financial Institutions—

Hon. Jim Peterson: You are no spring chicken yourself.

Mr. Réal Ménard: I will turn 38 on May 13. I am certainly not a senior citizen.

Seniors are those over 60 years of age. Some of our colleagues have reached or are about to reach that stage, even though they are still very alert and active, as we can see every day. These people will want to stay in their community. It is important that the government invest in home support services.

I see my time has expired and I thank you for your attention. I call on all members to vote in favour of the motion. Again, I would like cash transfers to be restored and I also would like the Liberals to spare us having to watch the disgusting spectacle of them fight their leadership war in public. We do not need that.

*Supply**[English]*

Mr. John Duncan (Vancouver Island North, Ref.): Madam Speaker, I thank the member for Hochelaga—Maisonneuve for the support he expressed for the opposition day motion. I listened quite carefully to what he had to say.

Prior to the 1997 election the Liberals funnelled grants and contributions into some Quebec ridings, particularly the types of ridings where they felt obviously that they would get a payback if they put money into them. Now they have added \$1.5 billion to the grants and contributions.

• (1225)

We know the Liberal priority is politics before what is best for Canadians. The number one priority of Canadians is of course health care.

Mr. Joe McGuire: What profession are you in?

Mr. John Duncan: The parliamentary secretary is not happy with me saying that, but that is the way I feel about it. Does the increase in grants and contributions in the 2000 budget signal that the government is preparing to do the same thing all over again?

I have a question for the Bloc member. We are looking at pre-election politics now. We are maybe only a year away from the next election. What is the Bloc planning to do if and when this strategy on the part of the Liberal government starts to exhibit itself all over again, not that we ever lost it but that we may see a peak of activity again. What is the Bloc's strategy to try to offset that?

[Translation]

Mr. Réal Ménard: Madam Speaker, that is an excellent question, and one of the best I have ever been asked.

As the hon. member is aware, the Bloc Québécois is the strongest political force in Quebec, with 44% of the seats. Under the skilful leadership of the hon. member for Laurier—Sainte-Marie, who is, let us not forget, the most popular federal political leader in Quebec, we are going to continue to defend the interests of Quebec. As hon. members are well aware, the Liberal Party has always been characterized by a tradition of nepotism, patronage, mishandling of funds, and theft.

Not all Liberals are like that. There are some honest people in the Liberal Party. I would not like to be unparliamentary, but hon. members will agree. I believe that the best guarantee one can give to Quebecers is to have a political party like the Bloc Québécois. This is important. We are wholly dedicated to defending the interests of Quebec, with clear funding.

The Bloc Québécois is there so that no matter what the circumstances, whenever there is a bill, whenever there are policies to be

evaluated, we can ensure that there is no competition with the allegiance to New Brunswick, to Saskatchewan, to British Columbia, because all of the Bloc Québécois MPs, not being members of a traditional national party, are here to defend the interests of Quebecers.

I believe the best thing that can be hoped for is for Quebecers to continue to have confidence in the first federal political force in Quebec, that is the Bloc Québécois, as they have in two elections already. I believe that it will continue to be present in the next election.

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Madam Speaker, I hear the Bloc Québécois members tell us they are the purest of the pure, while we are supposed to be a party of thieves. This is completely unparliamentary.

This shows a lack of respect for the people defending the interests of Quebec just as vigorously as the people from the Bloc. But they are the good Quebecers. People like me, who live in Quebec, whose children are there, who contribute to Quebec—I myself spent nine years in the National Assembly—we are bad Quebecers.

Listen to the member for Hochelaga—Maisonneuve telling us how he needs another \$500 million or \$1 billion for hospitals. That takes a heck of a lot of gall. He is talking about \$500 million, which represents one quarter of the budget for hospitals in Quebec. And then we have Mr. Landry, the great PQ bagman, who busts his britches daily, and who left \$841 million sitting in a bank, not in Quebec, but in Toronto, in the Toronto Dominion Bank.

So, if \$500 million represents one quarter of the budget for hospitals, \$841 million, according to my calculations, represents 42% of the budget.

Quebec nurses went out on strike. They were out in the streets for weeks saying “We are badly paid, the equipment is out of date”—

Mr. Jean-Guy Chrétien: The question.

Mr. Clifford Lincoln: Listen to them, they are not prepared to hear the truth. We are thieves, but we do not insult them, we do not talk of thievery. Each time we say something to them, they are not happy.

• (1230)

The result is that the people of Quebec cannot even get cancer treatment. They have to go to the States. There are waiting lists months long, and \$841 million was left in a bank in Ontario. What is more, Mr. Landry himself has admitted “It is not a matter of money. It is a matter of hospital management”. He told us it was not a matter of money, and today he says he needs \$500 million. Get the money out of Toronto. Send it to Quebec City. Use it.

They have to stop insulting people. They say they are the good Quebecers, and we are the bad Quebecers. I cannot accept that. I find that really insulting.

Let them take the money out the bank in Toronto, send it to Quebec City to meet the needs of hospitals.

Mr. Réal Ménard: Mr. Speaker, I only have one thing to say to the hon. member. Where was he, this great protector of Quebec's interests, when his government unilaterally cut into transfers to the provinces? Where was the hon. member when the time came to protect Quebecers against Bill C-20? What word describes the current situation where several RCMP investigations are being conducted in the Prime Minister's riding? How do we define the practice of diverting funds from the riding of Rosemont to Shawinigan?

Stop displaying this holier-than-thou attitude and speak up when money is diverted. You are a prime example of those Quebecers at the federal level, of those who remain silent when the Liberal Party is in office, but who do not hesitate to betray Quebecers when the time comes to protect their interests.

That is why the Bloc Québécois is here and will continue to be here. Thank goodness the Bloc Québécois is in this House and will be there at the next federal election.

[*English*]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, I will try to tone it down just a little bit here. I think they both have valid points and they should debate this out.

I actually find this quite humorous, especially coming from the government. The member is quite right. There is no doubt that the government has cut transfer payments to the provinces with regard to the health care system. When the provinces signed into this system they were guaranteed a 50:50 split. Now we are down to about 13%.

What I would like to ask the member is this. Although we—

[*Translation*]

The Acting Speaker (Ms. Thibeault): Order, please. I would ask members from both sides to please listen to the hon. member for Okanagan—Shuswap, who now has the floor.

[*English*]

Mr. Darrel Stinson: I must congratulate the province of Quebec, even though I may disagree with that government on many issues. With regard to the hepatitis C victims, the province of Ontario and the province of Quebec have seen fit to at least address payment to these victims.

Has the member done any calculations as to how much money the so-called caring, sharing Liberal government has saved by not

Supply

paying the victims, by just paying the lawyers and allowing the victims to do without? I would like to have an opinion from the member on this if I could.

[*Translation*]

Mr. Réal Ménard: Madam Speaker, I would like to dedicate my reply to the hon. member for Lac-Saint-Louis. The hepatitis C issue is another example of this government's insensitivity and groveling. The government's decision was the ultimate blow to hep C victims.

What was the number one recommendation in the Krever report? That all victims be compensated, regardless of fault. Once again, this government let them down and no Liberal voice, whether from Quebec or elsewhere, defended these people.

I say shame on this government. Shame on this bunch of sheep and followers.

● (1235)

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I will be sharing my time with the member for Regina—Qu'Appelle.

I have seen a lot of opposition day motions in the three years that I have been in the House but I have to say that this one today from the Reform Party really takes the cake.

Looking at this motion and at the record of the Reform Party after advocating and endorsing massive cuts to our social infrastructure, it seems to me that it is the height of hypocrisy to suddenly come out in favour of increasing the Canada health and social transfer purse.

Let us be very clear. The real intent of the Reform Party with this motion today is to undermine federal spending, a long term strategy that hurts Canadians rather than helping them.

The Reform Party members do not care about the CHST. They are always campaigning against it and campaigning to cut it. They do not care about cuts to health care that are so massive that they threaten our most treasured social program, health care, and endanger the lives of Canadians who are forced to wait for essential services in Canada. Even worse, it is the Reform Party that has supported a two-tier health care system. It supports privatization. It has consistently supported Draconian cuts to our social infrastructure in the name of deficit cutting. It has consistently advocated diverting dollars needed to repair our social support into tax cuts. Let us be very clear that the tax cuts which it advocates favour the rich over the poor.

Let us make no mistake. Reformers are not concerned about increasing the CHST purse. They are attempting to score political points by using the scandal at HRDC to attack all federal spending.

Supply

Where was the Reform Party after the budget? The NDP was here every single day during question period going after the government, making it accountable on health care spending and pointing out the deficit that existed. Strangely, I do not remember the Reform Party ever raising questions about the budget and health care. It had its own little campaign going on. It suddenly appears and it is now supporting the Canada health and social transfer.

There was an article that appeared in the *Ottawa Citizen* on March 11. I hope Reform members will listen to this because it is an article written by one of their own members, the member for Esquimalt—Juan de Fuca, a leadership candidate. In the article he talks about health care and says:

Therefore, the system needs more money. Raising taxes is not an option, nor is taking large sums from other government programs that are already cash-strapped.

This was said by a Reform Party member. Let us sort this out. I think the Reform Party needs to have a caucus meeting to determine exactly what its position is. Is it the position of the member for Esquimalt—Juan de Fuca or is it the position from the critic for HRDC?

The member goes on to say:

However, new resources can be assessed by amending the Canada Health Act to allow private clinics and services paid for by private money only. No public funds are used in the private clinics. People assessing private services would no longer be draining the public system, thereby leaving more money and better care for those still in the public system. The private system would in effect be strengthening the public system.

That is the position of the Reform Party and this motion before us today is really a bogus motion.

Let us dwell for a moment on the \$1.5 billion that the Reform Party is seeking to defer, not just from grants and contributions in HRDC but from all other government programs as a result of any increase in the budget. Exactly what would that include? What is it that the Reform Party is advocating, which it says should be diverted but which really means cut, in order to put this \$1.5 billion back into the CHST?

It would include \$560,000 for first nations policing programs. It would support contributions to the Canadian Blood Services of \$355,000. It would mean taking \$1.2 million away from the safer community initiative, something that is very important to my riding. What about the contributions to the youth justice renewal fund, something that the Reform Party has been supporting? These are the kinds of programs the Reform Party is advocating be cut, be slashed, in order to make a political point of now suddenly being in favour of increasing the Canada health and social transfer.

• (1240)

Many of these programs are good programs and they have been put in jeopardy by Liberal mismanagement. The answer is not to

attack the programs. We believe the answer is to end the Liberal mismanagement and the politicization that has taken place.

As New Democrats we have supported job creation. We have been very clear on that. We support student employment. We support job development in areas of high unemployment. What we do not support, however, is the Liberals making a mockery of these programs through gross mismanagement. We do not support programs being approved for political purposes, as the mounting evidence clearly shows.

How many RCMP investigations do we have now? There is no question—and this is where we would agree with the Reform Party—that we absolutely need to have an independent public inquiry to immediately get to the bottom of the Liberal slush funds, the corporate bailouts and the corruption that has taken place.

We need to fix these programs so they can end up benefiting Canadians who need them. However, Reform's call to divert federal spending increases fails to address the problem and fails to hold the Liberals accountable for perpetuating those problems we are trying to deal with. In fact the government has set itself up and in doing so has impugned public servants and the entire social infrastructure. The cynicism that has grown in the Canadian public's mind has come about because of this mismanagement.

We believe that the CHST should be increased by \$1.5 billion, not in diverted dollars but as a repayment of the billions of dollars that this government has taken from health care, education, social welfare and social programs since it came to power in 1993.

Canadians know from their own real experience what has happened to the health care system. They know what has happened as a result of those lost federal dollars over the last six years. We have patients living in hospital corridors because there are no beds available. We have rural and, in fact, urban areas that have a critical shortage of nurses and other health care providers. We have women and families who are forced to take responsibility for providing home care because the health system is failing.

We also know that Canadians are paying more out of their own pockets for health care than they ever were before. Why? Because the government has taken \$21.5 billion from transfer payments to the provinces for health and other social programs. Despite its own glowing words of putting money back into health care in the last budget, the real evidence shows that for every dollar spent on tax cuts only a piddling two cents went into the health care system. Is it any wonder then that more and more Canadians are paying out of their own pockets for health care and that it is on the rise?

Our federal government used to pay 50% of health care. It was a partnership between the provinces and the federal government. It is no longer a partnership. It is a total disgrace and Canadians know that. We know that the 50% has now dwindled to 14% in the most recent budget. This Reform motion really does not change that.

Supply

The real threat to our health care system is the two-tier system and privatization. The biggest threat in that regard is the Reform Party which is crusading for privatization. We see it in Alberta, in Ontario, from its own leadership candidates and from its members here in the House. They have been aided and abetted by a government in power that simply does not have the guts to stand up and stop what is going on, to say clearly to Alberta, to Ontario and to privatization that it will not stand for it and that it will see this stopped.

We in the NDP have been very clear that we want to see a restoration of public funds. We want to see federal funds go back to 25%. I ask the Reform Party if it is prepared to support that. If it is committed to the CHST, is it prepared to support our call that it at least go back to 25% of federal funding and increase after that?

In conclusion, the problem with this motion is that it has no credibility. It will not solve the problem for HRDC. It will not even help medicare. It certainly will not help the Reform Party as it desperately tries to gain trust with Canadians on health care.

• (1245)

This motion simply will not do it. That is why we in the NDP will not support it. We will continue to go after the government to make it accountable on health care. We will also expose the Reform Party for really what is a very phoney motion.

Mr. Deepak Obhrai (Calgary East, Ref.): Madam Speaker, I listened with interest to what the member said. I can tell her that half of what she was saying is not right.

It is quite interesting. She said that she is not going to support the motion on the increase that is coming from one side to the other side which requires urgent attention, which is health care. In the same breath she wanted the Reform Party to ask that more money be put into CHST.

Where does the hon. member think the money is going to come from? Will it be by raising more taxes, taxing the poor, taxing the mothers who are staying home? Where does she expect all this money to come from? She knows very well that it is the mismanaged HRDC program where she sees all this money going down the tube. Why will this money not be more effectively used to address the health care issue? Why would she advocate raising taxes and putting more burden on Canadians when we could use other funds? Perhaps she could clarify that situation.

Ms. Libby Davies: Madam Speaker, I thank the hon. member for his good and fair question.

We in the NDP are not prepared to say that we are going to rob other programs such as policing programs, safer communities, aboriginal programs, status of women programs. We are not

prepared, to use the Reform words, to divert funds from those programs, to rob Peter to pay Paul, in order to make it look like more money is going into health care.

The member raised the question of where that money should come from. The reality is the government has had the biggest budgetary surplus that we have probably seen in Canadian history, \$100 billion. We have been very clear in our position. In fact my hon. colleague who will be speaking after me put out an excellent minority report detailing where those funds should be reinvested: in health care, in education, in social welfare, in ending poverty, in housing. We have been very clear about that.

We do not support the kinds of massive tax cuts that really only put pennies in people's pockets while at the same time they spend 30% more on private health care as a result of the demise of our health care system. I hope that answers the hon. member's question.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Speaker, I totally agree with the member. Her speech has been one of the best ones I have heard in the Chamber this morning. She sees the Reform members for what they are.

We transferred emergency funds to the provinces. The province of Quebec for instance took \$700 million and put it into a savings account in the Toronto-Dominion Bank where it is collecting interest right now. We transferred \$1.3 billion to Ontario. Mike Harris, the kissing cousin of the Reform Party, said that Ontario would immediately spend every cent of that money. Ontario spent \$750 million of it and \$556 million is still sitting in a savings account.

What process would the hon. member see being put in place to make the provinces spend the money the federal government transfers to them for health care?

Ms. Libby Davies: Madam Speaker, I appreciate the hon. member's question. It is a good question as well.

We are not going to fall into the trap of beating up on the provinces in order to divert attention and responsibility away from the federal government. It seems to me that if we had a genuine federal-provincial partnership, if we had a federal government that had not lost credibility on medicare by opting out of all the funds practically, down to 14%, then the provinces would not be running for cover and doing whatever they wanted to do. There would be a real partnership.

• (1250)

It seems to me that the onus goes back to the government. It must show that it has the leadership, initiative and political will to create

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a kind of federalism where there is a partnership with the provinces, where there is a buy-in with provincial governments to use those funds for health care or education. I would ask the member to answer his own question about the failure of how those transfers take place.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Madam Speaker, I am glad to see the member for Wild Rose in the House. It is good to see him back after a bit of an absence. I saw him starring in a television program a few weeks ago. I had not seen him for a while.

I want to say a few words in the debate today. The Reform Party motion says that the House calls on the Minister of Finance to increase the Canada health and social transfer by \$1.5 billion and to forgo the \$1.5 billion increase to federal grants, services and contributions in this year's budget. On the surface that may sound like a perfectly reasonable motion but I have a couple of problems with it.

In looking at the grants and contributions that the Reform Party wants to terminate, what it is advocating is robbing Peter to pay Paul. I came across some very interesting programs that are supported by the vast majority of Canadians.

For example, it wants to terminate the increase of \$560,000 to the first nations policing program. There are 12 first nations in my riding. They are very interested in increased funding for policing on those Indian reserves. I see the member for Wild Rose hanging his head in shame. I know he agrees with me too because he has first nations in his riding. Perhaps that is why he is not speaking in this debate. The Reform Party wants to eliminate this important program in terms of the funding increase in the budget.

Also, the Reform Party wants to eliminate the increase of \$355,000 in the contribution to the Canadian blood service program. Why would it want to terminate that? Why does it want to decrease its budget by \$355,000?

Another item the Reform Party wants to get rid of is the \$12.3 million contribution in support of the youth justice renewal fund. This is youth justice renewal for young offenders across the country and it wants to decrease that by \$12.3 million which the Minister of Finance had in his budget.

There is another one. The Reform Party wants to eliminate as well the \$1.2 million contribution in support of the safer communities initiative.

Why does the Reform Party want to decrease a lot of very good government programs that are serving the people of this country in order to put more money into health care? There is a huge surplus. This country can afford not just the \$1.5 billion it is talking about but it can afford more than that in terms increasing health care funds.

As a matter of fact, since the Liberal Party took power in 1993, there has been a cutback of over \$21 billion in total funding from transfers to the provinces for health care and education. Spending this year will be \$3.3 billion lower than it was in 1993 when the Liberal Party was elected.

On the health side, the Reform Party is saying to go halfway back to where the Liberals were in 1993 despite the fact that government revenues have skyrocketed. We have a surplus in the next five years of \$100 billion plus and the Reform Party wants to put back in only half the money which the Liberals took away in 1993. It does not even factor in the inflationary costs in the health care system.

This motion falls far short of what parliament should be endorsing in terms of health care and what parliament should endorse for public spending and expenditures for other government programs across the board.

I look across the way at the Liberals and I wonder how the party of Paul Martin, Sr., Lester Pearson and other social reformers could support the present Minister of Finance and the Prime Minister. They have cut back on social services and social programs in a way that is so much more radical than what Brian Mulroney and the Tories ever did.

• (1255)

Hon. Jim Peterson: With pride.

Hon. Lorne Nystrom: With pride, says the Secretary of State for International Financial Institutions. He says with pride government members support these cutbacks to the health care system by the Minister of Finance.

I invite the minister to go to Regina, Kamsack, Moose Jaw and many other places in Saskatchewan and say that he is proud of these cutbacks, that he is proud of the consequences of the cutbacks to health care. I can show him emergency rooms where people are lined up, where people are on waiting lists for surgery. Hospitals have closed because of the cutbacks in federal spending. The minister across the way said the government is doing that with pride and with pride it is cutting back on transfers to the provinces.

I would like to see the minister get up in the question and answer period in a few minutes and explain why he is so proud of the cutbacks that are hurting people. Certainly that is not what this parliament had decided many years ago in terms of spending in this particular area. And he said it was done with pride.

The cutbacks are more draconian than what we saw with the Tories under Brian Mulroney or previous Tory governments. One of the consequences of these cutbacks will be the initiation of private, two tier Americanized medicare. We are seeing that today in the province of Alberta with Ralph Klein and Bill 11. One reason he is doing it is because of the tremendous cutbacks by the federal government. If it happens in Alberta, it will happen in Ontario with

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Mike Harris. It will spread across the country because of the cutbacks by the federal government in terms of transfers to the provinces for health care.

The budget a few weeks ago had a \$58 billion tax cut. Our party is saying that some cuts in taxes are needed, but about 25% of the government surplus should go into tax cuts and about 75% in the program expenditures on behalf of ordinary people. The tax cut should be the reduction of the GST.

I noticed at the Liberal convention a couple of days ago that the ordinary delegates passed a motion to start cutting back on the GST. Again the government is not listening in terms of its tax cut package.

Most of the surplus should be going into government programs and government spending, in particular into health care. We are saying that over the next couple of years there should be an increase in transfers of \$5.5 billion that will eventually get us up to the federal government sharing the spending on a 50:50 basis with the provinces in terms of health care.

When medicare was first introduced the federal government paid 50 cents on the dollar and the provinces paid 50 cents on the dollar for health care. Today under a so-called Liberal government, the federal government is paying some 13 cents or 14 cents in terms of cash transfers. In terms of cash transfers, that is 13% or 14%. It is not just me who is saying that. Every premier is saying it. The premiers are saying that we will need a massive injection of federal money to save the health care system.

We all know that health care is now the most important issue facing the country. We all hear about it. Liberal delegates were saying it the other day. The public opinion polls are saying it. Even the Reform Party is getting on the bandwagon and is talking about health care.

We will have to put some federal money into the system to save health care in addition to what has been done already. We have the money and the resources to do it. If we do not do it, we will end up with a two tier system that will lead to the erosion and the destruction of medicare and health care.

There are a lot of people advocating it. Just the other day the Reform Party's finance critic said on CBC television that we should be looking at some private sector solutions to health care. The member for Esquimalt—Juan de Fuca said a similar thing in the press a few days ago. Ralph Klein is saying the same thing in the province of Alberta. Here we have a party in the movement that is now advocating two tier health care and it is being aided and abetted by the federal government, which has cut back massively in terms of transfers to the provinces for health care and education.

• (1300)

In my province of Saskatchewan alone over the next four years under this budget there will only be an additional \$80 million going

into health care from the federal government. That is enough to keep our health care system going for three or four days. That is one reason in our province, like any other province, there is a great strain on the system. There have been cutbacks in the services that should be provided. There are waiting lists for surgery, lineups in emergency rooms and so on.

I appeal to the government to look very seriously at substantially increasing transfers to the provinces for health care and education.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I would interpret from the remarks of the member for Regina—Qu'Appelle that he will not be supporting the Reform motion, and I congratulate him for that.

He mentioned some of the programs that would be cut implicitly by the motion that was presented by the Reform Party. I will name a few, for those who are interested in what is in the budget.

For example, there is an additional contribution of \$900 million for the Canada Foundation for Innovation, which helps universities and research hospitals acquire the infrastructure they need to help prepare our economy and to prepare Canadians for the new world in which we live.

Another example is the \$900 million which will go to fund research chairs for new positions in universities and colleges so that we can be at the leading edge of new technologies and attract and keep the best and the brightest.

Another example is the \$160 million for Genome Canada, which will put us at the leading edge of the biotechnological thrust in which Canada will have a very competitive position.

These are all grants and contributions. This is not some obtuse theory. This is what is in the budget. This is what would be cut if the Reform Party's motion went forward. I could go on and on.

Another example is the \$700 million for the environment, which will be dealt with through grants and contributions so that we will have clean air and clean water, and we will be able to prepare ourselves to eliminate greenhouse gases and meet our Kyoto commitments.

The member for Regina—Qu'Appelle talked about topping up the CHST, which of course he knows is at an all-time high. In fact, the federal contribution is around 32%. He mentioned reducing the GST and topping up the CHST. Where would he find the money? If he were to reduce the GST and top up the CHST, how would the arithmetic work?

Hon. Lorne Nystrom: Madam Speaker, I guess it depends on where one's priorities lie.

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The member sits on the finance committee as well. The report of the finance committee indicated that about a quarter of the surplus should have been spent on tax reduction, namely, the reduction of the GST. That is what our party recommended to the Minister of Finance.

The government went a different way. It decided to reduce taxes by \$58 billion over five years, doing it in a number of ways: through a reduction of corporate income taxes, a reduction in personal income taxes, a change in the capital gains tax, whereby we will have to pay tax on only two-thirds of the capital gains as opposed to three-quarters, and through a number of other tax measures and changes. We had a difference in philosophy in terms of what taxes should be reduced.

I remind the member that a resolution was passed at the Liberal convention stating that the GST should be reduced and gradually eliminated. That is what our party is saying. However, for some reason the Minister of Finance did not listen to that advice.

That is where we would get the money. We would get the money by putting less money into tax reduction and more money into the CHST. A tax reduction of \$58 billion is going too far in terms of a fair breakdown among reducing taxes, increasing government spending on health and education and reducing the national debt.

The government is out of sync in terms of public opinion. We are advocating getting rid of the GST, reducing it a point at a time and putting more money into transfers to the provinces for health and education. That is what most people want.

If I may add, that is why the Reform Party is so out of sync. It is advocating cutting back many worthwhile government programs and putting a smaller amount into transfers for the provinces and health care and then opening up a system for the private sector, in effect creating a two-tier health care system, or the Americanization of our health care system, which is not the way the Canadian people want to go, even in the province of Alberta.

I see that the member for Wild Rose wants to confirm that fact, so I cede the floor to him.

• (1305)

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I am glad the hon. member missed me. I would hate to think that I was gone and nobody missed me from this place. However, I do not want him to get too encouraged by anything I might say because there will be ice skating in Hades before I agree with anything the member would have to say in terms of the policies of the nation. All I have to do is look at the oblivion that British Columbia and Ontario under Bob Rae and other NDP governments in the past have suffered from the likes of this kind of thinking.

Instead of ranting on about what the Reform Party would do, why does the member not speak out? Why does his party not speak out on such films as *Bubbles Galore*, which was on CBC the other night? The government is wasting millions and millions of dollars on feely, touchy, fuzzy stuff that the NDP and Liberals love to pieces. When are they going to speak out against that kind of garbage?

It is confirmation of your stupidity. If you had any brains you would not laugh, you idiot.

The Acting Speaker (Ms. Thibeault): Order, please.

Hon. Lorne Nystrom: Madam Speaker, I will answer the question. While the member was watching *Bubbles Galore* and sipping champagne, I was studying the health care system. I did not see the film. He was watching *Bubbles Galore*, but I was not watching it, so I really cannot comment on the film.

Ms. Louise Hardy: Madam Speaker, I rise on a point of order. Is there not something in the rules which says that we should not be hollering derogatory names back and forth across the floor? I do not think it helps us in the House.

The Acting Speaker (Ms. Thibeault): Even though the hon. member does not really have a point of order, I would agree with her that it would be much better if all remarks were addressed through the Chair, rather than across the floor.

Mr. Gerald Keddy (South Shore, PC): Madam Speaker, after that bit of dialogue I am really lost for words. I do not know how to follow it. I will be splitting my time with the hon. member for Chicoutimi. I also want to say that the PC Party supports this motion. I have heard a lot of comments from the NDP saying that it does not support the motion. I wonder why NDP members do not support the specifics of the motion put forward by the member for Calgary—Nose Hill.

The motion states:

That this House calls on the Minister of Finance to increase the Canada Health and Social Transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

The reasoning behind that was because of the fiasco that is going on in HRDC.

I do not think any responsible member of parliament would say that the member for Calgary—Nose Hill or any other member who supports this motion is cherry picking from HRDC or any other

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area. This would be a general investment of \$1.5 billion in the CHST, which is needed because of government cutbacks. The motion also proposes to hold back \$1.5 billion from federal grants and contributions. As every member of the House knows, HRDC has proven that it is irresponsible and not able to control its budget.

It is important to understand that this is not pointing to HRDC offices in individual ridings. This is not saying that there is not a lot of good work being done by HRDC in individual ridings. The riding I represent, South Shore, has an HRDC office in Bridgewater and another one in Shelburne. Those offices do a lot of good work. They have excellent people working in them. They have put forward some good assistance to businesses in the South Shore riding and in the province of Nova Scotia in general. However, there has been a serious lack of leadership by the minister of HRDC, and the previous minister I should add. There are 19 police investigations ongoing, criminal investigations, and the Minister of Finance and the Prime Minister decided when they brought the budget down that they would reward the minister of HRDC. It is mind-boggling. It is dumbfounding.

• (1310)

Even hon. members of the NDP who spoke to this motion must find it rather ludicrous that there is a department in turmoil and yet its budget has been increased. The government said "Yes, we know it is in trouble. We are going to give it more money to waste".

Let us be honest. It is not the regional offices; it is the management, the top brass at HRDC. Those are the people who allowed this to happen. Fifteen per cent of the 459 audited grants did not even include an application form. Eleven per cent did not include a budget proposal. Eleven per cent did not contain any expected results. Twenty-five per cent did not say for which type of activity the money would be used.

That money came out of our pockets and the pockets of our constituents. That money came from the taxpayers of Canada and we have an obligation, both as opposition members of parliament and as government members, to make sure this money is spent wisely.

I think we should be responsible. I think we should be understanding. I think we should realize that everyone is not perfect, that all departments are not perfect and that individuals make mistakes, but we should also have a system of checks and balances in place so that when those mistakes are made they are corrected.

To add \$1.5 billion to a \$13 billion budget as a reward for incompetence is inconceivable. It is an insult to the taxpayers of Canada.

At the same time, the PC Party supports the existence of programs designed to help young Canadians get their first job and to help less fortunate people such as the handicapped enter the job market. The TJF was put in place to help areas of high unemploy-

ment in the regions that were hit very hard by reforms made to employment insurance in 1996 by this government.

We support sensible programming. We support programs which are formulated in such a way as to hit areas of high unemployment, the people and the groups in society that are less fortunate and those who have a more difficult time entering the job market.

This is not about standing and saying that everything in HRDC is bad. It is not about saying that all HRDC regional offices are bad. This is about understanding what has gone on in HRDC and asking why, when we have a health care crisis and an education crisis in this country, we would take \$1.5 billion extra and put it in HRDC when we need it desperately in the Canada health and social transfer.

This is not a complex issue. Let us look at the Liberals' reaction to it. The Prime Minister tried to minimize this huge fiasco by saying in the House on February 9, 2000 that only \$251.50 caused problems. That is a direct quote from the Prime Minister. I am still waiting for the translation because I know I lost something in the translation. I still have not figured it out, but this is what the Prime Minister said and all the Liberal members on the government side were nodding and agreeing that \$251.51 caused problems. It is just amazing.

• (1315)

We are now aware that there are at least 19 police investigations including three in the Prime Minister's own riding. It is unforgivable that the Prime Minister and his cabinet can stand and defend this type of government, this type of policy, in a country where taxpayer dollars are being spent.

Last week the president of Canada Employment and Immigration unionized employees of HRDC held a press conference on Parliament Hill. He said that the governing party and the cuts of over 5,000 jobs at HRDC were to blame for the mess, and that political influence caused expediency in the approval of the process of grants and contributions.

For instance, the department accepted to talk to an unregistered lobbyist, Mr. René Fugère, a good friend of the Prime Minister, already under investigation by the RCMP. Grants were awarded to the riding of the HRDC minister, even if her riding did not qualify for the benefit grants under the TJF criteria.

Allegations are made of slush funds. We know several companies that received grants gave large donations to the governing party. Surely Canadians deserve the truth in all these allegations. Surely even the government has to recognize the fact that this is not its money, that this is the money of Canadians.

When Canadians have a question they deserve an answer. No government in the history of the country has had 19 ongoing criminal investigations at once. It has never happened before. It has never happened before that we have had three criminal investiga-

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tions in the riding of the Prime Minister of Canada. It is time that we got some solid answers. It is time that we saw some responsibility.

I am sharing my time with the hon. member for Chicoutimi. Obviously he will go into more detail on the Canada health and social transfer aspect of the issue. Before I sit down I would like some reaction from the government benches that they accept responsibility for this fiasco, that they are the government, and that the Prime Minister will stand some day to clear the issue in the House of Commons.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, with respect, I think the member for South Shore is somewhat confused about the motion. Frankly I am not surprised because I was as confused earlier as many other members of the House.

When I asked the member for Calgary—Nose Hill earlier in this debate whether she would cut HRDC she responded by saying no and indicating that there were other elements in the federal budget under grants and contributions that should be cut. She acknowledged that some of the work was of real benefit to Canadians as they make the transition into the workforce.

I would like to point out what would really be cuts in grants and contributions if we accepted the Reform Party motion. They would cut \$900 million for the Canada Foundation for Innovation. They would cut \$900 million for 2,000 research chairs in our universities so we can have the best and brightest in Canada and prepare Canadians for the economy of the future. They would also cut \$160 million to Genome Canada, a biotechnology institution that is on the leading edge of research in this area. They would also cut \$700 million for environmental improvements so that we could have cleaner air and cleaner water and could prepare ourselves to reduce greenhouse gases.

I think the member for South Shore, knowing this, would realize that there would be significant cuts in some very desirable programs. Maybe he would like to reflect on this in his answer.

Mr. Gerald Keddy: Madam Speaker, I appreciate the hon. member's statement. However I can only speak to the motion that is before us. There is none of that in the motion which I read at the beginning of my speech. I will read it again:

That this House calls on the Minister of Finance to increase the Canada Health and Social Transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

• (1320)

That is a general statement. That is not a specific statement. I am specifically looking at HRDC. That is the \$1.5 billion increase. There is no other \$1.5 billion increase in the federal budget. It is

specific to that department. It is not specific to certain elements of that department. It is specific to the general budget of that department.

The basis of my deliberations is that we have a department that is out of control. The department should have but apparently has not embarrassed the minister and the former minister responsible for it. There are 19 ongoing police investigations, three of which are in the Prime Minister's riding. We should not reward incompetence. We should slap incompetence down and say "Clean up your books and come back to us again. In the meantime we are going to cut your budget. We are not going to increase it".

That is not saying that there are not good programs within HRDC. That is saying that we do not send good money after bad.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Madam Speaker, I enjoyed the intervention of the hon. member for South Shore. When I listened to the babble from the member for Etobicoke North I could not help but be struck by the fact that in his selective choice of grants, which he said might be victims of our motion, he did not make any mention of some of the grantees who have been living off the public trough for most of human memory in the country, people like SNC-Lavalin and Bombardier. There was never a whisper about them.

In line with what the member for South Shore was saying, let us get back specifically to HRDC grants. Perhaps he is unique, outside our party in the House, in that he realizes we have been getting a snow job from the minister of HRDC who says that all the money that has been frittered away has been going to the disadvantaged, the halt, the blind, the widows and the orphans. It fair makes me weep, it does. Most of it has been going to the disadvantaged politically, to the Liberal Party.

I would like the hon. member to comment on the question of other grants outside HRDC to see if he might raise some other examples.

Mr. Gerald Keddy: Madam Speaker, specifically to the statement by the member for Cypress Hills—Grasslands, obviously there are other areas in which the government has been deficient.

What I have been trying to deal with has strictly been HRDC. There is chaos in the department. There is a meltdown in the department. Someone needs to be responsible. That person is the department head, the minister and the Prime Minister.

[*Translation*]

Mr. André Harvey (Chicoutimi, PC): Madam Speaker, I am pleased to speak to a motion which, I think, manages to tie two issues of great concern to Canadians, namely the numerous scandals at Human Resources Development Canada and health care.

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Regarding HRDC, in our ridings, everyone is talking about the dozens of RCMP investigations which are under way. This issue is about arbitrary political interference, about numbered companies that received grants without ever delivering the goods and about a government that, once again, is poised to give, not \$1.5 million, but \$1.5 billion to the same department.

• (1325)

This happens at a time when hospitals across the country—and our regional hospital in particular—are overloaded. People have to go outside the country for surgery. Who would have thought that, seven years ago, when the Liberals took office?

It is strange to see what happened at the convention last week-end. That convention was almost as popular in Quebec as “La petite vie”, which is a very popular television program. It was pitiful to see the Prime Minister calling on his friend Paul to reply to questions such as those on the increase in budgets at HRDC, where it is scandal after scandal.

It is not just Liberal MPs from Ontario who are in trouble. They are perhaps quicker than others to take in what is going on with the Prime Minister of Canada, with the Minister of Finance, on major issues. It is not possible for these people to ignore the fundamental needs of Canadians.

In its stupidity, the federal government prefers to create more programs, rather than meet the needs of provinces. It is going to stick its oar in with the millennium scholarships, but it is common knowledge that the provinces are able to run these sectors.

It is even going to interfere in health care, when there are long waiting lists for operations. Cancer patients face delays of two, four, five, six or eight months, which is terrible for families and for the patients themselves.

All the government can think to do is to keep the caucus on a short leash and make no bones about it. How does one go about getting rid of a Prime Minister who, not just in the case of Human Resources Development Canada, but in the case of the budget, is determined to interfere in all sectors of provincial jurisdiction?

For his part, the Minister of Finance is irresponsible for signing off on a budget that does not meet the real needs of Canadians. The Prime Minister says to the Minister of Finance “Paul, my friend, put so many millions in this sector, \$1.5 billion for Human Resources Development Canada, so that we can continue our political meddling, and arrange for \$2 million for one, and \$1 million for another, and then we will collect during the next election campaign”.

All Canadians, including those who are English speaking, are beginning to see what this has produced, after 30 years of provocation by former Prime Minister Trudeau and the current Prime Minister. It has produced a country on the brink of dissension.

The figures prove it: 15% in the 1970 referendum; 49.4% in the last referendum. If there were referendums in Alberta and British Columbia, I am not sure it would not be higher still.

The provocation must end. The Minister of Finance has to stand up for himself and stop saying “yes” to the Prime Minister all the time, preparing budgets according to the political wishes and partisan desires of the Prime Minister. The Minister of Finance cannot go on through the coming months like the Prime Minister, because Canadians are beginning to understand all that the government has done, in addition to not having any timetable.

When we rise as Progressive Conservative members we are immediately met with “You left the country with a deficit”. That is a quick summary of the country’s financial state. When Pierre Elliott Trudeau arrived, there was no debt. It grew to \$18 billion in 1974 and to \$284 billion later on. What counts in economics is the multiplier. He multiplied it by 11. We multiplied it by two. But we had a timetable.

We passed the free trade agreement. They all voted against it. They almost defeated us on it.

• (1330)

The GST, which will bring in \$24 billion in revenues this year, not to mention the free trade agreement, which is very lucrative for the country, was not enough for the Minister of Finance. What he likes to do is pocket the money, Canadians’ money, which he has arbitrarily decided to manage on our behalf. This is what the Minister of Finance has done.

He has to stop hiding behind the Prime Minister and launch his race for the leadership intimating that he performed miracles for Canada. He did not perform miracles, the previous government did by passing lucrative measures for the current government. But that was not enough for them.

Employment insurance yields an annual surplus of \$7 billion paid for by the workers. What Canadians want and what hopefully all opposition parties will propose in the next elections, is to give people their money back instead of creating new programs whose only objective is to give visibility to the Prime Minister and to the Minister of Finance, both of whom spent the week-end grandstanding here in Ottawa.

People want money in their pockets. It is the only way to fight poverty. Right now, the government is not fighting poverty, it is fighting the poor. Canadians have had more than enough of a government that spends most of its time quarrelling with the provinces.

In Quebec, we have been putting up with that for 30 years from the former Prime Minister and the current one. All those quarrels lead nowhere. Quebecers, like Albertans and all the others, from the maritimes and elsewhere, want peace and quiet and want to see

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the money back in their pockets when the government does not need it. This year, revenue from the GST will be \$24 billion, the surplus the EI fund will be \$7 billion and there will be further tax hikes, the 50th tax increase in seven years.

The government claims that it has been a good government, that it has honourably replaced the last Progressive Conservative government. I am ready to take all the Liberals on, based on our performance after nine years in power compared to theirs after seven years. We will look at the numbers and see which government was the best one, which one made the best choices. Give me any item on the government's agenda.

At a time when Quebecers wanted constitutional peace, as did all Canadians, the wondrous Minister of Intergovernmental Affairs, with his obsession for the constitution—nothing else but that interests him—found a means for getting a bill passed for the sole purpose of disgusting everybody in Quebec and showing the rest of the country “Here we are teaching the Quebecers a lesson, here we are putting them in their place”.

I have some news for them. Fortunately, the government is going to change, maybe even this fall, because if it does not I can promise there will be a referendum in a few years. And the key argument of a very strong majority of Quebecers will be that bill of the Minister of Intergovernmental Affairs, Bill C-20, which does not even respect international standards as far as democracy is concerned. They will get a referendum and then some.

They are the ones responsible for the change in the outcome from 20% to 49.4%. They will be responsible for raising it from the 49.4% of 1995 to perhaps 65% in 2003 or 2004.

Mr. Claude Drouin (Beauce, Lib.): Madam Speaker, I do not know whether the hon. member is a Progressive Conservative or a Bloc Quebecois member, because he has reached the stage of promising us referendums. I have some good issues of conscience to raise with him.

He has referred to the HRDC scandal. I would like to remind him that the consent of the provinces is involved. Yesterday's *La Presse* quoted Mr. Pinard, the Deputy Speaker of the National Assembly, as saying that the Prime Minister was doing excellent work and was working on behalf of the people of Shawinigan.

I believe the hon. member ought instead to be congratulating us for bringing the unemployment rate down from 11.4% to 6.8%. He says that he is going to give us figures comparing what was done during their mandate and during ours.

I would just like to remind him of a few such figures: their 3% and 5% surtax to eliminate the deficit, which we took out in our budget three years ago, their non-indexation of tax tables, to try to fight the deficit.

• (1335)

If he wants figures, we will give him some.

We have reduced the debt to \$573 billion. We have eliminated the deficit. Do they talk about the \$42 billion deficit that we have eliminated? We have generally reduced taxes by 15%. There were no tax cuts when the Conservative were in power. There were tax increases. That is what they managed to do.

There was also an increase in unemployment, whereas under our government the unemployment rate has gone down to 6.8%. Those are eloquent figures.

In order to give a break to families, we cancelled the 3% and 5% surtax they slapped on to help eliminate the deficit. In 2000-2001, the transfer payments will reach an absolute high, contrary to what a Bloc member stated this morning when he said it was a shame.

With the transfer of tax points that provinces want us to increase, the transfers will reach a record high. The Conservatives never did anything of the kind.

The Quebec finance minister said it was not a matter of money but rather a matter of management. I would have liked to hear Bloc members tell us what Quebec has done with the \$841 million kept in trust when people had to go to the United States to get health care because of a lack of money.

They talk about referendums. The hon. member mentioned the figure of 49%, yet we know that 25% of those who voted yes believed Quebec would stay within Canada. This is a Conservative saying this and promising another referendum? I seriously wonder if he should not change seat and go sit with the Bloc.

Mr. André Harvey: Madam Speaker, I have a few remarks for my colleague.

We are not the ones talking about referendums. For weeks, the government has been talking about a possible referendum. Who brought Bill C-20 before the House in order to lock up Quebec inside Canada? Not a single people can stand being in prison. A real confederation should be a partnership.

I must tell him that, with a bill such as the one that was passed by the House, we run the risk of having another referendum because of all this provocation.

The hon. member talked about the unemployment rate. The government has a \$7 billion surplus, but people are not eligible for employment insurance any more. The eligibility rate has dropped from 75% or 80% to a mere 40%. We need not wonder why poverty has reached such a high level in Canada. In the seven years since the Liberals took office, poverty in families and child poverty have gone up 50%. This abysmal result has been confirmed by the United Nations. I find that deplorable.

I want to remind the hon. member that I was elected as a member of the Progressive Conservative Party, and its basic principle is that we should work for national reconciliation. When the Meech Lake accord was passed, 92% of Canadians agreed. They are not the ones who scrapped it. It took only four or five vicious Liberals who look after their party's interests first instead of those of this country.

[English]

Mr. Rick Casson (Lethbridge, Ref.): Madam Speaker, I will be sharing my time with the hon. member for Red Deer.

It gives me pleasure to rise today and speak to this Reform Party motion. I congratulate the member for Calgary—Nose Hill for her hard work on this file and for bringing it to the attention of the House.

I will first speak about the need for increased health and social transfers to the provinces. Our health care system is on life support. Every day we hear more stories of patients waiting for days in clogged emergency rooms, nurses at the breaking point and physicians burned out trying to meet the needs of their patients and ever lengthening waiting lists. At the centre of all this is a person who falls ill and pays for the decay in our system with their pain and their suffering.

When the Liberal government assumed power in 1993 it promised to maintain a high level of health care spending for all Canadians. However, the reality is quite different. Since it came to power, the CHS transfer has dropped 28%, ripping a cumulative \$21 billion out of transfer payments to the provinces. This slash and burn approach has left a devastated health care system in its wake.

• (1340)

The Canada Health Act, which has five principles that govern health care in Canada, is being violated every day across the country. However, every time someone tries to point out this painfully obvious fact, and I say painfully because people are suffering and even dying because of these failures, they are immediately labelled as an enemy of medicare. Immediately hot button words like two tier and American style are thrown out with no regard to the merit of the argument.

The government likes to wrap itself in the act, claiming to be the white knight of medicare, defending the health of Canadians despite the fact that the act is no longer capable of doing what it was originally intended to do.

The first principle, portability, implies that when citizens travel from one province to the other they will be covered in the same manner as in their home province. This is not true, as each province covers different services.

The second principle, that of public administration, states that the health care system will be publicly funded and administered.

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The fact is that while the feds and the provinces initially split the bill for health care equally, today the federal government contributes only 11% of the total in health care spending.

The third principle, universality, which means that everybody is covered for health care needs, is simply untrue. Those who cannot pay their premiums are not covered. Those who cannot afford fees for physiotherapy, chiropractic work, prosthesis and other services do without.

The fourth principle, accessibility, which means that an ill person receives care when they need it, is the most important principle of the Canada Health Act that is being violated. Last year 212,000 people were on waiting lists, an increase of 13% from the year before. Compounding this is the fact that people are waiting longer. The government is rationing people's health care and under these circumstances it is the poor and middle class who are getting their health care withheld, for the rich can always go south of the border, or often have connections to jump the queue.

The fifth principle, comprehensiveness, means that necessary services must be covered. However, this is not true considering that home care, many drugs, optical and dental services and many others are not completely covered.

Despite these obvious flaws in our health care system, we have a government that champions the status quo, a position that has taken us into this crisis and one that offers no way out. Throwing more money at a broken system does not help. The extra \$2.5 billion that was announced in the 2000 budget, money that will be allocated in the next four years, is like offering a band-aid to a trauma victim. It will not get the job done. What we need is a fundamental shift in how we approach health care in the 21st century. While that shift is being created, we need to maintain what we have and the money that is being put forward is not doing the job.

It is against this backdrop of crumbling federal support for health care that Canadians are learning about the disastrous mismanagement of hundreds of millions of tax dollars in the human resources development department.

On January 19, 2000 an audit was released entitled "Program Integrity: Grants and Contributions" two days after a Reform Party access to information request for the audit was submitted. That audit revealed the following: Of the 459 project files reviewed, 15% did not have an application on file from the sponsor. On the remaining applications the following elements were missing: 72% had no cashflow forecast; 46% had no estimate of the number of participants; 25% had no description of the activities to be supported; 25% provided no description at all of the characteristics of the participants; 11% had no budget proposal; 11% had no description of expected results; and 97% of all files reviewed showed no evidence that anyone had checked to see if the recipient already owed money to HRDC. Eight out of 10 files reviewed did not show

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evidence of financial monitoring and 87% of project files showed no evidence of supervision.

Here are some examples of where the money went. Videotron Telecom of Montreal is worth \$6 billion but received \$2.5 million from the transitional jobs fund grant a month after the 1997 election. At the end of its contract, it had not claimed \$550,000 of the money so HRDC simply sent them a cheque.

American based RMH Teleservices was enticed to the minister's riding using \$1.6 million in HRDC grants over the protests of the neighbouring Liberal ridings. Later, RMH executive vice-president, Michael Sharff, said in an interview that they would have located there without it. He said "I'm sure we would be in Brantford one way or another. That was kind of like icing on the cake".

• (1345)

The Canadian Aerospace Group in Nipissing, Ontario, received \$917,000 of a \$1.3 million TJF grant before going bankrupt without building any aircraft. Then the company moved to St. Hubert, Quebec, and was approved for another \$1.65 million loan from Quebec's Federal Regional Development Agency, Canada economic development for Quebec regions. No money has been paid yet. The RCMP is investigating. The list goes on.

What is there to show for it? At least 19 police investigations, those we know about, a handful of jobs and a fountain in the Prime Minister's riding. Incidentally that riding received more grant money than the provinces of Alberta, Saskatchewan or Manitoba. Sadly the Prime Minister sees nothing wrong with them, saying that he is only doing his job as a good MP, despite the fact that three of the RCMP investigations are in his riding. I am sure it is no coincidence that many of the beneficiaries of this largesse are also generous contributors to the Liberal Party.

The official opposition believes that Canadians would rather see this money spent on improving the quality of health care than on lining the pockets of the Prime Minister's friends. That is why we are calling on the government to forgo the \$1.5 billion increase contained in this year's budget for federal grants and contributions. We believe that this funding is better spent upgrading the quality of health care. We are deeply concerned about the future of health care in Canada. No one wants to see people suffer when they fall ill. No one wants an American style health care system in Canada.

We believe that health care should not be based on financial status. All Canadians should have timely access to essential health care services. When we form the government we will provide greater freedom of choice when it comes to ensuring their well-being and their access to the best medical care and facilities. We believe the needs of patients must come first in the delivery of health services. We will work co-operatively with the provinces so that they have the resources and flexibility to find more effective

approaches to the financing, management and delivery of health care, thereby ensuring that the choice of patients in quality of care is maximized.

We can no longer afford to be complacent. We must find the best solutions and implement them. Time is of the essence. The longer we delay, the more people will suffer. Good solutions exist. All we need is the courage to implement them.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, I listened to the hon. member's speech with great interest, particularly with regard to the transfer payments.

My understanding is that the federal government is putting \$3.3 billion less into the system than was in the system in 1993-94. This is the year 2000. When we factor in inflation we are looking at a great lack of funding from the federal government to the provinces, particularly when the provinces signed on to these programs with the complete understanding that it would be a 50:50 cost sharing.

The hon. member also spoke of pain and suffering, and I have a question for him. To my way of thinking, one of the darkest pages in the history of the medical profession in Canada was how this so-called caring and sharing Liberal government treated hepatitis C victims. These people absolutely believed in the system. They were told that it was fail-safe. They bought into it and went in for blood transfusions. After the fact they found out that they had tainted blood. Some are suffering with kidney failure and some are literally dying. Yet the government has only seen fit to pay the lawyers in these cases. It has not put one dime toward the victims.

Is this the hon. member's idea of what people would think of as a Liberal "we care, we will help you" attitude toward innocent victims in the medical system?

Mr. Rick Casson: Madam Speaker, I thank my colleague for the question. One of the most memorable moments in my time in the House was the day when we voted on compensation for hepatitis C victims. That was probably my first real idea of how much power was in the front row of the government.

We saw backbench government members stand to vote against the motion to compensate all victims. To the credit of one member who was very emotional, she had worked very hard for these people but had to vote against her beliefs and the wishes of her constituents.

• (1350)

I have received quite a few letters, as I am sure have all members of the House, from constituents about this issue. I would like to read a couple of them. This one comes from a constituent in

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Coalhurst, Alberta. It is addressed to the Liberal members of the Government of Canada, with a copy to me, and states:

This letter is to inform you of my disgust at the Liberals in the Federal Government. Their handling of the tax money of this country is a disgrace.

It is my opinion that there are several people that should be relieved of their positions because of their ineptness. . . Is there no accountability to the people that have put you in office? Please stop the policy. . . of using tax dollars as a slush fund for political patronage.

Another letter was to the Prime Minister with a copy to myself. It comes from a constituent in Lethbridge and states:

Dear Mr. Prime Minister:

As a taxpayer, I find the reports about the way the HRDC has been handing out our money, very disturbing for two main reasons. The first is the apparent lack of proper management of the vast funds of taxpayers money being handed out—There are many who believe that the minister should resign. The hon. minister should be held accountable for the apparent poor management practices of HRDC. However, she may have done taxpayers a big favour by bringing to the attention of the entire country the casual and lax ways that millions of our tax dollars are spent.

It was the member from Nose Hill who brought it to the attention of the country. The letter states further:

But more importantly this affair, as well as the attempt to give millions to millionaire hockey teams, has clearly pointed out to the taxpaying public that the government is collecting more money than it can spend in useful ways.

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, I am very pleased to speak to the subject of transfers and in particular the transfers to health care.

I was in my riding this weekend. I am sure many members, at least on our side of the House, go back to their ridings to talk to their constituents and are told to fix that grant situation in Ottawa; to fix that waste, that boondoggle that has been going on in Ottawa; and to fix the fact that the Prime Minister's riding gets \$7 million while the provinces of Manitoba and Saskatchewan each get around \$5 million and Alberta gets \$3 million, 73% of which goes to the justice minister's riding in Alberta. That is not what they want their tax dollars used on.

The Liberals seem to take the tax and then think it is their money to distribute as they see fit. Their tax and spend philosophy is just not acceptable. Our critic is proposing in today's motion that the grants for HRDC and the like be frozen and that the grants to health care be increased, which is the second thing people are telling us about.

Between 1993 and the proposed 2004 budget there will be a \$35 billion cut in transfers for health care. People care about that. Yes, people want reduced taxes, but they also want good first class health care. The government needs to get the message that people want to choose what to do with their money, that they want government to stay out of their business, and that they want

government to stop playing politics with the grants it so readily hands out.

Basically we heard the Prime Minister say this weekend that he will be the defender of medicare. What we are really talking about is a socialized, state run 1960s form of health care. It is not sustainable. The status quo is not an option, which the health minister has said many times.

It is the Liberals who are breaking the Canada Health Act. It is the Liberals who are creating a multi-tier health care system. It is the Liberals who are using the Canada Health Act as a hammer against the provinces like some tinpot dictator would do in the treatment of lesser states.

• (1355)

The Prime Minister promises to maintain medicare as it is today. I do not think many Canadians want the Prime Minister to maintain what we have today. We must also remember that it is governments like this one that have created a \$580 billion debt with a \$40 billion plus interest payment. We put \$15 billion into health care and we put \$43 billion into interest payments. What is hurting our health care system more than that sort of debt, and who is responsible for it?

Let me repeat that the Prime Minister is saying he wants to maintain a 1960s socialized, state run health care system. North Korea and Cuba along with us can claim to have that sort of a system. Other countries have modernized their health care systems. They have done things to make them better, and I will mention some them.

We are now rated 23rd of 29 countries in the OECD when it comes to health care. We are in the bottom third of industrialized countries when it comes to health care. If some members who are heckling across the way today would ask their constituents what they think about their health care, I am sure that is the answer they would get as well.

It is the Liberals who have destroyed our health care system. They are the ones who are not living by the Canada Health Act. It is not an accessible system. There are waiting lists a mile long. To get to see a specialist one might wait three or four months. That is not accessible. Queue jumping is going on. Whether it is legitimate like the WCB or whether it is politicians, at least politicians from the other side, queue jumping is going on.

It is not portable. I have talked with a number of doctors who have said that they want money upfront, particularly if patients come from provinces such as Quebec. It is not fair to those people to be treated that way. It is the Liberals who are destroying and not obeying the Canada Health Act. Last year 76 items were delisted from health care. That is not comprehensive and that is not acceptable to Canadians. It is not universal.

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The Speaker: Order, please. The member will have four minutes left in his speech and will have the floor when we return. It being almost 2 p.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, on March 17 the Princess Patricia's Canadian Light Infantry celebrated the birthday of the first Princess Patricia who was born in 1886.

Raised in 1914, this distinguished regiment has provided outstanding service for the past 86 years. During the Great War, the Patricia's fought valiantly on Europe's battlefields. For their efforts they were awarded three Victoria Crosses.

During the Second World War they won deep respect from Allies and enemies alike for their tenacity in battle.

In 1950 the Second Battalion of the Princess Patricia's was the first Canadian infantry unit to arrive in Korea. Its extraordinary courage at the battle of Kapyong won it the distinct honour of a U.S. Presidential Unit Citation.

The Patricia's have distinguished themselves in the Medak Pocket and in other UN peacekeeping operations in both Bosnia-Herzegovina and Kosovo.

On behalf of all Canadians I wish to praise the Princess Patricia's Canadian Light Infantry for its years of outstanding service.

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NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Liberal government is a fractured and fighting party. It cannot agree on who its leader is or should be, any more than it can agree on what its defence policy should be.

Last weekend's high comedy convention is reflected in the ongoing dispute between the Minister of National Defence and the Minister of Foreign Affairs who cannot seem to develop a coherent and consistent policy between them.

The foreign affairs minister's ill timed, immature and irrational attacks on the United States national missile defence system are a case in point.

● (1400)

While Canadian military planners recognize the need, indeed the necessity, of Canadian participation in this defence system, the

foreign affairs minister continues to talk about star wars and American aggression all the while alienating and angering our closest ally. How can one man stand in the way of a defence system that is essential to North American security?

It is time for Canada to endorse the national missile defence system.

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AGRICULTURE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I had the opportunity along with my colleague the member for Essex to welcome Mr. Nick Parsons to Parliament Hill this morning.

Mr. Parsons, a grain farmer, drove his combine all the way from Peace River to outline to the public and the government the devastating farm crisis affecting many farm families and their communities across the country.

His journey was not easy but it signifies the spirit and determination for better farm policies for all farmers across Canada. His journey signifies a historic moment in terms of farm policy politics in which farmers from across Canada have travelled across many areas of the country, have demonstrated publicly for better farm policies and his—

The Speaker: The hon. member for Anjou—Rivière-des-Prairies.

* * *

[*Translation*]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, on March 20, 1970, officials from 21 countries, including Canada, signed in Niamey, Niger, the treaty establishing the first intergovernmental organization for the Francophonie. Special ceremonies will take place this year in Niamey to mark the 30th anniversary of this event. Since 1988, March 20 has been the Journée internationale de la Francophonie.

Canada will mark the anniversary this afternoon at the Canadian Museum of Civilization. The Prix de la Francophonie and decorations for the Ordre de la Pléiade will be awarded on that occasion.

Being part of the Francophonie gives Canadians more opportunities to thrive at the international level in the areas of language, culture, politics, economy, new technologies, co-operation and trade.

I wish everyone a very good Journée internationale de la Francophonie.

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[English]

STRATFORD FESTIVAL

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, it is once again my pleasure to rise in the House to announce with great enthusiasm that the Stratford Festival Theatre will be opening its 2000 season on May 3.

As many will know, the festival is renowned the world over for its theatrical productions. This year will be no different. Its playbill looks more like a study of the classics. Shakespeare's *Hamlet* and *Titus Andronicus*, Alexandre Dumas' *The Three Musketeers*, Molière's *Le Tartuffe* and Oscar Wilde's *The Importance of Being Earnest* are just a few of the plays the festival will be performing this season.

To facilitate participation, my office will provide every member with a 2000 festival brochure. I strongly encourage everyone to come along and join the celebrations.

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AGRICULTURE

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, today is the first day of spring.

It was not too long ago, about three weeks ago, that the minister of agriculture promised there would be \$300 million available for prairie farmers to help them through the spring seeding. So far we do not even know how it will be distributed, who will get it, what the terms of reference will be, nothing. It sounds like another AIDA program with the money laying on the table and the farmers reaching out trying to get it and having it pulled away from under their noses.

I wonder when the minister of agriculture will get his act together and instead of having photo ops will actually come out and show the farmers that he does intend to do something. When will he show some respect for people like Nick Parsons who brought his combine up to the front of the parliament buildings today to try to get the attention of the government and let it know what is going on?

* * *

MICHAEL STARR

Mr. Ivan Grose (Oshawa, Lib.): Mr. Speaker, today I wish to recognize the contribution to the city of Oshawa by one of my predecessors, Colonel, the Hon. Michael Starr, who passed away on Thursday.

Mike was extremely proud of his heritage, just as Oshawa's sizeable Ukrainian population was proud of their Mike.

● (1405)

Michael Starr was elected as an alderman in 1944 and then mayor. Mike was the mayor of Oshawa until 1952 when he won an election as a Conservative member of parliament. In 1957 Michael Starr was named Minister of Labour. This appointment made Mike the first Canadian of Ukrainian descent to be appointed to the federal cabinet. In 1957 Mike was named Ukrainian of the Year for North America. He was appointed as a citizenship court judge and served on several important provincial boards. He also served as honorary colonel of the Ontario Regiment.

Michael Starr's name is remembered on a provincial government building in Oshawa and also by his contributions to Oshawa and his country. He will not be forgotten.

Thank you Mike. See ya around.

* * *

[Translation]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Journée internationale de la Francophonie, which we are celebrating today, is of particular importance this year.

On March 20, 1970, three great statesmen, Léopold Senghor, Habib Bourguiba and Hamani Diori, along with officials from 21 states and governments having in common their use of French, created what was to become the Agence internationale de la Francophonie.

Thirty years later, the states and governments of the Francophonie are meeting again in Niamey, to mark this anniversary, at the invitation of the Secretary General of the Francophonie, Boutros Boutros-Ghali.

The fact that membership grew from 21 participants in 1970 to 55 in 2000 reflects the vitality of the French language around the world. Quebec will soon be a member of that group, as a country.

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[English]

UNITED KINGDOM PARLIAMENTARY DELEGATION

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, on behalf of the Canada-United Kingdom Interparliamentary Association I would like to indicate to the House that members of the British delegation are visiting with us today to learn more about how Canadian parliamentarians carry out their responsibilities both here in Ottawa and in their constituencies.

I am pleased to note that the delegation is headed by the Baroness Pitkeathley of Caversham. Also present are Keith Ernest

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Darvill of Upminster; Christopher Leslie of Shipley; Maria Eagle of Liverpool-Garston; John Bercow of Buckingham; Gerald Howarth of Aldershot; the Rt. Hon. Eric Forth of Bromley-Chislehurst; and Andrew George of St. Ives.

It is a pleasure to have them here with us today.

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TAIWAN

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, on Saturday the people of Taiwan made a historic decision, electing former dissident human rights activist and Taipei mayor Chen Shui-bian as their president. This decisive victory by the leader of the once outlawed Democratic Progressive Party is a milestone in the courageous struggle for democracy of the Taiwanese people. It is a clear rejection of the bullying and threats of the mainland Chinese government. The people of Taiwan must be allowed to freely choose their own future, including independence.

[Translation]

Throughout our country, Canadians of Taiwanese origin applaud the election of the first president truly of Taiwanese origin, and that of Annette Lu, the first woman to become vice-president of that country.

Today, I join democrats of all types and from all over the world in demanding that the Chinese government respect the democratic and peaceful wish expressed by the people of Taiwan during this historic election.

[English]

Let us now hope that democracy and respect for human rights will come to mainland China as well.

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MOZAMBIQUE

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this evening in Room 253-D Centre Block a very special reception will take place to support flood relief efforts in Mozambique.

For several weeks now, floods in Mozambique have brought enormous suffering to its people. Mozambicans continue to be without adequate clean water, food and shelter despite assistance from Canada and the international community. The situation worsens by the day since many lives are threatened by the outbreak of diseases and the dislodgement of thousands of land mines. The floods have seriously jeopardized Mozambique's ability to feed its people.

I urge all my colleagues to attend the reception this evening and give their support to the flood victims in Mozambique. It is in Room 253-D Centre Block.

[Translation]

ALCAN'S JOB SHARING PROGRAM

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, with all the scandals at Human Resources Development Canada, the minister has an opportunity to do something constructive in the case of Alcan's job sharing program—Solidarité pour la création d'emplois.

In 1995, in co-operation with the federal government, Alcan employees, the Government of Quebec and the company decided to create a job sharing program.

• (1410)

Arbitrarily, after three years, the federal government pulled out, leaving hundreds of jobs in jeopardy.

I beg the minister to review this file objectively. There is much talk of partnership, which I think is one of the most promising avenues for the future, particularly in the outlying regions, where it is difficult to create jobs.

I hope that the minister will show her good faith and that, despite all the scandals, she will be able to do something concrete to help workers in isolated areas.

* * *

[English]

AGRICULTURE

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, Nick Parsons ended his 4,800 kilometre odyssey today as he eased his 10 tonne Massey-Ferguson combine to a stop in front of the centennial flame on Parliament Hill. What a beautiful sight it was.

For six weeks Nick navigated the Prairie Belle through the small towns and mega-cities of Canada, determined to bring attention to the farm income crisis that has crippled Canadian farmers.

For six weeks he drove, receiving the support of thousands of Canadians along the way. But if it were up to the government, Nick may as well have stayed home. The one man he wanted to talk to, the one man who could make a difference, the Prime Minister, has denied his request for a meeting.

The government has failed producers. Instead of immediately delivering emergency assistance, the Prime Minister makes promises of money that will never make it to the farm gate.

Canadian farmers, like Nick, need more than empty promises. They need a meaningful commitment from the government. Mr. Prime Minister, the message is simple: If you do not support agriculture, quit eating.

[Translation]

ROYAL CANADIAN MOUNTED POLICE

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, on March 8, the government announced that the RCMP would be keeping all its detachments in Quebec open.

I wish to tell RCMP authorities how satisfied I am with this decision.

It confirms the RCMP's determination to maintain quality services, but we already knew that. The important thing is that the RCMP is adapting its services in order to give officers more flexibility so that they can better wage their fight against crime.

The decision also confirms the RCMP's desire to pursue its partnerships with other police forces in order to carry out the very difficult work of gathering and analysing data in the regions.

I would like to take this opportunity to congratulate the RCMP and thank it for its excellent partnership with the Sûreté du Québec, in particular in Opération Cisaillie to eradicate the cultivation of marijuana by organized crime.

All the stakeholders in the region—it is my region also—including farmers, the UPA and members of all political parties recognize how valuable and effective this co-operation is.

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LEADER OF BLOC QUEBECOIS

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, today the leader of the Bloc Québécois will be made chevalier de l'Ordre de la Pléiade, a distinction awarded by the Assemblée parlementaire de la francophonie.

The hon. member for Laurier—Sainte-Marie is the living incarnation of modern Quebec francophonie. He has always been a staunch promoter of the public use of French in Quebec, in Canada and in the world.

The leader of the Bloc Québécois reconciles in a completely natural manner his Irish origins and the French language, and is equally at home with the green of Ireland and the French language.

With his passion for history, he is well aware of the path French has taken in North America over the past centuries, and of the obstacles it has encountered. This is why he shows no hesitation in

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challenging preconceived ideas on language and on other issues crucial to the Quebec of today.

He knows that French as a language of culture, of science and of commerce constitutes the cement of Quebec society, a society that is more open, stronger, more vigorous than ever.

Bravo to the hon. member for Laurier—Sainte-Marie, leader of the Bloc Québécois, for this well-deserved award, which reflects glory on all of Quebec.

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LIBERAL PARTY OF CANADA CONVENTION

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, this past weekend, Liberal activists sent Canadians a clear message. They proposed and voted on resolutions aimed at a future electoral platform responding to the aspirations of the population.

Our party membership wishes to see their government pursue its agenda as far as health, the economy, and the bolstering of Canadian unity is concerned.

When Liberal activists call upon their government to invest in infrastructures, their focus is on regional development, and rightly so. When Liberal activists call upon their government to invest in health, their focus is on improving the quality of life of the Canadian population, and rightly so.

I am proud to belong to a political party with the well-being of the people of Canada at heart, a party whose ultimate aim is greater equity for all.

* * *

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, today we celebrate a special holiday in Canada and around the world, that of the Francophonie, a celebration of pride and cultural identity.

The declaration of a Journée internationale de la Francophonie, I think, points out the uniqueness of the language and the dynamism of the culture in all areas of international endeavour.

• (1415)

As a francophone, I invite Canada's francophones to show their pride and host communities to show their respect, thus underscoring this country's cultural diversity.

Long life to the Francophonie and a good day to all of Canada's francophones.

*Oral Questions***ORAL QUESTION PERIOD***[English]***EXPORT DEVELOPMENT CORPORATION**

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, when it comes to the gross mismanagement of taxpayer dollars, the human resources scandal is just the tip of an iceberg.

Another government agency, the Export Development Corporation, has outstanding loans amounting to \$22 billion, of which about \$2.8 billion has apparently been written off as lost. That is three times the amount bungled by the human resources department, and because EDC is even less accountable for taxpayers' money than the other government agencies, the total may well be higher.

What is the total amount of taxpayer dollars that has been lost on bad loans by the Export Development Corporation?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I thank the opposition leader for his very interesting question. I inform the House that over the last 50 years, all in all, the Canadian government has granted about \$1 billion to the EDC for its equity fund. The rest is money it makes on loans on the market. Therefore, it cannot be more than \$1 billion over 50 years.

Over the years the EDC, a very well run institution, has actually made profits year after year.

Mr. Preston Manning (Leader of the Opposition, Ref.): Only \$1 billion, Mr. Speaker. Another minister got into a great deal of trouble for saying something like that about 30 years ago.

When the EDC writes off bad loans, the taxpayers end up on the hook, and taxpayers have no way of even tracking where or how these bad loans were incurred. EDC is exempt from federal access to information laws and all the standard accounting practices that we expect from the government departments.

Again, we are asking the minister to give a straight answer to the question. How many taxpayer dollars have been lost by EDC on bad loans?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I think the opposition leader has not quite understood the answer. I just informed him that EDC does not operate on taxpayer money. Over the last 50 years it has received \$1 bill for its equity fund.

As for its management, I would like to read the auditor general's 1998 report in which he said that in his opinion:

—the transactions of the corporation have in all significant respects been in accordance with the (. . .) Financial Administration Act and regulations, with the EDC Act, and the bylaws of the corporation.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, \$2.8 billion in bad loans is almost three times the billion dollars bungled by human resources. Many of the same ingredients that infect the mismanagement of taxpayer money by human resources are found in the minister's department.

Key EDC decision makers have close links to the Prime Minister. The chairman of the EDC is a long time Liberal ally of the Prime Minister. Large subsidies went to some of the largest contributors to the Liberal Party and billions of dollars are lost.

If the government has nothing to hide, why does it not lift the cloud of secrecy that surrounds EDC?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I will repeat this slowly so that everyone in the House will clearly understand.

In the last 50 years the government has invested only \$1 billion in EDC, which represents its equity fund. That \$1 billion is still there and it has helped support over \$300 billion in Canadian exports around the world.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, that is not encouraging for the minister who came over from HRDC, and I am sure he is familiar with some of the stuff there.

The government subsidized Amtrak, an American train company, to the tune of \$1 billion. At the same time it was slashing billions of dollars out of our health care system.

Does the minister really think that Canadians are willing to give their money to subsidize Amtrak?

● (1420)

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, not long ago the Reform Party wasted a whole question period because its research office had done poor work. I can tell the House now that it does not even trust its own research office and now looks to the papers for research. It is relying on an article last Saturday that had more than 25 mistakes in it. It should do better research than that.

What everyone has to understand is that EDC does not grant any subsidies. It therefore did not grant any subsidy to Amtrak either.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, when backing a loan we know, if the loan goes sour, exactly who is on the hook to pay the bill.

While health care in our country has been derailed, this government has pumped a billion dollars into a foreign railway. The Prime Minister blabs on about the fact that he will protect Canada but—

Oral Questions

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Edmonton North.

Miss Deborah Grey: The Prime Minister talks about values and sharing. He brags that he will protect Canada from Americanization. That is nonsense.

How is it that this Prime Minister values sharing Canadian money so much with American companies?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the EDC always loans money to foreign clients who want to purchase goods from Canadian companies. That is the nature of the corporation. It actually makes money for the Canadian people. It made \$118 million just last year. That corporation does very good work. Ninety per cent of its clients are small and medium sized Canadian enterprises that are trying to export more. Canadians are very pleased with all the jobs that have been created that way.

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[Translation]

COUNCIL FOR CANADIAN UNITY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Council for Canadian Unity was commissioned to organize 1,500 internships at a cost of \$5,500 each.

According to the figures from Human Resources Development Canada, the internships each cost \$18,500, or three times the original projection.

I would ask the Minister of Finance, who looks after Canada's financial situation, among other things, to explain this discrepancy.

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the Council for Canadian Unity runs a very good program called "Experience Canada". Between 1996 and 1999 it helped almost 500 young people gain valuable career related experience. It has an 83% success rate. We all know why the Bloc Quebecois is not particularly happy with this program.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, for young Quebecers to meet young Canadians or young people from other countries, we think this is a very good thing.

However, the shameful part is that some use the young people to put money in their pockets, among others, the friends of the regime.

I would ask the government: how did this end up costing three times the amount originally projected, with 60% of the money going to administration costs, \$11,100 for each internship? Could they explain that to us rationally instead of going on and on?

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, each of the applications is approved by the Government of Quebec. What is the problem with the Government of Quebec? Is the hon. member saying today that the Government of Quebec is bad, yes or no?

• (1425)

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, the secretary of state obviously got the wrong program. He should let competent people reply to the questions.

In addition to the \$18,500 paid by Human Resources Development Canada for each training period organized by the Council for Canadian Unity, participating companies must also pay \$8,500 per trainee.

My question is for the Minister of Human Resources Development. How can this government justify the fact that the Council for Canadian Unity bills a total of \$27,000 for every six month training period?

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, in the first contract we had with this group it was true that it was beginning a program. When one is beginning a program one has to reach out to find people to help and to find participants.

During the first term, the cost per participant was high and that is why, in signing a second contract to keep this good work going, we decided to pay this particular group on a per participant basis. Therefore the cost will come down to be more in line with the more usual payment.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, we are talking about a cost of \$27,000 for each of the 453 six month training periods that have been set up. This amounts to \$12.3 million. This is a shame. And it is unprecedented.

How can the government congratulate the Council for Canadian Unity for its performance and renew its grant, when no one can explain what happened to the \$12.3 million?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member ought to ask this question to three of his own colleagues.

I was told that three Bloc Quebecois ridings are taking part in this good program of Experience Canada. Therefore, the hon. member should consult his colleagues to find out how great this program is for their constituents.

*Oral Questions***HEALTH**

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Government of Alberta has declared war on public health services.

The federal government provided the ammunition in 1996. It negotiated a secret agreement on the privatization of health services with Ralph Klein.

Clearly and simply, yes or no, does the Minister of Health agree with the 12 principles of this agreement?

[*English*]

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, as we have said repeatedly, there is nothing in Alberta's so-called 12 principles that will ever stand in the way of the Government of Canada enforcing the provisions of the Canada Health Act. It will never stand in the way of our protecting Canadian medicare. That is true in the case of Alberta and it is true across the country.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians are still waiting to hear whether the government will act to protect the principles of the Canada Health Act.

Last week in Alberta I met with Friends of Medicare. One of their members, Desmond Achilles, asked me to ask the Prime Minister about these 12 principles for privatization, the principles that the government negotiated with Ralph Klein.

Friends of Medicare want to know if the government is ready to take the first step to stop Klein's privatization. Will the Prime Minister and the health minister today repudiate Alberta's 12 principles for privatization?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we have already made it clear that we oppose the policy of bill 11. We have also told the Alberta government that we want to see the bill in its final form and that we want to see the regulations.

Let me remind the hon. member that on two previous occasions Premier Klein and his government have tried and failed to introduce similar legislation. Twice before he has withdrawn the bill.

Let us see whether once again Premier Klein will listen to the people of Alberta and withdraw this legislation.

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[*Translation*]

EXPORT DEVELOPMENT CORPORATION

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, for several weeks now the waltz of the billions at Human Resources Development Canada has taken up Oral Question Period in the House.

My question is for the minister truly responsible—not the Minister of Human Resources Development—the Minister for International Trade. Could he tell us about the \$1 billion in the Amtrak-Bombardier affair?

• (1430)

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, allow me to be very clear.

The Export Development Corporation does not give grants. It is a corporation that makes loans to businesses at commercial rates of interest. So \$1 billion is not missing. Loans are made at commercial rates to international businesses and clients wishing to buy goods here in Canada.

That is the specific mandate of the Export Development Corporation, which generated profits of \$118 million last year and helped 5,000 companies export goods abroad.

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, the minister really thought I was putting my question to the Minister of Human Resources Development. Perhaps he did not understand what I was asking.

On average, 15% of the Export Development Corporation's budget, or more than \$100 million annually, is earmarked for bad loans. There are two separate accounts: the EDC account, for all sorts of uses, and the Canada account, which comes directly from the government, directly out of taxpayers' pockets, for more problematic situations.

My question is this: did the money for the loan to Amtrak in the Bombardier project come from the Canada account or the EDC account?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I do not wish to go into specifics of a particular transaction.

The Export Development Corporation is a corporation independent of the government, which is perfectly able to answer this question.

However, I find it interesting that the Progressive Conservative Party seems to want to come down on the right and prevent the government and Canadian government institutions from taking action to help exports, to help our companies on international markets, which create thousands, in fact millions of jobs in Canada. Those are the facts and Canada can be proud of its Export Development Corporation.

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[*English*]

HUMAN RESOURCES DEVELOPMENT

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, on Friday the human resources development department admitted in

writing to a fourth investigation in the Prime Minister's riding. Then the minister denied the truth of that document. By the end of the day the department reversed its earlier statement.

Is the human resources development department's information unreliable, or was the investigation abandoned purely for political reasons?

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, as the minister stated in the House on Friday, there was no investigation of the particular file that was being asked about.

There was a mistake made by a rather lowly official who sent a fax to the Bloc Québécois. It was explained later by the deputy minister that a mistake had been made. She apologized for it and she has since sent the answer to the question today to the member of the Bloc who asked the question in the first place.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, after the bungling in that department it is amazing that the parliamentary secretary would have the fortitude to get up and call officials in that department lowly. It is those people across the way who are screwing up royally with taxpayer money.

The minister's little six point plan was supposed to clean up all these problems. There was not going to be problems like this any more. The minister has acknowledged her department gave false information to a member of parliament regarding Placeteco. Why does she not just admit her six point plan is nothing but a PR exercise and that the incompetence and mismanagement—

The Speaker: Order, please. The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member ought to be ashamed of himself for attacking the auditor general, an officer of this House. The auditor general reviewed the six point program. He approves of it. He wants to see it carried out.

When the hon. member gets to his feet again his first words should be an apology to the auditor general and an apology to this House.

• (1435)

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, as everyone in this House is aware, the Minister of Human Resources Development has repeated on numerous occasions that the \$1.2 million paid to Placeteco had made it possible to preserve—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Roberval.

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Mr. Michel Gauthier: Mr. Speaker, I will start again.

As everyone in this House is aware, the Minister of Human Resources Development has said that the \$1.2 million paid to Placeteco by her department had made it possible to create and maintain jobs at Placeteco. We have just had the figures from her department. In 1998, Placeteco had 81 employees. In March 2000, after wasting the \$1.2 million, it had 78 employees, or 3 fewer employees.

How can the minister tell us here in this House that the \$1.2 million created jobs at Placeteco, when there are fewer jobs after the \$1.2 million has been squandered?

[*English*]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, at various times there have been as many as 135 people working at Placeteco.

The company did run into trouble in 1998 and the department had two choices: do nothing and let the jobs disappear or work to maintain the jobs and help create new jobs. We decided to continue the project and work with the company.

The original firm now exists as two companies, Technipaint and Placeteco that together employ 170 people with good prospects for future growth.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, really, there are limits. Despite what the minister has said on several occasions, as everyone knows, about this money creating jobs, it did not create a single one. Jobs at Placeteco have even been lost, after the money was squandered. This money was diverted to pay a bank loan.

How can the Minister of Human Resources Development expect us to swallow her story about the money creating and maintaining jobs, when there are fewer jobs and the money was used in loan payments?

[*English*]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, these two companies which emerged from the one company that applied for TJJ funding have gone through ups and downs as do many firms in the private sector.

We can decide to abandon them or work with them, but I am happy to report that Technipaint has signed a contract with Bombardier for the painting of 82 regional jets and currently has 92 people working. Placeteco has a three year agreement with its employees and a five year contract worth \$8 million with Bell Helicopter.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, on Friday the human resources department could not tell how

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many jobs were created by the \$1.2 million grant to Placeteco. This was because the project was under investigation, but the minister obviously did not know that. She denied any investigation.

The department promptly changed its story to back up the minister. Even more helpfully, the department between Friday and Monday morning magically produced healthy job creation numbers for the project. Is that not all just a little too convenient?

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I have just taken the House through the numbers. The numbers are on papers that have been sent to the Bloc, the original questioners; but I do not even want to answer this question because the member—

Some hon. members: Oh, oh.

The Speaker: Order, please.

Ms. Bonnie Brown: I have felt for a long time that this particular questioner does not want to know the facts.

My opinion has been reiterated by a mayor of a small municipality who travelled to Ottawa to defend himself and his city against her attacks. He says in the paper that the MP does not want to listen, that she does not want to hear facts, that she does not want to know them, and that there is no point. He is fearful that his town will be treated unfairly because she is only out to make a name for herself. That is what a mayor says.

• (1440)

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I would hope there is no member of the House who could be browbeaten into abandoning doing their job on behalf of Canadians.

The facts of the matter are that on Friday, the last day the House sat, the Department of Human Resources Development had a document in the hands of members of the House saying that a grant in the Prime Minister's riding, a fourth grant, was under investigation.

The fact is that today, all of a sudden, there is no investigation and the numbers that could not be provided on the last sitting day are now available with no back-up documentation. I think the government owes Canadians an explanation, and I would like to hear it.

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I have already given the information and I would like to take this opportunity to apologize for my misuse of the word lowly. I meant a junior official and I feel very badly about that mistake.

I do not need any lectures from that member about doing my job. If she was painting the full picture of HRDC, she would have mentioned some time in the last seven weeks about the 3.7 million people who regularly receive old age security payments, the 1.3 million people who get GIS, and the 1.2 million people who regularly receive their EI cheques.

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[Translation]

FEDERAL BRIDGE CORPORATION

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, we learned that the Federal Bridge Corporation signed a contract with Mediacom to allow that company to put up 60 billboards on federal land in the Montreal region, thus contravening municipal bylaws and the Quebec moratorium on such billboards that has been in effect for five years.

Will the minister confirm that the Federal Bridge Corporation is about to disregard Quebec and Montreal laws and regulations by authorizing Mediacom to put up 60 billboards in the Montreal region, in exchange for an amount of \$40 million to be paid over a 15 year period?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, on the contrary, the Federal Bridge Corporation consulted all the authorities—and the Sûreté du Québec in particular—in the area of bridge safety.

The corporation did the right thing for all those who use bridges every day in Montreal. There is no problem on our side.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the minister did not get my question at all. I am looking for a commitment on his part.

Can the minister guarantee that he will not disregard the opinions of the Quebec government, the City of Montreal and transport experts who deem this initiative dangerous in terms of road safety?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the Federal Bridge Corporation complies with all provincial and municipal regulations and bylaws. There is no problem.

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[English]

TAGS

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, last year an internal audit by HRDC revealed that the majority of projects contained no evidence of supervision or monitoring. There was no review of applications, and in some cases the payments did not comply with the terms of agreement.

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No, I am not talking about the transitional jobs fund, but rather a special audit of TAGS signed off on April 18, 1999. When did the Minister of Human Resources Development learn about this audit and what did she do to correct the problem?

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I do not know the answer to that. I cannot speak for the minister about when she learned about any particular facts.

On the question of the other audit that has been the subject, I have been the parliamentary secretary for almost two years and I do know that the dates she has given in the House are the ones that I recall as being at meetings too.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, it is clear that the jobs fund was not an isolated instance. The government claims to be a sound manager of the taxpayers' money, but the truth is starting to leak out.

• (1445)

Will the minister tell Canadians just how many programs in her ministry are not following the rules and regulations?

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, for the hon. member's information, TAGS was actually created under the Tory government, prior to the Liberal's coming to power. We signed a memorandum of understanding with the Department of National Revenue to protect our taxpayers to make sure that any moneys owed would be collected. This is good Liberal common sense to protect the taxpayers' dollars.

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[Translation]

GASOLINE PRICES

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, in an effort to cover up his lack of action on the increase in the price of gasoline, the Minister of Industry has just announced that he has ordered a study of Canadian gasoline markets by the Conference Board of Canada.

The press release states "The Conference Board is the most appropriate body to undertake this study as it is independent of government and interest groups".

How can the minister say such a thing when the member organizations include Petro-Canada, Shell Canada and Suncor Energy? How can he make such a statement?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the members of the Conference Board have the right to receive information from the studies.

I think that even the Bloc Québécois member would agree, however, that the reputation of the Conference Board in terms of its independence and the quality of its research is beyond reproach.

I do not think that it will prepare a report that would raise questions about its reputation.

[English]

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, it is nice to be questioned by members opposite, who of course had very little interest in the issue of gasoline pricing for such a long period of time. Obviously it took a lot of members on this side to discover the issue long before it was an issue at the gas pumps.

Could the Minister of Industry tell the House the details about the Conference Board and its ability to review this industry from an independent point of view and give Canadian consumers who are constantly being fleeced at the pumps some decent answers which they certainly are not getting from the opposition?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the commitment to undertake a study was one which we made in response to the task force that was led by the hon. member and 46 other members of this caucus whose concerns about the price of gasoline led them to do an in-depth study and to request that a further study be done by people who have real expertise.

The Conference Board of Canada brings the economic expertise and the independence necessary to give us a thorough understanding of how this market works, what the cause and effect relationship is between prices at the crude level and prices at the retail level, and some assistance in determining what policy—

The Speaker: The hon. member for Calgary Southeast.

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THE ATLANTIC GROUND FISH STRATEGY

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Veterans Affairs, who just told us that it is good Liberal common sense to waste tax dollars as has happened in the TAGS program.

We have an audit report from April of 1999, five years after the program began and five years after Liberal administration. It states that most files showed no evidence that project applicants were checked for eligibility, one-third of the files had no rationale for selecting the projects and one-third of the projects did not even meet the criteria for the program.

How can the minister stand in his place and say this is a common sense program when in fact the audit shows that it was another boondoggle by the government?

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, the auditor general's report is very clear

Oral Questions

concerning grants and loans given out by the federal government. It is this: both the auditor general and the public accounts show very clearly that there were two years in which there were a lot of mistakes made. Those were in the years 1991 and 1992 when such assistance programs started. Who was in power at that time? I do not want to embarrass the hon. member. Mr. Speaker, you tell him who was in power.

• (1450)

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, the Minister of Veterans Affairs has embarrassed himself because the audit I hold in my hand speaks of the TAGS program coming into effect on May 16, 1994. It seems to me that his was the party in power.

When did that minister become aware of this special internal audit? When did the government decide to do something about it? Or, did it decide, like the HRDC grants scandal, to just sweep it under the rug?

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, the hon. gentleman is on a fishing expedition. The TAGS program, the compensation program for fishermen on the east coast, started under the Tory government, as announced by the hon. John Crosbie.

When we look at the auditor general's report on all of these programs we find that the worst violations were under the Tory administration. It singled out the massive expenditure, the millions of dollars, on a road to nowhere. That is exactly where this hon. member's party is today.

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[Translation]

HEALTH

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, in Alberta, Ralph Klein has proposed bill 11 to privatize hospitals. In Nova Scotia, John Hamm is suggesting user fees. In New Brunswick, Bernard Lord is wondering which is the best way to go.

My question is for the Minister of Health. Will he stop this hemorrhage and put money into the health system by next week, before his meeting with his provincial counterparts?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it is obvious that the status quo is unacceptable. I have clearly said so.

We need two things: first, a long term plan to improve the quality and accessibility of health care; second, more money. We are prepared to invest more money to help develop a plan to change and improve our system.

That is the goal of the meeting with my counterparts later this month.

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the question still remains: What is the minister prepared to do to stop bill 11? He has inferred that somehow the bill will fail on its own and he can sit on his hands and do nothing.

I have to tell the minister that less than an hour ago the Alberta health minister was reported as saying that he now expects the private hospital legislation to pass without any interference from the federal government, and he considers this a very important development.

The minister is failing to answer the question. What is the federal government going to do to stand up to bill 11, to stop it and to save medicare? What is the answer?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I have not been at all shy in expressing this government's position that bill 11 will not help solve the problems we face in medicare. It will lengthen, not shorten, waiting lists. It will increase, not reduce, costs.

It is a draft bill. Last week the premier was talking about possible amendments. Is the member prepared to assure the House, is the Government of Alberta prepared to assure the House that it will not make further amendments?

The bill may be amended. We have not yet seen the regulations. At the appropriate time we will express our position with respect to the Canada Health Act.

* * *

ABORIGINAL AFFAIRS

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the Eskasoni and Acadian bands in Nova Scotia have both been accused of not being accountable for their federal funding.

Can the Minister of Indian Affairs and Northern Development tell us how he knows this when his own department has been criticized for lack of accountability, deficient monitoring systems and no regional management performance reports?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I want to make it very clear to the hon. member, as I have to other members, that the department which I head up is the most audited department in the entire government. Every first nation that we do business with as a partner has to submit an audit every year. We use that audit to look at the financial health of the community. With that audit we look at whether we need a management plan to help it with its capacity.

I can tell the House that every first nation in Atlantic Canada has submitted those audits as per our requirements.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I am pleased to hear the minister say that his department is accountable

Oral Questions

to the taxpayer of Canada. However, some of the bands do have accountability problems. It was only recently that the Eskasoni Band submitted its complete and full audit to this very minister.

• (1455)

Can the minister tell us if the rest of the bands in Atlantic Canada have submitted full and accountable audits to the minister?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the hon. member should not have rehearsed his second question until he heard the answer.

I have made it very clear to all members of the House that they have submitted all of their audits and everything is according to standard as we know it.

* * *

[Translation]

AMATEUR SPORT

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, my question is for the Secretary of State for Amateur Sport.

We often hear about our Canadian and Quebec athletes living below the poverty line and leaving the country because of the lack of financial support.

What does the Government of Canada plan to do in this Olympic and Paralympic year to ensure that our athletes are prepared to compete to their full potential?

Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.): Mr. Speaker, I am pleased to have this question from this side of the House, since it appears not to be among the priorities of the opposition side.

I am pleased to announce today that we are aware of this problem and are responding to it. I have announced close to \$60,000 in additional direction assistance to nearly 1,300 carded athletes, an increase of \$5.4 million.

I have also announced an 80% increase to the funding of the national sports centres, which provide essential services to athletes and coaches. This represents an increase of \$1.5 million.

Finally, we want to increase—

The Speaker: The hon. member for Lethbridge.

* * *

[English]

THE ATLANTIC GROUND FISH STRATEGY

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, the problem of Liberal mismanagement is nothing new. In fact, back in April 1999 an audit by HRDC was conducted on the funds for the TAGS

program. This report highlighted the problems with HRDC grants and contributions. The response to this report was that HRDC was already taking steps to ensure better monitoring.

Why is it that six months later the minister of HRDC said she knew nothing about the mismanagement of taxpayers' dollars?

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I said that I was unable to answer the question at that time. I now have found the facts.

The auditor general's report we took very seriously. The lessons we learned were used in the design of the successor program to TAGS, the fisheries restructuring adjustment measures.

We also used the result of that particular audit to start a new audit on grants and contributions. It was what we learned in that first audit which alerted us to the possibility of auditing other programs.

We took those audit results and implemented the recommendations. The auditor general has the proof of our implementation.

* * *

[Translation]

CINAR

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, last fall, when we were criticizing the use of other people's names in the audio-visual industry in relation to CINAR, François Macerola, the head of Telefilm Canada, tried to trivialize the whole business by dismissing our comments as urban legend. Telefilm had been kept abreast of CINAR's activities since August 1993.

How can the Minister of Canadian Heritage have let Mr. Macerola lie in describing as an urban legend what he knew to be a serious misappropriation of funds?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, nobody lied. As soon as the initial allegations were brought to the attention of the House, I personally referred them to the RCMP. I hope that, if there are other allegations, they will be referred directly to the RCMP.

* * *

[English]

RAIL TRANSPORTATION

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my question is for the Minister of Transport.

The Liberal government has slashed VIA Rail funding by over \$600 million. These cuts have hurt Canadian communities and destroyed jobs. They have jeopardized affordable rail service. They have hurt northern communities that are dependent on VIA.

Routine Proceedings

Now we find that the Liberal government has secretly loaned \$1 billion to Amtrak, the American passenger rail service.

Why is the Liberal government supporting American trains while abandoning VIA Rail?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am very pleased to be clear on the fact that the EDC loans money to foreign companies all the time when they agree to buy Canadian goods.

Every important government in the world conducts its business this way. The money invested in EDC has helped Canadians sell more than \$300 billion worth of goods distributed around the world in the last few years.

* * *

• (1500)

FISHERIES

Mr. Mark Muise (West Nova, PC): Mr. Speaker, last fall the minister of fisheries promised that he would have a plan in place by the spring to regulate the Atlantic fishery.

Today, the first day of spring, what is the plan? Does it enforce one season for all fishermen and does it address the controversial food fishery?

Hon. Harbance Singh Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am very happy to answer this question. It is the first one I have had in this millennium from the hon. member.

We are working very hard. We have federal representatives meeting with first nations bands. In fact, we have already signed agreements with two of the bands. We will continue to make sure that as the fishing season starts we take every opportunity to have agreements so that we can have an orderly and regulated fishery with conservation being our priority.

* * *

INTERNATIONAL TRADE

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I am very concerned over the inability of Canadian winemakers to export to some parts of United States.

Despite the free trade deal with the United States, Canadian wines do not have access to American markets.

Could the Minister for International Trade tell us why Canadian worldclass wines do not have access to these markets? What is being done to rectify these conditions?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I certainly agree with my colleague. Canadian wine producers are indeed making worldclass wines.

Like Canadian provinces, United States' states have their own rules and regulations governing the import by individuals and these sales have gained a lot of importance with the advent of Internet shopping.

There are no states of which we are aware that prohibit all wines from entering from outside their borders, but some states do maintain restrictive market access regimes for commercial importation. Therefore, we have pressed the United States to bring its federal and state—

The Speaker: That will bring to a close our question period for today.

* * *

[Translation]

POINT OF ORDER

ORAL QUESTION PERIOD

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, when I replied to a question during question period, I should have said the interprovincial summer job exchange program instead of Experience Canada.

The Speaker: The correction is made.

Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.): Mr. Speaker, I went a bit too far when I said that the official opposition did not view amateur sport as a priority.

I wish to apologize publicly because I know that members of the House have worked very hard, particularly on the subcommittee on the study of sport in Canada. I also wish to apologize to all opposition party members who might have been offended.

ROUTINE PROCEEDINGS

• (1505)

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the government's response to two petitions.

* * *

PETITIONS

CHILD PORNOGRAPHY

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, I have three petitions to present today.

The first petition contains 100 signatures of people in Golden, which is part of my constituency. The petition calls on parliament to take all measures necessary to ensure that possession of child pornography remains a serious criminal offence. This petition joins about 300,000 other signatures.

POST-SECONDARY EDUCATION

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the second petition that I am pleased to present is on behalf of students from the College of the Rockies. The petitioners call on the government to restore \$3.7 billion in transfer payments to the provinces for post-secondary education and other issues relating to that.

2076 COMPANY QUARTERMASTER

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, I take particular pride in presenting the third petition with 240 signatures.

This petition was put together by students at Elkford Senior Secondary School. They draw to the attention of the House that during World War I in 1914 to 1918 certain members of the Canadian expeditionary force were executed for cowardice and desertion.

They call on parliament to pardon the soldiers of the 2076 Company Quartermaster.

I take particular pleasure in presenting this petition on their behalf as they are young people who are starting to take part in our great democratic process.

CRIMINAL CODE

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the privilege to present to the House a petition from concerned citizens of my riding of Cambridge. Over 600 of my constituents have signed this petition.

The petitioners pray and request that the Parliament of Canada act immediately to extend protection to the unborn child. They seek an amendment to the criminal code to extend the same protection to unborn human beings that is currently enjoyed by born human beings.

Mr. Speaker, I know that you will not agree, but I fully support my constituents.

RURAL ROUTE MAIL COURIERS

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present a petition which is signed by several hundred residents of the province of British Columbia on the issue of rural route mail couriers.

The petition notes that these people often earn less than the minimum wage and have working conditions reminiscent of another era; that they have not been allowed to bargain collectively to improve their wages and working conditions like other workers; that private sector workers who deliver mail in rural areas have collective bargaining rights as do public sector workers who deliver mail for Canada Post in urban areas; that section 13(5) of

Routine Proceedings

the Canada Post Corporation Act prohibits these people from having collective bargaining rights; that this denial of basic rights helps Canada Post keep the wages and working conditions at an unfair level and discriminates against rural workers.

The petitioners therefore call on parliament to repeal section 13(5) of the Canada Post Corporation Act, a call that I fully support.

The Deputy Speaker: The hon. member for Burnaby—Douglas is an experienced member of the House and he knows that it is quite out of order to state whether he supports or opposes a petition. He should not look so shocked because I know he has heard this many times before. He said whether I agreed. That was irrelevant. I know the hon. member for Burnaby—Douglas will want to refrain from such conduct in the future.

• (1510)

CHILD POVERTY

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, I present a petition today signed by many B.C. residents concerning the high level of child poverty in this country. One in every five children live in poverty. We must work together to improve the lives of these children who live in poverty.

CHILD PORNOGRAPHY

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I have two petitions both dealing with the same subject. I will only read one of them.

It states “Your petitioners pray that parliament take all measures necessary to ensure that the possession of child pornography remains a serious criminal offence and that federal police forces be directed to give priority to enforcing this law for the protection of children”.

[*Translation*]

FALUN DAFA

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, I would like to table a petition pertaining to the Falun Dafa, also known as Falun Gong, a spiritual discipline practised in China which, according to its followers, leads to improved physical and mental health.

The petitioners are calling upon the Parliament of Canada to continue urging the Chinese government to release all arrested Falun Dafa practitioners in China immediately, to lift the ban on this spiritual discipline, to withdraw the international arrest warrant for Mr. Li Hongzhi, who founded the movement, and to achieve a peaceful resolution through open dialogue.

CHILD POVERTY

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I have two petitions to table today pursuant to Standing Order 36.

Routine Proceedings

The first petition is one that has been presented many times before. It deals with the resolution adopted unanimously by the House on November 4, 1989 to eliminate child poverty by the year 2000. This petition contains some twenty signatures.

I took note of the remark you made to the opposition members saying that they should not indicate if they support a petition or not, so I will not give my opinion on this particular petition.

CANADA POST

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, my second petition is similar to the one tabled by the NDP member.

It deals with those people who deliver mail in rural areas. The petitioners are calling upon the House and Parliament to repeal section 13(5) of the Canada Post Corporation Act to allow these people to unionize, to form a bargaining unit and to negotiate with Canada Post to improve their working conditions.

This petition contains some 20 signatures.

[English]

PLUTONIUM

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have a petition calling on parliament to take the necessary steps not to proceed with any plans to import plutonium into Canada.

TAXATION

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, today I have a petition signed by 142 people in my riding of Red Deer.

The petitioners call on parliament to give Canadian taxpayers a break by instituting tax relief of at least 25% in federal taxes over the next three years, starting with the next federal budget.

This is a sentiment that I think we hear right across the country.

GENETICALLY MODIFIED ORGANISMS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from the citizens of Peterborough who are concerned about the genetic engineering of food, plants and animals. They point out that this is a practice that is still relatively new but one which is expanding very quickly and the long term effects are very difficult to predict.

The petitioners say that consumers have a right to know whether or not food and seeds are genetically engineered. They call on parliament to use the federal authority to ensure that choice in both seeds and food products is available between genetically engineered and non-genetically engineered food.

I am glad to present this petition.

• (1515)

MAMMOGRAPHY

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, I have two petitions to present.

In the first, the petitioners are calling upon parliament to enact legislation to establish an independent governing body to develop, implement and enforce uniform mandatory mammography quality assurance and quality control standards in Canada.

CHILD POVERTY

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, my second petition, signed by a number of people in my riding, urges parliament to fulfill the 1989 promise of the House of Commons to end child poverty by the year 2000.

MAMMOGRAPHY

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I also have a petition which draws parliament's attention to the fact that Canada has the second highest rate of breast cancer in the world, next only to that of the United States. Early detection is the only known weapon in the battle against this disease. The petition calls upon parliament to enact legislation to establish an independent governing body to develop, implement and enforce uniform and mandatory mammography quality assurance and quality control standards in Canada.

CANADA POST

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, the second petition is from rural route mail carriers. They point out that they do not have the same collective bargaining rights as public service employees of Canada Post Corporation or private contractors. They are asking parliament to repeal section 13(5) of the Canada Post Corporation Act.

MAMMOGRAPHY

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have a petition which calls upon parliament to enact legislation to establish an independent governing body to develop, implement and enforce uniform and mandatory mammography quality assurance and quality control standards in Canada.

CHILD POVERTY

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have another petition which calls upon parliament to fulfill the 1989 promise of the House of Commons to end child poverty by the year 2000, which is this year.

CANADA POST

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have a petition which calls upon the House of Commons and

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parliament to repeal section 13(5) of the Canada Post Corporation Act to bring fairness to the rural route mail couriers.

CHILD POVERTY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition signed by a number of Canadians, including from my own riding of Mississauga South. It is on the subject of child poverty.

The petitioners draw to the attention of the House that one in five Canadian children live in poverty. They remind us that in 1989 the House of Commons passed a resolution to seek to achieve the elimination of child poverty by the year 2000.

The petitioners therefore call upon parliament to use budget 2000 to introduce a multi-year plan to improve the well-being of Canada's children. I think we have seen that the government has done just that.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—CANADA HEALTH AND SOCIAL TRANSFER

The House resumed consideration of the motion and of the amendment.

The Deputy Speaker: When the House broke for question period, the hon. member for Red Deer had four minutes remaining to him in the time allotted for his remarks.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I was summarizing the fact that the Liberals are the ones who have destroyed the Canada Health Act. They are the ones who have destroyed the accessibility, portability, comprehensiveness and universality of the health care program. They are the Kevorkians of health care.

What are the solutions? One solution is obviously that of funding. There is a need to return that funding. Over the 10 year

period from 1993 to 2004 the Liberals have cut \$36 billion from health care. We need co-operation between the provincial and federal governments, not using the axe as a hammer and not staying with the socialized state run health care system which was good in the 1960s but is not good in the 21st century.

We only have to look at today's newspapers to see what the government is doing with the provinces. Whether it is the health minister and his drive-by smear or the Prime Minister promising the status quo on health care, over and over again there is the attack on the provinces.

We are 23rd out of the 29 OECD countries when it comes to technology. Germany, Sweden and other countries have looked at new and modern methods of surgery. They are putting us in the dark ages in comparison. One only has to visit hospitals across the country to find that out.

• (1520)

We need to stop scaring people and stop using emotion. We need to stop threatening two tier U.S. for profit health care. Everybody is opposed to it. Let us make that clear and stop scaring seniors in particular.

Let us talk about the waiting lists. Let us talk about technology and the shortage of specialists. Let us talk about the brain drain. Let us talk about what we are going to do about long term care patients and the fact that one in ten Canadians today are over 65. In 25 years one in five Canadians will be over the age of 65. These are the real problems which members should be talking about and for which we should be trying to find solutions in co-operation with the provinces instead of constantly hammering the provinces.

We need to fix the Canada Health Act. We need to talk about clarifying the role of the provinces and the role of the federal government. This has to be looked at with an intelligent approach, not based strictly on emotion but based on an unsustainable system where the status quo is not acceptable.

We need a results based health care system, one that is centred around the patient. We need patient centred health care where we worry more about the patient than we worry about the system. If we start from this grassroots basis we will deliver a health care system people will be happy with.

Above all we have to encourage provinces to try pilot projects. Maybe Bill 11 in Alberta is not the answer. At least the federal government should want to try new things as pilot projects and not threaten the provinces to cut off the funding. We cannot smear the provincial governments. It is not the way to build co-operation.

I ask the government to stop playing politics with our health care system. Let us find some solutions.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question for the member for Red Deer arises from

Supply

comments which he made in closing his speech. He said that maybe Bill 11 in Alberta is not the answer. Perhaps the hon. member could elaborate on that.

Many of us are deeply concerned about Bill 11. We believe that this is a very clear assault on universal health care in Canada, that it is an attempt to introduce a two tier American style health care system and if it is allowed to proceed by the federal Liberal government, it will result in the death of medicare.

The member for Red Deer has said that maybe Bill 11 is not the answer. Does he or does he not support Bill 11?

Mr. Bob Mills: Mr. Speaker, certainly I support Bill 11. I think it is the way to go. We have to try new things. When people say they are opposed to it, we have to ask them if they want the status quo. Do they want to have medicare as it was in the 1960s, a socialized, state run hospital system along the lines of those in North Korea and Cuba? Are those the kinds of health care systems they want or do they want to modernize the system? It should be a pilot project. We should try it.

The premiers are forced into coming up with these ideas because there is no leadership from the federal government. That is what is wrong. Whether it works or not, the point is they are trying to fix the system which is unsustainable and the status quo is not an option. And if it does not work, we will try something else.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member talked about solutions. His first solution was to throw more funding at it.

The member should refer to the excellent report, which was two years in the making, of the National Forum on Health. It found and observed among other things that at least \$11 billion in our health care system was not being spent wisely and that it was important that Canada seek to rationalize the health care system to ensure that our valuable health care dollars are being spent wisely in the system.

The member also said that we were all against two tier health care. I am not sure that is quite right in view of the fact that his own colleague, the member for Esquimalt—Juan de Fuca, has announced his proposed leadership of the new Canadian alliance and is to run precisely on a two tier health care system, one for the rich and one for everybody else.

I think the member ought to do his homework and get his facts straight.

• (1525)

Mr. Bob Mills: Mr. Speaker, certainly after listening to the first part of the member's comments, he should talk to the health minister and check out the use of medical dollars the right way. We

agree 100% with that. There is waste. There is accountability required but the government has cut \$25 billion from the cash transfers to the provinces. That is too much. Obviously that needs to be restored.

As far as a two tier system, I will repeat that I believe that pretty well every member is opposed to two tier U.S. for profit health care where the rich have one type of health care and the poor another. Whether one of our party's members or one of his party's members decides to go off on his or her own and promote health care for the rich is totally up to that member. Everybody has a right to do that. This party's position is it is opposed to two tier for profit health care.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, we can listen all we want to the member opposite say that he rejects a two tier American health care system. I can say that his very leader at the Ontario Hospital Association convention not so many years ago preached precisely that. I can quote person after person in the Reform Party who is prepared to stand and talk about a two tier Americanized system. To hear the member opposite caterwaul away and talk about their not being in favour of two tier American style medicine and health care is totally erroneous. He should look at what his party members and his leader have said in the past. Then he would know.

Not so long ago, on February 23, 2000, the Reform Party had prebudget discussions. What did Reform members talk about in terms of how much money they would put into health care in Canada? The answer is a big fat zero. If you were so intent in putting health care money in, why at that time did you not indicate that you were prepared to do so? Talk about duplicity. It is outrageous.

The Deputy Speaker: The hon. member knows he must address his remarks to the Chair.

Mr. Bob Mills: Mr. Speaker, obviously it is the government that has created a two tier health care system that has been going on for years. It is multi-tier. Some 50% of people in Ontario have to go to the U.S. for cancer treatment. That is two tier. Thirty per cent of patients in Rochester are Canadians who are paying. There is the fact that the WCB jumps the queue. There is the fact that so many others can jump the queue.

Obviously it is the government that has created the two tier health care. It is the government members who have to be responsible for the destruction of health care. They are the ones in government, not us. And when we are, we will fix that health care system. There will be funds and we will review that program.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I will be splitting my time with the member for Waterloo—Wellington.

Supply

I am very pleased to join the debate for a number of reasons. I am glad that attention is being drawn to the serious problems in the administration of some parts of HRDC. My concern stems from my view of the importance of what Human Resources Development Canada does in this country.

The motion suggests that funds should be diverted, channelled away from HRDC to the provinces for health care. I said I thought HRDC is very important. Health care is very important. The matter that we are addressing, the way grants and contributions are administered, is very important. The motion by the Reform Party suggests to me that it lacks vision on at least two grounds.

• (1530)

The first one is the thought that these HRDC funds have nothing to do with health care. This is a lack of vision as to what true health care is in Canada. It has been shown that when the economy is good and booming and people are working, people are healthier. It has been shown that when young people can be made to feel confident or when older people can be made to feel confident, they are healthier.

It has been suggested that we divert these funds from one area to another, from human resource development in Canada in its true sense to health care in the provinces. This is some sort of a facade or a smoke and mirrors exercise the Reform Party is going through. In fact HRDC programs are a critical part of health care and, by the way, a critical part that the federal government plays.

That brings me to my second area of lack of vision on the part of the Reform Party. I just heard the previous Reform member talking about it. I believe in partnerships with the provinces, but this is the only level of government which can work in the national interest promptly and effectively and which can reach into any part of the country where there is a problem and solve it. From the other point of view, it can reach into any part of the country where something good is happening and help the rest of the country to take advantage of it.

To blindly transfer funds to the provinces is not our duty, even though I believe in partnerships with the provinces. As we all know, transfers to the provinces now are larger than they have ever been in the history of Canada. There are substantial moneys being transferred.

It interested me this time when there was a considerable increase in the transfers to the provinces and the transfers were described as being for higher education and research and for health care. That was because one of the things the federal government is trying to do is to improve education and research across Canada so that our people are better prepared for the new economy and can take advantage of it, so that our economy will boom, and so that our people will feel better and as I said at the beginning will actually be

better. We will need to spend less on hospitals if the economy is actually functioning.

We transferred those moneys. The budget says higher education, research and health. That is what it was for. I have heard nothing from the provinces about higher education and research. That includes, by the way, health research. I have heard nothing. They have simply complained that the money transferred for health care at the present time was not sufficient.

It is on these two grounds: first from the point of view that health will be improved by moving these moneys from Human Resources Development Canada to the provinces and, second, from the point of view that the provinces in some miraculous way can manage these funds better than the federal government.

Although it is not directly relevant to the debate, I want to give one example of something that has occurred in the last two years. I think members opposite pander to the provinces. I have great respect for the provinces, but those members forget their duty is in the national interest at the federal level.

I just want to mention putting our elementary schools on the Internet. One might ask what that has to do with today's argument. I for one know that the elementary schools are absolutely and entirely within provincial jurisdiction, and so they should be. The thought of the federal government, this House, trying to run the day to day operations of an elementary school in Peterborough frightens me, but that does not stop me from saying for once that the federal government has to reach into our elementary schools and do something about bringing them into the modern era.

The government did that. On our own we reached directly with federal involvement into the provincial jurisdiction. We put every elementary school and all other schools on the Internet. That is a federal government acting in provincial jurisdiction in the national interest. That is what I think we should be doing in health care.

• (1535)

Certainly we should transfer our share of the funds, but we should first of all have some idea, some plan as to where those funds would go. Second, we should not do it, as this motion suggests, by gutting the rolls of the federal government in human resource development, the development of the human resource of Canada across the country.

I most truly recognize that there are problems with the management and the operation of some of the grants and contributions programs in HRDC, but I think this motion is against the national interest and, as I have tried to explain, will not help health in Canada.

To make these points, if I might, I have a list of every one of the grants and contributions in my riding in the last year or so. This list was published five or six weeks ago in two local newspapers. It occupied two pages in those newspapers. People read it with great

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interest. With great openness the people of Peterborough have been able to study these grants and contributions to see truly what they mean.

These grants and contributions are very important to me. It is very important to me that these grants be properly managed. I do not want it to be that the files are lost or that there is something wrong with the way they are being administered. Nor do I want these grants and contributions being made to unsuitable and inappropriate projects. I just do not.

This is simply one list, the list for Peterborough. We all know that opposition ridings in some areas of these grants and contributions have received far, far more than the ridings of government members such as me.

Let me look at the very first one on the list. They are not in any alphabetical or other order. The first one is Community Opportunity and Innovation Network Peterborough. That is an organization which deals with young people in all sorts of ways by training them in computer skills and things of that sort. In particular, in recent years it has been teaching them and encouraging them to become entrepreneurs in our community, to develop companies on their own. At least one of those companies has become an international company already.

The next one on the list, and I am just going through it in the order I have it here, is a local training board, a provincial-municipal-federal operation. Among the many things it does it conducts apprenticeship programs. Apprenticeship programs nowadays are largely with smaller businesses, smaller workshops.

If I go through this I see others working with the homeless in a very practical way. I see another where jobs are created to help all Peterborough businesses operate better in the international marketplace. We see Junior Achievement, Kawartha Lakeshore, a wide-spread area. Again it is youth entrepreneurship that we see there. Another one deals with helping elementary students, as I mentioned before, think out their career options more effectively. Another one is working with the municipalities of Peterborough on emergency preparedness and creating various jobs.

I know my time is limited. I could mention the John Howard Society, which I have just done. I could mention the conservation authority, which also trains people through these programs, and a whole variety of other groups. My point is that in Peterborough these are good programs. In Peterborough these programs are well administered. I deplore the fact that the Reform Party would like to gut this area of federal government activity on the fake premise that in some way it will help health care in Canada.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, the member says the Reform Party wants to gut these programs. It is utter nonsense. We are saying that the funding for

these programs should be frozen at the same level as it was this year, which is \$13.3 billion. A \$13.3 billion program is pretty healthy. We are simply saying that, instead of putting more money in it this year. By the way, an extra \$2.5 billion was put into grants and contributions last year so this is hardly a program that is in peril of its life. Instead of putting another \$1.5 billion in it this year, it should be put into health care.

• (1540)

What are the government's priorities? The member tends to give us the impression that its priorities are these grants programs. Government members talk about more funds being spent on that. I think the government is completely out of touch with the people of Canada.

The people of Canada do not want more grants and contributions so the government can use them for political purposes. The people of Canada are terribly worried about our health care system and about the fact that there is not enough support for it. Yet the government is blustering and puffing and blowing about a simple suggestion to free spending on grants and contributions, which is already fat enough with \$3.3 million a year being spent on it, and does not want to put \$1.5 billion into health care. I invite the member to explain to Canadians why another \$1.5 billion into health care is so repugnant to him.

Mr. Peter Adams: Madam Speaker, I thank the member for her question. At the beginning of my speech I made the point that this is an effort to divert moneys from HRDC into the bottomless pit of provincial health care as it stands at the moment.

I heard one of the member's colleagues say previously that something needs to be done about the way health care is managed. Do we take money from a set of programs which already has objectives and is serving useful purposes and put it into a bottomless, formless pit by just throwing it to the provinces? My answer to that is no.

I was mentioning the grants in my riding. The Victorian Order of Nurses and Home Care get support from this. Trent Valley Literacy, one of the literacy groups in our community, helps adults and younger people become literate. These are worthwhile, known programs. Why freeze or divert moneys from these programs to something we do not yet know? We heard the discussion about the bill in Alberta. We do not yet know how best to spend the moneys or how best the moneys will be spent in different parts of the country.

I see employment assistance programs, first step workshops for people who have great difficulty getting employment to help them get the first job. These are important programs that are operating now. The diversion of these funds to provinces like Alberta which are moving toward private sector health care is inappropriate.

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Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Madam Speaker, I have heard many strange things from the other side of the House, but this is the first time I have ever heard health care referred to as a bottomless pit. That has to set some sort of record.

I do not think the hon. member for Peterborough has begun to understand the motion. He keeps going back to HRDC, and well he might, but the motion refers to grants and contributions of all kinds. We are talking about that \$13 billion manure pile which is out there to help the friends of the Liberal Party. We are not just talking about HRDC. That just happens to be the *goût du jour* measure.

Mr. Peter Adams: Madam Speaker, this manure pile includes the Ontario March of Dimes, which helps people find jobs; the Canadian Hearing Society, the Rural Women's Economic Development Group, which helps rural women develop their own businesses; and targeted wage subsidies for disadvantaged youth. That is what the manure pile the member refers to contains.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, this is a very important and hugely interesting debate for all Canadians wherever they live in this great country. Health care is a very important issue and Canadians expect all levels of government to take a keen and important interest in this kind of issue because it is so important not only to individuals but to the families of Canadians.

● (1545)

I am a farmer and still live on the family farm. When I heard the member opposite talk about a manure pit, it really rankled me a little bit because, as the hon. member for Peterborough indicated, we are talking about money for students and money for the disabled. We are talking about money for important initiatives that the Government of Canada helps to fund. It is quite something to hear Reformers talk about manure. All they are noted for is a lot of crap.

Having said that, this particular motion is really insincere. It is replete with duplicity and hypocrisy.

On February 23, under solution number 17, the members of the Reform Party had their chance to spell out in the prebudget alternative issues what they would do in health care. What did they say? They said that it would add zero dollars.

Today, with their smiling faces and great duplicity, they have stood and pretended to defend medicare, to defend what Canadians hold near and dear, our health care system. It is galling to hear Reformers talk the way they talk because we know what they stand for. They stand for two tier American style health care. No matter how they protest, no matter how they caterwaul away and try to

pretend that they are not up to their necks in an American two-tiered system, they are.

Canadians see through these people and through their hypocrisy. Canadians, quite frankly, reject that. I can quote the Reform Party leader and member after member who have over the past little while talked in terms of American style health care and a two-tiered system. We are not going to take it. Canadians will reject it and the government stands firm.

When we brought the budget down this past February, it was clear that we not only had a commitment last year of \$11.5 billion, but we had a commitment this year as well. We gave another \$2.5 billion over to the provinces and territories to use as they saw fit. They could spend some on education. They could spend some on health. They had the ability to use the money in a very meaningful way and with great flexibility built in and know that the Government of Canada would be there for them when it counted.

When the Minister of Health meets with his territorial and provincial counterparts in May, we will have an opportunity to bring the partners and stakeholders together on this very important issue and see where we will go in health care. It is not always about throwing money at the system. It is about how best to approach the system and make it work better into the 21st century.

There are all kinds of ideas that need to be looked at. Three come to mind very quickly. First, is there a better way to provide primary care in Canada? Primary care and its delivery are important topics that we need to look at. I am pleased that the Minister of Health and his counterparts in the territories and provinces will do precisely that. They will take a look at how best to approach that very important area.

Second, how best can we take a look at home care and community care, and are there national standards? Is there a standard that can apply to Canada in terms of how best to provide that? As the House knows, that is an important and integral part of the health care delivery system in Canada. We want to examine that.

As chair of the Standing Committee on Health, I can tell the House that I have been very involved in that debate and that process. I have attended conferences and have talked to people across Canada on how best to deliver that to Canadians in a good, positive and meaningful way. With our aging society, that will be the way of the world and the way of the future. We need to ensure that we have a system in place that instead of being a patchwork system across Canada, will be in the best interests of Canadians and their families.

The third thing I want to touch on in terms of what the health minister and his counterparts in the provinces and territories should look at is the whole issue of accountability.

Supply

• (1550)

Canadians want the health care system to be accountable. We need to look at that and we need to put in place the checks and balances that will enable us, in a very meaningful and positive way, to have a system of accountability that makes sense to ordinary Canadians.

We will take a look at that and we will do it in a way that underscores the commitment of the Government of Canada, unlike the Reformers who would gut the system, who would add no cash to the system and who would tear the system apart because that is what they are known for and what they are good at. At every opportunity those people opposite have tried to pit region against region, province against province and group against group to tear at the very fabric of Canadian society.

We do not have to go very far to see that. They are always trying to chip away at the institutions of our great country. Instead of, for example, celebrating the supreme court and the fact that our supreme court is considered around the world to be one of the finest, what do they do every chance they get? They tear at the very fabric of that great institution. Every chance they get they try to tear down the values of Canada and tear away at the very symbols of our country and they do it in the most outrageous sense.

It struck me not so long ago that this was the party that was going to bring a fresh start to parliament. What did we see the Reformers do? The first thing they did was call in the limousine and move into Stornoway.

What was one of the next things they did? They marched up and down these grand halls of democracy with mariachi bands, burritos and all kinds of stuff sticking out of their mouths, denigrating the halls of parliament. Canadians see through that. Canadians will not stand for that kind of nonsense from a party that claimed it would bring a fresh start to parliament, that claimed it would bring fresh air and a new way of doing business in parliament.

The flag flap was another interesting debate. I distinctly remember the member for Medicine Hat taking the Canadian flag from his desk and throwing it unceremoniously to the centre of the floor of the House of Commons. A fresh start, they say, a new way of doing business, they say. The flag flap, the throwing of the Canadian flag on the floor of the House of Commons, the marching up and down the hallowed halls of democracy in this land with mariachi bands and sombreros, imagine. Where was the leader at the time of the Nisga'a treaty? He was in Mexico sunning himself on the beaches. Imagine the duplicity. Imagine the hypocrisy of these people.

We see this again today when they come in with crocodile tears talking about the health care system and what they want to do. Canadians see through it. Canadians will not stand for what they stand for. They will reject it every time.

Reformers cannot even get their act together. They are so far on the right wing that they do not even know where to begin to get their people rallied because they do not know how. They, along with this motion, will ultimately be thrown into the dustbin of history where they so duly belong.

We on the government side will continue to protect the values of Canada. We will continue to protect the health care system that we know is important. Canadians look to us to provide that. They look to the federal government to give the kind of leadership necessary in this very important area. We will continue to do that. Unlike the Reformers, we will do it with honour and with dignity for all Canadians.

Mr. Lee Morrison: Madam Speaker, I rise on a point of order. I have been listening very quietly here to a little bit of unparliamentary language. I heard the word hypocrisy used. I heard the words lack of honour used. Coming from the most corrupt government in the history of Canada—

The Acting Speaker (Ms. Thibeault): I believe the hon. member has just gone into debate. Questions and comments, the hon. member for Calgary—Nose Hill.

• (1555)

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, it is pretty clear that the Liberals do not care about health care. They only care about denigrating their opponents, the people who are trying to hold them accountable. That will not work. Believe me, Canadians can see through political rhetoric and they will see through that shameful speech we just heard. This is the party that just called health care a bottomless pit. It is on the record today. That is the party opposite, the government party.

The member talked about pitting province against province and causing divisions in the country and yet his government is making unremitting attacks against other provinces, such as tearing down what Ontario is doing and making attacks against Alberta. This is the government that has attacked other leaders in the country who are trying to clean up the mess it created in health care.

The motion is very straightforward. It says that we should freeze the support for the grants and contributions program that has proven over and over to be badly managed and abused.

In today's headlines alone there were five or six instances of poor management, mismanagement and shocking misuse of public money, yet the government resists giving any more money to health care. It would rather put more money into these programs; \$13.5 billion is not enough for it. It wants more. It does not want to put more money into health care. Instead of defending that with logic, it simply tears down the opposition.

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I see no honour and no dignity at all in the government, and neither do Canadians.

Mr. Lynn Myers: Madam Speaker, it is interesting how they can dish it out but they cannot take it, these holier than thous. It is interesting to hear them get up on their feet and talk about honour and dignity.

We stand for honour and dignity. We do not stand for the dishonour of simply grandstanding to carve out a name for ourselves, as I suggest the hon. member is doing. Instead of going off into some flighty la-la land like she has been doing for the last little while, she should concentrate on the facts. The facts are crystal clear but, oh no, she does not want to do that. That would muddy the water too much and it would not get her grandstanding message across.

This member and all Reformers opposite should take note of the importance of the transitional jobs funds and other HRDC measures that we put into place. Instead of pulling apart and trying to pit group against group and region against region, they should be celebrating what we are doing for aboriginals, students, the disabled and community groups across our great country.

A number of Reformers actually took time to write the minister and to lobby on behalf of their constituents, and yet here they do the big flip-flop. Yes, they say that they have lobbied on behalf of their constituents but that politically they now have to oppose it and grandstand like they have been doing for the past seven weeks.

Canadians see through those people over there. They see who they are and what they represent. Canadians will have no part of it.

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, there were comments made a minute ago about resist and about giving more money to health care.

In 1996 the National Forum on Health went to the Prime Minister and asked for \$1.5 billion, and he gave it to them. Last year all the premiers came to Ottawa and said they needed \$2.5 billion. The Prime Minister gave them \$3.5 billion, \$11.5 billion over three years, and in this budget an additional \$2.5 billion. Premier Harris today has half a billion dollars sitting in the bank. He can use it yesterday.

• (1600)

Mr. Lynn Myers: Madam Speaker, the hon. gentleman makes a very good point. I think that we as a government have shown repeatedly that we are prepared to go the extra mile.

It is interesting. The Reformers are talking about \$1.5 billion today. We put in \$2.5 billion. They should be supporting the budget. They should have been supporting the budget, instead—

Mr. Myron Thompson: Tell the truth.

Mr. Bob Mills: Liar.

The Acting Speaker (Ms. Thibeault): Order, please. Resuming debate, the hon. member for Kelowna.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I would like to advise you that I will be dividing my time with the member for Esquimalt—Juan de Fuca.

I would like to address the motion which is before the House. For the edification of the member who just spoke and the one who preceded him, I would like to read the motion which we are debating. It reads as follows:

That this House calls on the Minister of Finance to increase the Canada Health and Social Transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

I wish sincerely that the two members who just spoke would have read the motion and debated it, rather than talking about something which they know very little.

I would like to address a number of the accusations that were made. I will do so implicitly, as I proceed through my speech, but I want to focus my attention on three perspectives of this motion and I will explain why it is before the House.

First, health care is more important to Canadians than increasing grants and contributions. They want health care to be the number one priority.

Second, I want to address the lack of internal audits from the various departments that are in the grants and contributions business.

Third, I want to look at the boondoggle in HRDC.

Before I do that I want to underline that the purpose of this motion, the intent of this motion and the content of this motion is not to suggest that there should be no money in grants and contributions, but rather to not increase grants and contributions.

According to the budget, there will be a \$1.5 billion increase in grants and contributions. We believe and respectfully suggest to the Minister of Finance and the Prime Minister that instead of putting that money into grants and contributions it go to health care.

Let us be abundantly clear that this is the motion. That is our purpose. That is the direction we wish to go.

People in Canada, hon. members included, want health care. We want a good, sound, solid, defensible, sustainable health care system, one which will look after our needs, one which will look after the needs of our families, our children and our grandchildren.

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There are a lot of things about the health care system that are excellent. We have wonderful servants in the health care system, health care workers who know their jobs well and who are true professionals. We have excellent people in the research field and I commend them for the work they are doing, but all is not well in our health care system.

I would suggest that one of the difficulties in the health care system is in its administration. There is duplication. There is duplication as far as the federal and provincial governments are concerned. There is duplication in the respective municipal organizations and administrative structures that exist in the various health regions and hospital boards.

There is a tremendous turf war that is going on within the health care system as well, among the nursing professions, the specialists, the medical personnel and the various other professions. There are turf wars being fought at the expense of the health care system and the recipients of the health care system are not benefiting from them.

Something needs to be fixed. I will not do that and I do not think it is the government's job to do it. The important thing is to recognize that something needs to be done to fix the system so that the delivery of the health care system is as efficient and as effective as it possibly can be. Very closely allied to that is the business of money. We have had tremendous technological advances which we need to pay for. There are very expensive procedures and very expensive machines. The adaptation of technology costs a lot of money. We need to pay for that.

• (1605)

At this point I cannot help but look at the history of this government. There were a lot of statements made a moment ago about how much money the government put into the health care system. I want to read into the record exactly what has happened.

In 1993-94, the year the Liberal government took office, there was some \$18.8 billion transferred to the provinces for health care and social services. In 1994-95 it was reduced by \$100,000 to \$18.7 billion. In 1995-96 it was reduced to \$18.4 billion. In 1996-97 it was \$14.8 billion, a reduction of \$3.6 billion. In 1997-98 it was \$12.5 billion, a further reduction of \$2.3 billion. By this point there was a tremendous reduction.

In 1998-99 it remained at \$12.5 billion. Then in 1999-2000 it was increased by \$2 billion to \$14.5 billion. In the 2000-01 budget, which we just received, it was increased by \$1 billion. That is what we are being told.

If we add those figures we discover very quickly that the amount of money which is being added to the transfers is actually less than the amount taken out. What kind of business is that?

We are coming to the House and saying, instead of increasing grants and contributions, why does the government not take that

increase and put it into health care? Does that not make a lot of sense? That is exactly what we ought to be doing. That is what we are talking about and that is why we are concerned.

On one side we hear about all of these wonderful things that have been done by putting all of this money into the health care system. Some money has been put in, but what the government forgets to say is how much was taken out. That is where it lies. That is where the dignity and the respect of the government comes into question.

Why does it not tell the whole story? Why does it tell only half of it? Why does it tell only that part which sounds good? Why does it not tell the people the rest of it? Does it think that doctors do not know what has happened? Does it think that medical professionals do not know what has happened? Does it think that the administrative districts of the hospital systems do not know what has happened? They know exactly what has happened. Ask the ministers of health and the provincial premiers what has happened. They know what has happened.

It is all very well for the government to say "That is not what really happened". Look at the bank accounts. If the premier of Ontario has money left in his bank account, good for him. He will spend it in a way that is far more effective than the minister who says that health care is some kind of big black hole.

I want to move a little further into the area of grants and contributions. First, we need to recognize that some of the biggest winners in this year's budget are: the environment, which received a 35% increase; HRDC, which received a 30% increase; industry, which received a 29% increase; Canadian heritage, which received a 28% increase; ACOA, which received an 18% increase; citizenship and immigration, which received an 18% increase; and finance, which received an 11% increase. How is this money being spent? That is really important. We have had one audit presented to the House which showed a very damning picture as to where that money went.

Let me address this issue from another point view, that of internal audits. I discovered that since January 1, 1994, which is close to the time the government took office, there have been no audits performed that we know of in the Department of Finance, which received \$250 million, and none in National Defence, which received \$1.44 billion. Industry Canada had one audit in April 1995 and it spent \$3.19 billion. Justice had no audit and it spent \$1.63 billion. The Treasury Board, which had the smallest grant, \$82 million, had two audits.

• (1610)

That really is a frightening situation. Billions of taxpayer dollars are being spent. Where are they going? How are they being used? These are very critical issues.

Let me give the House another example. The Minister of Human Resources Development rose in the House and referred to Kelowna as having received some \$37 million in grants from her depart-

ment. I looked at the numbers on the list. One of the entries was for a \$7.6 million grant to an aboriginal management group. What did I discover when I checked into it? The money did not go to Kelowna. It went to nine different aboriginal bands, but Kelowna was identified as having received the money.

The Business Development Bank of Canada received \$250,000 from HRDC. When I questioned the regional director on where the money went and why it went to the bank, he said that it was a mistake and that it should have been recorded as having gone to Kamloops.

The Acting Speaker (Ms. Thibeault): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Acadie—Bathurst, Employment Insurance; the hon. member for Frontenac—Mégantic, Human Resources Development.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, the member for Kelowna discussed various spending initiatives in the budget. One of the things he glossed over in his presentation was the fact that direct government program spending by the federal government this year compared to 1993 when we first took office was down \$4 billion. At the same time, in the last budget the Canada health and social transfer was completely restored to the level it was at when we took office in 1993.

If the member would reflect upon this he would see that this has been demonstrated in the government's commitment to transfers to the provinces, which includes the Canada health and social transfer. If equalization payments were included, he would see that transfers are up to about \$40 billion.

If we look at the direct spending trends since we took office and brought the deficit under control, we find that our spending increases have kept pace with inflation and the demographic growth in the population, and that is it.

When the member throws out these percentages of direct program spending he masks and distorts the real picture. The government's direct program spending is significantly down from 1993 when we first took office, and our transfers have been completely restored, if one includes the tax points, which in an honest debate one must do.

Mr. Werner Schmidt: Madam Speaker, I was wondering how long it would take before somebody would raise the tax point issue. The point is that the discretionary cash has remained constant in a variety of areas, so the tax points really do not adjust to the full measure which the member has suggested.

I would like to address a more important part of this issue, and that has to do with the balanced budget. The hon. member, in an

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almost sanctimonious tone of voice, suggested that the Liberals balanced the budget, thereby licking the deficit, and what a wonderful job they have done. It is pretty easy to balance the budget, simply by increasing taxes. That is not hard to do, and the Liberals have done that.

There have been some 37 tax increases since the Liberals took office. If governments keep raising taxes they are ultimately going to get to the point where they will have a balanced budget, and the Liberals have done exactly that. But who balanced the budget? The taxpayer; not the good spending of the government.

Let us not forget that the Liberals have paid nothing down on the debt, or if they have it was a minuscule amount. About \$42 billion is taken out of the treasury each year to pay the interest on the mammoth debt. Think of what could be restored to health care if we did not have to pay that tremendous service charge. And if there should be a shift in the interest rates, imagine what would happen with \$580 million with an increase of 1% in the interest rates. That is a little better than \$5 billion. Look at what that would do.

• (1615)

This is not idle talk. We need to do this through the reallocation of resources that we have. We do not want to throw more and more money at these things. That is what is happening. We are increasing the money where departments have shown that they are not totally responsible. We want to put it into health care which is where the people of Canada want it and where it is needed.

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I am really confused. The member said earlier that there are fundamental problems in our health care system in administration and duplication. Is he saying that even though we put so much money into the system we should put more money into the system as opposed to fine tuning and eliminating duplication? Is more money going to add more duplication? Is that what he is saying?

Mr. Werner Schmidt: Madam Speaker, I am not surprised with the history of the member that he would be confused. He has always been confused. I raised two points. Number one, there is an administrative problem that has to be fixed. Number two, more money should be put into the system. I mentioned specifically technology and other things. These are not necessarily the same thing. They are mutually exclusive or certainly can be treated and should be treated separately.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I am very happy that my party has put forward the motion which calls for \$1.5 billion to be put back into the CHST. Let us not forget that this is not only for health care but is for education and welfare transfers too, in particular education and health care. We have been fighting for this for such a long time while the

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government has been gutting the two principal social programs that Canadians rely upon.

We are not asking for new money. We are asking for money to be taken away from grants and loans that the government gives to organizations through HRD. We, and in particular the member for Calgary—Nose Hill, have demonstrated very clearly that the money has been wasted. That is only the tip of the iceberg.

Let me show what the government is also doing. The amount at HRD was \$1 billion, but let us look at the Export Development Corporation where the government has \$22 billion of taxpayers' money in outstanding loans of which \$2.8 billion has already been declared deadbeat. The government gave \$2.8 billion of taxpayers' money to corporations. For example, it was given to despotic rulers where there is no accountability and for environmentally appalling and stupid programs that have no measure of success.

The government has given away \$2.8 billion of taxpayers' money through the Export Development Corporation. Who runs the Export Development Corporation? Pat Lavelle, who has been a friend of the Prime Minister for 40 years.

That is what we have a real problem with. We put the motion forward to deal with some of the money that is being wasted by the government. We are not asking a lot. We are asking that \$1.5 billion out of the \$2.8 billion the government has frittered away, given away or the \$1 billion from HRD, be put into health care and education. Members across party lines recognize an urgent cash infusion is needed.

The health minister likes to talk about innovation, ideas and improving our health care system. That is all very well but the fact is that those beautiful words are not going to put a single patient into a hospital bed. It is not going to give patients the care they require. They are only words. The health minister on March 17 said in the House:

It is obvious that the status quo, the current situation is unacceptable. One can see the problems that exist everywhere: waiting lists, overcrowded emergency rooms, shortages of doctors and particularly certain specialists, and shortages of nurses.

We all agree that those are part of the problems but none of the words coming out of the health minister's mouth are going to actually solve those problems. That is a real tragedy.

• (1620)

This is not an academic exercise. It is a matter of life and death for all the people who rely on their publicly funded health care system to get the care they require.

That is why we hope the government will support the motion. It will give health care professionals, hospitals and other caregivers the urgent and emergent financial resources today. It will help them care for at least some of the people who are on extended waiting

lists, who are suffering today. We hope the government will deal with that.

Part of the issue of solving a problem is to understand what the problem is. Looking into the crystal ball and at the situation today, we see that there are more expensive technologies, an aging population and the supply and demand of resources will widen as time passes. As time passes it will get wider and wider.

The people who will suffer are those who depend on our publicly funded health care system, i.e., the poor and middle class because they do not have an option. The system which they have come to believe is the best health care system in the world unfortunately may not be there for them when they need it. Numerous examples across the country demonstrate that.

Another situation we ought to realize is that if we stand and say we defend the Canada Health Act and say nothing more, then we really are being disingenuous. All five principles of that act, which are good principles, are being violated across the country. How do we make sure that we have a Canada Health Act that ensures accessible and affordable health care in a timely fashion for all people in the country regardless of the amount of money they have?

That in essence is what the Canada Health Act is all about. It was never meant to be all things to all people. The people who put it together recognized very clearly that it is an unsustainable act in and of itself. That is why the provinces and many medical associations disagreed with it and opposed it when it was put together but it was rammed through by the government of the day. I think they meant well to do it because the principles are good. We would like to ensure that the basis of those principles will be pushed forward.

What do we need to do? We need to recognize that the Canada Health Act is a permissive and inclusive document that involves freedom of choice. That is what it was meant to be and we ought to go back to that rather than ensure it is a punitive measure.

When we talk about funding, one-third of all funds come from private services. We must recognize that today in 2000 there is a two tier system in the country. The people who cannot afford the drugs, the physio or the home care do not get it. Those who cannot afford the dental care which was excluded cannot get it. It is all very important for people's health care.

Let us look at ways in which we can have a sustainable health care act for all people. Some money needs to be put in. We recognize we have a finite pie. That is why this motion came about.

Let us look at building a new Canada Health Act that takes the wonderful principles of the original act and ensures that the affordable, accessible and comprehensive health care system for central services that is portable for all people will be there. That is eminently doable.

Supply

Let us ensure that the feds and the provinces sit down and talk. It is a great mistake for the Prime Minister to say to the provinces, "We are not going to talk". I think the Prime Minister's pollster, Mr. Marzolini made it very clear that the government is vulnerable on the issue of health care. The Prime Minister must call together his Minister of Health and his provincial counterparts to sit together and deal with specific aspects of health care today.

The issue of prevention needs to be discussed. In 1997 the House passed a motion concerning the national headstart program. That program which extends across justice, health care and HRD would be incredibly cost effective for the taxpayer if it were implemented. It would give children the basic necessities required in order to be self-actualized individuals and to become productive members of society. It has been proven to work. The Minister of Labour was a champion of it early on. She has done incredible work. It would save billions of taxpayers' dollars and would improve the health and welfare of Canadians from coast to coast.

We need to talk about how we can develop new ways of funding to ensure that private services do not weaken the public system but rather strengthen it. It is a reality today. Let us make sure that we do not have an American style health care system.

• (1625)

One of the problems in the debate today is that people are saying that if it is not the Canada Health Act, then it must be an American style health care system. It is completely disingenuous to say that the whole debate on health care distils down to what we have today in Canada compared to the American style health care system. That is bunk.

We can build the best health care system in the world by using our own brains, our experience and models that exist around the world.

We talk about a national drug strategy. What we are doing now does not work. We need to look at models in northern Europe and innovative models in other parts of the world that have brought together work treatments. They ensure that drug abusers are off the streets and become employable members of society so that their drug problems, their medical problems, can be treated.

Lastly is the issue of medical manpower. This country has a shortage of over 500 doctors a year. We are going to hit a brick wall in the near future. We will not have enough physicians. With respect to the nursing situation there will be a lack of 112,000 nurses in the next 12 years.

I ask members on the other side to reflect on this critical situation. A brick wall is on the horizon and we are going to slam right into it if we do not address the situation right away.

In closing I ask members of all political parties to support this motion. It is a fair motion which will put \$1.5 billion back into the system for health and education. It will give the provinces some urgent funding for these two critically important programs.

We are not asking for new money. We are asking that it be taken away from areas where the government has demonstrated a misuse of funds. We are asking that it be put into something that the public wants and which would be very helpful to members and people across this great country of ours.

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Madam Speaker, I have a two part question for the hon. member for Esquimalt—Juan de Fuca.

The first part is in respect to his suggestion of two tier health care. He has been up front about this. He says that yes, there should be one tier for those who can afford to buy their way into it, a private health care system for those who can afford to buy their way into that, parallel to the public health care system. Of course we know that this would ultimately destroy the very fundamental principle of medicare, which is that one does not jump to the front of the queue based on the size of one's pocketbook.

The member has been very clear on that. I am not sure that all of his colleagues have agreed with him on that, but certainly he wants to run for leader of whatever the name of the party is, the Reform Party or some other manifestation, the new Canadian alliance, or CCRAP, or whatever it might be. He wants to run for the leadership of the party based on that principle.

As a doctor the member must surely recognize that in a time of shortages and scarcity in health care resources, and the member has talked about a shortage of nurses, a shortage of doctors, shortages of resources in the public health care system, that if we drain that already starved system of resources, if doctors are going into his private clinics, if nurses are going into the private clinics that the good doctor is prescribing, surely that will cause the public health care system to erode. It will weaken that system which is exactly what we saw in the United Kingdom.

Second and very briefly, does the member not recognize and understand that under the provisions of NAFTA, if we open up health care in Alberta under bill 11 to private health care providers as Ralph Klein is suggesting, that this will then mean that private health care providers will have access under NAFTA right across Canada? If we deny them that access they will be able to challenge under the provisions of NAFTA. They will be entitled to massive compensation under the provisions of NAFTA. This too will lead to the destruction of our universal health care system.

How can he stand and say that on the one hand he believes in medicare when on the other hand he is supporting a two tier health care system that will destroy universal health care in this country?

Supply

Mr. Keith Martin: Madam Speaker, I am extremely happy the hon. member from the NDP asked that question because he is wrong on a number of counts, but he has also recognized the fact that we do have scarcity within our system.

We have a lack of resources. Somehow we have to ensure that a publicly funded health care system is going to have the resources to do the job. That is the bottom line. We have to put patients first. We have to put patients over politics.

• (1630)

First, the hon. member should recognize the scarcity which he articulated. There are not resources in the public system right now to do the job. Second, the situation will get a lot worse for the reasons I mentioned in my speech. Third, he has to recognize that today in Canada 30% of the services are provided by private carriers. We have a two tier system today.

My objective is to make sure the private services that are out there will strengthen the public system and not weaken it. I do not want an American system. I do not want a British system and I do not think we should have an Australian system. All those systems have distinct flaws. However I will speak to the hon. member about how a parallel system, if done properly, could actually strengthen the system.

He raised a very good question about manpower. I would refer to the aspect of ensuring that medical professionals must spend 40 hours a week within the public system. If that is done, it is ensured that the best specialists, doctors and nurses stay in the public system for at least 40 hours a week, as opposed to the system we have today where sadly many of them are going south of the border to be lost completely.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, the hon. member from Esquimalt talked about the importance of health care and education. Canadians reflect that and the government has demonstrated that commitment last year with \$11.5 billion to health care and this year with another \$2.5 billion to the CHST.

The member opposite gave an example of nurses. In the province of Ontario where the health care system underwent severe restructuring the Ontario government laid off 10,000 nurses. Then a couple of years later it said that it did not have enough nurses and would have to hire some of them back. The budget of the province of Ontario for health shows a slight increase, but most of it is for restructuring costs. How can the member opposite talk about putting more funding into a system that is already in need of some repair managerially?

Mr. Keith Martin: Madam Speaker, I do not dispute that management structural issues have to be dealt with. The population over the age of 65 will double in the next 20 years. Some 70% of

health care is spent on those people with more expensive medical technology. My colleague on the other side knows very well that gap will widen dramatically.

Yes, some management changes have to be made. Yes, streamlining has to occur, but those changes are only minor in terms of the cost savings. The amount of money that will be required to pay for all that we ask, including home care, drugs and a litany of other issues, far exceeds that which exists in the pockets of the federal or provincial coffers.

Mr. Jerry Pickard (Chatham—Kent Essex, Lib.): Madam Speaker, after listening to the debate today, one really wonders where we start in this story. From my point of view the fact is that Canadians think that the health care system needs change. I as one Canadian and all of my colleagues believe the same. Before I go very far, though, I want to make clear that I am sharing my time with the hon. member for Mississauga South, a very eloquent speaker. I want to make sure that he gets his time in.

Every Canadian believes that the health care system is in disarray. We have heard in Ontario, the wealthiest province in Canada, of people sitting in hallways unable to get service or to get a hospital room. We have heard of a shortage of doctors. We have seen small communities that do not have doctors. We have seen emergency rooms overloaded and unable to handle the calls coming in. We have seen flu epidemics and the doctors system unable to deal with that.

We at the federal level have been very concerned about that, particularly just after we decided to transfer \$11.5 billion more to the provinces so that they could deal with these emergency situations. It is my understanding that many of those dollars ended up in the coffers of the Ontario government.

• (1635)

The Ontario government saw fit to take the money and spend a bit of it. It put \$700 million into a bank account to raise interest rather than deal with the emergency for which the money was set aside. It drew the money out of the federal account and put it in a bank account to raise interest. When we are worried about an emergency we should deal with the public fairly and meet its needs.

As a result I think it made many of us on this side of the House wake up. We woke up to the fact that the provinces run the health care system. They control the hospitals and medical spending. They control the institutions that train doctors. They have an opportunity to move an agenda which they are not doing.

My colleagues across the way are suggesting that we should transfer \$1.5 billion from training areas and put it into health care. I would guess that is an honourable approach if \$1.5 billion will solve the problem.

Supply

Many of us on this side of the House think there is another solution. We must sit down with the provinces to look at the problems in health care. We must decide how to train more doctors. We must decide how to provide more hospital beds. We must decide how research can take place.

The provinces are asking the federal government not to get involved in their administration. It is a tragic mess. The government will be blamed for not giving the provinces enough money, but they do not want to work with us in providing a system that will work across the country.

We on this side of the House believe very strongly that it is not just a money issue. It is far more than a money issue. It is an issue of proper planning and changing our approach. It is an issue of dealing with home care. It is an issue of dealing with drugs. It is an issue of dealing with doctors. All these issues must be discussed on a fair basis with the federal government, which is funding a tremendous amount of these costs. Yet once we turn the dollar over to the provinces we lose total control. We have no control at all.

Before we turn more money over I think it is critical that we sit down with the provinces to develop long term plans that will make sure Canada is going in a safe direction. We cannot look at the Ralph Kleins of this world who are creating their own disasters. They are pushing for privatization in the health care system which will inevitably leave the rich with the service and the poor with no service. We all know this.

We have been fighting the right wing element in the country for 50 years over these kinds of issues which says that we should give the service to the rich; if they can pay for it, let them pay for it. Then what does the poor get? What remains. No, that is not fair.

The Harris government is sending people for cancer treatment to the United States instead of spending the \$700 million that is in the account on proper materials to provide this care. Harris is not a person to be trusted in this business. The frank fact is that our health minister has to sit down and work out a plan.

Let me turn to the Reform motion. It is an interesting one. Reformers are suggesting that we should take \$1.5 billion and put it into health care. They are also suggesting that the \$2.5 billion in the budget was not enough. The total money they are asking us to put in the budget for health care is \$4 billion.

It was interesting to read the Reformer's solution 17 in their prebudget recommendations. They suggested that spending only increase by \$1 billion in all programs in Canada. In other words, why after the election when people are talking about health care are they suddenly saying that we should spend \$4 billion on health care alone when before the budget came out they had a position that the total spending on all programs in Canada increase by \$1 billion? It does not make sense.

• (1640)

They asked for increased spending on the RCMP, increased spending on defence and increased spending on almost every federal program. They were asking us to put money here, put money there and put money over here. Now they are saying put \$4 billion into health care when their whole approach was a \$1 billion total spending increase in Canada. That appears to be a pretty big two-face to me.

Let us stop to think about the positions Reformers take. They come back week after week saying that their constituents told me to do this so they are jumping over here. Long term planning is something Reformers have never done, have never adequately faced the demands of and will never do accurately. That is why the Reform Party will never be the government of the country. Reformers bounce from pillar to post. They change with the drop of a hat. They never stay consistent with any of their policies, and yet they say that as somebody changes their mind their policies will change as well.

I have difficulty with what Reformers are proposing today. I have difficulty with one of my colleagues across the way stating that we have not put money into health care. Our total dollar spending in 1993-94 when we took government was \$37 billion. This year with all expenditures put together it will be \$39 billion. We have increased spending in health care and education by \$2 billion since we have taken office. We cut initially but all the extra transfers coming back have increased that budget.

There is a twisting of the truth, and that is too bad. The reality is that federal and provincial governments need to sit down to work out the health problem in the country, and not do it by just sending money to the provinces.

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, I listened closely to what the hon. member had to say. He tried to take credit for what the government has done in terms of spending. I would like to know whether the hon. member will take credit for the slashing of the \$25 billion back in 1993 when his government came to office.

Mr. Jerry Pickard: Madam Speaker, I am really pleased to answer that question. Reform Party members used to be Tories, Conservatives. I remember Brian Mulroney led them. They were here in the House. They had the same right wing agenda then as they have today. They said day after day the Liberals tax and spend. That right wing party with its counterpart over there increased our debt three times in an eight year period. When they came in the debt was \$168 billion. When they left it was over \$500 billion.

Are we proud of cutting? Darn right, we are proud of cutting, because it had to be done. If we did not make the cuts, my children, my grandchildren and my great-grandchildren would have to pay for the overspending. It had to be done and there is no question about it.

Supply

• (1645)

The reality is that the folks across the way say one thing but do something different. They say “We are going to get the economy rolling correctly”. Everybody knows that it was not the Reform Party that had anything to do with straightening out the economy; it was good, solid Liberal policy. We straightened out the economy and now I am proud to be in the position of being able to make Canadian lives better.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, I am wondering where the government member is getting his numbers. We know full well the health side of the Canada health and social transfer has been underfunded to the tune of \$30 billion since the Liberals came to power.

This year, a meagre \$2.4 billion was announced for the whole of Canada. This money will be held in trust and spent over the next three years.

I believe we do not have the same numbers. It all depends on the analysis one is looking at. If the situation is really that bad in health care, the thing to do is not so much putting more money in it as doing it in a different way from before. We need to put money in health care over a five year period, as the Bloc Quebecois suggested, we need stable funding.

Every Quebec leader, including the president of the federation of physicians, is calling for the restoration of health and social transfers to their previous level. This is a far cry from the \$2.4 billion the government allocated in the last budget. What we are demanding is \$4.2 billion a year, times five, which is at the most \$21 billion.

Since the liberal government came to power, help to the provinces in the areas of health, education and income security has relentlessly been cut. Quebec ministers and the other provincial ministers had asked for a Canada social transfer to fund health. They had asked for more stable funding, instead of the iffy funding we are being offered with money held in trust for the provincial governments to spend.

It is very difficult for a government to plan good management when the Liberal government makes such cuts.

[*English*]

Mr. Jerry Pickard: Madam Speaker, the numbers I have come from official government documents. If the member has different numbers, she had better read the documents and get the proper numbers.

When we talk about cash transfers we are not talking about ad hoc programs. We put \$11.5 billion last year into the budget to help the provinces with their financial situations, to put money toward emergencies and to solve problems. We added to that \$1.2

billion this year. If we combine the \$11.5 billion and \$1.2 billion we end up with a huge increase over a two year period which is in the neighbourhood of 25%.

It is important to realize that no member on this side of the House has said that is the limit. The people on this side of the House have said “We have to plan”. We have to work with the provinces, which control the health budgets. We have to make certain that the dollars going in are utilized for the services Canadians need. That is important.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I am pleased to participate in the debate on a motion which recommends that the government transfer \$1.5 billion from HRDC to the CHST. It is an interesting motion because it brings to the table two very important subject matters.

First, I want to comment on the HRDC side of the equation. When this issue first came to the House there were a lot of numbers being thrown around. As time has gone on the numbers have been refined substantially.

I watched with interest a press conference with HRDC officials who were answering questions about the so-called 37 flagged files which had problems. Being a chartered accountant and having headed up an internal audit department in a large corporation, I know what is involved in an audit. I know about the planning and the due care and the checking that is done and the time that is associated with it. The HRDC officials described to the media and to Canadians that the work that had been done with regard to those 37 files was, in fact, not an audit at all. The reason it was called an audit report was that it came out of a department called internal audit. What it was, as they described it, were reports on visitations by HRDC employees who went to organizations that had received program funding. They looked at a file and saw what was or was not there. They had a little bingo card, checked off a few things and then they were on their way. By any criteria whatsoever, those were not audits.

• (1650)

The proof that they were not audits was that if audits had been done they would have made reasonable inquiries to satisfy the deficiencies they noted.

Subsequent to the flagging of those files, auditors were sent in. Based on the last report I saw, I understand that audits have been done on 34 of the 37 files and each and every one of the deficiencies noted by the visitations have been cleared.

We have to take some care about how we characterize the work that has been done in the internal audit area with regard to deficiencies. In fact, the deficiencies were apparent deficiencies and subsequently proved not to be deficiencies.

Supply

I look forward to the final report on the balance of the three audits to judge for myself whether funds were appropriately or inappropriately used. I have been assured, and Canadians should be assured, that in the event any funds which were transferred or provided to groups or organizations were inappropriately used, the government always has the option, and will exercise the option, to recoup the funds which were not spent properly or take collection actions through legal means. Canadians should have that assurance.

There are also ongoing RCMP investigations. Some of the work in other areas has led to questions and allegations have been made. The appropriate step is to ask the RCMP to do the work, and that has happened.

It should be pointed out that the allegations of mismanagement are not against the government. Rather, they are against the participants or recipients of the moneys. It is very important for members to understand that the RCMP is looking into allegations of mismanagement by third parties, not by the government.

I would like to cite a couple of examples of media spin. One example was Wal-Mart. There was a big story that Wal-Mart got a big grant. The facts are that a construction company got a grant to hire people to work on a construction site. They were constructing a distribution centre for Wal-Mart, which was going to have its products shipped through that centre. Wal-Mart did not get the grant, but it was convenient for the press and others to suggest that somehow it did. That was not the case.

There was also the case of McGill University. It submitted an application for \$60,000, but it ultimately received \$160,000. That was not because someone arbitrarily decided to give it extra moneys for some unknown reason. The additional moneys were advanced to McGill because the program it was proposing, on a small scale, was an excellent program and it was encouraged to expand it to provide a broader number of employment opportunities to people, which raised the amount of the grant to \$160,000.

With regard to the McGill file, there also was an item of some \$10,000 which was flagged. It was one of the 37. The proper documentation was not within the file. Subsequently the auditors found, to their satisfaction, proper documentation for each and every penny that McGill was advanced. There is another example which received quite a bit of play in the press, and yet once all of the facts were in, once people had done their jobs, the allegations that were raised were appropriately discharged.

I want to say that at this point I am not passing judgment on all of the files. Obviously we have not seen all of the information. However, it appears, with the substantive work that has already been done, that it is clear the government and HRDC officials, those important employees, are doing a good job of protecting the resources of the Canadian taxpayer, because the government does not have its own money.

• (1655)

I want to shift to the health care side, only because today I had lunch with Sir George Alleyne, who is an inspiration to a lot of people because of his work around the world. He was actually knighted by Queen Elizabeth. We spoke about the importance of our health care system. I wish he could address this Chamber to let us know about the state of health care around the world and how important it is that we have a value system associated with health care.

I raise this issue about a value system associated with health care because the National Forum on Health began in 1994 at the request of the government. Health care experts from across the country spent two years studying Canada's health care system and consulting with Canadians about what they wanted from their health system.

One of their most important observations was that health care costs had risen disproportionately to the marginal improvement in health status. They gave the example that from 1975 to 1993 real per capita health expenditures increased from approximately \$1,100 to \$2,000 per capita. That was according to Health Canada in 1996. They concluded that spending more money on health care costs does not necessarily lead to better health. That is the crux of the issue.

The experts which the Parliament of Canada engaged to look at our health care system came to the conclusion and the direction that parliamentarians should all be aware that spending more money does not necessarily translate into better health.

The value question which I am sure Sir George would want to tell us about has to do with what Canadians want from their health care system. In looking through the annex documents to the National Forum on Health I found some interesting points. They said that an opinion formed with relatively little engagement or with poor information would be less stable in the long term than one formed under conditions of high engagement and good information.

What they were saying was that we have to work together with the provinces and with Canadians to determine what the value system is that should be underpinning our health system. It is not simply a matter of throwing more money at the health care system and saying "Keep doing what you are doing". The important thing is to determine whether we are getting good value for our money.

I have many more points that I would like to raise, but I will highlight what Canadians said to the National Forum on Health on what their various values were for our health care system. The first and most important was efficiency in the system. Second was the quality of access. Third was the performance on results. Fourth was prevention. Fifth was freedom of choice. Sixth was a compassionate system. And seventh was flexibility within our health care system.

Supply

I believe the important thing for Canadians to know now is that the Minister of Health has undertaken to meet with his provincial counterparts to have the dialogue necessary to start the process of determining how our health care system can be reformed to meet those values which Canadians hold so dearly. Once those ministers have agreed, then we will be able to come back to parliament and determine how we can establish sustainable funding for Canada's health care system.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Madam Speaker, the hon. member for Mississauga South gave a rather impassioned defence of HRDC. I can readily understand his sensitivity with regard to that particular department. However, the motion, if he would look at it, has nothing to do with HRDC. It is a general motion and it deals with grants and contributions from all departments. It concerns a \$13.5 billion pot of pork. It is not all pork. There are probably some useful programs. However, too much of it is for friends of the party opposite: SNC-Lavalin, Bombardier, all of the old friends. By the way, I am not speaking of EDC; I am talking about outright subsidies. I know the hon. member is well aware of them and could probably reel them off as fast as I could.

• (1700)

These are parties which over the last eight years have given some rather substantial amounts of money to the Liberal Party. I have the numbers here. SNC-Lavalin during the seven years from 1992-99 contributed \$295,817. Bombardier during that period contributed \$447,615 to the Liberal Party of Canada.

We do not believe it is fitting or proper that the \$13.5 billion grants pot be further augmented by the \$1.5 billion that is listed in the current budget document to build up the slush. We say take back that \$1.5 billion which has not actually been allocated for any particular program yet. It is just a big sum of money which the government wants to give for grants and contributions. Take that back and give it to health care where it is really needed and where the people of Canada really want it. Be a little less generous with this pork-barrelling stuff at least for a year or two. That is all we are asking. It is a pretty straightforward motion.

Mr. Paul Szabo: Madam Speaker, I wish the member were aware that what he is saying is that the government has broken the laws of Canada under the Canada Elections Act with regard to requiring kickbacks in exchange for moneys. Every member of parliament is subject to those rules. If there were any strings attached with votes or any other conditions, they would be committing a criminal offence. If the member has any evidence of criminal wrongdoing on behalf of the Government of Canada or any member of parliament, it is his duty to report it to the Chief Electoral Officer.

The member mentioned some companies, SNC-Lavalin and Bombardier. He did not mention Nortel. How about Pasteur-

Merieux-Connaught? Many of these very successful companies have received substantial amounts of money in grants and contributions from the taxpayers of Canada. What he did not say is how much they generated in terms of jobs and new economic growth for Canadians so that more people are working and paying taxes and have the dignity of work.

For instance, under the technology partnerships, Pasteur-Merieux-Connaught is now involved in substantive health research with regard to cancer. Under the technology partnerships it got a substantial amount of money but it was only 25% of the project funding. It came up with the other 75% and it provided jobs for some of the top health researchers in Canada with regard to cancer research.

I believe the member has done a disservice to this place by giving half the story.

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, I will be sharing my time with the hon. member for Surrey North.

I am pleased to take part in the debate on the motion which calls on the Minister of Finance to increase the Canada health and social transfers by \$1.5 billion and to forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget. It is important to say that we do not suggest slashing all federal grants and contributions, only that we forgo the increase contained in this year's budget.

The government must listen to the people. Health care is on the minds of all Canadians. How many times have we heard that health care is the number one issue? I want to concentrate on the state of health care in the province of Manitoba and my riding of Dauphin—Swan River.

Canadians must not forget that we are talking about the mess our health care system is in because of what the Liberal government did in 1993. We must not forget that it was the Liberal government that slashed \$25 billion from the health and social transfer when it first came to power. It is ironic that the Liberal government wants to fix the health care system, yet it was the same Liberal government that created the problem.

• (1705)

Today federal cash transfers cover just 10 cents on the dollar. In 1997 federal dollars covered 19 cents on each dollar spent on health care. In fact by 2003-04 the Liberal government will have slashed out of the health and social transfer a total of \$35 billion. Let me paint a picture of how this \$25 billion reduction when the Liberals first came to power affected Manitoba and my riding of Dauphin—Swan River.

The first thing which occurred was that it forced the province to look at other ways of cutting its costs. When the money does not come from the feds, obviously it does not have the money to spend. People got fired; they lost their jobs. People received less service. Quite a negative situation was created and all the people of Manitoba were very upset. Beds closed and hospital services were reduced.

The province did not know what to do. It reorganized the whole system. It cut out all the existing boards, put them into huge new boards and then had the audacity to make political appointments to those boards, which did not do our former Tory government in Manitoba any good.

The whole issue of health care helped the current NDP government get into power. Health care of all things. That is because it was very important in the minds of all Manitobans and certainly was important to the residents of my riding of Dauphin—Swan River.

I spent a lot of time working on the health care issue. Being a municipal leader at that time I had lots of town hall meetings. I organized a provincial meeting of municipalities and the aboriginal community so they could sit down and discuss what the issues were and try to get the provincial government to deal with all the shortcomings that people had to deal with. Obviously nothing happened other than that we created a lot of criticism. The province did not really move in that direction. The problems still exist today.

At this time I would like to read a letter that I received from the Regional Health Authorities of Manitoba, Council of Chairs. This group collectively represents all the health authorities in the province of Manitoba and wrote me this letter:

The Council of Chairs and Manitoba's Regional Health Authorities work together to ensure that all Manitoba's residents have the access they need to high quality health services.

As part of our commitment to ensuring access to needed healthcare services, the Regional Health Authorities of Manitoba is a member of the Canadian Healthcare Association (CHA), the national federation of provincial and territorial hospital and health associations. Through its provincial and territorial members, the CHA federation represents over 1,000 organizations covering the broad continuum of care. These organizations employ approximately one million healthcare providers and serve Canadians across the country. They are governed by trustees who act in the public interest. CHA's mission is to improve the delivery of health services in Canada through policy development, advocacy and leadership. The provincial and territorial members of the CHA federation are committed to ensuring that all Canadians have access to comparable healthcare services wherever they live.

Every day, members of RHAM see the serious effects that cuts in federal transfers are having on our national healthcare system. The significant decline of public confidence in our health care system is compelling evidence that Canadians feel the system will not be there for them and their families when they need it. Federal/provincial/territorial co-operation to build a truly accessible, integrated client-centred continuum of care is essential to restore the confidence of all Canadians in our healthcare system.

Provincial and territorial members of CHA federation believe that the federal government must act to ensure access to comparable health services for all Canadians

Supply

regardless of where they live. The CHA brief presented to the House of Commons Standing Committee on Finance recommended that the federal budget focus on health care by:

1. Raising the cash floor of the Canada Health and Social Transfer by \$2.5 billion immediately.
2. Applying a growth factor of the cash component of the CHST.
3. Adding \$1 billion to launch a national home and community care program to improve access to the broader continuum of care.

It is essential that, as our healthcare system adapts to change, the devolution of resources away from hospitals must not imperil access to the needed healthcare services that they have traditionally provided.

Health reform must include investment in and augmentation of all parts of the continuum of care as we work toward an integrated, client-centred continuum of care. Adequate, sustainable federal funding and federal/provincial/territorial co-operation are both essential for this to happen.

• (1710)

Today we have heard members say that throwing money at the health care system is not the issue and perhaps not the solution. But the reality is that the money taken out of the system back in 1993 caused the problem we have today. Therefore money is one of the solutions. No doubt we all agree that people need to sit down and talk and work collectively to look at all the options, including the options being expressed in the Alberta legislature at this time.

It is ironic that people do pay for their health care. There are lots of services. In fact the CHA indicated there are many medically necessary services in Canada that must be paid for out of pocket by the people who require them. A recent report by the Canadian Institute for Health Information noted the shift from public to private spending for health care in Canada which has been going on for years is steadily increasing past the 70:30 ratio. The OECD standard is 75:25. This passive privatization of our health care system is a reality of health care today in Canada and not just a possibility of the future. It has worrisome implications for access to needed health care services for some people.

The current problem that we are experiencing is because of the \$25 billion reduction by the Liberal government back in 1993 when it came to power. Government members have to recognize and accept that fact. It is time to put more money back into the health care system. Canadians deserve it.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I thank the member for Dauphin—Swan River for his remarks and the very interesting readings he made.

I found it interesting that he talked about the need for more money in the health care system. Certainly the government has restored all the transfers. We could go over the same old stuff. No matter how often we say it, the opposition parties will say that we

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have not, but in fact the CHST has been totally restored to the 1993 levels.

We had to reduce the federal transfers to eliminate a \$42 billion deficit. In fact if we had not dealt with federal transfers which consisted of something in the order of 40% of our total federal budget, it would have been very difficult if not impossible for us to eliminate the deficit completely. We did reduce the transfers but they have now been completely restored.

Let me give the example of the province of Ontario. The Ontario government under Mike Harris reduced income taxes by 30%. Reducing taxes is another good agenda item. We have been doing more of that now that we have topped up health care. If we look at the Harris Conservative government in Ontario, the first reduction in taxes it made was 30% and then it has gone on since then. If the Ontario government had reduced taxes by 25% instead of 30%, just five percentage points, it could have totally restored and topped up the federal transfer reductions that the government passed on to the province of Ontario.

When we talk about where the priorities are, rather than move from 30% tax cuts to 25%, the province of Ontario decided to let health care slide somewhat. Now it is coming to us and saying that we should be putting more money back in when it is actually still sitting on money that we gave it last year which has earned interest. About half a billion dollars is still sitting there not being utilized.

I would ask the member to reflect on that and maybe he could comment on it.

Mr. Inky Mark: Madam Speaker, today we heard the debate over who is responsible for the deficit and the national debt. Let me quote a few numbers here. Both the Liberals and the Progressive Conservatives were responsible.

• (1715)

Back in 1972 our national debt was \$16 billion. When the Liberals came to power in 1983, the national debt was \$160 billion. In other words, it climbed from \$16 billion to \$160 billion. The Mulroney Tories came to office in 1984 and by the time they left in 1993, the national debt had moved from \$160 billion to \$489 billion. The Liberals came back to power in 1993 and they took the national debt from \$489 billion up to \$600 billion in 1997.

I know it has been reduced since that time but the Liberals are renegeing on their responsibility for fiscal problems in Canada. The deficit is one of those problems, especially when we spend more than we take in. The cause of that is that we have borrowed too much money over the years.

It is good news that we are balancing our annual budget but our national debt is still something like 71% of our GDP. It is still too

high. Until we get that in order, health care and all other services will lose a lot of money. If we put \$42 billion of our interest into our health care annually, everybody in the country would be happy.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Madam Speaker, I need clarification from the Reform Party. What exactly is it proposing with respect to an alternative health care model?

We have heard statements from the leader of the Reform Party calling very explicitly for a two-tier health care system, one for the rich and one for everybody else. We have heard the leader of the Reform Party call for a user fee. We have heard the member for Esquimalt—Juan de Fuca call for a parallel private, two-tier health care system. The member for Macleod has called for a system that allows access to both core and non-health care systems available outside medicare.

Which one of these positions is the current position of the Reform Party?

Mr. Inky Mark: Madam Speaker, as I said earlier, individuals do pay for things such as eyeglasses, dental care, pharmacare, special shoes and special appliances. Public health care does not provide these things. It would be unrealistic to expect the public purse to pay for every service that an individual requires in the area of health.

Mr. Chuck Cadman (Surrey North, Ref.): Madam Speaker, I am pleased to rise today to speak to this motion. The motion reads as follows:

That this House calls on the Minister of Finance to increase the Canada health and social transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

All Canadians know that Canada's health care system is beyond sick. It is in a crisis. I believe there is one very fundamental reason for this.

From 1993 to 1999, health care costs have risen by \$14 billion per year, or 19%, from \$72 billion per year to \$86 billion. In that same period, the cash transfers from the federal government for health and education fell by \$6.3 billion per year from \$18.8 billion to \$12.5 billion. That is a drop of 34%. That is a cost increase of 19% and a decrease in federal transfers by 34%. Is it any wonder that we have a problem?

The government trumpets that it plans to put a cumulative total of \$12 billion back into CHST over the next four years. Is that not special? What it fails to tell Canadians is that since it came to power, it has slashed a cumulative total of \$25 billion from health and social transfers. By 2003-04 that cumulative total is expected to be about \$35 billion.

The Liberals like to boast about the increase in tax point transfers but those points have remained unchanged since they were first introduced in 1977 while the discretionary cash portion has been slashed.

• (1720)

In 1977 federal cash transfers paid 19 cents of every health care dollar spent. By 1997 that was down to just 10 cents and still the government wants to tell the provinces what to do.

What are some of the realities of the Canadian health care system today? It is a system based on a 1960 socialized, state run model which has failed to evolve to address the realities of the 21st century. I am sure Canadians will be happy to know that our health care system is rated 23rd out of 29 countries in the OECD. I am sure they will also be just thrilled to know that there are only two other countries with similar health care systems to Canada's: Cuba and North Korea. That is wonderful company.

The current system is just not sustainable and the government knows it. Again there are some very simple reasons for this. In 1999, 12.5% of the population of Canada was over the age of 65. The projection for 2006 is 21.4%. That is one in five Canadians over the age of 65. Add to that the fact that Canadians of my age are on the leading edge of the baby boomer bulge and we will not reach age 65 until roughly 2012. Simply put, Canadians are living longer and the population is getting older. Again the current system is just not sustainable.

What about the costs related to new technologies? What about the costs of training people to work with those new technologies? Even if we succeed in training the required number of doctors, nurses, support staff and medical technicians, will we be able to keep them in Canada with our outrageous taxes? That is a whole other debate.

I am afraid we have seen only the beginning of technological and professional shortages. The result has been an increase in the length of waiting lists by 43% from 1993 to 1998 and that shows no signs of going down.

What is the government's answer? In 1999-2000 CHST cash was increased by \$2 billion, still short by \$4.3 billion, still only 23% of what it was when it took power. Then, in the 2000-01 budget, it allocated just \$1 billion more for health care, even though the budgetary surplus was \$11.9 billion on January 31, 2000. At the same time this budget alone provides for an increase of \$1.5 billion in federal grants and contributions, a one year increase of 11%.

The motion we are debating today calls for the government to forgo that increase in grants and contributions and to direct the funds instead into health care. It does not suggest that it slash federal grants and contributions, only that it forgo the increase.

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It would appear that one of the biggest winners in this year's increase derby is, surprise, surprise, Human Resources Development Canada. Good old HRDC. For the last five fiscal years in a row, the Liberals have increased grants and contributions at HRDC. In 1996-97 they were \$2.84 billion. This year they are expected to total \$3.17 billion, an increase of 12%.

One would think that given the events of the past few weeks, the government would show some respect for taxpayers and, at the very least, hold the line on grants and contributions for this department until there is a full accounting of past moneys spent. The controversy surrounding the transitional jobs fund alone is reason enough. The TJF was \$100 million per year. Its successor, the Canada jobs fund, has been increased to \$110 million, while its unemployment criteria has been relaxed from 12% to 10%.

I am sure that Canadians would like some explanation as to just how it is that the Prime Minister's riding alone got more in TJF and CJF money than the entire provinces of Manitoba, Saskatchewan and Alberta, as was reported in the *National Post* of March 16. I am also sure that Canadians, Quebecers especially, would like some explanation as to how it is that the Prime Minister's riding received four times as much in TJF and CJF grants as the average Quebec riding. The TJF and CJF programs are not the only sources of controversy.

Last week I raised a question in the House regarding a complaint received in my office. A few weeks ago, Mr. Kurtis DeSilva, president of the Metis nation in B.C., and Joe Lanza, a former provincial HRDC compliance officer, came to see me in my Surrey office with a pile of documentation relating to the alleged mismanagement of HRDC funds by the Metis Council of British Columbia, funds earmarked for employment and training programs in the Metis community. Among the complaints was one having to do with the use of job creation money by a council director to attend law school in Toronto. In another case, HRDC funds were allegedly used to send the son of another council director to India to gain life experience.

Dan Ferguson, a journalist with the Surrey North Delta News *Leader*, has been investigating this issue extensively. He has quoted a number of individuals who complained about questionable training programs, programs which in their view were, in the words of one, a pitiful waste.

• (1725)

A cursory audit by HRDC uncovered almost \$170,000 which could not be accounted for. The RCMP said that it did not have the resources to investigate even though it acknowledged the complaints.

Yesterday, at the Liberal Party convention, a British Columbia Metis member of the party said in an interview that there was a real problem. Yet the ministry has refused to do a forensic audit. In fact the minister even refused to answer my question last week.

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In another case, the Surrey Aboriginal Cultural Society has brought to my attention that the aboriginal residents of Surrey have received no employment and training funds since 1998 even though the Sto:lo nation was contracted by HRDC to provide the funds. I have written the minister for an explanation but to date have heard nothing back.

In still another case, two women complained to my office after an HRDC contractor placed them into courses which they had no hope of completing due to a lack of prerequisite training. The spotlight is currently on HRDC. One must suspect that there are similar stories buried in other departments, many of which have had no internal audit done on grants and contributions since January 1, 1994.

Rather than attacking the provinces, the federal government should provide leadership by working co-operatively with them to improve health care. A good place to start would be to forgo any further increases in grants and contributions and instead direct those funds toward health care.

I urge all members to support the motion.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, maybe the member is aware of the research done by the National Forum on Health. The report came out in early 1997.

One of the key observations in the report was that between 1975 and 1993 the actual spending per capita on health care in Canada almost doubled from \$1,100 to \$2,000. However, at the same time there was no evidence that the level of the quality of health of Canadians had improved. In other words, the experts concluded that money alone was not going to be the solution.

Taking that into account and taking the fact that Ontario, Quebec and Newfoundland all have money from last year that they have not used, how does the member think this simplistic solution of transferring an additional \$1.5 billion into health care will actually achieve anything? What evidence does he have?

Mr. Chuck Cadman: Madam Speaker, the bottom line is that the provinces are starved for cash. Because of the way the government has cut billions and billions of dollars since it came to power, the provinces have done what they could to get it back. I know the waiting list. I know the problems in my own province and in my own community.

Restoring the cash transfer is only part of the solution but it is a part that has to be done now. Instead of taking the money and firing it off into what a lot of my constituents are coming to me and saying are wasteful programs of grants and contributions, this money has to be invested somewhere where the people want it, which is in health care.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Madam Speaker, I appreciate the member's speech on this very important matter. I understand that the Reform Party motion tries to focus on two issues of importance to the Reform Party and certainly of importance to all Canadians. However, my concern is that by linking the two we do not necessarily have a clear indication from the Reform Party about the immediate restoration of transfer payments for health care.

Regardless of where the money comes from, is the Reform Party prepared to commit, as a minimum, the \$1.5 billion in transfer payments to be restored? Is it also prepared to go even further and acknowledge that there is currently a \$3.3 billion gap in terms of transfer payments that were cut by the government in 1995? Would Reformers also agree to support us in holding the government to account for that money?

Mr. Chuck Cadman: Madam Speaker, I do not think we would have brought this motion forward if we were not prepared to commit to say that \$1.5 million should be transferred into the CHST.

• (1730)

As for the other question, it is something we obviously have to look at. People are asking that health care be restored. Right now one way we see doing that is by getting rid of the waste, putting the money that is being wasted up front and doing something with it to restore health care to where the community wants it to be.

We acknowledge the gap that still exists. That is obviously something that has to be considered for the future. Right now the money that is going to waste, as far as we see it or as far as my constituents are telling me, has got to be put where it going to do some good, and that is into health care.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, one thing the member opposite talked about was grants and contributions which is an accounting mechanism for our accumulating expenditure and for where it is going to be spent.

The member for Calgary—Nose Hill this morning, the lead Reform speaker on the topic, mentioned that she did not think that the HRDC grants and contributions needed to be touched. It was the others and the increments in the new budget.

Maybe the member would comment. Of the new grants and contributions in the budget, would he cut the \$900 million to the Canada Foundation for Innovation, the \$900 million for the new research chairs across Canada and the \$700 million to ensure that we have clean air, water and prepare for reducing our greenhouse

gases? Are those the kinds of initiatives he would cut out of the budget?

Mr. Chuck Cadman: Madam Speaker, there are any number of areas where we can see waste and not necessarily the programs the hon. member talked about. There are far too many areas of waste in the country.

I just rattled off a few of them which came from my constituents. They saw \$170,000 unaccounted for in programs and training money that should have gone to the Metis community in British Columbia. That is only the tip of the iceberg. There is much waste in the country. If we could take care of the waste, do the proper forensic audits, find out where the waste is and cut it, I am sure there would plenty of money left over to restore the health care system to where it should be.

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I will be sharing my time with a colleague. It is my pleasure today to join this debate because it is a welcome opportunity for members of the government to reaffirm our philosophy in favour of a balanced approach to social policy in Canada.

Unlike members across the way, we believe that government has an important and necessary role to play in building the kind of society that cares about its people, not one that cares just for the well-off but one that cares for all Canadians including those groups within society that might need special help.

We believe in an approach that combines both grants and contributions and the Canada health and social transfer as a responsible balanced way to fund the social policy needs of Canadians. We do not believe in the kind of dogmatic all or nothing approach the opposition motion proposes.

Our approach to responsible social policy also recognizes the need to balance the jurisdictional concerns of the provinces and territories with the federal government's obligation to meet national social policy objectives. Our position is that both the federal and provincial levels have important roles to play. That is why we have substantially increased transfers to the provinces under the Canada health and social transfer. That is why we are also increasing funding for grants and contributions programs that meet specialized social policy needs throughout Canada. We understand the need for this balanced approach and so do Canadians.

Here is a good example. It is a quote from a letter written by the executive director of the Child Care Connection of Nova Scotia. It refers to a program that supports child care research and says:

Child care is the jurisdiction of the provinces and territories, but this research and development program is a significant means by which the federal government can

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provide leadership in increasing the quality of services and support the development of an infrastructure to deliver child care services to families in Canada.

This letter says it well. There is a role for both levels of government in social policy. This letter shows how important the federal role can be in contributing directly to the needs of Canadians. It also illustrates the kind of support we have for this approach from all across the country.

• (1735)

I have another example from the Learning Disabilities Association of Canada. The president and executive director of the organization have written a letter to the hon. minister. The letter talks about the support that HRDC provides to help persons with disabilities. The writers urge the minister to remain steadfast in pursuit of her mandate.

These are not government MPs I am quoting. These are caring Canadians who work with individuals that need are help. These people look to the Government of Canada and they recognize the value and importance of our program in providing it.

A motion like the one before us today will work against the interest of people like these. I am tempted to say shame on those who want to take back funding earmarked for grants and contributions, but I assume that those who propose motions like this one do not understand the role of federal grants and contributions in our system.

They should know that all across Canada these grants are working in partnership with concerned Canadians to help those who depend on the government for the support they need. From every part of the country we hear from people who know just how important grants and contributions are.

In Edmonton, Alberta, for example, we have heard from the Chrysalis Society about the value of our help to persons with disabilities who are trying to find work. We have heard from the Junction Day Care Centre in the west end of Toronto about how HRDC funding is improving the quality of child care there. An organization called the Literacy Partners of Manitoba, based in Winnipeg, has told us that improving literacy skills awareness and resources for adults in Canada is vital work for us all.

There are cases like this all across the country. These cases prompt me to ask the following questions. Would our hon. friends opposite suggest we cut back on helping to build the literacy skills as well as the technological skills required for us to remain competitive in the global marketplace? Should we forget about making it easier for a person with a disability to find work and participate fully in Canadian society? Should we stop funding the work to improve the capacity of our child care facilities to provide

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quality care for our children? Of course we should not, at least not as far as this government is concerned.

Investing in the development of our human resources is one of the most important things governments can do, and more important in this era of globalization than ever before. The government has no intention of eliminating the valuable support provided by the grants and contributions program. I doubt if the hundreds of thousands of Canadians whose lives have been improved because of our direct support would vote for this motion. I cannot support it either.

I am proud to be part of a government that shows its willingness to help Canadians who need us. I am proud to speak in favour of our grants and contributions programs and the benefits they bring to hundreds of thousands of individual Canadians who need our help.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the government member left the door open when she said the role played by grants is not well understood. We just have to look at the HRDC scandal. The door is too wide open.

And I am going to open it wider still. We know what HRDC grants are being used for. To benefit Liberal cronies and certain persons who contribute to the Liberal campaign fund. We know the Prime Minister downplayed the HRDC scandal saying it only involved \$251, but the more we dig and the deeper we delve, the more we find. There are some very serious cases. The opposition parties have pressured the government into calling in the RCMP. We know these investigations will shed more light on what is going on in this department.

It is a pity that there was no investigation into all the money given out by HRDC under seven different programs. It was found that 87% of project files showed no evidence of supervision, 80 contribution projects had no indication of monitoring for achievement of expected results, 66% of the files reviewed did not contain an analysis or a rationale for recommending or accepting the project, and in 36% of the cases where the dollar value was increased, the reason for it was not documented. The minister tells us that saying no to HRDC programs means that we do not quite understand the role of grants.

• (1740)

Considering how the CHST money is doled out, giving the provinces small transfers of \$2.4 billion over four years knowing how hospitals, universities, colleges and CEGEPs are all badly in need of additional funding, one can wonder what is the use of federal programs in areas that, often, are not under federal jurisdiction. We are concerned with the management of these grants, which are given for purely partisan purposes and are not based on any long term strategy.

There is also a \$305 million program for the homeless in Canada. That program is tailor made for Ontario and Vancouver, but not for Quebec. We know it will be very difficult for us to access these funds.

I am in the middle of a tour on poverty to explain the federal government's responsibility with regard to the social safety net. What we are told is that, very often, people do not hear about the programs, or very little.

I would like to give the parliamentary secretary food for thought by asking her if she is really serious when she says parliamentarians do not quite understand the role of federal grants.

[*English*]

Ms. Bonnie Brown: Mr. Speaker, I want to assure the opposition member that the department and the government in general take the results of this audit very seriously. They are not the only ones who are dismayed by these results. We are upset about it too. That is why we have ordered a plan to try to fix administrative issues that have resulted in the papers being full of this issue for weeks. The minister acknowledges responsibility. We are not happy about it and we plan to fix it.

Accompanying that there has been an unprecedented release of information. The member opposite must know that the private sector also asks for internal audits of its operations. The difference is that it does not show the public what has been found in those audits. Instead, the private sector makes a plan to fix it and it fixes it. That is what we are doing, but because our taxpayers are interested in the use of their money we have released 16 binders, about five and a half inches tall each, full of information to be perfectly clear and transparent about what it is we are doing and how very serious we are.

The member opposite talks about this as a scandal. I am glad to have an opportunity to comment on that word. A scandal to me is when there is a cover-up, something like sex, lies and video tapes or international spying. The history of this country does have scandals. This is not one of them. Only in Canada would lack of administrative controls be called a scandal as has been pointed out by one of our pre-eminent journalists.

If she thinks there is some connection to partisan purposes, that is fundraising, as has been alluded to in the House by other members, I challenge her to make that statement outside the House because it implies a degree of fraud which we have not found. It has implications for people's reputations and they would have a right to defend themselves.

She also refers to the fact that the opposition has referred cases to the RCMP. After audits and after forensic audits we have referred cases to the RCMP. The opposition is not alone in its virtue.

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Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, if I might, I would like to pick up on the comments from my colleague who was addressing the issue of whether or not there is a scandal. I think there is.

• (1745)

I think there is really quite a remarkable scandal in this issue. The scandal surrounds the attempts by members opposite to try to portray the programs run by Human Resources Development Canada as being somehow corrupt. If members opposite want to chirp about this issue they should go to their HRDC offices.

We know that many of them have not taken the time to do this. They should go to their HRDC offices and meet with the men and women who deliver these programs. They should get down and dirty and meet with the people who are being helped by these programs. They should roll up their sleeves and talk to disabled Canadians who are being assisted by HRDC funding. They should roll up their sleeves and talk to the young people of Canada, whether they are in entrepreneurial programs, automotive programs, computer programs, training programs, job finding programs or require assistance in writing a resume. These are things that perhaps members opposite take for granted. Many of these people do not have the facilities or the ability to do these things.

The real scandal here is that the opposition has succeeded in denigrating these programs. Those members denigrate the good work that is done on behalf of all Canadians by HRDC staff.

I am not saying there are not problems. The parliamentary secretary, the minister and the Prime Minister have admitted that there are indeed administrative problems. But should we throw out the proverbial baby with the proverbial bath water? That in essence is what this motion is asking the government to do, to take the \$1.5 billion that is being put into improving access to these programs and move it to the CHST.

I want to hear members opposite, who I believe have an understanding of the role of government, speak on this. I have yet to hear them. What I sense is some kind of Profumo mentality that somehow they have us on the run.

The damage being done by the daily proliferation during question period and in the media is not being done to us. It is not being done to members on this side of the House. It is being done to young people, the disabled, the people in aboriginal communities, all of the people who need the help of this government.

One good thing which comes out of a debate like this is that it draws clear lines in the sand. The Reform motion suggests that we should take the money out of these programs and put it into the CHST, simply write another blank cheque. We know that the mentality of the Reform Party is provincial. It need be provincial

because there are only certain provinces in which it can get elected. We know that Reform would turn over the entire health care system. Reform members have called for the dismantling of the Canada Health Act. They have called for user fees. They have called for private medicine.

Reform members stand in this place and defend the actions of the provincial government in Alberta without allowing proper debate. There may possibly be some things worth looking at in Bill 11. Again, I would not throw it out entirely. Why do we not discuss this in a less than partisan atmosphere to find out what kind of service delivery we should be providing in the areas of health care?

I received a call from a constituent today who has an 81 year old mother with cancer who lives in Montreal. He has to make trips down to see her because she cannot get the service that she needs in that province delivered by the provincial government. Should we wash our hands of this? Absolutely not.

We know that we have a federation that requires co-operation. The federal government collects taxes and redistributes the wealth around the country to ensure that things such as our Canada Health Act are upheld. Canadians understand that is the role of the federal government. It is also our role to ensure that the provincial governments, which are indeed the delivery mechanisms for health care, live up to their requirements under the Canada Health Act to make it universally accessible and affordable to all Canadians, and to not allow for two-tier health care. Yet we see the debate. We understand. Our Minister of Health has said that of course there are clinics that provide private health care in certain areas which are perhaps not funded in Ontario through OHIP. We need to look at them. Are they effective? Do they make sense? Are they taking away opportunities for Canadians? Without paying extra user fees or additional funds of some kind, are they taking away opportunities for all Canadians to access health care? If they are, that is not the principle that the Liberal government, this government, and frankly even Conservative governments in the past have espoused and upheld.

• (1750)

What do we see? We see a request that we simply transfer more money to the provinces without any kind of agreement or understanding that the money will be used for that 81 year old mother of my constituent in Montreal to access better health care, so that my constituent does not have to take several days away from his commissioned sales job to make sure his mother is getting the proper care.

We think that is wrong. However, we understand and Canadians need to understand that the provincial Government of Quebec, in this case, has left money on the table. The Mike Harris government in Ontario has left some \$800 million sitting in a trust account for goodness sake. Why? The answer they gave was "We weren't ready to draw it down because we might need it more next year". What kind of nonsense is that?

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I speak from personal experience. My wife's mother is very ill and needs hospital care on a regular basis. This is a woman who has breathing problems. We go to a hospital in my community. I never thought I would see the day when it would be necessary for my wife to clear the dust off the shelves or the window ledges in an area that deals with people living on oxygen, living with emphysema, living with serious problems. There is dust in our hospitals.

I know that the men and women who work in those hospitals are overworked. They are working their fingers to the bone. What is the problem? It seems to me that we have, at least in the province of Ontario, and I think we have seen it right across Canada, provincial governments which want to go to their electorate and say "Aren't we wonderful. We have cut your taxes". Meanwhile they increase the debt.

Even the premier of Quebec has recently jumped on the tax cut band wagon. He is afraid he is going to get left behind. Yet they cut health care services. Then, lo and behold, they complain that the nasty old federal government is not giving them enough money, but we find that they have left it in the bank.

Do Canadians really want us to sign another blank cheque to allow Premier Bouchard, Premier Harris and Premier Klein to simply do what they want, to reduce their provincial tax load at the same time as they cut health care? I think not.

What the debate should really be about is who is delivering what. How does that 81 year old or how does my mother-in-law get proper care in the community or in the home? That is what our health minister is talking about. Instead of denigrating the great work that people are doing in helping our young people, our disabled, people who have been laid off through no fault of their own to deal with this incredible changing economy, instead of bashing these programs that work, I would think that members in this place would suggest that we should be having a debate on how we can continue to support those people who need help and on how we can better deliver good quality health services that are not Americanized, that are not privatized and that are not based on the model that we know the Reform Party prefers.

• (1755)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my question pertains to the member's comment about wanting a healthy discussion in this place about Bill 11, something which we have tried to do for some time now.

The member will recall that three times in the House we asked the Minister of Health to either table his own legal opinion on Bill 11 or to consider the legal opinions that have been prepared by other groups. The minister has said on three separate occasions "Share those documents with the House". In response, each and

every time we have tried to table the documents we have been denied permission to do so.

I would therefore ask, given the member's comments, if we could have unanimous consent today to table two legal opinions commissioned by the Canadian Union of Public Employees regarding whether bill 11 is in violation of the spirit and letter of the Canada Health Act.

The Deputy Speaker: Perhaps, since it is questions and comments, we will hear the comment and then I will put the question to the House. We will try to fit in three questions and the responses.

Mr. Steve Mahoney: Mr. Speaker, what our Minister of Health has said is that the government wants to study all ramifications of the bill in Alberta. That is the responsible thing to do.

To simply have a knee-jerk reaction and say that it is all good, as the Reform Party would say, or that it is all bad, as the New Democrats would say, is irresponsible. We have to analyze bill 11 and find out if indeed it is in violation of the Canada Health Act. I can tell the member that if it violates one hair of the Canada Health Act, then Alberta will hear from the federal government and it will not be allowed to stand.

The Deputy Speaker: Is there unanimous consent to table the documents as requested?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.): Mr. Speaker, the parliamentary secretary and the member who made the intervention both spoke passionately about the grants helping people in need. I do not think we would find too much opposition to those types of grants on this side of the House which actually help people in need.

I would like the hon. member to clarify how organizations like Wal-Mart are people in need and if he is willing to passionately defend those kinds of grants as well.

Mr. Steve Mahoney: Mr. Speaker, the classic example of opposition party members denigrating these grants is the suggestion that some \$45,000 was given to a bowling alley, I believe, in the Prime Minister's riding.

What they fail to tell is the complete story, that it was a \$7 million tourist investment made by the private sector, by the provincial government, by everybody in the community, and an additional \$45,000 was provided by HRDC. They happened to use it in the bowling alley. If the member wants to destroy a \$7 million project because of that, that is irresponsible. It is simply not telling the whole story. We cannot say it is a lie. It is not only not parliamentary to do so, it is also not really a lie. It is a distortion of

the facts to try to perpetrate a fraud upon the people of the country that somehow we are misusing those dollars. It is not the truth.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my colleague across the way spoke very eloquently, but I believe I must set the record straight and put things in perspective.

He said the provinces have to be supervised, otherwise they might not spend the money they are given for health care the way it was intended to.

I want to go back to the trust fund. We know full well it was a trap set for the provinces. They had three years to spend very small amounts: \$2.5 billion over four years.

The member's remarks about health care funding to the provinces when we know that, since 1993, this government has cut \$30 billion in the transfers to the provinces for health, education and income security. And they have the nerve to tell us we do not care about the disadvantaged in our society. They have the audacity to lecture me.

[*English*]

Mr. Steve Mahoney: Mr. Speaker, I would like to make a couple of brief points. First, transfer payments are higher now than they were when the Liberals were elected in 1993. I only arrived 1997. They are actually higher. That is a fact. The member can look at the chart.

• (1800)

The other point is the member ignores the fact that the provincial governments have some responsibility in this. They have a responsibility to deliver health care services. What opposition parties would like us to do is either give it all to the provinces or in the case of some members, take it away and let the federal government run all of it.

I do not think either one of those is a satisfactory solution. We have to work with the provinces to deliver better quality health care and not do it at the expense of young Canadians who need our help.

Ms. Judy Wasylcia-Leis: Mr. Speaker, I rise on a point of order. I think the member owes an apology to the House. In fact the transfer payments in 1993 were \$18.8 billion.

The Deputy Speaker: It sounds like a point of debate to me. I am afraid the hon. member knows that. She will have to raise that in debate as I know she will want to do.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, it is important to bring this debate once again back to the motion that is before the House which says:

Supply

That this House calls on the Minister of Finance to increase the Canada health and social transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions in this year's federal budget.

I know the member preceding me would not want to have said something that was not factual so I will correct him. He said that the motion was to take money out of. It is not a motion to take money out of. This is a motion to deny the increase. Why should we deny the increase? Why should the increase be forgone?

The issue of the scandal is not the programs. The issue of the scandal is the management of the programs or indeed the lack of management of the programs by the Liberal government. The Liberal members keep on saying that the Conservatives made them do it or whatever the case maybe. They seem to conveniently forget that the boondoggle in HRDC actually occurred under their watch.

I also draw to the member's attention, indeed to the attention of all the Liberals, the fact that it is the Liberals who are not honouring the Canada Health Act. The Reform party supports the Canada Health Act. The Liberals do not honour the Canada Health Act.

Because the federal government has cut back on the resources to health care, the provinces are forced to deliver health care however they can. For example, what province in Canada is not currently having its Workers' Compensation Board, a provincial creation and provincial agency, queue jump? That is two tier health care. When an MRI is needed by somebody who is off work, is that person put in the same long lineup that is being created by the Liberal government? No. The WCB recognizes that there is a requirement for these MRIs. It wants to diagnose the problem created in the workforce. Those provinces and their Workers' Compensation Boards are queue jumping because of this Liberal government.

Furthermore those members, particularly the member from Ontario, love to dump however they can on Premier Harris. The health situation in Ontario has been caused directly by the Liberal federal government. People are being forced to go Rochester. It was a laugh when the Prime Minister said that he did not want to get into the Americanization of Canada. It is the Liberal government that has created the situation that the Ontario government is in. The only way it can deliver services to cancer patients is to send them to the United States.

I do not understand how those people can talk out of both sides of their mouths. It is amazing. There is a major difference between those people and the people on this side of the House, particularly the Reform Party.

The member from Mississauga said that the purpose of the government was to collect taxes to redistribute wealth. Excuse me, I believe it is the purpose of the Government of Canada to collect taxes to deliver services and to collect no more money than it needs to collect in order to deliver those services. It has nothing to do

Supply

with redistributing wealth unless one happens to be of that particular party. Whose money is it? It is the taxpayers' money and the government is in the process right at this moment of collecting far more money than it needs to collect in the area of taxation.

• (1805)

Finally, in rebuttal to what that member had to say, what a patronizing elitist attitude it is that only the federal government can serve the people of Canada. Come on, let us get real.

The people of Canada elect the provincial legislatures in the same way that they elect the federal government. The Liberal federal government talks about the fact that it will make sure that the provinces will spend their money correctly. It will not let any of that money out that it extracted from the taxpayer. It will not let the provinces get away with actually managing their own money. I have heard it all day. Virtually every Liberal member who has stood up in this House of parliament today has said that only the federal government knows how to manage Canadians' money. Give it up. Give me a break.

What we are talking about here is not giving \$1.5 billion to a federal government that has shown that it is incapable of properly managing the finances of the people of Canada. If the HRDC scandal were anything other than what it is, it would be seen as an absolute picture of the fact that the Liberals do not know how to manage money.

Does the government not have a place in helping Canadians and companies create jobs? The answer is yes. The problem is the seriously flawed method the Liberals use because it is so wide open to abuse. Consider the facts.

Quebec received \$139 million while Ontario got \$38 million. The Prime Minister's constituency alone took in more than Alberta, Saskatchewan or Manitoba. In 1997 HRDC spent \$529 million in Quebec but only \$218 million this year. This of course leads to the suspicion that the funds were used to try to influence voting patterns in Quebec, in other words chequebook federalism.

There are three perhaps four probes into job creation grant irregularities in the Prime Minister's riding alone. There are seven more police investigations which are known to be going on elsewhere. I wonder why we should not trust the Liberals to be able to manage these funds. I just gave a perfectly good detail, and it is not just Ontario and Quebec.

Let us look at the justice minister's riding. The province of Alberta received \$3.8 million allocated under the TJF and CJF programs. Where did the vast majority, two-thirds of the money go in Alberta? It just happened to go to the justice minister's riding. She got \$2.6 million of the \$3.8 million. This is absolute political slush. It is exactly why we are saying do not transfer the \$1.5

billion over to the HRDC but use the funds where they should be used.

I agree that the answer to the problems with medicare are not necessarily chequebook related. It may be hard for the member for Mississauga West to accept but I do agree with his proposal that there has to be an open and balanced discussion about the act proposed by Alberta and an unveiling of what the facts are in a non-politically charged environment, as long as there is not the kind of rhetoric we had from the member for Waterloo—Wellington. It was a piece of work. The implication was that we are bad and they are good. Come on. That is not the way to conduct any kind of discussion on this issue.

• (1810)

In conclusion, the motion that the House call on the Minister of Finance to increase the Canada health and social transfer by \$1.5 billion and forgo the \$1.5 billion increase to federal grants and contributions is a very sound one. The people of Canada will at least know that the resources the government has decided to spend will go into an area that will have the oversight and the intelligence of the provincial health ministers and the provincial governments who also represent the people of Canada.

It has been a privilege and a pleasure to address the House but I have to say in all candour that it was an exceptionally exasperating day, as the members on the Liberal side of the House have continued to state what they consider to be facts and, quite frankly, distort things so that they appear to be the way they want them to appear other than the way that they actually are.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, the member opposite covered a lot of territory, but I take exception when he tries to characterize the government as being bad fiscal managers.

The Minister for HRDC has clearly acknowledged that there are administrative problems that have to be cleared up, and she is doing that. This government and the fiscal measures of the Minister of Finance, working with all his colleagues in this caucus, have eliminated a \$42 billion deficit. How is that for starters?

We have interest rates that are at their lowest in 16 or 17 years. We have a rate of inflation that has consistently stayed within the range of 1% to 3% over the last many, many years. How about the level of employment or the reduction in the rate of unemployment to the lowest level in a generation?

When the member talks about a scandal, I do not know how he puts things into perspective. Of course he would love to have Canadians believe that there is a fiscal management problem in the Government of Canada, which he knows is patently not the case.

I wonder if he could put those into perspective when he responds.

Mr. Jim Abbott: Madam Speaker, I certainly can. As we heard in question period today, this kind of gross financial mismanagement is not confined to just this one part of HRDC. We have now discovered that there has been gross mismanagement in the area of TAGS.

I also point out to the member that the reason there is a balance is because of the long suffering taxpayer. The average family of four, since this government took over, has had an increase of \$4,000 a year in taxes.

Furthermore, the U.S. interest rates, which are reflected in Canada, are unfortunately not also reflected in the unemployment figures. Take a look at the difference between the unemployment rate in Canada versus the unemployment rate in the United States.

This member does not make a case for proper management by the Liberal government.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, the motion by the Reform Party is about the government putting hard earned taxpayer dollars where its mouth is, not where its back pocket is. As a result of the Liberal policy, the health care system has been deteriorating steadily.

Does the hon. member agree that the Liberal government should not only restore the funding to health care but also owes Canadians an apology?

Mr. Jim Abbott: Mr. Speaker, I could agree to that. I point out that health care costs have risen by 19% since the Liberals came to power while, at the same time, contrary to the assertions of the other side, the contributions by the federal government to the provincial governments have gone down drastically, down by about 40%.

• (1815)

The Acting Speaker (Ms. Thibeault): It being 6.15 p.m. it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour of the amendment will please say yea.

Adjournment Debate

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

And the bells having rung:

The Acting Speaker (Ms. Thibeault): The division on the amendment stands deferred until Tuesday, March 21, at the end of the period provided for Government Orders.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I asked the following question in the House:

Mr. Speaker, because of the EI reforms brought in by this Liberal government and the Progressive Conservative government before it, only 30% of unemployed women are receiving EI benefits, compared to 70% in 1989.

A Statistics Canada study shows that EI cuts are the leading reason for the increase in poverty among families with children.

Is the Minister of Human Resources Development prepared to admit that, by reducing the eligibility of unemployed parents for EI benefits, she is increasing child poverty?

At the time, the minister answered:

The hon. member opposite would have us believe that women are not making gains in the labour force, in fact, the opposite is true. The unemployment rate of 5.8% for adult women is the lowest in almost 25 years.

This might well be the lowest, but the fact is that women no longer qualify for employment insurance; they now are on social assistance. If they are on social assistance, they do not qualify for employment insurance and therefore they do not show up in the statistics, in the numbers quoted by the minister. This is one of the problems we are experiencing these days.

Adjournment Debate

I rose countless times in the House and put questions to the minister on employment insurance only to have her answer: "Well, people used to abuse the system, to do this or that". At long last, the Prime Minister of Canada admitted on Saturday night during his party's convention in Ottawa that they lost in the Atlantic provinces because of the cuts they made to employment insurance and because they hurt people in the region. The Prime Minister finally realized it.

Today, the *Globe and Mail* reported that they want to make two changes to the employment insurance. They mentioned the claw-back provisions and the intensity rule. If the government and the Liberals think they will buy votes in Atlantic Canada by raising the intensity rule to 55%, I can tell them that 55% of \$6 is not much. People will get about \$3.50.

People will continue to live in poverty. The Liberals have yet to understand the problem in Atlantic Canada. The problem there is that people do not qualify, they do not work the 910 hours required. Young people do not qualify. Will the Liberals finally realize the harm they have caused to families, to parents, to single mothers?

• (1820)

Will this government understand once and for all? Will the Prime Minister of Canada understand, or will he only listen to the Ontario Liberal caucus which is coming up with the clawback provision and the intensity rule, because they cannot live with these problems in southern Ontario?

The real problems of Atlantic Canada is that people do not qualify. Women do not qualify. Fish plant workers do not qualify. Construction workers do not qualify and the amounts they receive are inadequate.

I hope the government will make the real changes that I have been asking for in this House since June 7, 1997 when I was elected here. I won over my predecessor, Doug Young, who made cuts in the Atlantic provinces.

I hope the Liberals will look into their souls and make real changes.

[*English*]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, Statistics Canada has released two reports which conclude that Mr. Godin's statistics are not a good measure of the adequacy of the EI program.

These statistics exclude people on sickness benefits, maternity benefits, parental adoption benefits, fishing benefits and part II EI

benefits. The statistics include many people who have never contributed to the program, such as people who never worked, the self-employed, people who have no recent work attachment and those who voluntarily left their jobs.

A more adequate set of measurements is found in the employment coverage survey published by Statistics Canada in 1999. This survey suggests that employment insurance covers 79% of the people who are eligible, not 30% as described by the hon. member.

Presently there are several features of the EI program that are of importance to women. One is that every hour of work is covered. Women working part time or holding multiple jobs can now be eligible for both EI regular and EI special benefits.

We also know that two-thirds of those who receive the more generous family supplement are women. Fifty-eight per cent of those participating in the small weeks adjustment project which provides workers in high unemployment regions with higher benefits are women. As well, the reach back provision for the active employment measures expands eligibility for women, providing increased help for stay at home mothers to get back into the workforce.

Canadian women have made significant gains in the labour market. Women represent nearly half the labour force compared to 30% in 1966. Their employment grew faster than men's in each of the last four decades. Their rate of employment is the highest in the G-7 countries over the last 20 years.

The Acting Speaker (Ms. Thibeault): I remind the hon. parliamentary secretary to use the names of ridings of members in the House and not to call them by their names.

[*Translation*]

HUMAN RESOURCES DEVELOPMENT

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Madam Speaker, since the opening of the session, after the Christmas break, on February 6, we have seen in this House that a huge scandal is going on at HRDC.

The scandal could involve between \$1 billion and \$3 billion. It is unprecedented. Even under the ten years of Conservative government, never did we see a scandal of this scope.

In an effort to cover it up, the minister has set up two toll free telephone lines, one for MPs and one for the public. Here is the number for the public. It is 1-888-567-5844.

There is another toll free number for members. I used this line to inquire about HRDC grants in my riding of Frontenac—Mégantic, in Thetford and in the Lac-Mégantic region.

Adjournment Debate

• (1825)

I was told to go through HRDC's access to information office, and each request would cost me \$5. Having wasted four days, I quickly filled out the required forms and paid \$40 for my eight requests. I must wait 30 days before I get any answers. I suspect these answers will bring out two particular cases in the riding of Frontenac—Mégantic.

The parliamentary secretary is in the House to respond. I fully expect that she will read me an answer prepared by her officials. I am wondering if the minister is not trying to delay the provision of answers to our questions, which could lead us to uncover yet more instances of mishandling that would raise the total amount involved at HRDC well above \$3 billion.

Tonight, I am accusing the Liberal government of trying to conceal the truth. I am also accusing the government of squandering taxpayers' money. I am accusing the Minister of Human Resources Development of interfering with the transparency of her department. Finally, I am accusing the government of patronage.

In the Thetford region, the granite region, HRDC funds were used for patronage. Only 42% of workers who pay EI contributions qualify for benefits if they lose their jobs or if they are seasonal workers. That money is used for patronage.

That is what happened in the riding of Saint-Maurice, the Prime Minister's riding. The government had promised to give \$165,000 to create 45 jobs in the riding of Rosemont, a disadvantaged riding in Montreal's east end. What did the government do? It took this money that was supposed to go to Rosemont under the agreement the member for that riding had signed with HRDC and, without him knowing anything about it, transferred that money to the Prime Minister's riding. Is that not patronage?

What happened then? Pierre Corbeil toured plants to meet general managers and ask them for cash contributions of \$10,000, \$15,000, \$20,000 or \$25,000. No wonder beer was flowing at the convention over the week-end—

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

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, this gives me a chance to reiterate the idea that the 30% coverage for EI which was stated both by this colleague and the previous speaker is incorrect.

The employment coverage survey published by Statistics Canada says that EI covers 79% of people who are eligible. That is the correct number. Thirty per cent is incorrect. We cannot pay employment insurance benefits to people who have not contributed, to people who have no recent attachment to the workforce and therefore have not paid premiums. It is impossible for an insurance program to pay benefits to people who have not paid premiums. Of the people who have paid premiums, 79% received benefits.

The second point I would like to refute in the member's speech is the fact that he is suggesting the delivery of grants and contributions is tied to partisan political patronage. I would suggest to him that if he has any evidence of that he bring it forward to us. If he does not have evidence I would challenge him to make those statements outside the House.

The member talked about the transfer of some economic activity funded by HRDC to the Prime Minister's riding. The grant was made for activity in the city of Montreal. The business owner, who was responsible for 75% of the investment, made a business decision to move that activity from the original location. That has nothing to do with patronage. It has to do with a business decision of somebody who has three-quarters of the investment in when we had one-quarter.

On the issue of his access to information request, I have spoken to the member in the House. I have answered his questions and have suggested that he come to see me personally and I would be willing to—

[Translation]

The Acting Speaker (Ms. Thibeault): The motion to adjourn the House is deemed to have been adopted. Pursuant to Standing Order 24(1), the House stands adjourned until 10 a.m. tomorrow.

(The House adjourned at 6.30 p.m.)

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