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OFFICIAL REPORT
(HANSARD)

Wednesday, March 17, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, March 17, 1999

The House met at 2 p.m.

Prayers

• (1400)

The Speaker: Today, we have two reasons to celebrate. First, it is St. Patrick's Day and, second, of course, as is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Wentworth—Burlington.

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

STATEMENTS BY MEMBERS

[Translation]

SEMAINE DE LA FRANCOPHONIE

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, all French speaking Canadians celebrate the Francophonie, regardless of the part of Canada they are in. It is a celebration for Quebec, but it is also one for the entire country.

Each of us is in a position to contribute to promoting French culture in Canada and internationally.

Ever since the first Sommet de la Francophonie, the participating states, Quebec and Canada among them, have exchanged views in an atmosphere of harmony, not only on cultural aspects, but also on the scientific, technical, economic and social aspects of their relations.

May this Semaine de la Francophonie continue to unite peoples and countries and bring them ever closer, in areas of complementarity in which they can enjoy mutually advantageous exchanges and collaboration in areas as diversified as culture, social development and economic development.

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[English]

THE PUBLIC SERVICE OF CANADA

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, PSAC employees are being shafted. They are on strike

because their ability to engage in binding arbitration has been taken away from them. All PSAC employees want is to be treated fairly and to get back to work. As a result of the strike the public is inconvenienced and our economy is hurting.

What do PSAC employees want? They want to be paid the same for doing the same job with the same skills as other people in other unions within the government. As it stands, PSAC employees are paid significantly less.

In my riding of Esquimalt—Juan de Fuca, Canadian forces base personnel have been exemplary in meeting the challenges laid out for them. They have downsized more than 40%, increased efficiency and doubled up on their duties. All they get from this government is a kick in the teeth.

We must deal with PSAC workers fairly and treat them the same as other workers within the federal government, give them the same wages, benefits and opportunities and get them back to work. Anything less is an abdication of this government's responsibility.

* * *

[Translation]

SEMAINE DE LA FRANCOPHONIE

Mr. Réginald Bélair (Timmins—James Bay, Lib.): Mr. Speaker, all of Canada has good reason to celebrate the Semaine de la Francophonie.

In a number of Canadian provinces, the struggle to promote and conserve the French language and culture has been a long and difficult one.

The fear of losing the rich national resource that our language and bilingualism represent has moved a number of people to form organizations to defend and promote the French, with a view to consolidating the position of francophones outside Quebec.

Today, all francophones outside Quebec feel pride in what they have accomplished and join with Quebec in marking this week which celebrates French and the ongoing battle in all of the provinces of Canada to preserve and promote this rich culture.

S. O. 31

[English]

GEORGE CHUVALO

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I rise to pay tribute to boxing legend George Chuvalo, Canadian heavyweight champion for 21 years and one of our nation's toughest boxers.

Having endured a family tragedy that would have sent most down for the count, George has fought back and declared all out war on substance abuse.

With immense passion and determination he travels from city to city urging Canadians teens, native youth and young offenders to reject the use of drugs and the idea that drugs are cool or glamorous.

George's anti-drug tour has been supported by the United Food and Commercial Workers Union and Expedite Plus.

I know all members will join me in offering George our encouragement for his continued efforts to educate youth about the dangers of drug abuse.

* * *

• (1405)

THE SENATE OF CANADA

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, it has become fashionable to kick an organization which cannot defend itself, namely the upper house of parliament.

Over the decades valuable studies and reports have been produced by our senators who have made a fine contribution to the understanding of issues and the shaping of policies and laws. A special Senate committee on poverty in Canada headed by Senator David Croll is just one example. Upcoming reports include one on the impact of globalization and another on Canada's boreal forest.

Rather than attempting to dismantle a fine Canadian institution, critics could better use their time and energy in becoming acquainted with the good work of the other place and in informing Canadians about the achievements of senators past and present.

With some exceptions, we in the House of Commons believe we have the best possible arrangement for Canada, with one elected and one appointed chamber. It is an ideal balance. Rather than denigrating the Senate we should support it.

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SILKEN LAUMANN

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I rise today on behalf of all Canadians to honour one of my

constituents and one of our country's greatest and most courageous athletes. Silken Laumann, Olympic medalist and world champion rower, announced her retirement yesterday.

While her accomplishments include three Olympic medals and the 1991 single sculls World Championship, it was her determination to triumph over adversity that won the hearts of a nation.

Just months before the 1992 Barcelona games her leg was seriously injured in a collision at a German regatta. Doctors said she would never race again. But she refused to give up. She endured eight operations and battled back to win the bronze medal.

If they awarded an Olympic medal for courage and determination, I can think of no other recipient more worthy of a gold than Silken Laumann. She is a shining example of what it means and what it takes to be a true Olympian in every sense of the word.

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THE IRISH

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, as you know, the Irish were one of the four founding cultures of Canada in 1867; not two but four. This historical fact is clearly symbolized on Canada's coat of arms, which includes the Royal Harp of Tara and the Shamrock.

Indeed, the very ceiling of the House of Commons is fine hand-painted Irish linen.

Several million Canadians proudly claim some Irish ancestry, including 40% of Quebecers. Clearly Irish Canadians have made and continue to make important contributions in every field of endeavour in Canadian society.

To the wonderful people of Ireland we send our prayers for a true and lasting peace with equality and justice for all. To the people of Ireland and Canada, may I say a Happy St. Patrick's Day, Joyeuse Saint-Patrice, Bannocktu Na Failee Padriq Oriv Gu Layer.

* * *

ST. PATRICK'S DAY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I come from the most Irish city there is in Canada: Saint John, New Brunswick. I want to bring greetings from Saint John to all of those who are Irish in the House of Commons. But more than that, out of respect for you, Mr. Speaker, for whom I have great respect, I would like all of my colleagues, if you would allow us, to sing a chorus of *When Irish Eyes Are Smiling*. I ask them all to stand.

[Editor's Note: Members sang *When Irish Eyes Are Smiling*]

S. O. 31

[*Translation*]

ST. PATRICK'S DAY

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, this year, St. Patrick's Day, the celebration of the Irish, is particularly significant.

This is in fact the first time in thirty years that the Irish in the Republic of Ireland and Northern Ireland are celebrating their national day in peace.

The Belfast agreements contain provisions for the possible liberation and unification of the people of Ireland, thus bringing to conclusion the work started by Daniel O'Connell, Michael Collins, Eamon de Valera and the thousands of men and women who fought for the independence of Ireland and for the recognition of its identity as a nation.

• (1410)

We can only hope that the peace process will ultimately mean the uniting of the Irish. This would prove once and for all the error of those who thought it possible to take away the identity of a people by force and territorial annexation.

No political tactic or manoeuvring, no denial of rights or failure to provide recognition can prevent a people from affirming its existence and assuming its independence, if it so desires—

The Speaker: The hon. member for Burlington.

* * *

[*English*]

STU CHAPMAN

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, it is my great pleasure to rise today and recognize Burlington Citizen of the Year, Mr. Stu Chapman.

Stu Chapman has volunteered countless hours in Burlington and across Canada. He has co-ordinated Grey Cup activities, Studebaker events, assisted Friends of the Royal Hamilton Light Infantry and the Burlington Lions-Optimist Minor Hockey Association. He helped found Crime Stoppers in Burlington. He has even been president of the Federal Progressive Conservative Riding Association.

Today, Mr. Chapman is leading a wonderful group of Burlington army cadets and their volunteer leaders on an educational tour of Ottawa, its historical sites and the home of Canada's political system.

Stu Chapman is a wonderful Canadian. His generosity, his commitment to his community and his country are exemplary. He has touched the lives of many. He has demonstrated the importance of volunteerism and involved himself in making the world a better place, particularly for our youngest citizens.

Colleagues, please join me in congratulating Burlington Citizen of the Year, Mr. Stu Chapman.

* * *

ST. PATRICK'S DAY

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, the member for Saint John is a hard act to follow.

Today Irish everywhere, including those who wish they were Irish, celebrate the feast day of their patron saint, the evangelist of Ireland, St. Patrick.

As Ireland enters its 15th century of Christianity, Canada's six million Irish descendants can give thanks for the growing spirit of peace taking root in their homeland. The Good Friday agreement is a sign of hope in what has been a century of violence and bloodshed.

Today is also a day to recall how fragile is the current peace in a land riven by decades of sectarian hatred. Monday's brutal car bomb attack on Rosemary Nelson, an Irish human rights lawyer who died two hours after her legs were blown off, comes just two weeks before the Good Friday peace agreement turns a year old.

She is simply the latest victim of the enemies of peace. Terrorists on both sides have continued a murderous campaign to prevent this resolution taking root, from the bombing at Omagh to the daily beatings and shootings.

Terrorist intimidation must not be allowed to stand in the way of peace. Without that there is little hope of restoring the legacy of St. Patrick and the great civilization his message spawned in Ireland.

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[*Translation*]

REFORM PARTY

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I must strongly criticize the conduct of the Reform Party in a matter that is important to Quebec and Canada, the one involving Bombardier in a dispute with Brazil.

By providing information to the Brazil government in the Bombardier matter, the Reform Party displayed a total lack of regard for the interests of Quebec and Canada.

The Reform Party could well have dangerously compromised the position of the Government of Canada, which is working extremely hard for a Quebec company.

[*English*]

I understand now that in return for the little service they gave to the Brazilians they should move their headquarters to Brazil and call themselves the The Unidos Alternatividades.

[*Translation*]

There is a name for this sort of behaviour.

*Oral Questions**[English]*

I demand an apology from the Reform Party, especially for the 60,000 Canadian families who work for Bombardier. Do not ever, ever take a side against Canada.

* * *

INFRASTRUCTURE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, this week Liberals tabled a memo to justify the so-called security reasons in the case of the untendered contracts for the Prime Minister's cottage. The memo raises other questions.

It shows that the RCMP asked for \$80,000 to build a guard post on the road. They actually awarded two untendered contracts worth \$137,000 for this work. Now we learn that costs have reached \$147,000 for the road alone, with no final billing yet.

In total, to date they have spent \$200,000 on the Prime Minister's personal cottage. The money has gone to the Prime Minister's personal contractor who allegedly meets security criteria but whose subcontractors are now before the courts on fraud charges.

Canadian's are asking, how can they be sure the overruns are not subsidizing the costs of the Prime Minister's private cottage when the contracts went untendered to the same contractor before construction of the cottage was complete?

Why has the extra \$120,000 gone to a Liberal friend?

It is time the Prime Minister cleared the air on this matter by tabling all relevant documents.

* * *

● (1415)

*[Translation]***ST. PATRICK'S DAY**

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on St. Patrick's Day, the national celebration of the Irish, I as a Quebecker of Irish stock am pleased to have this opportunity to pay homage to those women and men who have made such a great contribution to what Quebec and Canada are today.

I am a descendant of those proud Irish who, after centuries of English domination, fought to make Ireland a sovereign country in 1921; of those proud Irish who, with the Belfast agreement, committed Northern Ireland to a process giving their country greater independence from the government in London; of those proud Irish who left their native land to settle in America, to build new lives and to build a country; of those proud Irish who, in 1837 and 1838, took up the defence of the people of French origin to establish an independent republic in Lower Canada.

Yes, I am a descendant of those proud Irish, whose culture and history ought to help them understand just how much they have in common with the destiny and national aspirations of the Quebec people.

ORAL QUESTION PERIOD*[English]***THE ECONOMY**

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I had trouble falling asleep last night so I read a speech by the industry minister.

In that speech to the Empire Club he admitted that Canada's standard of living is falling far behind that of the United States. It is now lower than that of California, lower than Michigan, lower than Louisiana, Alabama and Georgia, even lower than Mississippi.

Why does the Prime Minister persist in following high debt and high tax policies that lower Canada's standard of living?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we formed the government we had a deficit of \$42 billion. We eliminated this deficit within four years. During that period we created more than 1.6 million jobs.

In the last budget the Minister of Finance again announced there will be tax cuts to the tune of \$16.5 billion. Maybe the leader of the Reform Party does not know that we are on the right track. We have been declared the best managers—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we are talking about Canada's standard of living, in case the Prime Minister had not noticed.

The minister listed two principal reasons for the falling standard of living, high government debt and high government taxes, taxes that are 20% higher than our closest competitor and a debtload that is too high in relation to our GNP.

Our high debt, high tax Prime Minister has made Canada poorer than Mississippi. Does he really feel that is something to brag about?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have to explain to the hon. leader of the Reform Party or the united right, I am not sure of the name anymore—

Some hon. members: Oh, oh.

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien: Mr. Speaker, we have invested money in research and development to make sure that Canada is getting more competitive. We have also invested money in the scholarship program to help young Canadians become more com-

Oral Questions

petitive. We have established a registered education savings plan to help young Canadians to become more productive than before.

We have taken a country that was bankrupt and have managed to put its finances in good order while at the same time keeping a safety net that all Canadians can be proud of.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we are talking about a declining standard of living. The Prime Minister cannot seem to get that through his head.

The problem is the government cannot handle the truth. The truth is that its high debt and high tax policies are driving the standard of living of the country down.

When will the government face the fact that its high debt, high tax policies are crippling Canada's competitiveness abroad and decreasing our standard of living at home?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. member has a problem sleeping he could read the last financial report of the Department of Finance which states that the government has paid \$16 billion off market debt in the last 10 months.

• (1420)

We are working all the time for the benefit of Canadians to create jobs and improve the finances of the nation. I would like to tell the leader of—I do not know the name of the party—but the Leader of the Opposition that the leader of this party would never let his research bureau help a foreign government at the—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, he is not the sharpest knife in the drawer, is he?

Thanks to high taxes and a low dollar, our standard of living is now worse than the poorest of the American deep south states. That is the government's record.

We are still better off than Mexico, but then the Prime Minister still has two years in his mandate to work on it.

According to the industry minister, if Canadians had kept pace with the Americans: "Our per capita income would have been \$7,000 a year higher. For a family of four, this is a \$28,000 shortfall".

How can he brag about a record that leaves families \$28,000 a year—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fact is real disposable income in Canada is up. It went up this year and was up last year.

As I said yesterday, the Reform Party is caught in a time warp. Reformers are quoting statistics over the course of a decade, most of which when the Tories were in power. The fact is we turned it around.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I guess the industry minister is caught in a time warp. Here is what he said February 18. He told the audience that our standard of living has fallen behind Mississippi, Alabama, Georgia. He said that because our productivity was so weak the average Canadian has lost \$7,000 a year. That is what he said three weeks ago. I guess he is in a time warp.

Is the Prime Minister proud of a record that leaves the average Canadian \$7,000 poorer?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what the Minister of Industry was doing was in fact quoting from a series of projections that arose out of the 1980s.

Our productivity growth in the 1990s is substantially higher than what it was in the 1980s. Our manufacturing productivity in the 1990s is much higher than it was the 1980s. Last year it was higher than that of the United States. Those are the facts.

* * *

[Translation]

INTERNATIONAL CULTURAL FORUMS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, the Minister of Canadian Heritage said, and I quote "In this party and this country, we believe in two founding peoples and two official languages and two cultures".

In a context of cultural diversity, can the Prime Minister tell us why it is so difficult for his government, and him in particular, to admit that the Government of Quebec has an international role to play in promoting Quebec's culture?

Why is Belgium's national communities' approach impossible to imagine here?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have accommodated Quebec in the Francophonie to a considerable degree, much more so than Catalonia has been accommodated by Spain. We promote the French fact.

Yesterday, I was very pleased when Premier of New Brunswick, Mr. Thériault, who is not an anglophone and who is very proud of his French heritage, said that the Canadian government was serving the cultural interests of New Brunswick's Acadian francophones very well.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, will the Prime Minister explain, from a federalist point of view, because there is no doubt that that is where he is coming

Oral Questions

from, what is so wrong with Canada letting Quebec, the only majority francophone government in North America, represent itself on issues that interest it?

What is the reason for stubbornly refusing to allow Quebec the right to defend and to promote its culture and its identity?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is what we are allowing them to do, but as part of the Canadian delegation.

Why are these people, who travel with Canadian passports, so insulted and why do they not want to sit beside a Canadian diplomat at a meeting of sovereign nations?

They want to behave like a sovereign nation, but on two occasions now the people of Quebec have said they want to remain in Canada, a country with two official languages, French and English.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it feels like the Prime Minister is once again on the trail of the separatists.

He is familiar with Mr. Gérin-Lajoie's contention that Quebec should speak for itself internationally in areas under its jurisdiction. This contention was put forward by a federalist and has the support of federalists in Quebec.

Could the Prime Minister explain why he finds this such a problem and why it is such a bad thing for Canada for Quebec to be in its rightful place?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. member were abreast of things he would know that, on several occasions, the Quebec minister has made presentations to UNESCO on his own behalf. However, she must do it as a Quebec minister and a member of a delegation from the sovereign country of Canada.

That is how it works internationally. We encourage Quebecers to speak out everywhere. We do it in the Francophonie, but everyone must be aware that, when we are abroad and not involved in Francophonie programs, Canada speaks and gives the floor to Quebec or New Brunswick or—

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, if there are two cultures, how can the Prime Minister explain that the Minister of Canadian Heritage allowed the Quebec minister of cultural affairs to attend the Ottawa conference last year, but without the right to speak?

I ask him whether he really thinks that, by denying the facts, by gagging us and trying to keep us from expressing ourselves, he thinks he will resolve the problem. Does he think that by blacklisting the Government of Quebec he will stop us from having a voice internationally?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, there is only one government that is not interested in Canada and that is the Government of Quebec.

I have written to the Quebec culture minister on a number of occasions to invite her to take part with Canada internationally. They have refused, because they refuse to be part of the sovereign delegation of Canada.

* * *

[English]

EMPLOYMENT INSURANCE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the government is about to table its annual EI assessment. We do not have to wait for that report to know that the EI changes are unfair to women.

Since 1992 the percentage of women covered has been cut in half. Mothers returning to the workforce are being penalized. Will the minister use the tabling of this report as an opportunity to end discrimination against unemployed women or will we just see another self-serving report?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I can reassure the leader of the NDP that it will not be a self-serving report. It will assess the impact on individuals and communities of our reform of the employment insurance system.

I hope very much, on the basis of this report and with the facts, we will be able to establish a healthy dialogue in the House to make sure the employment insurance system in Canada and the other programs built around it, to compliment it, continue to best serve Canadian citizens.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, when the government introduced its massive EI changes it justified them on the basis that women and youth were left out.

Apparently not enough for these Liberals. Check the numbers. In 1992, 38% of unemployed youth received benefits. Today it is down to 15%. When will the government stop this discrimination? How many reports will have to come and go before the government provides fair protection for women and youth?

• (1430)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the NDP leader wants to make employment insurance easily accessible to the young. That is a mistake we as a country made 30 years ago, which explains why so many of our older workers have a hard time in the labour market today.

The best thing we can do for young Canadians is not to give them employment insurance. Is that what the leader would want for her children? That is not what she wants for her children. Why does she

even conceive of it for Canadian children? We want to give the Canadian young training and access to the labour market.

* * *

[Translation]

NATIONAL HIGHWAY SYSTEM

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, my question is for the Minister of Transport.

Several months ago, the minister said in Toronto that the national highway system was a priority. Late last year, the minister tabled a study and a revised national highway policy put together by all Canada's transport ministers. The minister said that this study had been ordered because effective and integrated highways are vital to Canada's economic well-being.

When will the minister be tabling a real national highway policy?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I have already answered this question several times in the House.

It is true that we were studying a national highway system, but the hon. member knows full well that it is a question of funding, a question of fiscal priorities.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, all the provinces are now calling for a national highway infrastructure program.

Does the Minister intend in any future proposal to stick to his goal of putting in place or allowing the presence of private and public sector consortiums, and has he remembered that toll highways are out in this country, because the volume is not there?

[English]

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I think most members of the House would like to see an improvement in road quality across the country. It is a question of financial priorities not only for this government but for provincial governments.

I remind the House that the provincial premiers were unanimous last August in stating that the priority for the country should be health care. Everybody on this side of the House agrees with that, and I assume most people on the other side do as well.

Money was put into health care. A question of further priorities is the subject of discussion in the next number of months. I am meeting with my colleagues, the provincial transport ministers, in Ottawa in the month of May to look at all the things the member raised including the question of tolls.

Oral Questions

THE ECONOMY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, Liberal pollster Michael Marzolini has explained the Prime Minister's strategy now on the falling standard of living. He said that only 10% of Canadians know how badly it is falling. The Liberals pretend everything is just great even though they know it is not.

Marzolini said: "A government could be punished if it allowed the opposition to capture on this issue". Canadians have captured on this issue. Is the Prime Minister not simply denying the facts? He knows that an informed taxpayer is an angry taxpayer.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the reason the opposition will never be able to capture this issue is that it has come to it too late. The government began to address it immediately. That is why we eliminated the \$42 billion deficit. That is why we have invested in education. That is why we have invested in research and development. That is why we have invested in the future of the country.

The fact is that just because the Reform Party has only woken up to smell the roses does not mean the Canadian people and the Canadian government have not been working in concert on the very issue.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the government can blow its horn as much as it likes, but the fact is that we still have huge high debts and high taxes. That is what is affecting our standard of living.

Marzolini's advice to the Prime Minister is usually secret but today it is public because the situation is so dreadful. We are poorer now than Mississippi. The Prime Minister knows it and the finance minister knows it, even though most Canadians do not know yet because they have tried to hide it. Does that embarrassing fact not make it just a little hard to stand up and brag about our standard of living?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have just gone through a list, and I could do it again, of a number of measures the government has brought forward to help the country improve its productivity. There is one issue that really does stand before—

Some hon. members: Oh, oh.

The Speaker: Order, please. We heard the question and I think we should now hear the answer.

• (1435)

Hon. Paul Martin: Mr. Speaker, I would simply like to remind the member from the Brazil party what the government has done to improve the productivity of the nation.

Oral Questions

If she would sit down and work with the government instead of working with other governments, there is a great deal more we might be able to do.

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[Translation]

EMPLOYMENT INSURANCE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, yesterday, the Secretary of State for the Status of Women, who is supposed to look after women's interests, sided with the government, which claims that women are not being discriminated against by the new eligibility rules for maternity benefits, because pregnancy is a natural event.

Does the Minister of Human Resources Development realize that his department is not immune to discriminatory practices toward women when it states that pregnancy is a natural event?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I can assure you that when we take a close look at the number of Canadian women who were paid maternity benefits, we can see that these benefits were maintained and that it is the number of births that went down. Therefore, women have definitely not been penalized in that regard in recent years.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the minister is well aware that, in 1989, the supreme court ruled that discrimination based on pregnancy was discrimination against women and that it violated the charter of rights.

How can the minister let his department still use an argument that takes us decades back in time to justify the fact that the employment insurance program discriminates against pregnant women?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it goes without saying that, when our government tabled in this House an act to reform the employment insurance program, we made sure that it was legal and constitutional.

There may be challenges. Challenges are part of the democratic process. I can assure you that our government is absolutely convinced that there is no discrimination, that the Employment Insurance Act is perfectly legal and constitutional.

* * *

[English]

TRADE

Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.): Mr. Speaker, yesterday we saw a desperate display in the House by the

international trade minister. No wonder he wants to talk about anything except the fact that the World Trade Organization just declared the Liberal technology partnerships program illegal.

When will the minister get it? The best way to help Canadian entrepreneurs is with tax cuts and not illegal subsidies and corporate welfare.

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, was there a question or was there a complaint that the Reform Party was as guilty as sin about being disloyal to the Canadian interest, to Canadian workers in Montreal and across the country?

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: Order, please. I find the terms we are using about disloyalty to our country to be very strong. I would caution all hon. members not to use those types of terms.

* * *

THE ECONOMY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, let me tell the minister something in language so simple that he can understand. This member is here and I am here because we love this country.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. leader of the opposition.

Mr. Preston Manning: It breaks our hearts to see exports crippled by high debt and high taxes.

• (1440)

If the minister is such a patriot, why does he not attack the high debt and high tax policies of the government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am happy the leader of the Reform Party raised this issue because a series of incidents occurred lately that we need to hear him on.

He is the one who went abroad to talk against Canada, something that no leader of any other party in the House has done previously. To have his research bureau send documents to a foreign government in order to hurt Canadian workers is unacceptable—

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Lévis-et-Chutes-de-la-Chaudière.

*Oral Questions**[Translation]***PRODUCTIVITY**

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, the major problem behind the falling Canadian dollar is the low rate of growth of business productivity over the past twenty years or so.

There are two important factors that may influence productivity: R&D investment and equipment purchases.

How can this government compromise the future prosperity of this country by bringing in a budget in which Industry Canada's R&D effort is lower than last year?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member's question is a bit hard to grasp.

Looking at the latest budget, one sees that there has been a substantial increase in research and development, as there was in the previous budget. From the productivity figures, it can be seen that Canada is on the right track.

The preamble leading up to the member's question does not hold up, therefore.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I would remind the Minister of Finance that this comes from an OECD report.

With so little federal effort in R&D, and with a devaluated dollar, which makes imported machinery virtually unaffordable, is there not a risk in the medium term that this government's negligence will cost us dearly and will confirm the OECD prediction that the standard of living in Canada will be 15% lower than the average of the other countries?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, this is obviously an old report. It dates back to the 1980s and very early 1990s.

This is exactly why the government has invested in research and development, for example \$1.8 billion this year. This is why we have created the Canadian foundation for innovation. This is why we have put so much money into medical research. This was precisely in response to that OECD report, which is now out of date with the Canadian reality.

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*[English]***GRAIN**

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, it is day three in the grain weighers strike and there are 21 ships waiting for grain in Vancouver. Does the minister not realize that grain farmers are charged up to \$15,000 per day, per ship while

they sit in port. Farmers cannot afford to wait another day and neither can the strikers.

Will the President of the Treasury Board declare these 70 grain weighers essential and allow them final offer arbitration?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are trying to get out of the difficulties the member mentions, but I would like to remind the Reform member that the last time we tried to help the western farmers with their grain and we tried to pass back to work legislation there was only one member of the Reform Party in the House.

• (1445)

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, this government moves like a glacier on farm issues. First, the agriculture minister took months and months before he did anything on the farm income crisis. The transport minister and the Canadian Wheat Board minister have had the Estey report for three months and they have done nothing. I hear nothing and I see nothing.

Now the Treasury Board minister is fiddling while the grain weighers are off on strike. He is weighing this option, he is weighing that option. When will he quit weighing the options and take action?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we have taken the action that is necessary. This union has the right to strike. They have been on strike. We are aware of the problems they are causing. We have improved our offer to them. Unfortunately, at this point the union has been asking for things that are excessive and for which Canadian taxpayers do not want to pay. We are looking at all the options. We are doing it in order to defend in particular western grain farmers whom the Reform Party did not defend the last time we had to adopt back-to-work legislation.

* * *

*[Translation]***PASCAL HUDON**

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, young Pascal Hudon has stopped his hunger strike, but he remains in prison in Mexico where, over the past five years, 38 Canadians have had similar misadventures.

Could the Minister of Foreign Affairs provide an update on the progress of steps taken by Canadian diplomatic personnel to have our young compatriot released quickly? Does he intend to warn Canadians of the dangers of the Mexican justice system?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we have made a number of representations to the government of Mexico in the case of Mr. Hudon.

Oral Questions

The matter of the sentence, specifically, is very important, but at this point there is an appeal before Mexican courts. Following the appeal, we will have the possibility, the option to exercise our rights to transfer prisoners under an agreement between Canada and Mexico.

* * *

[English]

NATIONAL REVENUE

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

Rotating strikes by the Public Service Alliance are disrupting operations at Revenue Canada. In the midst of the tax season, millions of Canadians want to know if this strike action is going to delay their tax return cheques and other benefits they are owed by the government.

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I am extremely concerned with the disruptions as a result of the PSAC strike. Right now we are actually behind in terms of receipt of tax returns of 900,000. As all of us know, we process 22 million tax forms every year.

Certainly as we approach the tax season, I am extremely concerned because we want to ensure that the refunds to Canadians are provided on time. We are watching the situation very closely so we can meet our responsibilities and obligations to taxpayers across the country.

* * *

TRADE

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, you know that patriotism is the last refuge of a scoundrel. When we see this kind of—

Some hon. members: Oh, oh.

The Speaker: Order. Colleagues, I think we are going down a road where there are no winners. We are just going back and forth. I ask the hon. member to please stick with the facts and the question. Would he do that please.

Mr. Jason Kenney: Mr. Speaker, I do not have to apologize, nor do any members of this party, for having registered Canadian ships in the Barbados, Bermuda, Singapore and the Bahamas.

Let me say that the documents—

Some hon. members: Oh, oh.

The Speaker: Order. Go directly to the question.

Mr. Jason Kenney: Mr. Speaker, why did the government furnish the same Brazilian government with 46 Industry Canada

documents? Why did the government create an illegal policy of corporate welfare which the World Trade Organization says is against international law? That is the question.

• (1450)

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, the member shows a lot of chutzpah in getting up in this place. It is one thing to be critical of the government. It is another thing to have a debate in this House. But it is quite a different story to turn around and give the documents to Brazil and jeopardize our industry, our interests and Canadian jobs. The member should apologize.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, this kind of shameful demagoguery from this minister really is beneath contempt. Let me tell the minister that every document—

Some hon. members: Oh, oh.

The Speaker: Order. We will hear the question.

Mr. Jason Kenney: Mr. Speaker, they do not want to hear the question, just like they do not want to hear about the WTO ruling, just like they do not want to hear about the fact that Canada's standard of living has been falling under this government, just like they do not want to hear about the fact that our productivity is less than that of Mississippi.

How can the government continue to justify policy that sends young Canadians out of this country, that puts small businesses into bankruptcy, that takes hope away from Canadians who are working hard? How can it justify this job killing and hope killing tax and debt level? How can the government apologize for that?

Some hon. members: Oh, oh.

The Speaker: Order, please. We have heard the question. We are going to hear the answer.

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, I understand the reasons for the member's frustration.

The member pretends and purports to stand up for Canadian youth and interests. His party gave information to another country against best interests. I think it rings hollow when the member can be so disloyal and purport to represent Canadian interests.

* * *

HOUSING

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Minister of Public Works and Government Services.

Why has the minister turned his back on thousands of leaky condo owners in B.C. left stranded as their assets literally drain

Oral Questions

away? In the past the minister committed to federal loans to B.C. with interest rates so high that the province is better off accessing them on the open market. Yesterday he offered the B.C. municipal affairs minister more of the same: nothing.

Why would the minister offer a so-called partnership that offers zero to leaky condo owners?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, to the contrary, we answered the Barrett commission immediately. We offered to the province \$75 million as recommended by the Barrett commission at Canada bank rates. We also offered that British Columbia use CMHC programs. We did not refuse once. We accommodated everybody and we continue to do so.

I asked the British Columbia minister responsible for the leaky condos issue to give me a report before I can agree or disagree with her in terms of whether we should give a loan with reduced interest or interest free.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the minister is just not getting it. He knows that what he has offered to B.C. is at an interest rate so high that it is not a usable program. He knows that they have been negotiating for a year and there is still no commitment from the feds. The homeowners do not need political manoeuvring. They need action. Will the minister at least accept responsibility to help the thousands of co-op housing owners still under federal responsibility who are facing the same crisis?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker we took action immediately. Not only did we give a loan of \$75 million, we put money in RRAP for repairs. Forty-two British Columbians used RRAP.

• (1455)

The Government of British Columbia did not put a penny into RRAP. Before B.C. asks for anything, it should put its money where its mouth is.

* * *

[Translation]

NATIONAL DEFENCE

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, in response to a question in the House on the replacement of the Sea King helicopter fleet, the Minister of National Defence said that “The matter is being dealt with at a staff level to make sure that we get the right kind of helicopter with the right kind of equipment”. After 20 years of research, the minister is claiming the forces are dragging their feet.

Will the minister order the Canadian armed forces to produce the statement of requirements this month, yes or no?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, Canadian forces personnel are examining what is needed in terms of the helicopters, the requirements for an air frame and the kinds of mission equipment needed to do the job effectively. They are moving as quickly as they can to get the statement of requirements prepared so cabinet can consider the matter. We are doing that as quickly as possible.

[Translation]

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, as usual, the minister is not answering the question. This has been going on for 20 years.

I want to praise our military personnel for holding the fort under these circumstances: contaminated anthrax vaccine; insurance claims totaling about \$100 million in the shipbuilding industry; cancellation of the Reserve’s pension fund; and helicopters that are at the end of their useful life. Just yesterday, another one experienced mechanical problems. I could go on and on.

What will the minister do: deal with the helicopters or resign?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are moving to bring forward a procurement strategy with respect to the replacement of the Sea Kings. Meanwhile we have the Sea Kings that have good maintenance standards. We have good mechanics. I am glad the hon. member praised our military personnel because they do keep these aircraft in good condition to fly. And we will only fly them if they are in good condition.

Let us focus on the great things they do on their missions. They serve Canadians. In search and rescue for example hundreds of lives are saved every year with the use of these helicopters and other aircraft.

* * *

AIR SAFETY

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, recent media reports have highlighted an increasingly disturbing trend in the incidence of air rage. Too often airlines are forced to deal with unruly and often violent passengers.

Can the Minister of Transport tell this House what action he will take to protect the majority of air travellers from disruptive and even dangerous passengers?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the incidence of unruly air passengers is certainly of great concern. The government has established a working group with industry, the Canadian Union of Public Employees, the airline industry, the Air Transport Association and police enforcement agencies to deal with the problem.

Routine Proceedings

We are looking at strategies that will come up with perhaps new regulations, stricter enforcement and better training for ground and flight crews. This government will not tolerate disorder in the skies.

* * *

FIREARMS REGISTRY

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, last week when I accused the government of bureaucratic bungling and wasting \$200 million, the minister's mouthpiece said "the firearms registry was operating very effectively". So effectively that a firearms owner in B.C. got his new firearms licence and was shocked to find someone else's picture on it.

How would the justice minister like it if her face showed up on someone else's firearms licence?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, our firearms registry system is working quite well, thank you very much.

Let me inform the House that since December 1 we have received and answered over 160,000 phone calls, mailed over 250,000 forms to individuals, processed 40,000 applications for licences and registrations, issued over 17,000 registration certificate numbers and issued over 12,000 photo ID licences.

* * *

• (1500)

*[Translation]***PRESENCE IN GALLERY**

The Speaker: I wish to draw the attention of members to the presence in our gallery of the Hon. Wayne Gaudet, the Nova Scotia Minister of Education, Culture and Francophone Affairs.

Some hon. members: Hear, hear.

[English]

The Speaker: This has been a raucous question period, but we will be having a reception in room 216. The Deputy Speaker and I are inviting members for a cup of coffee, Irish style.

ROUTINE PROCEEDINGS*[Translation]***COMMITTEES OF THE HOUSE**

PUBLIC ACCOUNTS

Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.): Madam Speaker, pursuant to Standing Order 109 I have the honour to table, in both official languages, the government's response to the 18th report of the Standing Committee on Public Accounts entitled "Department of National Defence:

Equipping and Modernizing the Canadian Forces, and Buying Major Capital Equipment".

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

• (1505)

*[English]***PETITIONS**

HUMAN RIGHTS

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

The petitioners draw to the attention of the House that human rights abuses continue to be rampant around the world in countries such as Indonesia.

The petitioners also point out that Canada continues to be recognized internationally as the champion of internationally recognized human rights.

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

CHILD PORNOGRAPHY

Mr. Jay Hill (Prince George—Peace River, Ref.): Madam Speaker, it is my pleasure to present a petition today containing almost 900 signatures from the residents of Fort Nelson, which is in the northern end of my riding.

These citizens are deeply troubled by the recent ruling of B.C. Justice Duncan Shaw declaring the possession of child pornography to be legal in British Columbia. They express their combined outrage toward both the provincial and federal governments for their failure to protect our children.

They call upon parliament to immediately invoke the notwithstanding clause in order to provide children with the protection they are so obviously entitled to.

This petition represents about 30% of the eligible voters of Fort Nelson. I therefore salute the organizers of this petition for the very fine job they did.

MMT

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Madam Speaker, pursuant to Standing Order 36, I am honoured to

present a petition signed by residents of the Grand Bend and Dorchester areas who urge parliament to ban the gas additive MMT, noting that studies underway at the University of Quebec are showing adverse health effects, especially on children and seniors.

STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL
TRADE

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Madam Speaker, I am pleased to present a petition on behalf of residents of Quebec and the Peace Network of Greater Montreal.

The petitioners call upon parliament to adopt the SCFAIT report as an official policy of the Government of Canada, to fully and promptly implement the recommendations of the report and to harmonize existing government positions and programs within the spirit and intent of the report.

THE SENATE OF CANADA

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Madam Speaker, I am pleased to present a petition signed by 300 people from my riding and the surrounding area.

The petitioners call on parliament to examine the fact that the Senate is an undemocratic institution which costs taxpayers some \$50 million a year, is redundant and undermines the role of people in this House. They say that there is a need to modernize our institutions and they call upon parliament to work toward abolishing it.

[Translation]

BILL C-68

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Madam Speaker, I am tabling two petitions dealing with different but related issues.

The first petition asks parliament to repeal Bill C-68, the Firearms Act.

BILL C-304

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Madam Speaker, I also table a second petition, signed by people from all over Quebec, including the riding of Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans. It calls upon parliament to support Private Member's Bill C-304, introduced by the hon. member for Yorkton—Melville, which would strengthen the protection for property rights, particularly as regards the possession of firearms.

Routine Proceedings

[English]

HEPATITIS C

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, I am pleased to present two petitions on behalf of the people of Dauphin—Swan River.

The first petition calls on parliament to revisit the issue of hepatitis C compensation to reflect the concerns of the citizens of Canada and to offer a fair, compassionate and humane compensation package to all who received infected blood.

• (1510)

GUN CONTROL

Mr. Inky Mark (Dauphin—Swan River, Ref.): Madam Speaker, in the second petition the petitioners call on parliament to repeal Bill C-68, to redirect the hundreds of millions of tax dollars that are wasted on licensing responsible gun owners and to put those dollars toward having more police on the streets, more crime prevention programs, more suicide prevention programs, more women's crisis centres, an anti-smuggling campaign, as well as fighting organized crime and street gangs.

MMT

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present on behalf of petitioners in my riding a petition which draws to the attention of this House that the use of the additive MMT in gasoline creates environmental hazards. The petitioners therefore call upon parliament to set, by the end of this calendar year, national clean fuel standards for gasoline with zero MMT and low sulphur content.

INTERNATIONAL AGREEMENTS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, it is an honour to rise, pursuant to Standing Order 36, to present a petition on behalf of a number of constituents from Kamloops who are concerned that our international trade agreements limit the ability of the House of Commons or provincial legislatures to pass legislation to protect the health of Canadian citizens. The petitioners ask the House of Commons to consider examining these international agreements to ensure they do not limit the ability of members of parliament to take decisions on behalf of their constituents.

THE RIGHTS OF THE CHILD

Ms. Maria Minna (Beaches—East York, Lib.): Madam Speaker, I have a petition which deals with section 43 of the Criminal Code which allows schoolteachers, parents and those standing in the place of a parent to use reasonable force for the correction of pupils or children under their care. The petitioners say that reasonable force has been interpreted by the courts to include spanking, slapping, strapping, kicking, hitting with belts, sticks and extension cords and causing bruises, welts and abrasions.

Routine Proceedings

The petitioners feel that this goes against the UN charter with respect to the rights of the child as well as the Canadian Charter of Rights and Freedoms and they call upon parliament to end the legal approval of this harmful and discriminatory practice by repealing section 43 of the Criminal Code.

IRAQ

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I rise to present yet another petition from the people in the Peterborough area who are concerned about the people of Iraq.

The petitioners point out that peace building and human security, already a significant element in Canada's foreign policy, assume that enduring peace is built from the people up by meeting their basic needs and respecting their basic rights, and that Canada as a new member of the UN Security Council has an added opportunity to take leadership in proposing alternative approaches to the effort to bring about peace and stability in Iraq and the Middle East.

The petitioners call upon parliament to strongly appeal to the UN, the U.S. and Britain to reject any further military action against Iraq. They call for a serious attempt to be made at peace negotiations with Iraq and its neighbours; and further, in order to build a stable and sustainable society in Iraq, excluding an embargo on military goods, that all other sanctions be listed; and further, the petitioners urge Canada to vastly increase its effort in providing food, medicine and infrastructure reconstruction to Iraq and to take a lead in promoting the same through the United Nations.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

[English]

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I stand to ask a question which I asked previously on the production of papers. Question No. P-50 was filed on October 5, which was exactly 162 days ago. I have yet to receive any answer on this production of paper and I would like to know why.

Mr. Peter Adams: Madam Speaker, I am would be pleased to answer that question under the appropriate item of Routine Proceedings. At the moment we are concerned with Questions on the Order Paper. I believe the member is referring to Motions for the Production of Papers.

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

Some hon. members: Agreed.

* * *

• (1515)

[Translation]

MOTIONS FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[English]

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I rise again on a point of order. I would like to now, once again, place the question to the hon. member with respect to a request I made on October 5 under the production of papers. It is 162 days since I made the request and I have yet to receive any answer. This is the proper timing now to put the question to the hon. member.

Mr. Peter Adams: Madam Speaker, I would be delighted to respond to that question if the member would give us the number concerned.

Mr. Rick Borotsik: Madam Speaker, I have given the number twice already. Perhaps I could do it once again. P-50 is what I am referring to at this point. It was filed on October 5, 1998 by me.

Mr. Peter Adams: Madam Speaker, I think I must have missed P-50 before. I assure the member that I will look into the whereabouts of motion for the production of papers No. P-50. I know of his great interest in it.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I rise on a point of order. On January 28, 1999 I submitted a notice of motion P-70 for the production of papers in connection with section 31 of the Elections Act and the Communist Party of Canada.

I took this action after withdrawing a written question on the order paper that had been there for almost a year. The government knows very well of my interest in this subject.

Could the parliamentary secretary give me some idea of exactly how long I have to wait to get the production of papers under P-70?

Mr. Peter Adams: Madam Speaker, I will certainly look into that matter as soon as possible.

The Acting Speaker (Ms. Thibeault): Shall all the Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS***[English]***BUDGET IMPLEMENTATION ACT, 1999****Hon. David M. Collette (for the Minister of Finance, Lib.)**

moved that Bill C-71, an act to implement certain provisions of the budget tabled in parliament on February 16, 1999 be read the second time and referred to a committee.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, it is my pleasure on behalf of the government to launch the debate on second reading of Bill C-71, the 1999 budget omnibus bill.

In the minister's budget speech last month he reminded us and all Canadians about what budget making is really about: "It is to make the lives of Canadians better. It is to improve their standard of living. It is to build today for a better tomorrow, for budgets are about more than entries in the books of a government; they are chapters in the progress of a people".

This vision is reflected clearly and concretely in the legislation before us. It will add some important, impressive pages to the record of national investment by the government. In particular, it provides historic new funding for Canada's public health care system, a very real aspect of the standard of living cherished by Canadians from coast to coast to coast.

Based on agreement with the provinces, it sets out the design of significant additional funding under the Canada child tax benefit, the primary federal instrument for providing financial assistance to families with children.

Of course not every measure in this bill touches so directly and so dramatically on so many Canadians. It also includes measures dealing with the operations of government itself. It includes debt management, income tax administration and first nations taxations among other initiatives.

• (1520)

These actions should not be seen as mere footnotes to the 1999 budget vision of building today for a better tomorrow. These reflect our continuing commitment to an effective, efficient and fiscally responsible government. This is one of the key foundations that has allowed us to make new investments for a stronger economy and society and at the same time provide broad based tax relief while remaining deficit free.

There is certainly a lot to cover in this legislation so I will move on to the measures themselves, starting with the vital issue of health care.

Medicare is certainly, as everyone would agree, one of our most cherished social programs. It represents the fundamental values of fairness and equality that define our country by ensuring that all Canadians, regardless of their financial means, have equal access to high quality health care services that are based on need and not on the ability to pay. That is why action to sustain and strengthen health care is a key priority of this government and a central initiative in today's legislation.

Part one amends the Federal-Provincial Fiscal Arrangements Act to implement an \$11.5 billion increase in cash through the Canada health and social transfer of health care. This funding marks the largest investment this government has ever made. The increases will be distributed on an equal per capita basis. That means each and every Canadian in every province will receive the same amount.

This is an investment that will help provinces deal with the immediate concerns of Canadians about health care. Those concerns, I believe, are articulated quite clearly, waiting lists, crowded emergency rooms and diagnostic services. At the same time this funding provides Canadians with longer term stability and predictability.

Premier Romanow recognized the importance of this budget when he said: "The important message of this budget is that it is a much needed shot in the arm of the health care system not only in Saskatchewan but right across the country".

Under this legislation the Minister of Finance is authorized to pay \$3.5 billion of these funds into a trust from which they will be distributed to the provinces at a pace they set over the three year period beginning April 1, 1999. The further \$8 billion will be distributed through the CHST over the four year period beginning April 1, 2000. These numbers are significant by themselves but let me put them in a wider context for the House and for Canadians.

When the increase in funding reaches \$2.5 billion in 2001 and 2002, direct cash support from the federal government under the CHST will total \$15 billion a year. That means what is regarded as the health care component of the CHST will be as high as it was before the period of spending restraint. That period of spending restraint was to help eliminate the deficit in the mid-1990s. The story does not end there.

When we also include the growing value of the CHST tax transfers to the cash funding, total assistance to the provinces will be worth \$30 billion in 2001 and 2002. This is a new high.

This legislation also provides for the complete elimination of the per capita disparities in the distribution of the existing CHST among provinces. By 2001-02 all provinces will receive identical per capita entitlements providing equal support for health and other social services to all Canadians.

Government Orders

In addition to the \$11.5 billion increase in provincial transfers for health care, the budget announced that our government will further invest about \$1.4 billion over the remainder of this year and over the next three years in health information systems, research, first nations and Inuit health services and health problem prevention.

Significant increases in the equalization program will also make more resources available to those less prosperous provinces for public services, including health care. Payments this year alone are expected to reach \$10.7 billion. Bill C-65, which is now in the other place, renews the equalization program for the next five years. That means the projected payments will be a further \$5 billion higher than over the previous five years.

• (1525)

There is one final point I would like to make. The government is not only increasing transfers for health care, we are also providing provinces and territories with greatly improved stability and predictability in funding. All major transfers, CHST, equalization and territorial formula financing, will be placed on a common five year track for the very first time.

The next measure I would like to highlight is the Canada child tax benefit. Through the creation of the national child benefit system the federal and provincial governments have embarked on a major co-operative effort to support families and reduce child poverty. Our purpose is to ensure that children are always better off when their parents join the workforce. In 1997 we announced the first federal contribution to this national endeavour, \$850 million which began flowing last July, increasing financial support to over two million children and their families. In the 1998 budget we announced that a further \$850 million would be allocated following the consultations with the provincial and territorial governments.

Today's legislation acts on those consultations. It also provides a further \$300 million to increase benefits for modest and middle income families.

I should explain that the Canada child tax benefit has two key components, the base benefit and the national child benefit supplement. The base benefit provides a basic amount of \$1,020 per child to families with incomes up to \$25,921. Beyond this threshold it is progressively phased out and becomes nil when the family income exceeds \$67,000. The national child benefit supplement provides maximum benefits of \$605 for the first child, \$405 for the second and \$330 for each subsequent child to families with incomes up to \$20,921. It becomes nil when the family income exceeds \$25,921.

This bill proposes changes to both the supplement and the base benefit. It sets out the design of the 1998 budget commitment to provide an \$850 million increase in the national child benefit

supplement payments to low income families. The implementation of the proposed changes requires amendments to various sections of the Income Tax Act, section 122.6 to be specific.

The amendments will increase the level of the maximum benefits provided under the national child benefit supplement by \$350 per child in two stages, \$180 in July 1999 and \$170 in July 2000. They would avoid a significant increase in the effective marginal tax rates for modest income families by increasing the net income level at which the supplement is fully phased out, from \$25,921 to \$27,750 in July 1999, and from \$27,750 to \$29,590 in July 2000. Finally, they would increase benefits by \$184 per family for modest and middle income families.

Overall these changes mean, for example, that a family with two children which earns \$20,000 will receive an increase benefit of \$700 for a total of \$3,750 per year.

Let us look at the aggregate results. The child tax benefit actions in our two previous budgets will ultimately provide \$1.7 billion for the children of low income families. This legislation builds on that effort, not just by establishing the design for the \$850 million allocated in 1998 but by delivering a further \$300 million to enhance the child tax benefit for modest and middle income families. As a result 100,000 more Canadian families will become eligible for all or part of the base benefit.

This issue, support for Canadian children in need, takes me directly to the next aspect of this bill that I would like to cover. It takes actions to ensure that the full amount of the single supplement of the goods and services tax credit also goes to single parents whose income does not exceed \$25,921.

• (1530)

The government will increase GST credit benefits for low income single parents to complement the national child benefit by providing them with the full value of the supplement. It will be effective on July 1, 1999 and will provide additional benefits to 300,000 single parent families.

The measures relating to the GST take me directly to the next set of measures contained in the legislation. In case hon. members have not noticed, the bill comprises a number of various measures so I am moving from one to the next as quickly as I can.

This section deals with the taxation powers of first nations. In our budget plan the government once again expressed its willingness to continue discussions and to put into effect taxation arrangements with first nations that indicate an interest in exercising taxation powers. This builds on the last two years of budget commitment to put into effect taxation arrangements with interested first nations which resulted in taxation authorities for three

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British Columbia first nations: the Cowichan Tribe, the West Bank First Nation and Kamloops Indian Band.

Today's legislation will further facilitate first nation taxation in a number of ways. The West Bank First Nation would be authorized to levy a 7% GST style tax on the sale of fuel sold on its reserve. This would take place in addition to its existing tobacco and alcoholic beverages tax authority.

I would also like to address another area where today's legislation involves the administration of taxation, specifically citing the example of the Nova Scotia workers compensation board. The amendment contained in the legislation will permit co-operation in audits and the exchange of program information between Revenue Canada and the WCB to help ensure that amounts owed are paid.

These actions are a direct result of the service agreement signed last October between Revenue Canada and Nova Scotia. These two levels of government are pursuing opportunities for partnership in tax administration, including joint employer remittance for payroll deduction and WCB payments.

The administration agreement will result in improved fairness and make compliance easier for business. We have often heard about this in the House and from other associations interested in ensuring the compliance burden is reduced. This is an example where various levels of government are joining together to reduce the compliance burden. It also reduces government overlap and duplication.

Some of the most important measures in today's legislation deal with investments our government is making in national health care and certainly in the welfare of children. We have not and we will not lose sight of a very fundamental concern: the critical importance of continuing good financial management. The investments we have made will not jeopardize our commitments to balanced budgets.

We often hear in the House and from Canadians in our constituencies that we still carry the painful legacy of decades of deficit financing in the form of a massive debt burden that costs us over \$40 billion a year in interest payments. It is money that cannot go to further tax reduction. It is money that cannot go to additional investments in strengthening our economy and social safety net. That is why we have implemented our debt reduction plan. That is why we are also committed to managing the debt we carry as cost effectively as possible.

Today's legislation includes further measures to help achieve this goal. The amendments cover two principal areas. The first is clarifying the authority governing government borrowing and distribution of its debt. The second is modernizing government financial and risk management powers. Many of these are quite technical and often just confirm or clarify existing practices of powers, but let me just highlight a few.

Section 46 of the existing FAA provides the government with standing authority to refinance maturing debt. The government proposes to amend this section to clarify that maturing debt could only be refinanced within a given fiscal year. Accordingly, any debt that is not refinanced by the end of a fiscal year lapses and cannot be refinanced in the next fiscal year. It is a practice the government has followed for many years. The legislation is in response to interpretation questions raised with respect to the existing wording.

• (1535)

I should be very clear that the changes do not give the government more authority to borrow. New borrowing authority to finance a deficit must be obtained and would be obtained, as it has been in the past, through a borrowing authority bill.

Another amendment clarifies and enhances the legislative basis pertaining to auctions of Government of Canada securities. Last fall the government reached an agreement with the distributors of its debt on new rules in terms of participation at auctions of government securities. The amendments set out in more detail the minister's authority in respect of these auctions. The new rules are designed to enhance market integrity and to maintain a well functioning market in Government of Canada securities which benefits all taxpayers through lower debt costs.

There is another measure I would like to highlight because it deals with the issue of parliamentary accountability. I know members opposite are very interested in parliamentary accountability, as are all Canadians. The legislation will amend the FAA to enhance reporting to parliament on debt management activities and future debt management plans.

The proposed amendments ensure that parliament formally receives information annually on the government debt management program and plans, thus strengthening the reporting structure on an important government activity.

The government is also proposing to repeal the Borrowing Authority Act, 1996-97. Currently there is \$4 billion of non-lapsing borrowing authority contained in this act to provide for contingencies such as foreign exchange requirements. The government proposes to transfer this unused borrowing authority to the budget implementation bill. No change in authority is being provided by this transfer.

As members can see, today's legislation is truly wide ranging. I have been more brief than I would have liked in dealing with some of the measures addressed so far, but as we continue this debate I expect that some of my colleagues will go into further detail on aspects of the legislation that interest or concern them most.

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Some of the other issues the bill deals with very briefly now will be acts like the Superannuation Act which applies to the public service, the Canadian forces and the Royal Canadian Mounted Police. This change would improve future pension benefits for these individuals. There is an amendment to the basic pension formula to provide for benefits to be calculated on a five year average salary and one for integrating benefits for retirees when they become eligible for CPP or QPP benefits.

The legislation will also amend the Patent Act to clarify the authority of the Minister of Health to pay provinces moneys collected by the Patented Medicine Price Review Board from excessive pricing of products by patented manufacturers.

We are also amending the Agricultural Marketing Programs Act. A number of members in the House often speak out for the farming community and for rural parts of Canada. We are amending this act so that we can clarify the scope of federal government guarantees to financial institutions that fund advanced payments to agricultural producers under the act.

I should add a note of explanation. Although the intent was to provide direct unconditional guarantees to the lending institutions, the Agricultural Marketing Programs Act needs to be clarified for the federal government to provide such guarantees. Under the current legislation direct guarantees are conditional upon having producer organizations meet the terms and conditions stated in the act, which results in higher risk for lenders and interest rates on the advances that adversely affects our farming community.

Therefore the government is taking measures in the 1999 budget to correct the wording of the AMPA and to ensure that advance payments can be provided to agricultural producers at the lowest possible cost. This measure is another example of federal government commitment to agricultural producers and rural Canadians.

Finally, we are amending the European Bank for Reconstruction and Development Act to provide the Minister of Finance with the authority to undertake the financial operations necessary to meet our commitments to the EBRD.

• (1540)

These are but a few highlights of Bill C-71, the 1999 budget omnibus bill. It does not cover every measure that the February budget proposed. For example, the broad based income tax cuts which were announced will be confirmed in separate legislation. Even the actions in the legislation by themselves reflect the commitment to a balanced approach in budget planning and budget making which has been the hallmark of the government since coming to office.

The Minister of Finance said in the budget speech:

The social and economic needs of a nation are not separate. They are not in conflict. The balanced pursuit of both is key to the health and wealth of our country.

That is why, with the federal books in balance, we have brought before the House a bill that delivers historic investment in an area which Canadians have made very clear is their key priority. We all know that key priority is health care and that it continues our work to assist children in need or at risk.

We should be very clear that nothing we have proposed will undercut another vital aspect of balance: our commitment to providing Canadians with balanced budgets this year and in the years ahead.

This type of fiscal responsibility will allow us to sustain the social and economic investments we must make to maintain an economic environment which keeps interest rates low. We need to continue, as we have stated over and over in the House, and the Minister of Finance outside the House, the process of tax relief we all desire.

We know as a government and as parliamentarians that Canadians never want to return to the time of deficit financing when we were burdening our children and future generations with debt and adding to that debt each and every year. We have finally turned the corner. We now have an opportunity to build as we go forward in a very balanced and very responsible way.

As we move forward in the consultations for the next budget Canadians will come forward and clearly articulate their priorities. I am sure and quite confident that Canadians, as they have done in the past, will continue to provide a very balanced and thoughtful approach to making budgets for this great country. It will be one that will involve reinvestment both in the social arena and in the economic arena. It will ensure that we continue to pay down debt, that we stay balanced, and that we provide the kind of tax relief Canadians are looking for in a responsible way, which Canadians will clearly support. We have done so in the past. I submit that we will continue to do so in the future.

Many other members will be speaking to the 1999 budget omnibus bill. It contains a number of various elements contained in the budget speech, certainly in areas which reflect what Canadians told us in the prebudget consultations. The success of this budget and the success of the bill are embedded in the success Canadians have experienced and will continue to experience.

It is an opportunity for Canadians to contribute to the process and have their priorities heard. Many Canadians from my constituency and from other constituencies across the country will provide the input and necessary insight which clearly reflect where they want to go. They can rest assured their insight and priorities will continue to be reflected in what the government does in budgets to come.

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Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, I think you would find unanimous consent to split my time with the my Irish friend from Saanich—Gulf Islands.

The Acting Speaker (Ms. Thibeault): The hon. member is seeking consent of the House to split his time. Is that agreed?

Some hon. members: Agreed.

• (1545)

Mr. Monte Solberg: Madam Speaker, I thank my colleagues for agreeing to that.

I rise to address Bill C-71, an act to implement certain provisions tabled in the budget on February 16. This legislation is an omnibus bill, maybe an ominous bill too. It deals with a number of different issues.

It makes it difficult for an opposition party to vote on a bill like this one when there are so many different things in it. There are parts of it we agree with. There are parts we completely disagree with. It points to the need to have an agreement that legislation tabled in the House be roughly of one kind so that when we address these things we can vote against the legislation knowing that we are voting against a core group of things that we oppose, or support, if there are supportable things in it.

As my colleague from the Liberal Party pointed out, a number of different things are dealt with in this bill. The biggest issues in the bill have to do with health care and the child tax benefit. The Reform Party has already told the government that we support putting more money into health care. We have been arguing for that for a long time. We disagree completely though with how this was done, which is why we cannot support this legislation, unfortunately. We disagree with it on a couple of counts.

We are in a situation where the government cut a tremendous amount of money out of health care initially, somewhere in the range of over \$20 billion. Now it is putting \$11.5 billion back in over a five year period, and the government is seeking to get some kind of credit for doing that. This is another example of the Canadian public paying more in taxes and getting far less in the form of health care. We disagree with that.

The government should have been up front with Canadians instead of playing this shell game as it does so often. There are many, many examples of how the government plays this shell game. Whether it is with employment insurance, the Canada pension plan, or whatever it is, the government starts out giving people more benefits and then takes them away. It gives with one hand and takes away with the other and expects to get credit. That is wrong. The government should not be rewarded for that. We

disagree completely with the government's approach on health care in doing that.

The government has some supportable measures in the legislation. In this budget the government has a chance to send a powerful message to the Canadian public that it understands the difficult position Canadians are in.

We had a surplus this year. It would have been a much larger surplus than it actually turned out to be because the government in its wisdom decided to go on a spending spree again. We had a spending target of \$104.5 billion. The government went almost \$8 billion over budget in its spending. This meant that all of a sudden there was no money left for substantive tax relief. There was no money left for substantive debt reduction. And the government continues to spend on programs that are absolutely counterproductive, programs that distort the Canadian economy, that hold us back as a country in today's global economy.

The government should go through its spending with a fine-tooth comb. Money which is being spent on low priority items should be taken away from those items and spent on things like health care, things like fixing up national defence. In many ways it has become a laughingstock, not because of the tremendous effort of the soldiers and people who make up our Canadian armed forces. They do an outstanding job but they are ill equipped. That money should have gone back into ensuring that our soldiers who are in places like Kosovo have proper equipment. Sadly that did not happen.

Our criticism goes beyond that. Canadians want tax relief. They are demanding it. They did not get it in this budget. We do not see it in Bill C-71 at all.

• (1550)

We know from recent events that the government, in its open moments when it assumes that no one is listening, acknowledges that Canada has a serious problem when it comes to the issue of taxation. The situation today is we are one of the highest taxed nations in the world. If Liberal members doubt my word on that, then I invite them to consider what their own industry minister said just three weeks ago when he spoke to the Empire Club. I want to read from some of the slides he put up when he spoke to the Empire Club.

The minister was addressing the issue of standard of living. He pointed out that since 1987, Canada's standard of living has increased by only 7%. In the United States it increased by 17%. According to the slide: "The income gap between the U.S. and Canada is 30% and growing, \$37,239 versus \$28,000". That is a \$9,000 difference in income between Canada and the U.S.

The industry minister was reading from statistics prepared by Statistics Canada. It was not the Reform Party. This was the

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government's industry minister levelling this kind of criticism at the performance of the Canadian economy. And guess what? For the last five years this government has been in charge of the Canadian economy. It is an admission that the government has done a horrible job.

The slide on productivity reads: "Impact of productivity. Canada has the lowest rate of growth in productivity in the G-7". Out of all the major industrialized world, the industry minister told the Empire Club that Canada has the lowest rate of growth in productivity.

As we heard yesterday at a conference sponsored by a former Liberal cabinet minister, the pollster for the Liberals, Michael Marzolini, pointed out that productivity is tied intimately to the standard of living of Canadians. There is a direct connection between productivity and standard of living. We have the lowest rate of growth in productivity, meaning we have the lowest rate of growth in standard of living. This is the Liberal pollster at the Liberal productivity conference. And the Liberal industry minister was saying all these things. This was not the Reform Party. This was the government pointing these things out.

We go to the next slide, productivity payoff: "Our falling productivity has resulted in lower incomes, \$7,000 per capita". That is not cumulative. That is not from 1979 to 1997 if we add it all up. No. What we are talking about is that in 1997, the difference between Canada and the U.S., because we have fallen behind in our productivity, is now \$7,000 per person per year. The industry minister went on to point out that it works out to \$28,000 per family of four difference in income if we had kept our productivity even with the United States, but we have not.

That means the Prime Minister, the finance minister, the industry minister and the whole government are responsible for engineering an economy that has left the average family \$28,000 poorer than they would have been otherwise. That is an absolutely shameful fact and the government actually spoke about it at this conference.

It is time to make some fundamental changes. In order to do that we have to begin to lower the crippling tax burden that the government levels on Canadians each and every day.

The industry minister also pointed out that we have much higher taxes in Canada than they do in the United States. Our taxes are 130% higher than taxes in the United States. Taxes in the U.S. are around 28.5% of GDP according to the industry minister. Ours are 36.8%, 130% higher.

• (1555)

This points to the need to make some changes in order to ensure that we have the standard of living we used to have in Canada. We used to be the economic equal of the United States. We have

become second class economic citizens compared to our U.S. cousins. That is unacceptable.

The government's plan over the last five years has been to anesthetize the public and allow people to think everything is moving along the way it should be. We hear this don't worry, be happy message from the Prime Minister almost every week. I think my friends around the House would agree with that.

We know it is simply not so. We know we are falling further and further and further behind the United States. It should not happen. We are as good as they are. We are better in so many ways. We can do so many things much better than the United States.

We have companies that are world leaders, but what do we see? We see companies like Nortel, a great leader in the telecommunications industry, in the high tech field, moving more and more of its operations into the United States. That is a condemnation of the policies of the government. It is unbelievable that the government sits idly by.

No, that is not quite accurate. The government does not sit idly by. Instead it trots out these rinky-dink little programs saying, "We will have this program, we will have that program" expecting to reverse the terrible trend that is bankrupting families. Instead, the government should be cutting taxes.

There is hardly an economist left in the country who does not understand that we have become uncompetitive when it comes to taxes. The result is that our productivity continues to fall. Our standard of living continues to fall. We see that every day.

I bet there is not a member of parliament in this place who cannot tell a story about a family member, a daughter, a son, or a friend who has left Canada to go to the United States. Why do they go? There are four very compelling reasons.

First, there are more jobs in the United States especially for people with great skills in those high tech fields. Our high tech industry is held back by the government but in the United States it is booming. It is absolutely going crazy. There are all kinds of jobs. We hear stories about the entire class or a great chunk of the class from Waterloo being recruited by Microsoft to work at Microsoft in Seattle. We hear those stories all the time. There are more jobs.

Second, the pay is better. When there is an unemployment rate in the United States of 4.3%, companies in the U.S. are desperate to find good workers. They pay a lot more money. Even when comparing American dollars to Canadian dollars, companies are still paying a higher numerical value in the United States for those workers.

Third, people in the United States get to keep more of the money they earn. As the industry minister has pointed out based on the government's own data, our taxes are far higher than the taxes in

the United States. The industry minister hounded that point home at the Empire Club.

Fourth, the U.S. dollar is worth so much more than ours. Ours is now at 65 cents, near a record low. People are able to buy a lot more with those dollars.

Those are four big reasons the government indirectly has given to young people to leave Canada to go to the United States. It is disgraceful that that happens. It is an economic tragedy. More than that, it is a human tragedy. We are losing our family members to places outside Canada, not only to the United States but to other countries around the world as well. Ireland is attracting many people, the U.K., and on and on it goes.

It is a human tragedy. We would like to keep our families together. We would like our young people to have the option to continue their high tech careers in Toronto, Kanata, Calgary, or wherever. We just do not see that happening because the government punishes innovation. It punishes people who have obtained skills. The result is that we lose these young people which is a great tragedy.

• (1600)

Lately the government has been attempting to hang its hat on a study done by KPMG Consulting which the government alleges suggests that Canada is somehow far more competitive than the rest of the world in terms of attracting business to Canada. When we look at the fine print in that KPMG study two things jump out. The first is that the single biggest reason people should come to Canada is because we have low wages. For government members to get to the point where they will stand in the House of Commons to boast about Canada having extraordinarily low wages so others should come here to set up shop speaks of the desperation of the government. It demonstrates real desperation when they get to the point of essentially saying "Come to Canada because Canadians will work for peanuts".

Second, they say that others should come to Canada because we have an extraordinarily weak currency. The currency is the barometer of the health of the economy. We can take where the currency is and essentially say that is where the standard of living is. As the currency strengthens, so does the standard of living. We saw our currency fall to record lows in July and the government did nothing about it. In fact the Prime Minister almost bragged about it. He said "It is good for exports. No problem". He has said that over and over again during the course of his career.

Contrarily, when the finance minister was running for the leadership of the Liberal Party several years ago he berated Michael Wilson, the Conservative finance minister at the time, because the dollar had dipped below 80 cents. We yearn for the days when it was only 80 cents. We yearn for those days because

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again the dollar reflects the standard of living of Canadians. When the dollar is low the standard of living is low.

If anyone doubts for a moment that Canadians have seen their standard of living drop, then do not listen to my words, listen to the words of the industry minister of the Government of Canada who pointed out in his speech to the Empire Club that Canada has seen its standard of living fall below the poorest of the deep southern American states. Canada's standard of living is below that of Mississippi, Alabama, Georgia, Arkansas and Louisiana. That is a fact.

The industry minister told the Empire Club that a few weeks ago and the government continues to stick its head in the sand and pretend everything is okay. "Don't worry, be happy". That is all we hear from the government.

It had a chance to rectify this problem. It has been running surpluses. If it had kept the line on spending we would have money to start lowering taxes and to increase productivity and the prosperity and standard of living of Canadians.

We desperately need that in Canada today. We are tired of being second class economic citizens compared to the United State. We used to have a dollar that was stronger. We used to have a standard of living that was stronger. We used to have unemployment that was lower. That has all gone by the wayside. Since we have had this government, and Tory and Liberal governments before it, we have seen the erosion.

It is time to reverse that and there is a way to do it. The way is to hold the line on spending, run up big surpluses and cut taxes. What happens when we cut taxes? Revenues increase. Those who doubt for a moment what I am saying should look at Ontario where revenues have increased since it cut taxes. On St. Patrick's Day, look at Ireland and the Irish miracle. It cut taxes and its economy has grown at over 5% a year for several years now. It has extraordinarily low income tax rates and tax rates of all kinds, to the point where it is actually able to provide free tuition to everybody in Ireland today. That is how much extra revenue it is bringing in as a result of cutting taxes because of the increased business activity.

• (1605)

The government is way off track with Bill C-71. It is way off track with its budget in general. It should have taken the opportunity to start cutting taxes, to leave more money in the pockets of homemakers, business people and entrepreneurs. Those are the people who create the jobs. Those are the people who deserve a break.

I encourage my friends across the way to not be so hidebound and to consider for a moment that there might be some good ideas coming not only from the other side, not only from Canadians, but

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even from the Department of Industry in the comments made by the industry minister not so long ago.

At the end of the day, Canadians deserve this tax relief. We should be getting it from this government.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, that is a pretty tough act to follow, but I will see what I can do. I have a lot of admiration for my colleague and friend from Medicine Hat.

We are talking about budget implementation and I will focus on different aspects of the budget.

The day of reckoning is coming. Within a few years this Liberal government is going to see that Canadians cannot be given a snow job. This is really about brainwashing, not about budgeting. Government spin doctors are famous for their tinkering. All they know how to do is tinker.

Let us just look at the record of this Liberal government. I want to stick to the facts. In 1999 the average Canadian will pay \$2,000 more in taxes than they paid in 1993. At the very same time, health cuts will amount to \$1,500 per person. Over the last three years there have been \$1,500 in health care cuts per person.

What is the government's record? Let us look at the facts. What has it done? I can give hon. members examples.

Instead of looking at funding hip replacements or surgery, taxpayers are providing funding of \$100,000 for a government grant on a book of dumb blonde jokes. The list goes on and on forever.

The government has slashed university funding while protecting \$4 billion in pork barrel regional development grants over the last four years.

This is an interesting one. RCMP services have been cut. We have seen that it is devastating. The RCMP in British Columbia has been cut down to the bare bones. Vacancies are not being filled. As the government continues to cut money that is available to the RCMP, it gets millions and millions of dollars from the illegal trade subsidies it gives to profitable corporations.

That was no more apparent than when we were speaking during question period today. I see that members opposite are wondering about this. The government continues with these illegal trade subsidies, and that is exactly what they are. The WTO ruled on it. It is part of the government's taxation policy to give Canadian taxpayers' dollars away to profitable corporations.

Of course government members stand to make a lot of noise about how patriotic they are. They accuse the official opposition of siding with Brazil, which is absolute and utter nonsense. The WTO ruling is the result of the government's taxation policies. It wants to give tax dollars, hundreds of millions of dollars, to profitable corporations. It is absolute and utter nonsense.

If government members are really so patriotic and committed to Canadians, why do they continue to gouge the pockets of every single Canadian in this country? Why do they continue with sneaky, hidden tax increases, one after the other? They are endless, and they are all sneaky, hidden tax increases.

Then government members claim these victories after they have raised taxes and raked the wallets and pocketbooks of Canadians, who are struggling from payday to payday.

Government members claim they had to make tough decisions so they could balance the budget. They have no right to claim for one second that they did one thing to balance this budget. The credit goes entirely to every single Canadian taxpayer who has been paying \$2,000 more in taxes each year since 1993. The credit goes to those families who have suffered irreversible, incompressible harm as their loved ones have died waiting on hospital lists. That is who the credit really goes to for balancing this budget.

• (1610)

It was not the Liberal government that made tough decisions for Canadian families; it was the Canadian families themselves who had to balance their paycheques every month to scrape by, dip into their RRSPs, cash in their savings and struggle to make ends meet. It was not the government.

We have heard the Minister of Finance stand in this House to claim how proud he is that he has cut taxes. Sure, there might have been some minor tinkering to provide slight tax cuts, but what he is not telling us is that the increases have been greater. In fact if we take into account payroll taxes, Canada pension plan premiums and bracket creep, taxes this year alone have increased by \$2.2 billion.

I will focus the rest of my talk on a couple of issues. I will deal with brain drain and how we have shattered the hopes and aspirations of young Canadians. The other area that I feel very passionate about is tax discrimination, tax unfairness, what we are doing to the Canadian family and how the government attempts to justify it.

We have all heard that a family of four with an income of \$50,000, with one parent who chooses to stay at home, will pay \$4,000 more in taxes than that of a family with the same income with two parents working. Let us look at the net effect. How does that affect these families?

The tax policies are discriminatory. I will use my sister for an example. My sister is a schoolteacher in Invermere. She has three small girls who are just starting elementary school. Her husband James decided to put his career on hold. He stayed at home with the three girls while my sister went off to teach. They felt it was very important that one parent be at home until the girls started school, so James put his career on hold and my sister went to work. He made personal sacrifices that we should be commending him for

and not penalizing him under our current tax act. That is exactly what we are doing. There is no question about it.

I would like to quote some statements made by members opposite. The member for Vancouver Kingsway said in a finance committee hearing on October 8, 1998, when she was talking to parents who had chosen to put their careers on hold, chosen to stay at home and who place some value in parenting, "Perhaps individually you have low self-esteem for many reasons. Most women can combine career and family life. We know it is very difficult. A lot of times people just take the easy way out". Those have to be the most insulting comments to make to someone who chooses to stay at home to look after their family. It is an absolute disgrace coming from the government, with all its fanfare and hoopla and all of its wining and dining of the financial institutions in trying to spin this budget. All the spin doctors out there have failed to recognize some very basic flaws in our tax act.

• (1615)

I am pleased to see that the province of Alberta has taken a leadership role in the country with respect to this issue. It is rectifying the issue as far as it can within its provincial jurisdiction to bring back fairness. It is breaking new ground and it is high time.

The issue was brought to the attention of the Minister of Finance over and over again. The Reform Party of Canada has been fighting the issue since it first became an official party of the House in 1993. It has had supply day motions and this debate has been going on and on. The government has again buried its head in the sand and has refused to recognize it. It is one of the most offensive areas I have found in tax policy.

What does the government do? It only tinkers. Its day of reckoning is coming. These are the hard core facts. I know the government does not like them. It is not very proud of them but they are the facts and it cannot get away from them.

Although I do not have the form in front of me I can recite form T778, the child care deduction form, because I know it so well. It gets even worse. If only one parent of a two parent family is working there are three ways according to the tax form, which is available on the Internet at website www.rc.gc.ca, to claim the child deduction.

First, they have to be mentally or physically incapable of looking after children. The second one is absolutely amazing. They have to be convicted criminals who have spent at least two weeks in jail in 1998. Can we imagine a convicted criminal who has spent two weeks in jail being given priority to claim the child care deduction? That is a fact. It is right on the tax form. It is absolutely outrageous.

The third way is if the parents are separated or divorced for at least 90 days. It is no good if they want to stay together. It is no

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good if they are happily married. However, if they want to separate, they can follow the Liberal government tax form. I encourage everyone to look it up on the Internet. They can go to any post office in Canada and ask for a T778 form, the child care deduction form. It is absolutely incomprehensible.

What do the Liberals really think of their budget? What do they really think about the Canadian economy? How proud are they? I will refer to some quotes of the Minister of Industry on February 18, 1999. We have already heard from him in the House today. This is what he thinks the Canadian economy is doing, one of the Prime Minister's henchmen, the frontline people who go out and do the messaging:

How can we maintain or, better still, increase our standard of living? Since 1987 we have done okay.

That is debatable. He continued:

Our standard of living has grown by 7%, but when we look our American friends we see that at the same time they have increased their standard of living by 17%.

In other words it is 30% higher in the U.S. than in Canada or \$37,239 compared to \$28,234. I repeat that this was the Minister of Industry speaking, the government's henchman, the spokesperson who goes out and brags about the record of government.

• (1620)

Then he went on to say:

So what does all this mean? Moving back to our standard of living, which is the whole point of this address, the productivity in Canada has grown 1.2% per year faster, which is a gap between U.S. and Canadian growth. According to the OECD per capita income would have been \$7,000 a year higher. For a family of four this is a \$28,000 shortfall.

The Prime Minister's henchmen are going out and doing their messaging to promote the budget, yet they are admitting that their economic policies have been an absolute, utter and complete failure.

There are some lessons to be learned from the American system. Obviously in 100 square miles in the U.S. and 100 square miles in Canada we will not be able to deliver the same services for the same price, but the difference does not have to be 10 times.

Our government's policies are driving us to bankruptcy. Our government's taxation policies are driving Canadian businesses out of Canada every minute of every day. Our government's policies on taxation are shattering the hopes and aspirations of all young Canadians. They are going across the border by the thousands. Where are they going? It is to our neighbours to the south. They are not going down there for the sunshine. They are not going down there to live in their cities for their clean air. They are going down there because they do not see any future way of fulfilling their aspirations and dreams in this country.

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That is why I am standing in the House today. I ask any member of the House to challenge that I am not a patriotic Canadian and that I am not here to fight for Canada, to make this country a better place in which to live. That is why I am here and I made sacrifices to be here. We have to offer a vision so that young Canadians will be able to fulfil their dreams in this country and not have them shattered by our taxation policies.

Let us go back 25 years to when I left high school. People today do not have the same opportunities I had. When I finished high school I could easily get work. It was no problem. I was never out of work a day. I had good paying jobs and was able to fund myself all the way through university without assistance. I could do it because there were opportunities. There was excitement. We were ready to get an education and get into the working field. We could hardly wait to start going after our dreams.

Young Canadians from coast to coast to coast in the country do not see the same opportunities. They are trying to find minimum wage jobs. They are graduating from university with students loans in excess of \$50,000. They are calling my office and asking what they can do and how to get out of that mess. They have degrees. They cannot get jobs. They owe \$50,000. They ask if they can declare bankruptcy. They ask for guidance. They do not see any opportunities to fulfil their dreams.

Why? It is because of the government's tax, tax, tax and spend, spend, spend policies. We have known about this for a long time, as has the government. It likes to tinker a bit, fudge a few numbers, shuffle the books and then say it has brought in a great budget. It is all brainwashing. It is all nonsense.

I will leave government members with a few thoughts of which I want them to take note. I am standing here along with my colleagues to fight for Canada, to make the country a better place so that young Canadians can fulfil their aspirations, hopes and dreams; so that families can make the right decisions and can choose to stay at home to raise their families without being discriminated against by absolutely insane government taxation policy.

• (1625)

Every Canadian family would be better off if Reformers could just change a few of these things, if they could convince the government to get its head out of the sand and look into the future as opposed to tinkering.

We are speaking on deaf ears across the way but the day of reckoning will come. Canadians will see the so-called wonderful tax decreases the government keeps talking about. I will leave them with this thought: please phone me, please give me a call. I ask them to take their paycheque stubs to their members of parliament next month or in three or six months from now and show them the hundreds of dollars of tax relief. At the end of the day Canadians will not get one thin dime more. That is a disgrace.

[Translation]

The Deputy Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax West, Veterans Affairs; the hon. member for Winnipeg North Centre, Tobacco.

* * *

[English]

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, some discussions have taken place among all parties and the member for Wild Rose concerning the taking of the division of Bill C-219 scheduled at the conclusion of Private Members' Business today. I believe you would find consent for the following motion:

[Translation]

That at the conclusion of today's debate on C-219, all questions necessary to dispose of the said motion for second reading shall be deemed put, a recorded division deemed requested and deferred until Tuesday, March 23, 1999, at the expiry of Private Members' Business.

[English]

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[Translation]

BUDGET IMPLEMENTATION ACT, 1999

The House resumed consideration of the motion that Bill C-71, an act to implement certain provisions of the budget tabled in Parliament on February 16, 1999, be now read the second time and referred to a committee.

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, it is a pleasure to speak to Bill C-71 now before the House, which seeks to implement certain provisions of the budget tabled last month in the House.

It is difficult to find positive things to say about this bill, since the budget alluded, of course, to the centralizing of the health care system, does nothing for the unemployed and is giving the agriculture sector nothing but crumbs. I want to show how this government managed to eliminate its deficit.

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First, let us look at the employment insurance program. Members opposite are very stubborn; we keep telling them that the system is not working, that it is choking the unemployed. Let me give you an example. As members know, in recent years, the employment insurance benefits that the unemployed were not getting have been used to increase the amount in the employment insurance fund which, in turn, was used by the Minister of Finance to eliminate the deficit.

In the 1999 budget, the government confirms that it misappropriated the \$7 billion EI surplus in 1998-99 and that it intends to repeat the performance with the anticipated \$5 billion surplus in 1999-2000. Adding up all the billions that were taken from the unemployed, by the end of this year—and this is a real bug for the jobless—amounts to a \$26 billion surplus, which has made the regions, including Quebec, poorer and put the jobless in a scary situation that still persists. These people have no hope that the system might some day meet their expectations.

• (1630)

When I rose a few weeks ago to speak to the budget, I had made a long list of suggestions to improve the employment insurance plan. However, when we on this side speak to the other side, I do not know, it is as if there is an invisible wall or some comprehension problem, but they do not understand common sense. They really do not understand common sense.

We are hoping that, finally, the Liberals opposite will understand what the Bloc Québécois wants and what all the workers in Quebec and Canada are calling for.

First of all, improved eligibility: the end of discrimination against certain categories of unemployed because of their so called regularity on the labour market; a reduction from the current 700 hours to 300 hours the requirement for special illness, maternity or parental benefits; an increase in the number of weeks of benefit from 45 to 50; the abolition of the so called intensity rule, which progressively cuts benefit rates from 55% to 50% for contributors regularly drawing employment insurance.

As we know, like a diet, a plan can be hard on people. Sometimes people lose weight when they go on one. But the unemployed lose money. They really lose money. Since 1993, this government has ceaselessly attacked society's most disadvantaged. This government, and especially the Minister of Finance, has become very good at creative bookkeeping.

That brings us to the transparency of the EI fund. At a press conference last winter, the four parties, including the Bloc Québécois, got together and called for the EI account to be kept separate from government operations and for the Employment Insurance Commission, not the minister, to be given sole authority over EI premium rates.

Every December, the minister trots out so-called good news that bears no resemblance to what unemployed workers want.

We also called for the rules that reduce the amount of benefits to be eliminated. We asked that the freeze on maximum insurable earnings be lifted, the 52 week base period be restored, and the calculation of benefits be based on the number of weeks required to qualify during which earnings are highest.

These are interesting and constructive suggestions, but nothing is happening. On the contrary, the government continues to dip into the EI surplus. Why? So that it can lower the deficit and, worse still, interfere in provincial jurisdictions. It is getting very good at this.

This was clear in the September 1997 throne speech written by a marketing specialist, the sole objective of which was to make sure the maple leaf appeared on everything.

Whether in provincial, municipal or rural jurisdictions, everywhere we turn, there is the maple leaf. With the millennium scholarships, we were even afraid we would have to have the Prime Minister's face on the documents. What do you suppose would happen to a Canadian dollar with the Prime Minister's face on it?

An hon. member: It would have lost value.

Mr. Odina Desrochers: It would be worth less than 50 cents.

How much energy and money is expended by this government in an ongoing battle against its own constitution? When it gets involved in health and the municipalities, it is directly interfering in areas of provincial jurisdiction. When it comes in with the millennium scholarships, it is interfering with education.

Who are the losers with the millennium scholarships? The younger generation, the students, who will find themselves dealing with two systems—once again, duplication in Quebec—and will lose financially. While the federal government doggedly insists on not respecting Quebec's jurisdiction over education, who is it that loses out? The young people.

• (1635)

There is a shortfall of hundreds of millions of dollars. Everything possible has been done to get negotiations under way again, but on an equal footing, not between the president of Bell Canada and the new Minister of Education, but between the Minister of Human Resources Development and the Minister of Education. This government is trying to shirk its responsibilities by delegating a representative of a private company. Let us get serious, now.

Getting back to employment insurance, I would like to repeat to this government the essential demands of the Bloc Québécois. The employment insurance fund must no longer be used as a tax on employment. The way it is operating, employment insurance has become an indirect tax, a tax that is taken from the pockets of the

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unemployed and from employers, and one that has no positive benefits for them.

Let us consider the following example. A person has insurance for his car. He is told "If you have an accident at Drummondville, you will be covered, but if it is at Lac-Saint-Jean, you will not". The EI system is as ridiculous as that.

In the Quebec City region, crossing the river changes the EI rate. The result of this is that no one gets the same amount, no one is entitled to the same number of weeks of employment insurance. Where is the fairness and justice in such a system?

What is more, administration of the employment insurance account needs to be depoliticized. If the federal government has a hard time grasping common sense, it need only give this responsibility to employers and workers. We have introduced a private member's bill on this issue. Here again, the four parties on this side of the House have approved this approach, but, on the other side, nothing is happening.

I would now like to discuss the second point of my speech, which concerns health, or, if members want to put it that way, the initial ravages of the social union. The cuts are in the amount of \$33 billion rather than \$42 billion. The budget announced an additional \$11.5 billion in transfers over five years, which means \$2 billion in 1999-00 and \$9 billion until 2003-04.

Furthermore, the government also announced an additional \$1.4 billion in new health care spending, which tramples on and overlaps provincial jurisdictions. The \$2 billion announced for all of Canada represents only just the amount that was cut for Quebec alone in health care. It is a third of the \$6.3 billion shortfall the federal government announced last month.

Let us talk figures. They are the experts in this on the other side of the House. They are also experts in having a hard time recognizing the real things.

The initial plan for cuts represented a cumulative shortfall of \$48 billion between 1993-94 and 2002-03. The announcement in the 1997 election was a little election treat. They are good at that. I will discuss later the little election treats in rural development and where the money goes. You will see that, in patronage, these folks are hard to beat.

During the 1997 election campaign, the Liberals announced an increase of \$12.5 billion and said the cumulative cut would be only be \$42 billion. This is not what I call a treat.

Let us now turn our attention to the recent social union framework agreement. This was a great blackmail operation conducted in the Prime Minister's office, along with provinces that will soon hold an election, except one. It is very easy to understand why Ontario received \$1 billion. That province is well represented in this House.

• (1640)

I can understand why the province of Ontario would be favoured, but I have a hard time figuring out why Liberal members from Quebec would be so gullible. What is going on in that caucus? They are asleep. Quebec MPs fall bow down to Ontario and guess who loses? Quebec. Ontario receives \$1 billion, while Quebec gets \$150 million. Is this justice? Is this a worthwhile social union?

I can certainly understand why the Premier of Quebec, Lucien Bouchard, dismissed the agreement that was proposed to first ministers. It is impossible to understand why this government is always trying to interfere in areas of provincial jurisdiction.

I will now give the long list of future federal intrusions in health.

Mr. Réginald Bélair: Let's get the Kleenex out.

Mr. Odina Desrochers: It bothers them a lot on the other side to hear the truth. But do not worry, I am used to that. I once worked in the telecommunications industry and I am not the nervous type.

Talking about intrusions, the national health surveillance network comes to mind. This network will be used to identify outbreaks of serious illnesses and will link Canadian laboratories electronically. This is an investment of \$75 million over a three-year period. Health is a provincial jurisdiction, it is a Quebec jurisdiction.

There is also the establishment of the Canada health network. This network will provide Canadians with access to information about health issues ranging from nutrition to colds, from breast cancer to diabetes, and so on. It will cost another \$75 million over three years. Health comes under the jurisdiction of Quebec, not of Canada.

Then there is the Canadian institute for health information, a bunch of medical snoops who will visit CLSCs and hospitals and report to the Minister of Health on how he can take money, go over the heads of the provinces and of Quebec, and invest it.

The new mandate of the Canadian institute for health information will be to file periodic reports on the health of Canadians and the health system, including waiting lists, doctor and specialist assignments and the most effective courses of treatment.

During a meeting of the Standing Committee on Agriculture and Agri-Food dealing with rural development—since we are talking about health—I learned that a \$70,000 investment in community health was being made in Saint-Étienne-des-Grès. How odd that this is right near, if not right in, the riding of the Prime Minister. I do not know whether the nurse or the person in charge of this project is a generous contributor to the Liberal Party of Canada.

There are 68 rural development projects for a total of \$3.8 million in areas of provincial jurisdiction. They excel at this.

There is more. There are telehealth and telecare pilot projects. These are virtual CLSCs. There are accountability measures and the NURSE fund. Now they are into training. But the federal government and the Government of Quebec signed a training agreement. This has been ignored. What about prenatal nutrition, to the tune of \$75 million? This duplicates what is being done by CLSCs.

I will now look at how the federal Liberals went about eliminating the deficit. There is nothing tricky about it: the provinces, the sick, and unemployed workers were stuck with the bill. In 1993, the federal deficit stood at \$42 billion.

• (1645)

This is the unfortunate heritage of the Conservative government, but we must not forget that before the Conservatives there were the Trudeau Liberals, John Turner and great experts in economics. The result was a growing deficit.

In 1993, the present Prime Minister said it would be impossible for him to eliminate this deficit in under five years, without cutting social programs. The first solution was to cut social programs. And what did the Liberals do as soon as they took over? They systematically demolished social programs.

From 1994 to 1999, federal government program expenditures were reduced by \$7.5 billion. Transfer payments to the provinces alone were slashed by \$6.3 billion, or 84% of total reductions in program expenditures. Thus, close to 80% of federal budget cuts were shouldered by the provinces. These federal cuts to front line services represent more than 75 cents of every dollar of cuts to health and education in Quebec.

And what about the unemployed? This is another Liberal policy aimed at eliminating the federal deficit. There is nothing complicated about it. The employment insurance program is reformed, the rules are modified, and as a result fewer than 40% of unemployed workers paying into the program are now eligible to draw benefits. And where does the surplus go? First of all into the employment insurance fund, and later into the pocket of the finance minister.

When one thinks of it, employment insurance has become surplus insurance for the government and poverty insurance for workers who lose their jobs.

Nowadays, is there anything more scary than losing one's job? There have been so many cuts in offices that the unemployed are now dealing with recordings. There is not much sensitivity involved. People wait. They do not know what they will get. The act is so complex. They are told "Use tape number one to find out how

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to fill your form. Use tape number two to know your rights. Use tape number three to kill time". Finally, when the time comes to meet an officer, the afternoon is gone. It is 4:30 p.m. They are then told "Sir, Madam, come back tomorrow".

And the lists get longer. I have received many complaints in my riding office concerning the 1-800 number. The line is always busy. Yet, the telephone operators are located in Shawinigan, in the riding of Saint-Maurice. That service should work. After all, it is in the Prime Minister's riding.

I will now refer to a recent study by two UQAM professors, Pierre Fortin and Pierre-Yves Crémieux, which shows that, because of the recent employment insurance reforms, Quebec's welfare roles alone will eventually swell by 200,000.

The impoverishment of Quebec and the regions is the result of the employment insurance program. The data from Statistics Canada support this forecast, given that, between 1989 and 1997, the percentage of unemployed receiving EI benefits dropped from 83% down to 42%. The situation is even more dramatic in the case of young people. More than three out of every four young people do not qualify for employment insurance, even though all young workers contribute to the program.

I want to say a word about the tax reduction, about the crumbs that this government offered in its latest budget. The Bloc Québécois had asked for a targeted tax reduction that would have helped those who paid off the deficit, namely the unemployed, the young, the sick and the poor in our society.

• (1650)

As regards the elimination of the 3% surtax for middle class people earning between \$30,000 and \$60,000, the reductions in income tax amount to \$163 per person. In this budget, the poor were left to their own devices, with tax reductions of only \$90.

The minister announced an increase in the basic personal exemption from \$6,456 to \$7,131, a tax reduction of \$115 per single taxpayer living alone. That really boosts the economy, and helps a parent cope with difficulties.

I have spoken at length of the unemployed and health care, I will now speak about rural development.

The Minister of Finance announced cuts worth \$100 million to funds earmarked for regional development. Since its arrival in 1993, this government has completely forgotten Quebec regions in its budgets. That is understandable, since a recent survey published last week in the *Globe and Mail* revealed that 77% of people did not know who was responsible for regional development, despite government propaganda.

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Every time they provide a bit of money in Bloc ridings, we are not invited. They arrive on the sly. The Minister of Human Resources Development was by two or three weeks ago on the pretext of making big local and regional announcements. All he wanted to do was impress the local media with the benefits of the budget.

The press conference was over in 20 minutes, of which 15 were taken up with questions and five with announcements. The media reported that there was nothing in the budget for unemployed workers, middle income earners, or health. On the contrary, there is plenty for health when it comes to Quebec. But once again this was misunderstood.

In conclusion, I would like to mention another cute patronage trick for interfering in the affairs of the provinces. It is called rural development. There is an interdepartmental working group composed of 26 federal departments and agencies. Their job is quite simply to find ways of interfering in provincial jurisdictions where they have no business. That is their mandate.

At least they are frank about it, which is rare for members opposite. They say that the rural development goals for the next few years are to ensure follow-up—\$3.8 million for 68 small projects with no structure—; co-operate better with other levels of government. I wonder what that is all about because they are going to be interfering in municipal and provincial jurisdictions. Another goal is to make programs more flexible and—here comes the fine print—increase the federal presence. This was on one of the slides shown last Tuesday.

They also want to listen. Listen to what? Listen to the demands of people who no longer know which way is up. The response is to increase funding and to go over the heads of municipalities, provinces and agencies serving the public.

Let me address these projects, particularly the \$70,000 to develop a model for rural community health care co-operatives.

The other project—and the minister was asked to define rural community last Tuesday—is a \$20,000 investment in community organizations in the municipalities of Longueuil, Saint-Hubert, Boucherville and Chambly. These communities are located across from Montreal, on the south shore. It is an urban area, and the government would have us believe that it will put money into rural development in that area. It is nothing but a joke.

• (1655)

In conclusion, when talking about implementing certain provisions of the budget, it is very difficult for us, in the Bloc Quebecois, to vote in favour, because our basic demands were dismissed out of hand by the Minister of Finance, the Prime Minister and the federal Liberals.

[English]

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, it is a delight to have an opportunity to speak to Bill C-71, an act to implement certain provisions of the budget tabled in parliament on February 16, 1999. The reason it is a delight to have a chance to participate in this debate is to clarify some of the mythology surrounding the most recent budget.

I realize that politics has a lot to do with perception. Perception is a fancy word for mythology, or misleading I suspect.

I have had some interesting advice. Watching today is a very important individual, Ange Vautour, who is age 75. Today is his birthday. He is very interested in the outcome of today's deliberations. As well, my father who is in his mid-nineties, is watching today. He gave me all kinds of advice in terms of what to include in my comments on the budget. They are two very special individuals, and I suspect many other very special individuals are watching today's proceedings.

I have listened with interest to the debates to this point. The picture from the constituency level is that this was a health care budget. In other words, a lot of people said that the government took major steps to once again fund Canada's health care system. In a sense that is true, but only in a sense. When we look at the fine print of this budget, we notice that if we wait for not this year, not next year, not the year after, not the year after that, and not the following year, but the following year, the funding the provinces will get will be at the same level as it was way back in 1995.

This is a bit of magic, a bit of hocus-pocus. This is moving the little shell between hats when the government says it is reinstating a whole lot of money into health care, which is true, but after all is said and done, many years from now, we are still way back in the mid-1990s in terms of funding for health care. Let us admit today that we are still going to be seriously underfunded in terms of developing the health care system that Canadians wish.

There are two items that I remember my friends in the Liberal Party promised Canadians. They promised, and promised. They said, "If you elect Liberals, we are going to have a decent home care program across the country. If you elect Liberals, we are going to have a decent pharmacare program. As a matter of fact, we will have a national pharmacare program and we are going to wind it into our medicare system".

I noticed that the budget was relatively mute on two items. The Liberals do not talk much about home care any more. They do not talk much about pharmacare. I suspect they can talk about it all they want if they do not put any money into it. Mr. Speaker, you might want to have home care, I might want to have home care and my friend from P.E.I. might want to have home care, but if there is

no money for home care, what the heck do we do? This is an empty promise. This is a promise that means nothing.

It is fair to say we are not going to have a pharmacare program in this country for two reasons. The most obvious one is that the government puts no money into it. But there is another one and it is called NAFTA.

Under the provisions of NAFTA if we were actually going to impose a pharmacare program that made sense, we would make a lot of multinational pharmaceutical companies unhappy, particularly those based in the United States. They would say to us, "If you want to impose a national pharmacare program to give the people of Canada a break when it comes to buying their prescription drugs and so on, you have to compensate us for all the lost profits, billions and billions of dollars in lost profits".

No government is going to be in a fiscal position to do that. The promise on home care and pharmacare in particular is mythology that has been perpetuated by this government. It continues to be perpetuated, but I do not think Canadians are being fooled in the least.

• (1700)

I have some very specific concerns I want to raise about this bill today. I want to talk for a moment about a fundamental problem that exists in this House, with this government, with this parliament and in this country.

I know all of us have encountered people saying they do not trust us, they trust politicians. They say we will let them down. They do not believe we will do the things we say we will do. They feel we do not listen to them. They feel alienated from the process.

There is good reason for having those feelings. The government has let people down. They are alienated. Do members think a person living in Kamloops or in Chicoutimi or in Moose Jaw or in Thunder Bay is involved in the decision making of this government at all?

An hon. member: No.

Mr. Nelson Riis: My friend says no. He is a very smart individual.

An hon. member: Windsor either.

Mr. Nelson Riis: Or in Windsor. People do not believe they are involved. They know they are left out of the circle.

Before I get into proof, who makes the decisions? Here and now, what we have in this great country is not a parliamentary democracy. We have it in name but in reality we have an elected dictatorship where every few years Canadians elect a dictator. That person then decides they know what is best for everyone else.

This really started with our old pal Brian Mulroney. He came in here and said "I'm really a bright person". I just thought of a joke.

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We do not hear many jokes in this place. These can be told about Brian Mulroney but you can load almost anybody else in.

Brian Mulroney and the member for Halifax were being invited to a speaking engagement in Vancouver. At the airport in Ottawa there was a young fellow standing there feeling very dejected. Brian said "What's wrong with you?" The fellow said "I'm a Boy Scout and I am supposed to be at a jamboree in Vancouver. I missed my flight". Brian said "Join us. We're heading for Vancouver".

The plane took off and just about over Thunder Bay it got into real trouble. The pilot said "Folks, I have bad news. We're going down. We're going to crash. You have to jump out but there are only two parachutes. So you will have to fight it out between you".

Brian Mulroney jumps up and says "Listen, I'm obviously the smartest guy in the world. I have to get down there and save this country". So out he goes.

The Boy Scout says "Listen, Ms. McDonough, you're the head of one of the most progressive political parties in the country. You have great ideas. I think you should go". She turns to the Boy Scout and says "No, we can both jump out. We can both take parachutes".

The Boy Scout said "What about Mr. Mulroney? Didn't he jump out?" "Yes, but the smartest guy in Canada grabbed your pack sack".

Brian Mulroney started the trend to make this place somewhat irrelevant. I do not think he liked parliament. He found it a nuisance and so on but he had to go through the motions. They used closure, time allocation and so on to get legislation through the House.

Then the Liberals came in. I was hopeful. I thought they have a much longer tradition of parliament, particularly with the leadership of the cabinet, and they would use closure less often. Lo and behold, they use it more often.

An hon. member: Bob Rae used closure all the time.

Mr. Nelson Riis: The world is not perfect. The reality is closure, closure, closure.

Who is in charge? My friends opposite in the back who are making suggestions for my speech, are they in charge? No, they are not. Is the cabinet in charge? No, the cabinet is not in charge. Who is in charge of this country? Not the Speaker. He is too nice a guy.

An hon. member: The United States government.

Mr. Nelson Riis: That is interesting. My friend says the United States government. There is a lot of truth, unfortunately, in that. We will come back to that in a moment. The person in charge sits over there. He is called the Minister of Finance. He actually decides now on major social policy in the country.

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Let us go back one budget. In last year's budget we were having this debate. One of the big items was the millennium scholarship fund.

• (1705)

The government said "This is what we are doing for education. We thought this through. We have education policy. We want to find ways and means of encouraging young people and others back into the school system, whether it be university, vocational school, college, technical school, an institute or whatever. We have this great idea. Its called the millennium scholarship fund and it will provide support for at least 7% of the students of this country". What about the other 93%? The funds have been cut to universities and colleges. The government got out of the student loan program. For those 7% of students there is a scholarship fund.

They made educational policy. Was it the backbenchers on the Liberal side? No. It certainly was not on this side. Did we have a single debate in the House of Commons on education? Not a minute of debate.

The Minister of Finance decided that he knows best and he knows what educational policy should be. He introduced it. He is a very smart man. He is a very nice guy. I do not think he knows anything about educational policy. Why should he? He is a financier. That is his responsibility. That is the beginning.

We then asked what does this country need. It requires a major overhaul of our health care system. We all agree that health care is a crucial priority. Who decides on health care policy? Is it the Minister of Health? No, it is the Minister of Finance. He decides how much money is going into the system.

A few years ago he said "We will gut the health care system, slash the guts out of the health care system". The government did, almost to the point this was an emergency situation. Now the minister says they have made a mistake. Things have to be changed so they will start refunding health care. Five years from now we will be at the level we were five years ago.

The Minister of Finance is determining health care policy in this great country. There is something wrong with this. This is just the beginning. I could speak for the next two hours about the Minister of Finance being in charge of everything in this country. Cabinet is not in charge and neither is the Prime Minister.

I will use one other example because it is a hot issue, the replacement to the Young Offenders Act. The government brought in the new Young Offenders Act which has various provisions and ideas, some very positive, some questionable, some negative. Nevertheless it is a reasonable try at doing a better job in terms of dealing with young offenders. I will give the government credit for that.

However, what is lacking? Are ideas lacking? No. Are new initiatives lacking? No. Are new proposals lacking? No. There is no money to implement the program. We could have all the programs, all the policies, all the new initiatives, all the new legislation, new regulations we want, but if no money is available to deliver to the provinces, what good is it?

That is the same problem we had with the last Young Offenders Act. One of the main problems we had with the last Young Offenders Act was that it had all types of suggestions that judges could take but there was no substance. There were no opportunities at the local level. Lawyers could argue on behalf of their young offender clients about the most appropriate way to deal with an offence but the judge would say he had no choice but to throw the kid in jail. That is the only choice the judge would have. Unfortunately after this new legislation is in place, if that takes place, it will be the same situation.

If my recollection serves me, there is \$200 million available over the next three years to implement all the provisions in this new act. It is pittance. It is an impossibility to implement the provisions of this new Young Offenders Act. That is the mythology. Who decides this? Who decides how young offenders are dealt with? Is it the Minister of Justice? No. Is it the solicitor general? No. Is it anybody in cabinet? Yes, the Minister of Finance.

There is something wrong with this picture. I can see members shaking their heads. I think we all agree. There is something wrong with the system. We have to change this so that the Minister of Finance can spread his decision making around slightly.

This was also to be a budget about productivity, acknowledging that we need to improve our productivity. I think we all agree there are areas of the economy where productivity is important. When we say the word productivity, most Canadians watching will start to panic. When people hear the word productivity they think of layoffs, salary cuts and overtime. In other words, productivity does not mean what productivity is. Productivity means tougher times for most working people.

• (1710)

When we talk about productivity, I will take my hat off and acknowledge that the government put aside some money for research and development, to fund some of the major research agencies of the country. That was a positive step. By and large those funds are destined for the large multinational corporations. That is fair enough if some incentive will get them moving into more highly productive areas.

Where the real innovation and creativity takes place is in the small businesses of the country, in the medium sized businesses that are out there on the cutting edge of technological change, the innovators. Therein lies a real serious funding problem. The government would rather fund Bombardier, which probably does not really need any help, than to fund that small business in New

Brunswick, northern Manitoba or wherever. That funding is not there. That is a serious problem we have to confront through either the tax system, granting agencies or whatever, to recognize that is where the real creativity is.

I will identify the fundamental fault with this legislation in this budget. What kind of successful life would you have if you did not have a clue where you were going, if you did not have a clue what you would try to do in the next two months, two years or whatever?

It is fair to say that for anyone to be a successful individual, however success is defined, there needs to be a bit of a road map. Goals and strategies have to be set. There has to be a plan, a business plan as the business community would call it. A person with a business idea, whether a farmer, small entrepreneur, home based business or self-employed, before going into any lending institution has to have a thought through business plan in order to qualify for support or funding.

That is the first thing anybody asks for. What is your plan? Where are you going?

Mr. Speaker, I know you are very successful in a whole variety of areas and I know the reason you are successful is you know how to write a good business plan. Successful business people know how to write a successful business plan because it is fundamental. Your plan on politics may be a little warped but that is something we can discuss another time, Mr. Speaker.

We need a plan to be successful as individuals. There has to be a plan to be successful in business. There has to be a plan to be successful as any organization, whether it is the Red Cross, the Boy Scouts, a minor hockey team or whatever. There has to be a plan to be successful. We all agree with this fundamental premise.

What about as a country? Do we need a plan to be successful as a country or can we just mumble, fumble and jumble our way through? That is what we are doing. Most Canadians if asked what they thought the game plan for our federal government is would probably laugh or shudder "oh my God, I think it is this but I am not sure".

Why would Canadians not be aware of what our plan as a country is? We do not have a plan. We have no idea where we will be six months from now. Look at the budget itself. When most countries put together a budget their minister of finance has the guts to say "This is where I think our projects are going for at least the next five years. For five years this is what we project our revenues to be and for five years this is what we predict our expenditures to be".

We do not dare go there as a country. We might foray out a couple of years. That is it. Even those, let us face it, are ultra conservative proposals. Even the Minister of Finance agrees we

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have no plan. We do not plan ahead and therefore we are in trouble. How can we evaluate a budget that is not based on anything?

One thing in this budget that really concerns me is the revenue agency being created, this monstrous form of government that will have access in everybody's lives, and this legislation facilitates that.

They say we will share information about people. This is the ultimate in big brother, sharing information between provincial governments and federal government departments about individuals.

If this agency were accountable, at least to the elected representatives of Canada, I would not feel so bad but it will operate at arm's length, virtually like a crown corporation. There is not accountability. It can intrude in Canadian lives all over the place and nobody will be able to ask the minister what is going on because it will be set aside. It will be like Canada Post.

Has anyone ever tried to find out what Canada Post does to wrecked letters or why the mail is not delivered? It is almost impossible.

• (1715)

This provision is something we should be waving some flags about. If the government is going to go ahead with this new revenue agency, it must have some real transparency and accountability to parliament and the elected representatives of the people of Canada.

I have a whole host of other items but I am running out of time. I will close by saying that we are not going to support this bill. We have too many concerns about it. I would not say that there is nothing good in it. There is obviously something good in any budget. There are a number of positive initiatives but overall it misses the mark. It does not reflect the views and concerns of Canadians. And frankly, I do not want a whole country run by a dictator called Paul Martin.

The Acting Speaker (Mr. McClelland): The hon. member is a very experienced parliamentarian. As all other members know, we do not refer to other members except by their office or their riding.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, not only would I hope the hon. member would take into consideration what you have just said, but also on the way he characterized the Minister of Finance I hope when he gets the opportunity to stand up he will correct what he said and retract that comment.

Toward the latter part of his comments I am assuming the hon. member talked about how he would build budgets. There has been some success on this side of the House in building budgets, with two year rolling targets, a contingency reserve, and prudence in the

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budgets ensuring that we stay with balanced budgets. We took that \$42 billion down to a \$3.5 billion surplus.

The hon. member obviously does not agree with the way balanced budgets are being built in this country, so I would offer him up the opportunity. How would he build the mechanics of the budget? He sits on the finance committee, he has heard from Canadians. He talks about rolling out the five year plans. The last time this country got itself involved in rolling out five year plans was when the Conservative Party was in government and we ended up with a \$42 billion deficit.

How does the NDP build budgets? It obviously does not agree with the success we have had. Let us give it a chance to express how it would build budgets.

Mr. Nelson Riis: Mr. Speaker, that is a very reasonable question.

First, I do take back referring to the Minister of Finance by his name. I was referring to the Minister of Finance. And so there is no mistaking, if the word dictator can be used in a positive sense, that is what I was trying to do. Perhaps I could use a different term. I will be serious with my hon. friend because I respect his views and the work he does, but too much power now sits with one cabinet minister. There is too much influence.

My friend knows because I heard his comments earlier that this budget gives the Minister of Finance and the Department of Finance even more authority and even greater power in terms of disbursing funds. This very clear trend is a serious concern which I share with him and which others have shared with me. His criticism was well placed. It was a term that could be misconstrued. I did not mean it in a pejorative sense. I meant it in a neutral sense with dictator meaning one single person deciding on government policy.

My friend said that a major accomplishment of this government was balancing the books. I do not think a single Canadian would say that was not the case, but let us acknowledge how that balance was achieved. That balance was achieved by dipping into the EI fund. By dipping into the EI fund and taking billions of dollars in employment insurance premiums, it was easy to balance the budget. The other way to balance the budget was to devastate the health care system. My friends over here would suggest there were some tax issues involved in this as well.

Any government can balance the budget if it slashes the meaning out of a society. Anybody can do that. If the government shut down every university and every hospital, it would balance the budget. It is that simple. But what kind of a country is that? What kind of a government is that?

Not only does the government dip into the EI fund, which some people have suggested is illegal to do, but it is now going to dip into the pension fund of the federal government employees. The government is going to dip into \$37 billion of a pension fund for which it has no authority. The government is going to have to bring in legislation to be given that authority.

My second point was to acknowledge that the surplus comes with a great deal of pain. Were the people who were most pained by this budget cutting rewarded now that there is a surplus? Were the homeless recognized? No. Were the unemployed recognized? No. Were the people who need affordable housing recognized? No. Were the farmers acknowledged? No. Were the RCMP recognized? No. Were the people in the fisheries industry recognized? No. Were the miners recognized? No. Were the forest workers recognized? No. Who was recognized?

● (1720)

By the time we eliminate all of those groups, the nurses were hacked out, the doctors, the teachers, the professors, and on and on and on, there was a handful of people who liked this budget. My suspicion is that they probably hang around Bay Street.

I think I made my points.

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, on behalf of a constituent of mine by the name of Ange Vautour who is celebrating his 75th birthday today, my father whom I love dearly, could my colleague explain to both me and my father what is in the budget, and again how the deficit was paid?

The Reform Party mentions that we are attracting companies here because of the low wages. I would like my colleague to explain to the House what exactly the Liberal government has done to make sure that people are forced to work not only for minimum salary, but I have a feeling that a lot of people in this country are working below minimum salary.

Mr. Nelson Riis: Mr. Speaker, it was a thoughtful question, one I suspect a lot of people are asking.

We have heard in the House repeatedly that one of the attractive features to lure foreign corporations to Canada is the low wages they are able to pay. This seems to be some kind of good news. It is a rather warped sense of good news.

One of the realities is that the radical changes to the employment insurance program resulted in that the majority of Canadians who paid into that program are receiving no benefits at all.

Mr. Speaker, imagine what it would be like for you to lose your job. When people lose their jobs and have no income, they become vulnerable to people who could exploit them in terms of paying for their services of one kind or another.

I am aware, and I know the hon. member is as well, that because of the changes to the employment insurance program, when some people get their employment insurance cheque, the amount is actually as low as \$32, \$50, \$75. Mr. Speaker, I know you are a very frugal man, but imagine trying to live for a couple of weeks on \$32. This is tough. Anybody who is trying to live on \$32 a week,

\$100 a week or \$200 a week will be vulnerable to people who are prepared to exploit the worker's skills, background, talent and so on. That is one of the reasons so many people today are in a very difficult situation.

That was one reason. The other reason is our taxation. It is fair to say that Canadians by and large with a few exceptions are paying too much tax, income tax and other kinds of taxes. It goes back to my friend who asked what we would propose, and that is a tax cut that would benefit every single man, woman and child in the country, not this group or that group.

There is a tax cut that every single person would benefit from. Even a little kid buying a teddy bear would benefit, or a parent purchasing a needed vehicle or a washing machine would benefit from a cut in the GST. This would benefit every single person.

Guess what the people who would benefit most from a cut in the GST would do with that saved money in their pockets. They would spend it. People are pushed to the wall and their savings are minimal, if they have any at all. They would spend those dollars.

Those dollars would go from business to business to business around that little community. They would support the small and medium size businesses. Those dollars would circulate around and around in the community benefiting the small businesses which hire people and provide employment opportunities. But instead, those dollars are coming to Ottawa to be used for some questionable purposes from time to time.

• (1725)

I do not know whether I have been thorough in my answer but those are some of the reasons Canadians are having a tough time getting by and why employers are able to pay such low wages and salaries.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I listened with great interest to the comments of my colleague from Kamloops on the budget implementation act.

We have considerable concerns, and I think all members of the House do, for the future of young Canadians. The task before us is to prepare policies that will create a more prosperous future for young Canadians.

I am greatly concerned about the loss of so many young Canadians to the U.S. We have seen an unprecedented level of brain drain over the last several years. We have lost talented young Canadians to the U.S. Every sign is that that will increase unless we address some fundamental policies, part of which is tax policies.

One hon. member referred to the birthday of her father today. Today is the birthday of my nephew Seth who is three years old. I think of young Canadians like Seth and how they will prosper in the future. We have to work very hard to ensure that the policies we

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create are sound, not just in terms of what is good for today, but what is good for the future.

This government seems to be very intent on providing labels for its budgets. The label for last year's budget I believe was the education budget. All members in the House recognized student indebtedness as being a huge issue. Student debts grew by 100% from 1993 to last year, from an average of \$12,000 to about \$25,000 last year. In the year after the education budget which was to address the issue of student debt, over 12,000 Canadian graduates declared bankruptcy.

I am a parliamentarian who is very concerned about the future of health care. If last year's budget was the education budget and the result a year after its implementation was 12,000 graduates declaring bankruptcy, I would appreciate the hon. member's insight on what he predicts to be the effect of this year's health care budget on Canadians and on our beleaguered health care system. The health care system has been absolutely devastated and decimated by the Draconian slash and cut approach of the Liberal government.

What does the hon. member expect to be the effect over the next 12 months when Canadians need a stronger health care system? Can they expect a significant improvement based on this government's reinvestment? He mentioned that in five years the federal government will have only reached the 1995 level of federal government investment in health care. Yet the government spent \$3.6 million of Canadian taxpayers' money to tell them this was a great budget for health care. Does the hon. member feel that perhaps that money should have been spent on health care as opposed to telling Canadians about this health care reinvestment which by and large is smoke and mirrors?

Mr. Nelson Riis: Mr. Speaker, once again it was a very thoughtful question from my friend from Kings—Hants. I think he has answered the question himself.

He described the mythology surrounding this so-called health care budget, just like last year's education budget. He acknowledged that very little moneys will go into the provincial coffers for health care next year as a result of this budget.

My short answer to him is that I would be surprised if Canadians noticed any change at all in Canada's health care system as a result of this federal budget. He pointed out a major flaw in the mythology the government has been trying to perpetuate.

I think we all agree with his suggestion, and I know my leader has said the same thing, about the millions of dollars the government has spent trying to tell people that it has done a good job in health care. If that money was going directly into health care, it would be money better spent.

May I suggest that if a government or an individual is doing a good job, there is no need to advertise that they are doing a good

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job. People understand that. They will know that. But if they are not doing a good job, then they have to advertise.

• (1730)

The Deputy Speaker: It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CRIMINAL CODE

The House resumed from December 7, 1998, consideration of the motion that Bill C-219, an act to amend the Criminal Code (using or operating a stolen motor vehicle in the commission of an offence), be read the second time and referred to a committee.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, it gives me a great deal of pleasure to rise and speak to this bill, particularly because of the person who has proposed it.

The member for Wild Rose has been absolutely tireless in his efforts on behalf of not only the people in his constituency but indeed all Canadians in bringing more common sense to the whole area of justice in Canada. He has a tireless history in our party of continuously working on behalf of the justice issue, and I commend him for that.

Bill C-219 is an act to amend the Criminal Code by adding the following after section 334:

Every one who, while committing an offence or while attempting to commit an offence or during flight after committing or attempting to commit an offence, operates or uses a motor vehicle that he has stolen or knows to have been stolen is guilty of an indictable offence and liable to imprisonment for a term of one year.

If I could refer to the October 20 edition of *Hansard*, in presenting the bill my colleague from Wild Rose said:

My private member's bill amends the Criminal Code so that a person guilty of an indictable offence must be sentenced to one year imprisonment if the person operates or uses a motor vehicle that the person has stolen or knows has been stolen while committing or attempting to commit an offence.

He made the point that the bill put the police chiefs' resolution into practice. As I mentioned, my colleague is tireless in making sure he is in tune not only with the Canadian public but indeed with the Canadian Police Association and the Chiefs of Police. He said:

This bill puts the police chiefs' resolution into practice. It will clearly serve as a deterrent to those considering these types of criminal acts.

He also noted:

There are three primary motivations for auto theft: one, joyriding; two, transportation for criminal purposes such as breaking and entering, robbery, and drive-by shootings; and three, when a car is stripped for parts or exported to other provinces or countries for sale.

I was particularly interested to note that the parliamentary secretary to the justice minister then followed my colleague and said:

A person found guilty of this indictable offence must be sentenced to one year's imprisonment.

I put emphasis on the word must because there is nowhere in Bill C-219 or in the comments of my colleague that says this is a mandatory sentence. She was wrong. It must not be a sentence to one year's imprisonment. She went on further to state:

This offence must be served consecutively to any other punishment imposed on the person for an offence arising out of the same event or series of events.

This is again wrong. There is nothing in Bill C-219 that prescribes whether it be consecutive or concurrent.

In the short time that I have had the privilege of being the solicitor general critic for the Reform Party I have been on a very rapid up-ramp of learning. What I have learned is the difference between consecutive and concurrent.

The parliamentary secretary is suggesting that even if a person was found guilty of this offence, should the bill indeed pass through the House and become law, he or she would be liable for one year's imprisonment. That would simply be served at the same time as the penalty for whatever other criminal offence was being served.

• (1735)

In effect the minister is prejudging that the court system would say it is one extra charge and it will be served concurrently. It would be served at exactly the same time so it would not make any difference. What a waste of time if that were the case, and indeed it is not.

If that were the case it would be a pattern much like the government has chosen for very violent offences, very violent rapes and sexual offences, very violent multiple murders and all the events surrounding multiple murders. Basically the government has gone into the business of volume discount. In other words, although it is true that one cannot serve more than one life sentence, one can be incarcerated for an extended period of time if life sentences are served consecutively, that is one after the other.

If a person were able to apply for parole after the end of 15 or 25 years, depending on the precise circumstance, and there were more than one murder or more violence surrounding the event, the penalty for all the other surrounding events would have been paid

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at the same time as that for the longest event because the longest sentence before one can get parole in Canada is 25 years.

The government is out of touch with the Canadians with whom I speak in coffee shops in my constituency and with whom my colleagues speak on the streets of Calgary. Most members in the House, and I dare say even a few Liberals when they talk to their constituents, must know that the constituents are after some feeling of public safety. The government is not giving any sense of public safety.

I get back to the bill at hand. Bill C-219 takes a look at the issue of someone, during the course of committing an indictable offence, stealing and making use of a vehicle. It basically says this must be put in place as a deterrent. The fact is that it is only for one year. Because of the parole system, if a person has a one year sentence it is quite possible to be out on day parole within one-sixth of a year, in other words within two months.

The government is not even involved in truth in sentencing. It says they will get one year if they use a car for a joy ride. Such is being used, for example, in Cornwall as we speak where people involved in smuggling weapons, guns, liquor, drugs and tobacco were using vehicles for high speed chases. All sorts of things are going on. As a result of the sentencing regime under this government, even for a one year sentence the offender upon conviction would not get one year because that is the maximum. Even if he or she got the maximum, the offender would potentially be out on day parole within two months.

This is why my colleague brought the bill before the House. In his usual thoughtful manner he will have worked through the process and will have taken direction from the people responsible for public safety, safety on our streets.

Also as solicitor general critic I must say that I have a deep concern about the entire issue of tracking vehicles. We know that stolen vehicles end up at the Canadian police information centre on CPIC. If a police officer sees a vehicle he or she can access CPIC to find out the status of the vehicle. If the vehicle is stolen or there is something irregular about it, it will show up on CPIC.

• (1740)

It is my position on behalf of our party that there be an upgrading of the CPIC system so that vehicle identification numbers, not just for stolen vehicles but indeed for all vehicles in Canada, would be available to police officers. If Bill C-219 is enacted, CPIC and the vehicle registration system would become part of bringing Bill C-219 into full force and effect.

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, it is with great pleasure that I stand to debate Bill

C-219. It is a little frustrating the hon. member for Wild Rose is not here to speak to it.

The Deputy Speaker: The hon. member knows it is contrary to the rules to refer to the absence of hon. members. I am certain his mistake was inadvertent. Nevertheless, I would urge him not to pursue the idea of who is here and who is not. That is contrary to the rules.

Mr. Hec Clouthier: I must say that the bill of the member for Wild Rose, Bill C-219, is something that we on this side of the House cannot agree with because of the way in which once again the Reform Party, in its eternal wisdom, has decided to handle minor acts of indiscretion such as joy riding.

I do not know about the riding of the member for Wild Rose. I know on occasion he likes to play sheriff. Perhaps some of his constituents would be absolutely petrified to go joy riding.

However, in my riding, the great riding of Renfrew—Nipissing—Pembroke, on occasion people have gone joy riding. As a matter of fact a cousin of mine went joy riding one time. I know the hon. member from Kootenay would probably say it was the hon. member for Renfrew—Nipissing—Pembroke who did it, but it was a cousin of mine.

Should the government incarcerate a person for a one year term because of a minor indiscretion? Goodness gracious, members of the Reform Party continually come forward with notions on how to mete out justice. They would throw them in jail and throw away the key. They would not worry about the person. They would not worry about the indiscretion. They would throw them in the slammer and they would be done with them: out of sight, out of mind.

That is not the way we on this side of the House would handle the judicial system. The hon. member for Kootenay—Columbia somehow extrapolated from joy riding to death. The little munchkin is at it again. If members opposite want to listen to the great justice that is being done by the Liberal Party of Canada, all they have to do is pay attention for a short while. I do not use that in a derogatory connotation against my hon. friend on the other side.

It is absolutely disastrous that the Reform Party would continually mete out something like Bill C-219. I know the hon. member for Kootenay—Columbia said that the member for Wild Rose was a tireless worker. In my estimation he is rather tiresome when he puts forth agendas such as this one. This is not what the Canadian judicial system is all about.

An hon. member: The police chiefs want it.

Mr. Hec Clouthier: The police chiefs do not want it. Reform Party members are infamous for standing up and saying there is one police chief, one person, one child or one priest and extrapolating that to include the entire Dominion of Canada. That is

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absolutely ludicrous and they know it. That is what I was getting to when I said "tiresome". It is tiresome that they would bring forth that type of logic.

• (1745)

In our view the objectives of the private member's bill now before the House are already well served by the tools provided by the common law principles of sentencing and legislation which is currently in place. The hon. member for Pictou—Antigonish—Guysborough would agree with me because he has a legal background. He knows that the Reform Party would bring into place scurrilous innuendo against the judicial system. That party is trying to tell judges exactly what to do. What is the Reform Party's agenda? If a person is not elected they do not know what they are talking about. Once again it is an attack on judges and the judicial system. My goodness gracious, I do not know how some members of the Reform Party actually got elected. I think they were appointed.

Bill C-219, an act to amend the Criminal Code, would create an indictable offence for using a stolen motor vehicle in the commission, attempted commission or flight following the commission of an offence. If found guilty, everyone who commits this indictable offence would be liable to imprisonment for a term of one year, to be served consecutively with any other punishment imposed arising out of the same offence.

What kind of gibberish is that? To begin with, it is flawed. Even the notion of the bill is flawed. The summary of the bill is flawed. Under Bill C-41, as everyone in this House knows, including the hon. member opposite, we have already looked into this. We have already done justice to this particular matter.

Why would the member want to bring up Bill C-219? Why the hon. member for Wild Rose would propose this particular piece of legislation is beyond my belief and beyond the belief of most Canadians. The way we handle justice in this country is not by throwing people in jail and throwing away the key. But that, in the infinite wisdom of the Reform Party, is the way to handle the situation.

We on this side of the House believe in rehabilitation. We do not believe in complete incarceration just for the simple reason of it. We cannot qualify it. Reform Party members know that. They know they cannot put a maximum or a minimum on sentencing. That is up to the judge's discretion. We cannot do that.

An hon. member: You don't know what you are talking about.

Mr. Hec Clouthier: Mr. Speaker, far be it for me to respond to the hon. members opposite, but if anyone does not know what they are talking about it is the hon. member's party on the other side.

That is the party whose leader came out on the front page of a very reputable paper saying "Guess what, fellow Canadians,

fellow Reformers, the Reform Party can't win so we are going to have to form a new party". That is unbelievable. The captain of the ship is saying "Listen, if we get on this ship it is going to sink". Members opposite are on a sinking ship. They want to join the Conservative Party, which has already said it does not want them. The NDP does not want them. My goodness gracious, I just do not know where the Reform Party is coming from.

This is the type of thing Canadian people do not want. The Reform Party, with its self-serving demagoguery and its sanctimonious attitude, believes it knows what is best for the entire country. Under this—

Mr. Jim Abbott: Mr. Speaker, I rise on a point of order. I am sure that somewhere in this blather we are going to get some relevance. I wonder if we could have some.

The Deputy Speaker: The hon. member began by talking about the bill and he seems to have got on to the Reform Party. I know that perhaps he intends to talk about the Reform agenda in relation to the bill and I think it might be helpful if he did so to keep us on the straight and narrow.

Mr. Hec Clouthier: Mr. Speaker, I apologize to you, but I certainly do not apologize to the party opposite. Correct me if I am wrong, and we can check *Hansard*, but whenever the hon. member speaks he makes very vituperative remarks about the great Liberal Party. I took a little offence to that. But I will go on to the end.

If while in flight—and the hon. member was in full flight, although he was not in as full flight as the hon. member for Wild Rose when he discussed this bill—in a stolen motor vehicle following the commission of an offence the offender posed a danger to the lives of persons—and I might add that the hon. member for Kootenay—Columbia could pose a danger as I have actually seen him drive a motor vehicle—for example due to excessive speed, this too would be considered an aggravating factor meriting a harsher sentence.

• (1750)

The sentencing provisions contained in the Criminal Code also enable judges to exercise their discretion to impose consecutive sentencing upon offenders where appropriate. Our sentencing is comprehensive and provides the flexibility needed to tailor sentences to the factual circumstances of the offender's conduct.

The proposals contained in Bill C-219 are simply not required to address the conduct of offenders using a stolen motor vehicle in the commission, attempted commission or flight following the commission of an offence. We already have the tools at our disposal to deal with this situation.

Bill C-219 is flawed. Members opposite know it. The Canadian public knows it. We on this side of the House will certainly know it

and we will not participate or partake in such a flawed bill because we know what is right for the Canadian public.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I am pleased to speak in support of Bill C-219, an act to amend the Criminal Code with respect to using or operating a stolen motor vehicle in the commission of an offence.

It is important that we understand that Bill C-219 deals exactly with that. I will repeat that for members opposite because they seem to have missed the point. It is an act to amend the Criminal Code with respect to using or operating a stolen motor vehicle in the commission of an offence.

I commend the hon. member for Wild Rose. Although we have not always agreed on remedies for the justice system, there are many problems in our justice system and I agree that the Liberal government is not always there for Canadians to strengthen the Criminal Code. Tougher provisions are needed in many places.

As mentioned by previous speakers, the bill would amend section 334 of the Criminal Code. The purpose of the amendment is to classify those found guilty of operating or using a motor vehicle that a person has stolen or knows has been stolen while committing an indictable offence, during flight or attempting to commit an offence. It is fairly simple legislation that is being proposed. All we have to do is stick to the facts.

The sentence for such an offence would be a term of imprisonment for one year. It would also require that the sentence be served consecutively of any other punishment if it arises out of the same set or series of events that contributed to the conviction for the first offence.

All of that is to say in common parlance that there would be greater emphasis placed on an offence that was committed while using a stolen vehicle. In short, Bill C-219 would act as a greater deterrent for such offences. Certainly it would be commendable for this type of legislation to come from the Parliament of Canada.

I commend the hon. member's efforts in this regard and I am supportive of the bill. This is a positive measure that the member for Wild Rose brings forward because it addresses two key areas in which there is need for improvement in our Criminal Code. It would toughen the criminal sanctions for those individuals who use a stolen vehicle to assist in the commission of a criminal act. This would be a welcome change because it would additionally punish criminals for the additional steps they have taken, namely to have stolen a vehicle to commit another offence.

The second area of the intended amendment proposed in section 334.1(2), which is very much a truth in sentencing provision, ensures that the sentence imposed on the criminal, mainly the driver, would be served consecutively. That is, it would not be simply dealt away, which is often done in criminal proceedings by

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a plea bargain. The sentence would be cumulative. It would be served consecutively as opposed to concurrently. This would send a strong message to the thousands of Canadians who lose their vehicles through theft or someone who would commit a robbery and forcibly take their vehicles. It would result in greater accountability and would certainly send a message to the criminal element.

• (1755)

It is important for everyone to understand that when a vehicle is stolen it is often damaged and often never recovered. The person the crime is committed against is greatly inconvenienced. People experience a psychological feeling of invasion when their property is taken or damaged. It is similar to when a person's home is invaded. The purpose of the hon. member's motion is to amend the code to put greater emphasis on this type of offence. I believe it to be a positive one. I would therefore hope there is support at third reading for Bill C-284 brought forward by the member for Calgary Centre.

Those of us on this side of the House, at least those who are interested enough in this bill to speak on it here today, certainly see that voting in favour of this type of legislation is a deterrent to the very thing the hon. member had brought forth.

No matter how well meaning, legislation will go nowhere without the ability to implement and enforce it. I would therefore like to outline some of my concerns with respect to the government's persistence in underfunding a host of law enforcement issues. The solicitor general has often stated publicly that public safety is a strategy and a priority for the government. Instead of talking perhaps the solicitor general could also do a lot to demonstrate that commitment to public safety by supporting legislation such as the initiative brought forward by the member for Wild Rose and by paying greater attention to what our police community is telling him. Quite bluntly, police officers are getting the shaft from the Liberal government.

According to the information revealed by the government's own organized crime committee last April, the national police service needs an additional \$200 million over the next four years or it will functionally expire. That will have a great impact on every part of the country. We have already seen a situation evolve where large detachments of the RCMP are underfunded. The solicitor general and the Liberal government decided to cut \$74.1 million from the RCMP's organized crime budget.

This is not about leadership or providing resources for the law enforcement community. It is quite the contrary. When you cut 13% from the budget in one fiscal year what do you expect the people who are supposed to uphold the government and the law in this country to do? The RCMP is not the only police force that feels the effect. Municipal and provincial police forces are inevitably forced to pick up the slack. Many of these forces are already

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burdened by the abandonment of the ports police and are struggling to fill the void left by this government's axe.

We need a real commitment to law enforcement, not just talk, not just debate in the Chamber but real legislation. The government has to bring in legislative initiatives if we are to see real concrete improvements. I applaud the member for Wild Rose for taking such an initiative. It is quite disturbing to think the government would not embrace such a positive initiative on the member's part. I would expect the government to support this legislation since it is votable and as we in the Conservative Party will be supporting it.

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased to speak to Bill C-219 today on behalf of my colleague from Wild Rose. I listened to the rant of the member for Renfrew—Nipissing—Pembroke. It was very clear he had no understanding of what the bill is all about. As I listened to him I was reminded of an old saying from many years ago that if you stare at something long enough and hard enough, you begin to take on some of the characteristics of what you are staring at. Considering the long career in harness racing of member for Renfrew—Nipissing—Pembroke, I see there is a lot of truth to that saying. He has obviously spent a lot of time staring at the back end of a horse.

Mr. Hec Clouthier: Mr. Speaker, I rise on a point of order. On behalf of Standardbred Canada, of which I am proud to be a member, and on behalf of the horse racing fraternity across this country, I take exception to the hon. member insinuating that there could be a member for Renfrew—Nipissing—Pembroke who is a horse's ass.

• (1800)

The Deputy Speaker: I do not think the hon. member went that far. I am sure if he had he would have been called to order by the Chair. I am sure he would not have wanted to suggest any such thing.

Mr. Richard M. Harris: Mr. Speaker, if the member for Renfrew—Nipissing—Pembroke believes he is a horse's ass I will grant him that.

Getting back to Bill C-219, it was obvious the member did not understand what he was talking about. The concept of this bill put forward by the member for Wild Rose originated in August 1996 at the annual meeting of the Canadian Association of Chiefs of Police. One of the resolutions that came out of that meeting was the unanimous consent to add a minimum jail sentence when a stolen vehicle is used in the commission of a crime.

Bill C-219 would amend the Criminal Code to provide for a minimum sentence to be levied when someone used a stolen vehicle in the commission of a crime. There is not rocket science about that but the Liberals have a hard time understanding what

this bill is about. This would simply put the police chiefs' resolution into practice.

The member for Wild Rose did receive a letter from the Canadian Police Association. For those Liberals who do not know, these are the frontline workers who deal with crime on a daily basis and are witness to crime committed using a stolen vehicle. They say to the member for Wild Rose: "The measures proposed in Bill C-219 are therefore necessary to address this public safety concern and we appreciate and support your efforts in this regard".

The last Liberal member who spoke said that support from the Canadian police chiefs and the Canadian Police Association did not exist. I am happy to inform him that it does exist in a letter of support for this bill.

Let me deal with another statement. The member for Renfrew—Nipissing—Pembroke said we should not be hard on someone who has had a minor indiscretion and steals a vehicle and goes for a joyride. I have never heard such a ridiculous statement in my life. Does the member know that there are many people killed in this country by people who have had, in his words, some minor indiscretions? They have stolen a vehicle, gone for a joyride only to wipeout some pedestrian on a street corner, or on a crosswalk, or slam head on into another vehicle and kill someone. Does he understand that when he makes that statement? I find it pretty hard to take statements like that considering the consequences of this so-called minor indiscretions.

He also says the Canadian judicial system does not want or does not need an amendment to the Criminal Code like this. He says that in his opinion and in the opinion of the government Canadians are well served by what is in the Criminal Code now. The Criminal Code does not, even in Bill C-41 which he talked about and which I do not think he understood either, provide for an additional sentence to be levied against someone who commits a crime using a stolen vehicle. It does provide for an additional minimum sentence for someone who uses a firearm in the commission of a crime.

Threatening with a firearm, using a vehicle or using any other type of device in a commission of a crime and being a threat to public safety, should there not be a provision to address that and to provide not only a penalty but perhaps deterrence? Stolen vehicles in this country are at an epidemic stage. Around 20% of all vehicles stolen are stolen for the purposes of committing a crime. They are used as get away vehicles or for whatever purpose.

• (1805)

While the government may make light of the member for Wild Rose's private member's bill, I think it is a little misinformed about the statistics. It is also misinformed about the opinion of the police who are out there on the streets every day. It is also misinformed

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about the Canadian Association of Chiefs of Police and the support it has for the bill.

Since 1988 auto thefts have grown about 80%, another 9% in 1996 alone. This is the eighth straight year of dramatic increase in the theft of vehicles.

The primary motivations for stealing cars or trucks are joyriding, transportation for criminal purposes, breaking and entering, robbery, drive-by shootings, or they simply strip the vehicles for parts.

This costs in the hundreds of millions of dollars every year to the provinces. I think the government has an opportunity here to provide not only a penalty but perhaps deterrence. Deterrence and penalties are foreign words to the Liberal government. We have seen it and are seeing it in its approach to the impaired driving issue.

I want to go to that because we are talking about deterrence and penalties. The justice committee has a mandate to amend the Criminal Code to enhance deterrence to impaired driving and ensure the penalties reflect the seriousness of the crime.

Yesterday, I understand, someone was arrested who was drunk. The person was handcuffed and put in a police car. Somehow the person got the handcuffs in front of them, stole the police cruiser while intoxicated, took off down the highway, smashed into another car and killed two people. This was in Quebec. Under the Liberal philosophy on how we should treat this person, it is not their fault. They were obviously discriminated against in their childhood and it is society to blame, not the person.

I just hope the mandate received by the justice committee to amend the Criminal Code to enhance deterrence and assess appropriate penalties to impaired drivers is somehow recognized in the next few weeks. I do have my doubts, given what has happened thus far.

I think it was absolutely highly irresponsible of the member for Renfrew—Nipissing—Pembroke to refer to the stealing of a vehicle for the purpose of joyriding as some sort of brief indiscretion, considering the carnage that has been caused by just such an act. He should apologize to the families of the victims who have been killed by joyriders and those who have been left with permanent injuries as a result of minor indiscretions by joyriders. He should be ashamed of himself for making a statement like that in the House. It proves that if we look at something long enough we will take on the characteristics of it.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it is indeed an honour to add to the debate this evening.

It is interesting how one would react to this issue. We have seen pretty well both ends of the spectrum on this reaction. There are those who think that when a young person steals a car, particularly a person too young to even have a driver's licence, it is just one of those things that kids do. Let us not get too excited about it. Let us

just carry on. Then there are others who view it much more seriously.

• (1810)

What I would like to do in the few minutes I have available is talk briefly about the attitude that leads up to this. For many years I have been involved in teaching children. As many members know, I was involved for many years as part of a children's camp. Part of our program was to teach them morals and how to behave properly. I also taught for many years in our church in what is called family Bible hour. We tried to relate life decisions to some broader principles.

One of the things I emphasized over and over and in which I strongly believe is that there is not a single person who at any age suddenly one day goes out and commits a serious crime. I am of the conviction that is first practised in one's mind. What one thinks about one becomes. It has been my observation and my experience. I will not give any details but I will shock and surprise members by indicating that I am not perfect.

An hon. member: You're kidding.

Mr. Ken Epp: No, I am not. I have done some things which at my age now I regret.

Mr. Jim Abbott: Next you will be saying there is no Santa Claus.

Mr. Ken Epp: The jury is still out on that.

I have done some things that I now regret, thankfully not many and thankfully not any that are very serious, but I still regret them. In each instance when I look back at my own experience and look at some of the things other young people did both in my generation and in the generation I have observed as I have grown older, I believe they practised first in their mind what they finally then put their hands and their feet to.

I look at this as a much broader picture. I believe we need to make sure young people growing up and young children like my grandchildren who range from age six on down learn to think correctly when making decisions. When I think of young people taking a vehicle, there is something behind that which disturbs me because in the home I grew up in my parents would not have tolerated that.

I will tell members about one of the things I regret. This was a minor prank that young people do. Back in the days when I was young it was not as difficult to steal a car as it is now. The electronics were different and I was sharp in those areas. We used to move my uncle's car. He would park it in one place and we would move it maybe just to the other side of the building. When he came out we would laugh at him because he was thinking he had forgotten where he had left his car. He would then go looking for it and eventually find it. That was about as serious as it got.

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We need to treat with great seriousness the problem of a young person being willing to steal a car, drive it away wilfully and to not have any intention of bringing it back. If somebody happens to notice that he or she should not be driving this car, the police give chase. They then become ready to enter into the excitement of a high speed chase without the experience of knowing how to handle a car. By doing so, they put other people's lives at risk and risk damaging the car. This is very serious.

I highly commend my colleague for bringing this forward. I really wish members would support it because it is indeed a worthy bill.

• (1815)

[*Translation*]

The Deputy Speaker: It being 6.15 p.m., the time provided for debate has expired.

Pursuant to the order made earlier today, the motion is deemed to have been put and a recorded division deemed demanded and deferred until Tuesday, March 23, 1999, at the end of the time provided for Private Members' Business.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VETERANS AFFAIRS

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the Liberal government's treatment of many Canadian veterans is simply appalling.

On November 24, 1998 in the House of Commons I asked the Minister of Veterans Affairs to finally commit to a just settlement with Canada's merchant marine. I had hoped he would make some commitment to act. I had expected that he might indicate a willingness to do something. Instead the response of the minister was simply that he would listen.

It is not the time to listen. It is the time to act and to make a commitment to these Canadians deprived of justice by this government. I have become thoroughly appalled at the Liberal government's handling of this matter and of the matter of Canadian veterans who were prisoners of war at the Buchenwald concentration camp.

These brave Canadians played a central role in Canada's war effort. Many lost their lives and their health for our country. Families suffered. Communities suffered. As a result our country

was poorer for the loss of so many merchant mariners, yet so much richer for the role they played in bringing victory to all of us.

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

It is simply a disgrace that this government has betrayed Canada's merchant mariners by refusing to compensate them for the discrimination the merchant mariners faced upon their return home from serving Canada's war effort.

This issue is to be raised tomorrow at the House of Commons veterans affairs committee on which I sit. It is disgraceful that this government has abjectly refused to negotiate a settlement with these Canadians. While I am glad that the committee may make some headway where the government has failed, it is unacceptable that this government has repeatedly rejected calls for negotiation on compensation.

Assuming that the committee comes forth with a recommendation, I worry that this government will then take its time to respond and make an announcement.

How many more honourable Canadian merchant mariners must die before this Liberal government does the right thing and provides just compensation? How many? It has been estimated that merchant mariners are dying at the rate of about 12 per month. From where my New Democratic colleagues and I sit, one more death before proper compensation is provided is far too much.

Finally, I would like to take this opportunity to encourage the government to move to improve the health care package available to all veterans, especially those whose advanced years make them particularly vulnerable.

As I conclude, I am pleased to take a moment to pay tribute to Gordon Olmstead, a man who fought for his country and then continued to fight for what was right for the merchant mariners. The efforts of Gordon Olmstead and others like him helped bring about Bill C-61 and helped restore for the merchant mariners their rightful place in history.

Canada's veterans deserve nothing but the best.

Mr. Bob Wood (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, I would like to encourage the hon. member for Halifax West, if he gets a chance, to take a more in-depth look at this issue. As he stated just a few moments ago, he is going to get that chance tomorrow at committee starting at 9 a.m.

For example, contrary to some reports, merchant navy veterans were eligible throughout the war for disability pensions for injuries sustained as a consequence of enemy action. At the end of the second world war, merchant navy veterans qualified for most of the post-war benefits provided to armed forces veterans.

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What they did not qualify for as a rule were the re-establishment benefits and there was a good reason for that. The reason lay with the fact that the government intended to keep the merchant marine operational. Canada needed experienced mariners and offering incentives to quit the merchant marine was hardly the way to do that.

By 1948 and 1949 it was clear that Canada could not sustain its merchant fleet and layoffs began. Unemployment insurance benefits were available and other benefits were awarded as a consequence of those layoffs, including access to vocational training.

I will add that armed forces veterans did not qualify for unemployment insurance when they were demobilized at the end of the war.

• (1820)

I remind all members of the House that Bill C-61, which deals with issues identified by merchant navy veterans including the transfer of current merchant navy veterans clauses to the main veterans act, received third reading and is now before the Senate.

I also take this opportunity to remind the hon. member for Halifax West that the Standing Committee on National Defence and Veterans Affairs has agreed, as he stated, to consider the question of compensation for past differences in the treatment of merchant navy veterans under the veterans benefit legislation.

The committee will begin its study on the issue tomorrow and I look forward to seeing the hon. member there.

TOBACCO

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I appreciate the opportunity to explore further the government's strategy, if it has any, on dealing with smoking among young people. I have raised this matter on numerous occasions. My question on November 18 about Bill S-13 afforded me another opportunity to try to discover if the government had any kind of comprehensive strategy.

Are we dealing with words, rhetoric and old promises? Is there actually a serious plan in place to reduce smoking among young people and to deal with a very serious health problem that costs all of us an enormous amount of money and loss of health?

Bill S-13 offered the government a very constructive proposal, an opportunity to put a levy on the industry per carton in order to ensure money was available to be directed entirely into anti-smoking initiatives and into preventing young people from smoking in the first place.

At that time the government used procedural wrangling to argue that the bill should not be before the House. It succeeded. It also

promised at that time that it would take the issue further and come back to the House with alternatives for putting in place something comparable to Bill S-13 which adhered to the principles of the proposal by Senator Kenny.

There has been nothing, not a word. There is no sign that a process is in place. We do not know if the Liberal caucus has even met on it as was promised and we are waiting anxiously to see what will happen. In the meantime there is a growing litany of broken promises on the part of the government. It keeps promising that money will be spent. It did so in the 1993 election and in the 1997 election. There was a promise for \$100 million to be spent on prevention of smoking among young people.

To date, we still believe that about \$200,000 has been spent. There is more rhetoric in the budget but no evidence of anything happening. We also know that on other fronts the government had opportunities to act and failed to do so.

As I mentioned before, with respect to tobacco taxes we know that American tobacco prices have skyrocketed as a result of the November 1998 settlement between the United States government and tobacco companies. Cigarettes now cost as much as \$15 more in American states bordering Ontario and Quebec. This means that the smuggling threat the government always talks about, which caused the reduction in tobacco taxes, has been virtually eliminated.

The budget offered the government an opportunity to act. It failed to do so. The government also made a great fanfare about Bill C-42 and about how it was working on eliminating tobacco sponsorships. It was supposed to have included a grandfathering effect, with tobacco companies forbidden to initiate new sponsorships.

Lo and behold, just a few days ago, du Maurier put out a press release bragging about 234 arts groups receiving funding for the coming year and many of them being first time recipients. That is contrary to the spirit of Bill C-42.

Whether we are talking about taxation policy, whether we are talking about education programs or whether we are talking about restrictions on advertising, the government has failed to act. It has provided nothing but rhetoric and disjointed ad hoc suggestions without a comprehensive strategy.

What is desperately needed today for the future of our kids and for the sake of our health care system is a comprehensive, concrete plan of action.

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the member for Winnipeg North Centre raises a very important issue. We agree that there has to be a comprehensive global strategy.

Adjournment Debate

• (1825)

[*Translation*]

That is why we have put in place a comprehensive four pronged strategy that includes the legislative and regulatory aspect, enforcement, research and public awareness, to protect our children's health.

We have adopted some of the toughest tobacco control measures in the world, particularly with regard to restricting access to tobacco products for young people. Canada is a world leader in the regulation of tobacco products, with new proposals dealing with labelling, prevention and reporting.

[*English*]

We are working with provincial governments to increase compliance with the law eliminating cigarette sales to Canadians under 18 years of age. We are increasing our research efforts including monitoring and surveillance activities.

Most important, we have allocated \$100 million to tobacco control over the next five years. This will enable us to encourage and support Canadians, particularly young people, in their efforts not to smoke. This will include a media campaign using ideas that will work in the Canadian context to counterbalance the steady flow of images that make smoking seem natural and desirable when it is anything but.

[*Translation*]

We are looking at all the tools available to us to discourage people from starting to smoke and to encourage those who do smoke to quit.

[*English*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.26 p.m.)

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