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OFFICIAL REPORT
(HANSARD)

Thursday, December 16, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, December 16, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (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 three petitions.

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CANADIAN TOURISM COMMISSION

Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, the Canadian Tourism Commission's annual report for 1998-99 entitled "Transition".

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NATIONAL SECURITY

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I rise today to present to parliament the solicitor general's annual statement on national security.

Public safety is the mission of my ministry and it has been a priority of the government since we took office. The Prime Minister has said that safe streets are one of the things that define the health of a nation.

In the Speech from the Throne the government said it would continue to work to fight criminal activity which is becoming more global in scope, including money laundering, terrorism and the smuggling of people, drugs and guns.

Today I will focus on the government's response to the report of the Special Senate Committee on Security and Intelligence. The special committee, chaired by Senator Kelly, conducted a review of our security and intelligence sector and released its final report earlier this year. We studied the report and recommendations and prepared a response which I will be tabling today.

I was pleased to see the strong support of the government's progress on security and intelligence matters, but the committee quite rightly pointed out that Canada like other democracies needs to stay alert to emerging threats and to take appropriate action.

• (1010)

Our security is something that we cannot take for granted. It depends on a strong security intelligence capability, law enforcement readiness and international co-operation. Our national law and security agencies have effective mechanisms in place to meet their intelligence requirements.

On the international front Canada has been working hard with like-minded nations with the leadership of the Prime Minister and the Minister of Foreign Affairs in a co-operative effort to share intelligence and deny terrorists the support and sanctuary they need for their operations.

The committee noted the close co-operation between Canada and the U.S. to ensure our special border relationship remains up to the task of detecting terrorists and organized criminals who move between our countries.

The cross-border crime forum has helped both countries improve security and law enforcement along our borders. For example, I announced last April an extra \$15 million a year to post 100 more RCMP officers at three of our largest international airports. While Canada has been relatively free from terrorists attacks, in today's world we must be watchful and prepared.

The committee also praised the government's work on the national counterterrorism plan developed in co-operation with other jurisdictions. It is the key crisis management plan for responding to terrorist incidents, setting lines of communication and policy direction to guide first responders, senior government officials and ministers.

The committee was pleased with steps taken to develop the operational readiness program but noted the requirement to do

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more in this area. We are looking at strengthening the program to ensure a national level of readiness. Through workshops, seminars and exercises to strengthen our counterterrorism response capacity, these activities aim to raise awareness and interagency co-operation on the threat of terrorists or criminal use of nuclear, biological or chemical weapons in Canada.

The threat of such use is considered low, but all jurisdictions in Canada should still have a capacity to respond to the consequences of the uses of these weapons. That is why the government will lead consultations with other jurisdictions on a national strategy to strengthen Canada's capacity to respond to potential terrorist incidents.

Emerging technologies also present challenges to our efforts to ensure public safety and security. New technologies such as wireless telephones, Internet and cryptography are being used in both traditional and new types of criminal and terrorist activities. The government is dealing with this issue. Protecting Canada's critical infrastructure is a vital issue, and we are addressing it.

The government is committed to working to develop the best possible options to ensure public safety and security, but in addition to being safe Canadians need to feel that their security agencies are working well.

Canada has arguably the best and most effective review and accountability framework in the world in the security intelligence sector. The Security Intelligence Review Committee, an arm's length review body, issues an annual report on CSIS operations that is tabled in parliament. The inspector general of CSIS provides an additional level of security and ministers are directly responsible to parliament.

• (1015)

The committee noted that the public and parliamentary awareness of the activities of our security intelligence agencies is essential in a democracy.

SIRC's annual reports, this annual statement and the committee reports from the other place demonstrate important efforts to raise the knowledge and close involvement of parliament in the review of the security intelligence sector.

As we enter the new millennium, Canadians need to know that their government is protecting them and their national interests. I am pleased to note that the special committee recognized the significant progress made to improve our counterterrorism readiness and threat assessment capability. The chair and members of the committee should be congratulated on their hard work and on a report that highlights a number of important national security issues.

In closing, our security intelligence and police forces face many new challenges as we enter the new millennium. CSIS, the RCMP and other federal agencies are working around the clock to preserve

public safety. I can assure the House that the government will continue to support them.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, as the solicitor general critic for Her Majesty's Official Opposition I find it very interesting to listen to the solicitor general's report to the House.

He reported on December 3, 1998. At that time I said that criminals involved in organized crime have successfully landed in Canada without any opposition due to our lax immigration policy and inadequate screening. Organized crime with foreign origins poses a serious threat in many metropolitan areas of Canada, particularly on the west coast.

The danger imposed by modern day organized crime is a serious and destructive force. It imperils the security of our citizens and our nation. This threat attacks us on our streets, in our businesses and in our schoolyards. Organized crime is a threat to our economic sovereignty because the cost of organized crime in our society is astronomical.

The counterattack will require additional resources, legislation and co-operation provincially, federally and internationally. Canada cannot afford the continuing lip service the government is providing to the problem. We need resources. We need action. We need it now. Canadians will feel safe and confident only when these resources are committed to this attack. Crime is organized. So should government efforts be.

Those were my words exactly a year ago. Unfortunately the words of the solicitor general today belie what has happened in the intervening period of time. We have discovered in the intervening year that in the early 1990s there was a compromise of CAIPS, the computer system in our Hong Kong office. This led to very free access to organized crime to be able to move its people into our society.

There was an RCMP review of the compromise of the CAIPS system which led to the Sidewinder project, a joint project of CSIS and the RCMP. That project was making strong headway during the mid-1990s, right up to the point when CSIS decided not only to shut it down but to shred every piece of information that was in the project.

Corporal Robert Read, whom I brought to the attention of the solicitor general repeatedly in the House, did a review of the review of the project and arrived at some very bad conclusions. We also understand that in 1996 CSIS lost a disk of very highly classified information in a phone booth. SIRC did the review the solicitor general has referred to in the House but interestingly the person who found the disk was never interviewed by SIRC.

This year there was a loss of a briefcase by one of the operatives of CSIS. The CSIS director informed the solicitor general but the solicitor general, in his questionable wisdom, did not inform SIRC that would be responsible for reviewing the entire disastrous affair.

• (1020)

On the legislative front I quote the minister on December 3, 1998 when he said “Early in the new year, 1999, the government will introduce legislation to curb money laundering”.

It did not happen early in 1999. In fact it happened in May 1999, but due to the agenda of the government that legislation ended up dying on the order paper. This vital legislation that was supposed to have been introduced, according to the words of the solicitor general, in early 1999 was finally reintroduced for passage by the House on December 15. December 15, I remind the solicitor general, is not early 1999.

He tells us he is spending \$15 million to put 100 officers at international airports. That is terrific except that the province of British Columbia alone has a shortage of 500 members at this point. His \$15 million for 100 officers at airports is very shallow.

We have traditions in the House. For example, a meaningful tradition is when the mace is brought into the House by the Sergeant-at-Arms, followed by the Speaker. This is to say that the people of Canada have given authority to the House to do something. That is a meaningful tradition. What I am talking about now is a meaningless tradition. The meaningless tradition of this and previous Liberal solicitor generals with statements that are vacuous, meaningless mumblings simply form part of the tradition. Those are my comments.

[*Translation*]

Mrs. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, I believe I am entitled to say today that, with the exception of the Department of Intergovernmental Affairs, the department that is the most topsy-turvy, the one that is in the most turmoil and surrounded with the most controversy, the most disliked, is the Department of the Solicitor General.

Reporting to the solicitor general, in addition to the department itself, are the RCMP, Correctional Services Canada, the National Parole Board, CSIS, the Office of the Correctional Investigator, the RCMP External Review Committee and the RCMP Public Complaints Commission. Out of all these, is there any one that is operating properly? One wonders.

What, for example, is going on with our secret agents? How can our secret agents be losing documents by having their cars broken into or by leaving them in phone booths?

How could students end up being pepper sprayed during Suharto's visit to Canada? How can prisoners find it so easy to escape? How can there still be drug dealing inside our prisons? What about the mess within the National Parole Board, whose board members themselves, duly appointed by this government, are telling us that a major cleanup is needed?

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How is it that the auditor general, in his most recent report of November 1999, is still obliged to call the RCMP Public Complaints Commission to task, as well as the Office of the Correctional Investigator. He comments, moreover:

—both inmates and Correctional Service staff still misunderstand the role of the Office.

With a budget of \$1.8 million, one might have expected inmates and staff to at least know what this office does on their behalf. It seems to me that things are far from clear. This leads me to conclude that the government is not all that clear in its supposed search for clarity. Hon. members will realize what I am getting at.

Let me give an example of a clause that illustrates my point. I will read the whole thing and it will not be over until I say end of sentence.

• (1025)

I begin:

2. (1) Where the government of a province, following a referendum relating to the secession of the province from Canada, seeks to enter into negotiations on the terms of which that province might cease to be part of Canada, the House of Commons shall, except where it has determined pursuant to section 1 that a referendum question is not clear, consider and, by resolution, set out its determination on whether, in the circumstances, there has been a clear expression of a will by a clear majority of the population of that province that the province cease to be part of Canada.

All of this is a single sentence.

Members will have noticed that in that one sentence, the word clear or its derivatives is used four times. I say or its derivatives, because the term *déclaré* in French is a derivative of the word *clair*, in my opinion.

I consulted a French etymological dictionary to find out if this was indeed the case. I found the dictionary of Jacqueline Picoche here, in the Library of Parliament. Ms. Picoche is a grammar research associate and has a doctorate in literature.

If we look at the word *clair*, we see that it has two origins, a Greek one and a Latin one. Which is most appropriate in the present case? That is the question, but I am inclined to say the Latin one. However, I would rather rely on Ms. Picoche who tells us that in Greek, the origin is *kalein*—and now I need my glasses—the derivative is *parakalein*: to call for help, hence the word *paraklêtos* which means lawyer, protector, comforter, intercessor. There is also another derivative, *eckklêsia*, assembly by convocation, then congregation of the faithful and the place where that assembly meets, hence the adjective *eckklêsiaistikos*.

The Latin root is *calare*, to proclaim, convoke, from which is derived *intercalare*, to proclaim an additional day or month to compensate for the discrepancies in the ancient Roman calendar.

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The verb *calare* must have had a variation, *calere*, from which is derived *calendæ*, first day of the month, and in turn *calendarium*, agenda. And, in low Latin, *calendar* must have been a feminine, plural, verbal adjective in noun form; its root *cal* appearing as *cil* when combined with other roots, producing *concilium* derived from *concalium*, convocation or assembly, from which is formed *conciliabulum*, meeting place, and the verbs *conciliare* and *reconciliare*, to gather and to reconcile.

The verb *calare* is combined with the archaic agent word *calator*, which appears in classical Latin as the second element, in a diminutive form, in *nomenclator*, a slave whose job it was to remind his Roman master of the names of his clients at meetings.

I also have other derivatives, such as *clamare*, to shout, from which is derived *clamor*, as well as *clamoris*, shouting.

Mr. Speaker, you are signalling that I have only one minute left. But I cannot explain all this all this in one minute; it is not possible.

I would also like to mention verbs like *dêclamare*, to speak aloud; *exclamare*, to exclaim; *proclamare*, to plead loudly; *reclamare*, to cry out in indignation. Then there is *clarus*, clear or illustrious, an adjective that must have been used originally to describe the voice or sounds and have meant suited to call.

There are also families of words such as the *clarus* family, which also includes the word *clarine*, a bell for livestock.

I will close with *clarifier*, or *clarify*, which means to make clear. I hope I have been clear enough myself and that, from now on, in the House things will be unassailably clear.

• (1030)

Mr. Michel Bellehumeur: Mr. Speaker, I am quite sure that the House was pretty amazed by the speech made by my hon. colleague. I am also convinced that the House will give its unanimous consent to letting my hon. colleague have at least 15 minutes to complete her speech, which, in my opinion, was very enlightening for the House.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[English]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I would ask to share my time with my Bloc colleague. We have been talking a lot about clarity in the last number of days. One thing is very clear and that is this is probably the most poorly written and vacuous report we have ever received from the solicitor general's department. We do know one thing—

[Translation]

The Deputy Speaker: Order, please. The Chair is having great difficulty hearing what the hon. member for Pictou—Antigonish—Guysborough has to say.

[English]

I hope hon. members can contain themselves. I know everyone will want to hear his remarks.

Mr. Peter MacKay: Mr. Speaker, one thing is very clear. There is an astronomical void in the solicitor general's department and it begins at the top.

This document indicates quite clearly that the department is on complete auto pilot. We see meaningless comments littered throughout this document with respect to the priorities of the government and the department.

We know that cost cutting is the actual priority of the department. Although we hear time and time again about public safety being the number one priority, it has become clear that it does not even appear to rank in the top 10 when we look at this document and what is being done by the department.

There is a place in society for private security, but private security should certainly not be replacing our police forces. This seems to be a direction in which the department is headed.

The tabling of responses often comes after the fact, as we have seen in the case of leaked information in 1996 when a CSIS agent left sensitive CSIS documents on a disk in a phone booth. Almost two years later a report was filed. This report is even less relevant than the report filed on that lost information.

On the more recent leak that occurred at a hockey game in Toronto, I would think the solicitor general would be prepared to stand in his place to say "The puck stops here. I am head of this department. I will get to the bottom of this".

We know that it took almost a month before there was any action by the department. There was no action whatsoever against the director of CSIS who was complicit with the solicitor general in keeping this information from SIRC, the watchdog that is supposed to oversee the actions of CSIS.

That information came to the attention of the head of SIRC through no other source than the *Globe and Mail*, which belays again the fact that quite clearly these very interconnected and supposedly co-operative departments are not co-operating at all. In fact they are operating in little fiefdoms separate from one another in an effort perhaps to try to compete for scarce resources. Perhaps they simply do not communicate because they are not getting any direction from the head of the department.

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The solicitor general was armed with the information of the leak and chose not to pass that on to the head of SIRC. We know that he did not even pass it on to the Prime Minister although the Prime Minister was overseas and making comments about this not being a serious matter, that he was not too concerned about it, and that it was something that should not preoccupy Canadians. Yet he did not even have the information from the solicitor general.

It is an absolutely shocking revelation that this is going on at a time when we know that our borders and our coastlines are being inundated with the entrance of illegal immigrants and that organized crime is on the rise in this country.

I spoke to a member of the RCMP from Montreal very recently who was involved in internal operations. He told me that there has been a doubling of clubhouses of Hell's Angels in and around the city of Montreal in the past six months. We know that on both coasts the same is happening. The Russian Mafia, the Asian Mafia and our age old motorcycle gangs are all on the rise. All this is going on and the solicitor general persists in contemplating cuts to detachments.

• (1035)

We know that for a period of time on his watch our national training facility in Saskatchewan was closed. Very recently we had the rights of RCMP advertising turned backed over from the Disney corporation. The government is running this most serious and necessary department like a Mickey Mouse operation, so it is very ironic that Disney held the rights to the department.

What does the solicitor general do today? He comes before the House and tables a report that is littered with meaningless platitudes. A grade nine student could have come up with a better document to set out the current situation within our national security.

The solicitor general took great licence with the word "immediately" when he spoke of the theft of the documents from a car outside a hockey rink in Toronto. He told the House that he had informed the director of his department immediately. Weeks had gone by before the matter was even brought before the House, and it was not brought about because the solicitor general took any action whatsoever. Why were CSIS and SIRC not brought to task over their handling of this? Serious communication breakdowns occurred.

We know the RCMP and CSIS do not communicate well already. Obviously the solicitor general does not communicate well with his own department or with the prime minister. We saw the worst breach of national security in 15 years. Obviously our partners outside our borders, MI5, the CIA, the FBI and other national security agencies, are looking at Canada right now with a very jaded view as a result of the way we have handled matters in the last six months.

When will we get some accountability and some responsibility from this department and particularly this minister? It is obvious that the shortcomings of CSIS senior managers were seen directly without the discovery of the mishaps. Yet the CSIS director has had no accounting and has never appeared before a parliamentary committee with any substance. In fact when he does come, he folds his arms and says "Gee, I would like to tell you more but I would have to kill you". This is the attitude and the type of response we get from the director of national security to members of the House who are elected to serve the people of Canada.

The former CSIS chief of strategic planning criticized the way the matter was being handled by the government. This department and this office are on complete auto pilot. This latest fiasco is an international embarrassment. There is no mention whatsoever in this document, not even an acknowledgement, that there are problems within the department. This document completely betrays the fact that this department is out of control.

CSIS and the RCMP in particular have had their budgets cut to ribbons by the government. Agents and officers are working overtime and working with extremely large workloads. The *National Post* reported that this was the fourth time in the last four years that CSIS and the RCMP had lost documents as a result of who knows what.

Canadians are worried about personal and national security. They should get little solace or little comfort from the document tabled today by the solicitor general and his hollow, meaningless comments in this regard.

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, I am pleased to follow the comments of my hon. colleague from Pictou—Antigonish—Guysborough, who I think stated the case quite eloquently as to the problems with this report.

I taught in a university for a little while. When students did not have a whole lot to say, there were a few tricks they would use. They would take their paper and double space it, increase the size of the font and pass it in, thinking that maybe they could trick the teacher into thinking there was something of substance there.

I think the solicitor general has learned the same trick, because what we have presented to us today is a seven page statement on national security that for the most part is full of rhetoric. If we want to contrast the progress of the government we should contrast it with the statement from last year.

• (1040)

Let me talk about some of the things the solicitor general said in his statement last year. He talked about how one shipment of heroin landed successfully in Canada could lead to numerous deaths and human suffering in cities like Vancouver. My colleague from Burnaby—Douglas is here.

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What action have we seen taken to stop the importation of drugs into cities like Vancouver? Absolutely nothing. It has come to the point where my colleague who represents Vancouver East has had to stand in the House to talk about the way the drug trade in heroin is wide open like an old fashioned farmers market in the city of Vancouver. Although the government recognized the problem a year ago, not a single thing has been done.

Let us look at what else was in the report from last year. Last year the solicitor general talked about creating a seamless net against organized crime. The seamless net has some pretty big holes in it, because this year we know of recent arrests and that a major organized crime ring dealing in bank and credit card fraud has been exposed.

How are Canadians expected to feel secure when the ports on both coasts and the border along the United States are not safe from organized crime? We know this is happening because even with its limited resources the RCMP has exposed rings that are using debit cards in fraud and are importing drugs into cities like Vancouver and Halifax. My colleague from Pictou—Antigonish—Guysborough has mentioned the motorcycle gangs that have increased in cities like Montreal.

When it comes to personal safety Canadians have every right to be concerned. When it comes to combating organized crime the people who live along our borders and coasts have every right to ask the government what measures it has taken to protect them. In reality, the measures taken have been to cut and gut the RCMP.

My colleagues from Kamloops, Regina and Burnaby have had to stand in the House to pressure and plead with the solicitor general to ensure that programs in Regina like the training centre for the RCMP not be shut down. My colleagues from Burnaby and Kamloops have had to stand in the House to plead for additional funding so their communities could have some RCMP presence where there are perhaps one or two for thousands of citizens.

This is what the government calls a statement on national security. National security is in real trouble. I made the point two years ago that the disbandment of the ports police would lead to an infestation of drugs on either side of the country through the ports. Cutting the RCMP, disbanding the ports police, and leaving it to our customs officers who have also been gutted in the government's race to build a surplus to try to deal with a sophisticated and powerful international network of organized crime just does not cut it. It does not cut it for the Canadians who live in Montreal, Halifax, Vancouver, Burnaby, Windsor, or anywhere along the border with the United States where we know that organized crime is winning the war.

I suppose I thank the solicitor general for tabling his report. However, as I said, sometimes I would get such papers when I was teaching in university and unfortunately with the double spacing,

the large font and because it does not say much, it would get a failing grade. At this point I think that is what Canadian citizens would have to give the government.

* * *

[Translation]

INTERPARLIAMENTARY DELEGATIONS

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, two reports of the Canadian delegation to the Canada-Europe Parliamentary Association.

• (1045)

The first report relates to the second parliamentary conference of the Organization for Security and Co-operation in Europe, or OSCE, on "Sub-regional Economic Cooperation Processes in Europe Faced with the New Challenges", that was held from October 13 to 15, 1999 in Nantes, France.

[English]

The second report relates to the attendance of the Canadian delegation at the expanded bureau meeting of the summit of the Organization for Security and Co-operation in Europe. It was a parliamentary assembly meeting in Istanbul, Turkey, from November 17 to November 19, 1999.

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the third report of the Canadian-NATO Parliamentary Association which represented Canada at the 45th annual session of the NATO Parliamentary Assembly held in Amsterdam, the Netherlands from November 11 to November 15, 1999.

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian Group of the Interparliamentary Union.

[Translation]

The group represented Canada at the 102nd Interparliamentary Conference held from October 10 to 16, 1999, in Berlin, Germany.

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the 29th annual meeting of the Canadian group of the Canada-France Interparliamentary Association held from September 8 to September 15, 1999 in Montreal, Laval, Ottawa, Vancouver and Victoria.

[English]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Foreign Affairs and International Trade entitled “Exporting in the Canadian Interest: Reviewing the Export Development Act”. Pursuant to Standing Order 109 the committee requests that the government table a comprehensive response to the report.

This is an important and particularly significant report. I am sure you would agree with me, Mr. Speaker, that it is important the second report of the Standing Committee on Foreign Affairs and International Trade be presented on what will either be the ultimate or penultimate day of this sitting of the House of Commons in this century.

It is understandable that members of the House would receive this report with the understanding that it is the work of perhaps the most active committee with the best committee members in the House.

The Deputy Speaker: We will not go on at length on that subject, but I am sure the hon. member is doing the right thing.

LIBRARY OF PARLIAMENT

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Joint Committee on the Library of Parliament establishing the mandate of the committee, its quorum and its entitlement to sit during sittings of the Senate. If the House gives its consent, I intend to move concurrence in the report later today.

FISHERIES AND OCEANS

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Fisheries and Oceans.

Pursuant to Standing Order 108(2), your committee has completed its study of the implications of the September 17 supreme court decision in *R. v. Marshall* on the management of fisheries in the Atlantic region and tables its report. Notwithstanding Standing Order 109, the committee requests that the government table a comprehensive response thereto within 45 days.

I particularly thank committee members and the staff of the committee for their very hard work. They worked late hours trying to get this committee report completed in time. That includes

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Publication Services; Alan Nixon, the researcher; Bill Farrell, the clerk; France Lewis, the clerk’s administrative assistant; Nathalie Labelle, the administrative officer; and Michael O’Neill.

• (1050)

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, just for clarification, is there opportunity for the official opposition to make comment on the tabling of the fisheries report?

The Deputy Speaker: Is there a minority report from the official opposition appended to the report?

Mr. John Duncan: Yes, there is.

The Deputy Speaker: I recognize the hon. member on a brief comment.

Mr. John Duncan: Mr. Speaker, I just want to take a minute of the time of the House to mention that the committee report is a very good one, but we have also appended a very good minority report.

It is important to point out that the government cannot abandon its responsibility, not only to the ramifications of the Marshall decision but to existing traditional fishermen involved in the Atlantic fishery, the maritime fishery.

We have emphasized some points in our minority report such as the importance of proportionality in terms of how much licensing is turned into aboriginal licensing within the all Canadian commercial fishery. Conservation is obviously important so we want one set of rules for one commercial fishery. We would like to see many of the rules, for example those on the food fishery, tightened up to simplify enforcement.

[Translation]

The Deputy Speaker: Is the hon. member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok rising on the same point?

Mr. Yvan Bernier: Yes, Mr. Speaker.

The Deputy Speaker: According to the standing orders, a member of the official opposition may present a minority report to the House with a brief explanation.

Is there unanimous consent for the hon. member to speak?

Some hon. members: Agreed.

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I want to point out that the Bloc Québécois is tabling a supplementary opinion to the one the standing committee on fisheries tabled this morning.

What I wish to remind the House, which I thank for the unanimous consent, is that from this moment on, the government must specify with which aboriginal people there are negotiations

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under way. An exhaustive list of the bands involved in negotiations must be published.

Second, in order to prove the government's good faith, provisional agreements must be negotiated and in place by the spring of 2000.

The point I would like to add before concluding is that the keystone of the Marshall decision is the notion of moderate livelihood. The report does not go far enough in this regard.

I ask that the department responsible for aboriginal affairs determine who is going to co-ordinate the examination of the concept of moderate livelihood. I would like to know what the parameters will be, and the timetable for this.

As a matter of parliamentary privilege, next time around, I would appreciate it if more budget were allocated to the Standing Committee on Fisheries so that a translator can also be assigned to us when the committee travels. Extra effort was required of Bloc members to work in both languages on a very specialized subject, because the vocabularies differ greatly from one language to the other.

* * *

[English]

CRIMINAL CODE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.) moved for leave to introduce Bill C-409, an act to provide for the expiry of gun control legislation that is not proven effective within five years of coming into force.

He said: Mr. Speaker, today I am reintroducing this bill for the third time since I have become a member of parliament. I would like to thank the member for Lakeland for seconding my firearms law sunset act. I would also like to thank Canadians from coast to coast, right across Canada, who have supported this bill.

For the last 20 years government has established an unimpressive track record of passing costly, ineffective gun control laws. When its ineffective laws do not reduce the criminal use of firearms, it passes more ineffective gun control laws.

• (1055)

The firearms law sunset act which I am introducing today guarantees that scarce tax dollars will only be spent on gun control measures that actually work. My sunset law would require the automatic repeal of any gun control measure after five years from the date of implementation, unless it can pass the public safety test administered by the Auditor General of Canada which proves the measure is cost effective in achieving its stated objective.

I believe all laws that we pass in the House must be cost effective at achieving this goal. Sunset provisions are the only way of guaranteeing this.

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

* * *

CANADA WATER EXPORT PROHIBITION ACT

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.) moved for leave to introduce Bill C-410, an act to prohibit the export of water from Canada by pipeline, railway tank car, tank truck, tanker or interbasin transfers.

He said: Mr. Speaker, this bill was introduced during the last session but died on the order paper due to the prorogation of parliament. I am reintroducing it today.

The bill provides a prohibition on exports of water from Canada by pipeline, railway tank car, tank truck, tanker or interbasin transfers.

[Translation]

Under this bill, water means surface or groundwater, but does not include water packaged as a beverage.

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

[English]

Ms. Marlene Catterall: Mr. Speaker, if the House gives its consent, I would move that the first report of the Standing Joint Committee on the Library of Parliament, presented to the House earlier this day, be concurred in.

The Deputy Speaker: Does the hon. deputy government whip have unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

Some hon. members: No.

Ms. Marlene Catterall: Mr. Speaker, I move that the first report of the Joint Committee on the Scrutiny of Regulations establishing quorum and the committee's mandate be concurred in without debate.

The Deputy Speaker: Does the hon. deputy government whip have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Mauril Bélanger: Mr. Speaker, I ask for the unanimous consent of the House to adopt without debate the second report of the Standing Joint Committee of the Senate and the House of Commons on Official Languages. This report, which was tabled in the House yesterday, urges the Government of Ontario to declare Canada's capital city officially bilingual.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Yvan Loubier: Mr. Speaker, I rise on a point of order.

If I heard correctly, it is the Reform Party that refused to—

The Deputy Speaker: The Chair does not need to know who said no. The only question is to know if there is unanimous consent. Without unanimous consent, we cannot have a debate on this issue.

* * *

• (1100)

[*English*]

PETITIONS

BELGRADE

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, I have the honour to present two petitions this morning.

The first petition relates to the reopening of the embassy in Belgrade. This is causing great hardship for many Canadians and their relatives. It is important that this embassy be reopened as soon as possible. I support this petition on behalf of my petitioners.

The Deputy Speaker: The hon. member will want to set an example. He knows he cannot state his opposition to or support of a petition. I hope he will comply with the rules in that regard.

NUCLEAR WEAPONS

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, the second petition calls on the House to work for the conclusion in the year 2000 of an international convention that will set out a binding timetable for the abolition of all nuclear weapons. In that context, you, Mr. Speaker, will have noticed that our Minister of Foreign Affairs is reported in today's press as having achieved NATO's approval of this matter.

The Deputy Speaker: I want to say to hon. members that we have 15 minutes for petitions and there are many members who wish to present, so I know they will want to make their presentations succinct in accordance with the rules.

CHILD PORNOGRAPHY

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I have a number of petitions, but they are only on three subjects. The first petition contains tens of thousands of signatures with respect to the law on child pornography.

The petitioners call on the Government of Canada to invoke the notwithstanding clause to protect children and to make this a priority in British Columbia and other parts of the country. It has gone to the court of appeal in British Columbia. There is no valid law for the possession of child pornography. It is legal to use it in

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British Columbia and the residents of Canada are absolutely appalled.

The petitioners want the Government of Canada to do something about it now.

IMMIGRATION

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, my next petition is with regard to immigration. I have a number of them which adds to the thousands and thousands of signatures already.

The petitioners call on the Government of Canada to immediately change the law so that people who are not genuine refugees would be sent home without delay. We saw this last summer with boat people arriving on our shores. This problem continues every single day in our airports.

The petitioners want the Government of Canada to do something immediately.

TAXATION

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I have a number of petitions with respect to our taxes.

The petitioners are absolutely sick to death with the billions of dollars the government is collecting in taxes. They are calling for immediate tax relief.

The petitioners are absolutely demanding that the government give them immediate tax relief that they can see. They are tired of the promises that are unclear while their take home pay goes down and their taxes go up.

They are calling on the government to do something immediately.

[*Translation*]

GENETICALLY MODIFIED FOODS

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, I am pleased to present a petition signed by 5,972 people from my riding who are calling on the government to legislate on the mandatory monitoring of genetically modified organisms.

These are just some of the people who signed this petition. I would like to name them all, but others will join them since the petition is still circulating.

[*English*]

UNITED STATES ARMY SCHOOL OF THE AMERICAS

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have a petition signed by hundreds of thousands and perhaps millions of Canadians.

The petition notes that the United States Army School of the Americas in Fort Benning, Georgia has, for many years, been training military personnel from Central and South America. They note that a number of perpetrators of very serious human rights abuses, including the death of Archbishop Romero, a number of

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U.S. church women and the El Mosote massacre of 900 people, were graduates of the school, and that at least 13 of the Mexican military officers who were involved in the massacre of dozens of people in Chiapas, Mexico were trained in their tactics at the U.S. school of the Americas.

Therefore, they pray that parliament support negotiations and diplomatic measures to ensure the abolition of the U.S. Army School of the Americas and encourage improvement in the human and democratic rights of our fellow citizens of the Americas.

AUTO INDUSTRY

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am honoured to present two petitions signed by residents of Seaforth, Goderich and Grand Bend who urge the government to support the auto industry in its clean fuel program and implement new fuel standards for gasoline with zero MMT.

CRIMINAL CODE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): The third petition, signed by residents of Forest and Thedford, urges the government to defend section 43 of the criminal code and affirm the duty of parents to raise their children appropriately.

• (1105)

THE SENATE

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I have three petitions to present today.

The first petition is on behalf of the people of Medicine Hat who are calling on parliament to commit to a triple-E senate immediately and to permit the election of senators in our province of Alberta.

CHARTER OF RIGHTS AND FREEDOMS

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the second petition calls on parliament to retain the supremacy of God within the charter of rights and freedoms. It was signed by several hundred people from the riding of Medicine Hat.

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the final petition I present today contains the names of hundreds of thousands of people from across the country calling on the government to immediately cut taxes by at least 25%. The petition actually contains one million names.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition on behalf of people who support research on the bio-artificial kidney. These people point out that kidney dialysis and transplants are successful for some people, but the bio-artificial kidney offers great hope for many others.

The petitioners call on parliament to work toward and support the bio-artificial kidney which will eventually eliminate the need for dialysis or transplantation for those suffering from kidney disease.

IRAQ

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition to present on behalf of people who are concerned about the children in Iraq.

They call on parliament to strongly appeal to the United Nations, the United States and Britain to reject any further military action. They ask Canada to work toward the elimination of sanctions and the establishment of reasonable relations with Iraq.

[Translation]

CANADA POST CORPORATION ACT

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I would like to table a petition from citizens of my riding who are calling upon parliament to repeal paragraph 13(5) of the Canada Post Corporation Act.

[English]

PENSIONS

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

The first petition calls on parliament to halt the plan to appropriate public pension funds.

MARRIAGE

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, the second petition asks parliament to define in statute the definition of marriage.

TAXATION

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I have a petition from many of my own residents and others from British Columbia who call on the finance minister to reduce taxes by at least 25%. They pray that the minister will consider that in the next budget.

CHILD POVERTY

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure of presenting a petition from constituents who want to bring to the attention of the House that one in five Canadian children live in poverty. They would also like to remind parliamentarians that on November 24, 1989, the House of Commons unanimously resolved to end child poverty in Canada by the year 2000. Since 1989, the number of poor children in Canada has increased by 60%.

Therefore, the petitioners call on parliament to use federal budget 2000 to introduce a multi-year plan to improve the well-being of Canada's children.

Mr. Garry Breitkreuz: Mr. Speaker, I rise on a point of order. At the beginning you said there would be 15 minutes for petitions. I think if you seek it from all sides, you will find unanimous consent to extend the time for petitions for this morning only.

The Deputy Speaker: Is there agreement to extend the time?

Some hon. members: Agreed.

An hon. member: No.

[Translation]

RIGHTS OF CHILDREN

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I am pleased to table a petition signed by 157 students from the Quatre Vents school in Beauport, during a class of teacher Léo-Paul Thomassin, where the issue of democracy and respect for the rights of children was raised.

The petitioners are asking the House of Commons to promote the respect of children's rights, as recognized in the Convention on the Rights of the Child, which urges participating states to ensure the implementation of certain articles, including articles 27.1, 27.3, 34 and 35, and to ask the United States to ratify that convention.

[English]

TAXATION

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, I am pleased this morning to present identical petitions containing about 10,000 signatures. They call on the federal government to not impose a tax on video rentals.

• (1110)

RIGHTS OF THE UNBORN

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, it is my privilege to table two petitions on behalf of my constituents.

The first petition requests that parliament pass legislation recognizing human fetuses as persons.

THE FAMILY

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, the second petition concerns children having a need and a moral right to be loved by both parents. The petitioners are saying that no parent should lose custody of a child, that no parent should be allowed to seriously obstruct a child's relationship with another parent, and other related issues. I am proud to table both of these petitions.

CRIMINAL CODE

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I have two petitions, pursuant to Standing Order 36, containing 54 signatures.

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The petitioners call on parliament to affirm the duty and responsibility of parents to raise their children, and for the Department of Justice to vigorously defend section 43 of the Criminal Code.

OLD AGE SECURITY

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am honoured to present a petition with 300 signatures of concerned Canadians.

The petitioners draw to the attention of the House the discrimination they declare is caused by Canada's old age security system. They say that the act discriminates against seniors from certain countries.

They therefore call on parliament to grant old age security benefits to all seniors over the age of 65 years, irrespective of the country of origin.

CHARTER OF RIGHTS AND FREEDOMS

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I submit four petitions containing about 230 signatures of concerned Canadians, mostly from my riding of Surrey Central.

The petitioners call on parliament to oppose any amendments to the Canadian Charter of Rights and Freedoms or any other federal legislation that would provide for the exclusion of a reference to the supremacy of God.

IMMIGRATION

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I present 12 petitions with about 400 signatures of concerned Canadians, mostly from the riding of Surrey Central.

The petitioners feel that the illegal immigrants who arrived off the coast of Vancouver are causing undue hardship for honest, bona fide refugees.

They maintain that our immigration laws encourage international people smugglers to target Canada. They call on parliament to enact immediate changes to Canada's immigration laws governing refugees. They want to provide for the deportation of those who are obviously and flagrantly abusing the system.

The petitioners want legislation that requires refugee claimants to demonstrate through identification documentation, rather than by other means, that they are fleeing general and political prosecution, or they would face immediate deportation.

CRIMINAL CODE

Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition from the people of the Haliburton-Minden area

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calling on parliament to retain section 43 of Canada's Criminal Code as it is currently worded.

[*Translation*]

CANADA POST CORPORATION

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I am tabling a petition signed by constituents in my riding regarding mail delivery on rural routes.

We know that Canada Post rural route mail carriers work under conditions of another era, particularly when it comes to salaries and the right to collective bargaining.

This petition is calling upon parliament to repeal paragraph 13(5) of the Canada Post Corporation Act, and I support this request by constituents in my riding of Châteauguay.

[*English*]

CHILD PORNOGRAPHY

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have a petition to present to the House on behalf of the constituents of Stoney Creek.

The petitioners are against child pornography and call on the government to enact the notwithstanding clause to protect the most vulnerable members of our society from child and sexual abuse.

TAXATION

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, pursuant to Standing Order 36, I would like to add to the petitions by the member for Samia—Lambton.

The Minister of Canadian Heritage and the federal government are considering a proposal to place a 3.5% levy tax on video distribution. The petitioners ask that the government and the Minister of Canadian Heritage not enact the legislation.

NISGA'A TREATY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, it is my pleasure to present three petitions. The first petition is signed by persons mostly from the Vernon and Armstrong areas of my riding of Okanagan—Shuswap.

The petitioners ask parliament to reject the Nisga'a treaty because it may divide Canadians forever.

IMMIGRATION

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, my second petition was signed by 244 persons from my riding of Okanagan—Shuswap.

The petitioners ask parliament to change Canada's immigration laws to quickly separate genuine refugees from those trying to take advantage of our system.

TAXATION

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, my third petition is literally signed by thousands and thousands of people, mostly from Okanagan—Shuswap.

The petitioners ask for tax relief of 25% over the next three years leading the way to job creation, economic growth and reduction of poverty.

• (1115)

NUCLEAR WEAPONS

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, I have the honour to present a petition calling for the abolition of nuclear warfare which has been signed by residents of British Columbia: "We, the undersigned citizens of Canada, draw the attention of the House to the following: Whereas the continued existence"—

The Deputy Speaker: The hon. member knows that she cannot read the petition. She must give a brief summary of it. I hope that is what she will do.

Ms. Sophia Leung: These residents of British Columbia would like to send a petition to the attention of the House of Commons to abolish nuclear weapons.

The Deputy Speaker: The 15 minutes for presentation of petitions has now expired. Is there consent to continue with this for five more minutes?

Some hon. members: Agreed.

[*Translation*]

VIA RAIL

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I wish to table a petition signed by several hundred inhabitants of the riding of Drummond, who are unhappy that the members of the public concerned were not consulted with respect to Via Rail changes, and who hope that the management of Via Rail, which is a crown corporation, will never again make any decisions that are not in their best interests.

Given that Via Rail receives millions of dollars in subsidies, and given that this is taxpayers' money, taxpayers are entitled to receive the services for which they have paid. I support this petition.

[*English*]

FALUN GONG PRACTITIONERS

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have a petition that calls upon the Parliament of Canada to strongly urge the Chinese government to stop the persecution and brutal treatment of Falun Gong practitioners immediately.

Routine Proceedings

ANIMAL PROTECTION LEGISLATION

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have a petition that calls upon parliament to enact animal protection legislation.

CHILD POVERTY

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I have a petition that urges parliament to fulfill the promise in 1989 by the House of Commons to end child poverty by the year 2000.

[*Translation*]

CANADA POST CORPORATION

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I have the pleasure of tabling a petition signed by some sixty of my constituents, who are employed by the private sector delivering mail in rural regions, but who are not entitled to collective bargaining as public sector workers are.

They are asking that subsection 13(5) of the Canada Post Corporation Act be repealed.

[*English*]

CHILD PORNOGRAPHY

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I appreciate this opportunity. I have a large number of petitions.

The first group of petitions is on behalf of tens of thousands of Canadians from across Canada who urge parliament to take all necessary measures to ensure the possession of child pornography remains a serious criminal offence, and that the federal police forces be directed to give priority to enforcing this law for the protection of our children.

The existence of child pornography places children at risk of exploitation and sexual abuse. The recent court of appeal decision in B.C. is of great concern. The petitioners want the notwithstanding clause to be invoked to protect our children.

ABORTION

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the next group of petitions that I am pleased to present today are from 255 concerned Canadians who wish to draw to the attention of parliament that over 100,000 therapeutic abortions are performed each year in Canada costing over \$50 million per year.

These petitioners and all Canadians deserve to have a voice on how their health care dollars are spent and which health care procedures they consider essential. They call upon parliament to support a binding national referendum to be held at the time of the next general election to determine whether or not Canadians are in favour of government funding for abortion on demand.

CHILDREN

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am pleased to present petitions signed by 299 concerned citizens from across Canada.

They call on the government to reassure Canadian families and reaffirm written statements made by the government on June 9, 1998 that concern the convention on the rights of the child, that it undermines the role of parents, it is unwarranted and concerns that the government intends to remove section 43 are unwarranted. These citizens recognize that the family is the fundamental unit of society and the natural environment for the growth and well-being of children and it should be protected.

CHARTER OF RIGHTS AND FREEDOMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have the privilege of presenting another petition containing 203 signatures of Canadians from coast to coast who wish to add parental rights, responsibilities and liberty to the charter of rights and freedoms.

• (1120)

These petitioners call on government to amend section 7 of the Canadian Charter of Rights and Freedoms to recognize the fundamental right of individuals to pursue family life free from undue interference of the state. I will not go through this all, but—

[*Translation*]

The Deputy Speaker: I think we must move on to another member now.

CANADA POST CORPORATION

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, today I am presenting a petition signed by 83 of my constituents requesting that subsection 13(5) of the Canada Post Corporation Act be repealed.

My colleague, the member for Champlain, Post Office critic, and all other Bloc Québécois members, myself included, strongly support the petitioners' request.

[*English*]

PORNOGRAPHY

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I have thousands of signatures here from across Canada all related to the disgust that parents have with the current state of pornography in Canada. I am pleased to present these from all provinces of Canada. There are thousands of signatures.

[*Translation*]

CANADA POST CORPORATION

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I am pleased to present a petition signed by approximately 400 people asking

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that subsection 13(5) of the Canada Post Corporation Act be repealed.

These people support letter carriers in rural municipalities who are working under conditions much like those of the middle of the last century as described by Émile Zola in *Germinal*.

[English]

The Deputy Speaker: The time for presentation of petitions has expired even as extended.

[Translation]

Mr. Gilles-A. Perron: Mr. Speaker, I rise on a point of order. In presenting my petition, I made an error, and spoke of the hon. member for Champlain, when it ought to have been the hon. member for Chambly.

[English]

The Deputy Speaker: We have more people rising on petitions. Is there consent to extend the time to allow the members now rising to finish this off?

Some hon. members: Agreed.

WORLD TRADE ORGANIZATION

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to present a petition from many residents of my constituency and other citizens of Winnipeg. They are very concerned about the millennium round of World Trade Organization talks and the Liberal government's willingness to participate in a process giving foreign companies the right to deliver health care, education and transportation services.

The petitioners offer to the government recommendations for taking into account any future negotiations and talks. They include binding and enforceable rules to protect human rights, labour standards, cultural diversity and environment, a carve out of health care, education and culture, a more open and inclusive model for the WTO and an alternative model of globalization that ensures the ability of governments to act in the public interest.

CONSCIENCE RIGHTS

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, I have the opportunity to present a petition today from citizens across Canada. They are noting a long history of recognizing the rights of freedom of religion and conscience rights in our country.

They draw attention to the fact that health care workers and those seeking training for a career in the health care system have had some of those rights stripped away from them in medical facilities and educational institutes. Examples are nurses and others who have been required to assist in abortion procedures against their deeply held religious and moral convictions. The petitioners ask that parliament enact legislation against such violations of con-

science rights by administrators in medical facilities and educational facilities.

AGRICULTURE

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, I am honoured to present a petition on behalf of thousands of constituents. They are calling upon parliament to ensure that emergency compensation is immediately delivered to farmers who have not been served by AIDA and immediately launch an international campaign against foreign subsidies, to immediately provide tax relief, lower input costs, reduce user fees and address the inadequacies of the farm safety net program.

• (1125)

TAXATION

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, I have the honour to present two petitions today.

The first petition requests that parliament give Canadian taxpayers a break by instituting tax relief of at least 25% in federal taxes over the next three years.

IMMIGRATION

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, the second petition calls upon parliament to enact immediate changes to Canada's immigration laws governing refugees to allow for the deportation of obvious and blatant abuses of the system.

TAXATION

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have the honour to present a petition on behalf of 35 of my constituents requesting that parliament give Canadian taxpayers tax relief in the next federal budget. I cannot go through all of the petition, but the petitioners see that the tax burden on the average Canadian family has skyrocketed 30% and that taxes have grown from \$9.4 billion to \$20.9 billion. They have expressed concern about that.

CRIMINAL CODE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the next three petitions are mainly from people in Ontario on what has been called the spanking law, section 43 of the criminal code.

The petitioners believe that Canadians have the fundamental right as individuals to pursue family life free from undue interference by the state. They request that parliament insist to maintain the time honoured rules of common law and the criminal code and uphold the rights of parents to discipline their children by use of physical force that does not exceed reasonable limits under the circumstances.

CHARTER OF RIGHTS AND FREEDOMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the last group of petitions I have contains 203 signatures from

Canadians from coast to coast. They want to add parental rights, responsibilities and liberties to the charter of rights and freedoms. They call on government to amend section 7 of the Canadian Charter of Rights and Freedoms to recognize the fundamental right of individuals to pursue family life free from undue interference of the state. Again, I will not go through the whole petition because time does not permit me to do so.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 4, 18, 34, 38 and 42.

[Text]

Question No. 4—**Mr. Rick Borotsik:**

What programs are currently available to provide assistance to fruit growers converting their old tree stock to new varieties?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-food, Lib.): The farm improvement and Marketing Cooperatives Loans Act, FIMCLA, can provide assistance to fruit growers with the purchase and planting of fruit trees for new varieties. Conditions of the loan are summarized as follows: the maximum term is ten years; the cost of loan is either prime rate plus 1% or at a fixed rate equal to the residential mortgage rate plus 1%; loans must not exceed 80% of the value of the asset being financed; the maximum loan is \$250,000.

Fruit growers can plant now, pay later through an FCC loan.

Farm Credit Corporation, FCC, has expanded the plant now pay later loan to include all fruit and berry varieties grown for commercial production across Canada. This unique loan was originally introduced in 1996 to help vineyard expansion projects in Ontario and British Columbia. Fruit growers can use the loan to renovate or expand orchards, vineyards, berry farms or other types of production that take several years to yield a commercial crop. The loan allows clients to better manage their cash flow. It offers flexible terms and conditions to match production cycles and an amortization period that matches the life cycle of farms.

Repayment options include total payment deferral for up to three years or interest only payments for the first five years. With the deferral option, no payments are required in the first three growing seasons including the replant year. Interest that accrues during this period is capitalized at the end of the third growing season. In year four, an interest only payment is made and in year five blended payments begin with up to 20 years to repay. For example, a loan of

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\$25,000 accrues approximately \$5,000 of interest in three years. Thus at the end of three years, the loan becomes \$30,000. Payments are then based on this loan amount and may be made annually. The loan covers all planting costs including the costs of drainage, land improvement, plants, planting costs, trellising, irrigation and maintenance in the first three years.

Those eligible for the loan include producers of grapes, apples and pears, tender fruit trees, including peaches, nectarines, apricots, cherries and plums, and all berries, including raspberries, blueberries, saskatoon berries and cranberries.

The plant now pay later loan was initiated through consultation with primary producers and agricultural groups to develop an innovative lending product that addresses specific financing needs.

Question No. 18—**Mr. Eric Lowther:**

In each year since 1982: (a) how many federal laws had their validity challenged in the courts for alleged violation of the charter of rights and freedoms; (b) what were the names of each of these cases; (c) in how many such cases did the party challenging the law receive funding through the federal court challenges program, and which cases were they; (d) what was the outcome of each of these cases at all levels: trial, appeal and supreme court; (e) what was the remedy utilized by the court in cases where the federal government lost its defence of the law; and (f) in which of these cases did counsel representing Canada concede that there had been a breach of the charter?

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed as follows:

Justice Canada

Jurisprudence under the Canadian Charter of Rights and Freedoms is extensive. Federal and provincial statutes, as well as the actions of governmental actors, have been challenged before all manner of administrative tribunal and before every level of court. All the information that has been requested is contained in publicly available documents. The Department of Justice does not keep specific statistics on the number of federal laws that have been challenged in the courts for alleged violation of the Canadian Charter of Rights and Freedoms since 1982. For example, to determine the federal position in each of these cases, it would be necessary to conduct a manual search of the Department of Justice files on each particular case, at each level of court.

Additional sources of information which may be of assistance are: the Canadian Charter of Rights Decisions Digest, a digest of important Charter cases, is available on line at the following Internet site: <http://canada.justice.gc.ca/Publications/CCDL/deveng/charterdigest/ctdoc.htm>; <http://www.law.utoronto.ca/conlit/biblioq2.htm#A4.1> is another useful Internet site for research on the charter.

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Quick law QL provides two relevant databases:

CRC—charter of rights cases. Summaries of court decisions on the Canadian Charter of Rights and Freedoms from 1982 to 1992.

CJ—Canadian Judgments. Global database. Contains full text of the Supreme Court of Canada, SCC, judgments since 1985, SCJ—supreme court judgements and full text of decisions of most provincial court cases since 1986.

Consultations may also be conducted at the University of Calgary, 2500 University Drive N.W., Calgary, Alberta, T2N 1N4. The Law Library is located on the main floor, Professional Faculties Building B, telephone (403) 220-7274. Also noteworthy is the Law Society Library, Queen's Bench, located on the 7th floor, 611—4th Street S.W., Calgary, Alberta T2P 1T5 and can be reached at telephone (403) 297-6148.

Academic consideration of the charter and its impact in Canada is substantial. The hon. member may find an article by Professors F.L. Morton et al. entitled "Judicial Nullification of Statutes Under the Charter of Rights and Freedoms, 1982-88" (1990), 28 *Alta L. Rev.* 396 to be of particular interest. The article assesses the effect of the charter on federal and provincial legislation and analyses all reported federal and provincial appellate decisions between 1982-88 in which a statute was declared wholly or partially invalid due to a charter violation. The hon. member may also wish to consult David Schneiderman & Kate Sutherland, *Charting the Consequences: The Impact of Charter Rights on Canadian Law and Politics* (Toronto: 1997).

Canadian Heritage

c) Since its inception in 1978, the scope and mandate of the court challenges program has evolved significantly. Originally established to fund test cases on constitutionally protected language rights, the program today covers charter equality based challenges of legislation, programs and policies of the federal government as well as federal and provincial legislation, policies and programs involving constitutionally protected language rights. The program has been administered at arm's length from government by five consecutive managing organizations. By negotiated agreement, the closed files were sealed and sent to Public Archives and cannot be accessed by government. As a consequence, except for illustrative individual cases incorporated in the court challenges program annual reports, it is impossible to identify court cases that received financial assistance from the program. Those annual reports are public and can be found in public libraries.

(d) Since it is not possible to identify individual cases having received financial assistance from the court challenges program, one can only speculate on the effective impact of such funding on

the jurisprudence trend in the areas of linguistic and equality rights. The evaluation report of the program for the period 1994-97 presents the most comprehensive assessment of impact for the review period and very few court cases are identified in its pages. To obtain a copy of this report, write to the Department of Canadian Heritage at 15 Eddy Street, Hull, Quebec K1A 0M5 or call (819) 997-0055.

Question No. 34—**Ms. Judy Wasylycia-Leis:**

Regarding the Health Canada food directorate's allocation of resources: (a) how much of the total \$11.5 million HPB special allocation to strengthen food safety/nutritional deficiencies in 1999-2000 will go directly to the food directorate budget and of that amount how much has been spent to date; (b) how many full time permanent positions have been restored in the food directorate as a result of the additional budget allocation and what is the breakdown of those positions by job title; (c) how much of the total \$65 million three year (1999-2000, 2000-01, 2001-02) HPB special allocation to strengthen food safety/nutritional deficiencies will go directly to the food directorate budget; and (d) how much of the 1999-2000 food directorate budget is allocated to permanent safety research activities dealing with topics related to genetically modified foods and what is the breakdown by activity?

Hon. Allan Rock (Minister of Health, Lib.): (a) The food directorate will receive \$7.7 million in 1999-2000 including \$1.2 million for accommodation, communications, employee benefits, and other overhead expenses. As of October 3, 1999, the directorate had spent \$3.2 million.

(b) By the end of year three of the funding, the food directorate plans to have staffed 52 positions. We are unable at this time to give actual position titles. It is anticipated that 25 will be staffed in year one, 10 in year two, and 17 in year three.

(c) The food directorate is scheduled to receive \$7.7 million in year one, \$9.2 million in year two, and \$12.1 million in year three.

(d) There is currently one ongoing research project on a topic related to genetically modified foods with a planned expenditure in 1999-2000 of \$166,389.

Question No. 38—**Mr. John Reynolds:**

With regards to the works of native art purchased by the department of Indian and northern affairs over the last 10 fiscal years: (a) what was the total amount spent on those purchases; (b) in what locations are those works of art displayed and (c) how many works of arts are displayed at each location?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): The Indian Art Centre of the Department of Indian Affairs and Northern Development, DIAND, is a long-standing cultural centre which supports and promotes the visual arts of first nations in Canada. The centre was created in 1965 to support the development of aboriginal artist working in the traditional art forms, as well as those working in the contemporary fine arts including painting, drawing, prints making, sculpture and photography.

(a) The total amount spent on these purchases over the last 10 fiscal years was \$96,430.25.

(b) Seven hundred and twelve works were purchased to be displayed in the headquarters and regional offices throughout the department of Indians Affairs and Northern Development, as well as in travelling exhibitions and two native art collections, the Alberta collection and the Indian Art Collection Vault.

(c) Locations:

Regional Offices	47
Travelling Exhibitions	27
Headquarters	252
Alberta Collection (Headquarters)	227
Indian Art Collection Vault	159
Total	712

Question No. 42—**Mr. Gerald Keddy:**

Has the federal government established a plan for turning the 500,000 hectare Stoltmann Wilderness protected area in British Columbia into a national park, and if so, what is that plan?

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): No, the federal government has not established a plan for turning the Randy Stoltmann Wilderness Area in British Columbia into a national park.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 26 and 33 could be made orders for return, these returns would be tabled immediately.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 26—**Ms. Judy Wasylycia-Leis:**

What is the complete listing of veterinary drugs approved in Canada for use in food-producing animals (by species)?

Return tabled.

Question No. 33—**Mr. John Duncan:**

With respect to non-Canadian visitors (not immigrants) for each of the last five calendar years (broken down by citizenship or nationality): (a) how many visitors entered Canada; (b) how many visitors were issued visitor's visas pursuant to section 9

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of the Immigration Act of Canada; (c) how many of those visitor's visas were issued to visitors who had criminal records (broken down by summary conviction and indictable offences); (d) how many visitor's visas were denied and of those how many were denied on the basis of the applicant having a criminal record (broken down by summary conviction and indictable offences); (e) how many visitors who had criminal records (broken down by summary conviction and indictable offences) were knowingly permitted and denied entry under the immigration officer's discretion pursuant to section 19(3) of the Immigration Act of Canada?

Return tabled.

[English]

Mr. Derek Lee: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

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[English]

STANDING COMMITTEE ON FINANCE

Hon. Allan Rock (for the Leader of the Government in the House of Commons, Lib.) moved:

That this House take note of the first report of the Standing Committee on Finance, presented to the House on Friday, December 10, 1999.

The Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 37 minutes.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, 11 years ago when I was first elected, the then Leader of the Official Opposition told me that I should spend the first few years of my political career listening to the people of Canada, travelling the country region by region, understanding the issues and appreciating the diversity of opinion which is expressed daily throughout our country. For the past 11 years I have done just that.

I have been across the country many times and have spoken with thousands of Canadians from every region and every walk of life. For me it has been a continuous national dialogue. In fact, it is their stories and their voices that have inspired me to make a long term commitment to a larger cause, that is, preserving the hope of Canadians that tomorrow can indeed be better than today and more important, that we all have an obligation to make it so.

As we prepare to welcome in a new century, there is much to celebrate about Canada. We have shown the world how to balance

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freedom with compassion and tradition with innovation, how to provide health care to all our citizens and how to treat our senior citizens with the respect and dignity they deserve. In a world darkened by conflicts that literally tear nations apart, our country has stood as an example of how people of different cultural backgrounds can live and work together in harmony.

• (1130)

There is no question in my mind that Canada's greatest strength is in fact her people, the people who have settled and developed this country. Thanks to their imagination and determination, Canada has always moved forward, going from being an agrarian society to a leading industrial power during and after the second world war.

Our country has continued to push ahead with innovation in the years since, capturing leadership positions in such areas as telecommunications, aerospace and information technology.

All of this does not mean that we have not had our challenges, but what it does mean is that every time we have been challenged as a country the people of Canada have risen to the challenge.

It was not long ago that the international community doubted our ability to remain a player in the global economy. I am sure we all remember in the House in 1994 when the *Wall Street Journal* compared us to a third world economy. We as Canadians could have given up, but we did not. That is not the Canadian way. Instead, we rolled up our sleeves and we turned our country around. We made an impressive comeback.

Today we have the best fiscal health of the G-7. We have eliminated a \$42 billion deficit. We have balanced our books. We are paying down our public debt. We have begun to lower taxes. Our inflation rate is the lowest since the 1960s. Our interest rates are also the lowest in decades and, thanks to a dynamic private sector, over 1.7 million jobs have been created since the government took office in 1993.

What a difference six years have made. Recently the *Financial Times* of London referred to Canada as the top dog of the G-7. We are doing much better.

In the new global economy there is really not too much time to stop and congratulate ourselves on our success. Canadians know that. That is why they want an agenda that will see them enjoy more opportunity, a higher standard of living and an even better quality of life in the new century. In order to achieve all this, however, we need a clear vision for the future.

There is no doubt in my mind that Canada stands at the threshold of a new century. Within a few days our nation will enter a new era, a new millennium.

This fall marked the sixth time that the House of Commons Standing Committee on Finance sought the advice of Canadians in

advance of the federal budget. It was the third time that I participated as chair of the committee. In a very short time I have seen the mood of the country and Canadians change, becoming increasingly optimistic about the prospects of the future.

The committee's report, entitled "Budget 2000—New Era—New Plan", is the result of our continuing conversations with Canadians, a national dialogue that has helped us to understand our fellow citizens' values and priorities and how the federal budget should reflect them.

Canadians want an agenda that will see them enjoy more opportunities, a higher standard of living. In order to achieve all this we have put together, through our prebudget consultation report, a road map that will in fact achieve this vision. This plan fosters sound financial management, promotes economic growth and a better standard of living by cutting taxes, makes our economy more competitive and ensures that Canadians will enjoy greater security and expanded opportunities. It is my hope that this plan will inspire Canadians to confidently believe that indeed tomorrow can be better than today.

While conducting our prebudget consultation the finance committee heard from a broad range of witnesses. We listened to organizations representing businesses, children, industry, arts, culture and farmers. We heard from educators, health care workers, economists and individual municipalities. We reached out to every single section of this great country.

• (1135)

The committee crossed Canada and spoke with advocates who said that we need greater support for the homeless, public transportation and research and development. Very importantly, we met with individual Canadians from coast to coast to coast.

At this point I really ought to be thanking the members of parliament who held town hall meetings across the country and who took the time to listen to their constituents, as well as the members of the committee who worked very hard to put the report together.

I also want to say that I firmly believe that this report clearly reflects the values and priorities of Canadians.

Canadians are very happy with the fact that we have ended an era of skyrocketing deficits and public debt for good, that we have brought down back to back balanced budgets for the first time since 1951-52, and that we have put the debt to GDP ratio on a permanent downward track. The fiscal turnaround, coupled with low inflation and interest rates, has really helped this country to create over 1.7 million jobs and to bring back prosperity to the people of Canada.

There was also very strong support for measures taken by the government, whether we are referring to the \$16.5 billion tax cut that was introduced or the investments we have made in innovation

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and skills development through the Canada foundation for innovation and the Canada millennium scholarship fund. There was also very strong support from the people of Canada for the extra commitment made by the government to provide an additional \$11.5 billion over five years to the provinces and territories specifically for health care.

One of the issues that was raised often and was strongly supported was the national child benefit, not to mention the appreciation of Canadians for the government modernizing the employment insurance program.

The committee is committed to making sure that we are never going to let the nation's finances get out of control again. We will keep the debt to GDP ratio on a permanent downward track.

The committee also introduced a multi-year plan for tax reduction, which I will elaborate later.

The role of government is to continue to create opportunities for Canadians, to access foreign markets and to promote Canada as an ideal place in which to invest.

The people of Canada also called for further investment for lifelong learning to continue to build the most highly skilled workforce in the world, and that is one of the greatest advantages that this country has in the knowledge based economy.

Let us talk about an issue that is extremely important to the people of Canada, that is, the issue of health care. In the 1999 budget, as I said earlier, the government made the largest single new investment since coming to office by committing \$11.5 billion over five years. As well, the Prime Minister chaired the national forum on health and implemented key recommendations of the forum, including the health transition fund, the Canada health information service, the community action program for children and the Canada prenatal nutrition program. These programs and the balanced approach by the government to these issues were also applauded by the people of Canada.

One of the greatest resources a country has is its people.

We have the thrust of the Canada opportunities strategy, a comprehensive plan to provide Canadians with greater and more affordable access to education and skills, the millennium scholarship fund, the tax relief on interest payments on student loans, the Canada education savings grant, the work done on SchoolNet, which has connected every public school and library in Canada to the Internet, the first nation in the world to accomplish this, the community access program, which will have public Internet sites connected to 10,000 rural and urban sites by the year 2000, and computers for schools, whose goal is to provide 250,000 computers for Canadian schools by the year 2000, which is 60% complete. These measures taken by the government have certainly been welcomed.

• (1140)

The issue of children and families came up during the prebudget consultation hearings. There was support for the national child benefit. Many referred to it as the most innovative of national social programs in this generation. Many other projects like the aboriginal head start initiative, the Canadian prenatal nutrition program and the community action program for children were also supported.

I will put this debate in its proper context. In my opening remarks I talked about a higher standard of living for Canadians. There is a responsibility on the part of government to use all of its levers to make sure that Canadians will enjoy a higher standard of living and a better quality of life in the new millennium. It is important to have a well set and well thought out strategy to achieve these ends.

The government, as is reflected in the prebudget consultation report "A new era—A new plan", has those levers. We as members of the committee ask the government to act on these particular issues.

If we want to generate the type of wealth and the type of economic growth required to address all the social issues and challenges we heard about from coast to coast to coast, then there is no question in my mind that the only way we can do that is to put a plan together that speaks to the issue of improving the standard of living for people.

What are the components of this strategy? Where should the government go to make sure that we as individual Canadians will enjoy a higher standard of living?

Let us look at fiscal and monetary policy. If there is one area in which this government has done well, and about which we can say we are heading in the right direction, it is the area of fiscal and monetary policy.

Canadians may ask why it is an important component of the finance committee's strategy to improve the standard of living for Canadians. A stable macroeconomic environment with low inflation brings lower interest rates and boosts confidence. It encourages investment, which enhances productivity growth and boosts employment.

It is very clear that any government, here in Canada or abroad, must get those fundamentals right. As we enjoy the low interest rates and the great boom we have had in employment growth, we must recognize that this is not something we do on a part time basis. We must remain vigilant. We must make sure that the debt continues to go in a downward projection because it is very important not only for Canadians but people throughout the world to recognize that Canada has its economic fundamentals right.

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• (1145)

What have been the accomplishments of the government? The deficit has been eliminated. We now have a surplus. This is one of the major reasons we travelled across the country seeking input and asking Canadians what the priorities should be, what were their values as Canadians and where we should make investments.

As I stated earlier the debt to GDP ratio is clearly on a downward path. It is also important to note that provinces have had substantial fiscal progress in the past five years, not to mention that we are benefiting from the low inflation of the 1990s.

What does this mean to everyday Canadians? When Canadians renewed their mortgages they understood the actual meaning. They understood the difference between the theory of fiscal responsibility and the practice. Throughout the country people are happy with the fact that they are finally regaining some financial freedom to make decisions that are right for them and their families.

Another lever the federal government has to deal with is the issue of taxation policy. Everywhere we went throughout the country, whether I was talking with someone in a coffee shop or at my local parish or visiting workers in factories it did not matter to whomever I spoke. Canadians want tax cuts and Canadians deserve tax cuts.

Why is that? It is because Canadians have worked very hard for a number of years to defeat the deficit. It is thanks to the hard work of Canadians that today we enjoy a surplus. It is right for the federal government to help Canadians restore some of their lost disposable income.

With the exception of the past two or three years during which people have begun to feel the impact of federal government policies, they have seen their incomes go up. It is also important to note that for the past 10 years the average disposable income in Canada has gone down. It is our responsibility as members of the House, trusted legislators of the country, to restore some of that disposable income so Canadians can begin to understand that their sacrifices are rewarded.

Tax policy in a country that is dedicated to improving the standard of living of people is extremely important. Taxes can affect the allocation of resources and alter the incentives to work, to save and to invest. I emphasize this point because it is part of the \$46 billion tax cut plan the finance committee tabled in the House of Commons. It is important to understand the components of the plan because they take into consideration that tax cuts should not only cater to a section of Canadian society. Tax cuts belong to all Canadians.

• (1150)

What did the finance committee that is reflecting the needs, desires and aspirations of Canadians say about tax cuts? The first

measure was to increase the basic and spousal amounts by 15%, raising the limit to \$8,200. That is the amount of money people can earn tax free.

Why is this news so great for Canadians? It is because over half a million people will not be paying taxes any more. They will be off the tax rolls as a result of this measure. Is that important? It is. I have spoken to those individuals who are paying taxes on relatively low incomes. It is not who says what that really makes the difference. We have to do what is right for the people of Canada.

When we increase the thresholds by 15%, when we increase them from \$29,000 to \$34,000 and \$60,000 to \$68,000, what are we doing? In technical terms we are compensating for inflation. We are reducing marginal tax rates. We are reducing the one earner-two earner tax disparity. What is really important is that it is fair. Canadians will benefit from it. Canadians will have more money in their pockets to realize their dreams and their families dreams.

They also appreciate that if they work hard, take risks and make the necessary effort in a country like Canada then they will be rewarded. When this type of philosophy takes hold and when governments reflect the thrust of the argument I have outlined, I sense that there will be energy within the people of Canada to become more entrepreneurial and take greater risks because they know they will be rewarded for their efforts.

In many speeches in the House we talk about Canada's hard working middle class. We have to put our words into action. For this reason the finance committee recommended that we reduce the middle tax rate by three percentage points to 23% over the next five years. This will lower the taxes paid by middle income Canadians. This point has been raised in every town hall meeting that members of parliament have held across the country.

We must also eliminate the 5% surtax by gradually increasing the threshold. Why does the finance committee want the surtax to be eliminated? There can be tax reform and tax cuts but in this case it is also the issue of governance. The surtax was introduced when we were in a deficit position. Now that we have a balanced budget, now that we have a surplus, we as legislators must get rid of the surtax because it makes great economic sense but it is also a question of governance, of acting on a promise that was made.

• (1155)

Families and children are very important to the social and economic fibre of the country. Any budget that does not address this issue would fail. It is for this reason that the finance committee once again made a recommendation which would lower over a five year period the CTB phaseout rate by one-half to 2.5% for families with more than one child and 1.25% for families with one child.

That is kind of a technical version of this recommendation. What this means in real life is that more families will be helped to raise their children, that more families will have greater disposable income to do what they need to do. They will have more disposable income to get ahead and to make the personal wise investments they need to make.

I also want to be very clear that on these issues I have been talking about the personal side—

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, on a point of order. Unless I am mistaken, Standing Order 43 relating to the process of debate states that the first person speaking for the government—if he is the Prime Minister—the Leader of the Opposition, a minister moving a government order, and the member speaking in reply immediately after such a minister have no time limit.

As far as I can tell, the hon. member across the floor is not the Prime Minister, nor the Leader of the Opposition, nor the minister proposing the motion, nor the member speaking in reply immediately after the minister, and thus ought not to be exempt from a time limit. He should have 20 minutes like the rest of us.

The Deputy Speaker: The point of order raised by the hon. member for Saint-Hyacinthe—Bagot is a very strict reading of Standing Order 43.

[*English*]

It has been the practice for many years in the House for the first person speaking on behalf of the government following the proposal of a motion to have unlimited time and the first member of the opposition speaking in reply to have similarly unlimited time. That has been the invariable practice.

I recall having had that opportunity to speak, and accordingly the Chair has interpreted this as applying to the hon. member for Vaughan—King—Aurora who is the first member speaking on the motion following it being put by a minister who did not speak.

[*Translation*]

Mr. Yvan Loubier: Mr. Speaker, even in the Projected Order of Business, Standing Order 43 is specified.

If what is meant to guide us in the process of debate is obsolete, and tradition allows us to do the opposite of what it says, things are all wrong.

From what I have seen in the past, Standing Order 43 has applied when the speakers involved were the Prime Minister, the Leader of the Opposition, the minister making the motion or the member speaking in reply to the government. They had an unlimited

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amount of time but not an ordinary member of the House. It is all very well that the member in question is the chair of the Standing Committee on Finance but that is not covered by the standing orders.

As far as I can recall, this standing order has always been applied in relation to the work of the finance committee.

• (1200)

[*English*]

Mr. Grant McNally: Mr. Speaker, I rise on a point of order. For the Speaker's information and for members of the House, I remember very recently the Speaker ruling on another matter having to do with splitting speeches in the House. At that time when he gave his ruling on that point, he did mention that convention will supersede the standing orders in longstanding practices and traditions.

I think that might be something to consider in regard to this point as well.

The Deputy Speaker: The Chair has carefully considered the matter. I have had recourse to the Annotated Standing Orders of the House of Commons where, if hon. members looked, they would see it is stated quite clearly that in instances where the parliamentary secretary makes the first speech on behalf of the government, he or she has unlimited time, as well as the opposition member replying immediately thereafter.

I am aware that the hon. member is not the parliamentary secretary. The difficulty with the position advanced by the hon. member for Saint-Hyacinthe—Bagot is that the member speaking immediately after the minister would be the hon. member for Vaughan—King—Aurora. He would therefore have unlimited time on that guise if he were not the first person speaking for the government.

The hon. member would find himself in the position where the hon. member for Vaughan—King—Aurora would have unlimited time because he is the first person speaking in reply to the government, and then the opposition would not get a similar opportunity. In the opinion of the Chair, this is not the result that should obtain in this case. In the opinion of the Chair, there should be two speeches of unlimited time.

Accordingly, I feel that it is appropriate that even though the member is not the parliamentary secretary, it has been the practice consistently in the use of this rule that when a government motion is moved, the first person speaking has unlimited time, as does the second.

The hon. member for Vaughan—King—Aurora is the first person speaking on the motion. Accordingly, I believe the ruling

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that he has unlimited time is correct in the circumstances. I propose, since we have already exceeded the 20 minutes by some measure, to allow him to complete his speech.

[Translation]

Mr. Yvan Loubier: Mr. Speaker, on a point of order. I respect your decision, but if this is the case, it would be a good idea to amend Standing Order 43. If we adhere strictly to the standing orders but they begin to change the rules along the way, like they are trying to do with the bill to establish a framework for the Quebec referendum, then nothing makes sense any more.

The Deputy Speaker: I take note of the hon. member's suggestion. I hope he will make his suggestion to the Standing Committee on Procedure and House Affairs. If the committee tables a report, changes will no doubt be made to the standing orders. This would be helpful to everyone.

[English]

Mr. Maurizio Bevilacqua: Mr. Speaker, I probably would have finished my speech by the time this decision was rendered but having said that, this is another case in point where Canada's productivity rate could have been helped if we had just got down to business instead of wasting a lot of time on that issue.

I want to go back to the point about the Canada tax benefit. I do not want to lose the opportunity to say that this particular measure will extend the number of families that will benefit from it. It will also bring in many more middle class families that have not been able to access the Canada child tax benefit. This will literally help millions of families.

• (1205)

Most of my comments this morning have dealt with the personal side of taxation. We live in a globally competitive economy. Business, commerce, is very much a part of our everyday existence as a nation. Budgets should also take into consideration the important role businesses play in our economy.

It is for that reason the finance committee for example would like to reduce EI premiums by 40 cents over four years. At maturity this would be a \$3.1 billion cut. It will reduce the marginal tax rates. It will reduce the amount of profit insensitive taxes faced by business. Workers will also benefit from this cut. We need to begin with some profound reform of the business tax system and we say that.

We also would like to increase the RRSP limit by a total of \$2,000 over a five year period. We want to lower the general corporate rate by five percentage points over five years. This will help restore tax neutrality. It will provide our businesses with

greater international competitiveness and it will stop penalizing new economy firms.

Other measures in this tax package include increasing the foreign content from 20% to 30%. This will increase returns to retirement savings at reduced risk. We also want to lower the inclusion rate for donation of appreciable property which will promote charitable giving, consider expanding eligible properties for a lower inclusion rate, and as I said earlier, also work with the provinces to establish a common capital tax base.

Given the fact that I am very sensitive to the time I have taken thus far, I would like to say that this \$46 billion tax cut package is clearly an indication to the people of Canada and the businesses of the country that this government, or this committee, is very serious about establishing a competitive tax regime, about rewarding Canadians for their effort.

Only because I am mindful of the time, I will end now and say very simply that "Budget 2000—New Era, New Plan", the report of the finance committee, is an excellent road map. I hope the Minister of Finance will seriously consider its elements.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise again and debate the issue of the prebudget report of the Standing Committee on Finance.

Yesterday I stood and delivered a speech which I thought was my response to this issue but as it turned out, it was not. Nevertheless I am happy to be here again today to address some of the issues that my friend has raised and which are contained in the report.

The first point I want to make is the same one I made yesterday. The basis of the entire report is a faulty one. It is so glaring a contradiction it is almost surprising that my friend across the way and other Liberal members of parliament are able to stand in this place and make a spirited case for what they believe in. It is that bold.

• (1210)

The essence of the contradiction is that on the one hand the government is calling for a \$46 billion in tax relief, which of course is laudable and the Reform Party completely and unequivocally supports that. In fact we have championed tax relief for 12 years, ever since we came into being. I am proud of that fact and I would like to think we have helped influence the government to start to think about these things. The contradiction is that on the one hand the government calls for tax relief of that scale, and on the other hand it says it will maintain its 50:50 spending promise, which means that 50% of any future surplus would go to new program spending.

The government cannot have it both ways. It cannot have its cake and eat it too. Government members cannot speak out of both sides

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of their mouths, but that is what they are trying valiantly to do. We cannot let them get away with that. It is double-talk. That is all there is to it. It is just an attempt to win over all the various constituencies at once, even though they are recommending things that are completely contradictory. They cannot get away with that.

This is a pattern from the government. We have seen it over and over again. I would categorize it as Liberal rhetoric versus the Liberal record. We see completely different things when we compare the record to the rhetoric. The Liberals speak on one level that is completely disconnected from the reality the rest of the country has to live with. It is as though they are in court somewhere completely cut off from the rest of the population. I would suggest that is exactly the case. I think it was reflected in the statement the member for Vaughan—King—Aurora just delivered in the House.

I want to run through the Liberal record to underline what I have just said. When we run through the bare facts, people will see very clearly that what my friend has just delivered here in the House was a lot of rhetoric. He can say all he wants about how he feels it is important to cut taxes, to be more productive as a country, to deal with the debt as an important issue and to re-allocate spending because we do not want to see money wasted on projects that are not important. He can say those things, but if he never does anything about them, they are empty words. They are hollow husks. I submit that is exactly the case here.

I want to run through some of the facts so that members in this place and people watching can draw their own conclusions.

My friend said that he wants to see tax relief and he has made an argument for that. I remind members that the government has been in power for six years, that we have had a balanced budget for two and a half years going on to three years now, but still we have had no tax relief. I know my friends across the way will say that we have had tax relief. It is simply not so. Here are the facts.

The OECD in its reports that came out in June and September said that Canada must cut taxes, that taxes in Canada are growing with every passing day. Three or four days before the finance minister delivered his fiscal and economic update in November, the economics branch of the Toronto Dominion Bank delivered a report. It showed that the federal government today takes more money out of people's pockets than any federal government has ever taken in the history of Canada. It showed an upward trend too. In fact that will be realized on January 1 when the government helps Canadians celebrate the new millennium with a tax hike.

We will see the Canada pension plan taxes go up on January 1. We will also see income taxes go up because of bracket creep. Canadians will be poorer. The federal coffers will be enriched. Unfortunately that is bad news for Canadians.

It puts the lie to what we have heard in this place, which is that the government is somehow committed to lowering taxes. It is

completely the contrary. What we are seeing are taxes ever ramping upward. That is a shameful fact, but it is a fact.

• (1215)

In Canada today the average family spends more on taxes than it does on food, shelter and clothing. That is the Liberal record versus the Liberal rhetoric. It is a fact that in Canada today disposable income languishes. It has barely grown since the recession of the 1990s and it is barely above where it stood in 1980.

Canadians are paying a dear price for the high tax record of the government. When it says that it wants to cut taxes, we know by its actions that tax cutting is very low on its priority list.

I want to talk about the government's record on the debt. In Canada today we have a debt of \$577 billion. That is a staggering amount of money, 64% of GDP, which is one of the highest levels of debt to GDP in the industrialized world, only behind Italy in the G-7.

We also point out that in Canada today the finance minister cuts a cheque for \$40 billion a year to pay the interest on the debt. That \$40 billion is by far the largest payment that the government makes of any kind. Old age security is about \$23 billion or \$24 billion a year. That is our most expensive social program. Of course, the transfers to the provinces for health care and education are much lower than that, certainly a lot lower after the government cut transfers dramatically. They are around \$15 billion a year, much lower than what we pay in interest on the debt.

The impact of that is that Canadians have to pay a big chunk of their taxes toward the interest on the debt. One would think that if the government truly was concerned about helping Canadians and ensuring the long term fiscal stability of the country that it would have some kind of plan to pay down the debt. What is its plan?

The plan is that if there is any money left over after it has gone on its spending sprees, then it will pay down some debt. We have the situation now where, after having run on paper what should have been big surpluses, the government has paid down \$3 billion one year and \$3 billion another year toward the debt.

At that rate it will take approximately 190 years to deal with the problem of the debt. I do not think Canadians want to wait that long. I think they want to deal with this issue now.

The federal government should take a look at what happened in Alberta, where the government poured billions upon billions of dollars into beating down a huge debt, the result being that it has one of the healthiest economies in Canada and in North America. In Alberta we are seeing jobs created with every passing day. People are coming from across the country to enjoy the fruits of the

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Alberta advantage. It truly is a spectacular and amazing success story. My friends across the way should pay attention because they would learn a tremendous amount.

My friends mentioned health care in Alberta. I point out that even despite the big cuts of the federal government, which shut down hospitals across the country and forced people to recuperate in hallways, the Government of Alberta has actually raised its health care spending to record heights. Alberta has never spent more money on health care than it spends today. That is because of the dramatic improvement in the fiscal situation in the province of Alberta, due to the actions of the provincial government, not the actions of this government.

I want to talk about the spending record of the government. Today in Canada, and this may surprise some people, according to the national accounts, all levels of government are spending more money per person than has ever been spent before. That is a very important point to make because when we have the debate about what to do with the surplus that is coming our way, many people, including members of the Liberal government, say that we have to increase spending dramatically. The government has the 50:50 promise which, if enacted, and let us hope it does not keep this promise either, would mean \$47 billion in new spending.

We saw the headlines in the *National Post*. Amazingly, that was the same number that the 50:50 formula would lead us to if it were ever enacted.

• (1220)

Forty-seven billion dollars in spending is a tremendous amount, but according to the national accounts for all levels of government, we have never spent more per person in Canada on program spending than we are spending today. I would argue that Canada does not need more spending because we have never spent more.

We know that relative to other countries in the world we spend a tremendous amount on programs of various kinds. I would argue that if we have a big surplus coming our way and we have a tremendous debt burden and extraordinarily high taxes, then it makes sense to devote that money to lowering our debt and our tax burden. To me that makes sense. I do not see why we would need to go beyond the record high levels of spending in which we are already engaging. Just because we are spending all that money does not mean we could not spend it a lot better.

When I look at how this government spends, one of the things that concerns me the most is its willingness to sacrifice necessary things to unnecessary things, or high priority things to low priority things.

Why does the government insist upon spending billions of dollars in grants and subsidies for its political friends, while farmers, for instance, in the prairies are left wanting? It makes no

sense. Why do my friends across the way insist on spending billions of dollars on empire building for huge bureaucracies that do not deliver any kind of service to the public, but which burn up all that money, when those funds could be used for good things like health care, education and restoring funding to defence?

It is a shame that on the one hand the government stands at every opportunity to take a bow for the work of our peacekeeping troops around the world, while on the other hand it punishes them by putting them into perilous situations without proper equipment. That has to be the most hypocritical thing I have ever seen, but the government does it day after day.

It is profoundly wrong that the government cloaks itself in the proud heritage of the RCMP on the one hand, while on the other hand it deprives it of the basic tools it needs to do the job. We see more and more that investigations are being called off because of cost. There is not enough money to finish the investigations.

My colleague from Kootenay—Columbia is constantly pointing these things out in the House of Commons, but sadly the government does not get the message. It burns up billions of dollars in wasteful areas and at the same time deprives necessary programs of proper funding, which is fundamentally wrong.

As someone once said, those things that matter most should never be at the mercy of those things that matter least. We should engrave that over the doorways of the offices of many federal departments because sadly that happens all too often.

Here is more on Liberal rhetoric versus the Liberal record. I want to talk about productivity. My friend, the chair of the finance committee, gave an impassioned speech in this place about why we need to be more productive. He said that the government is doing all kinds of things. But consider this. If the government is so concerned about productivity, why did the finance minister in his 1995 budget speech announce that he would be hiring all kinds of auditors to audit businesses across the country in order to scrape every nickel out of them, when they were trying desperately to simply make a go of it?

My friend from Lakeland has raised the following issue in the past, and he knows it is a fact because he has constituents coming to him about it, as do I. They tell us that they are being harassed by Revenue Canada. People who have never had a problem with any kind of late payment are suddenly subject to incredible, ridiculous scrutiny by people from Revenue Canada, and they are tied up for days and days and weeks and weeks.

• (1225)

We know about the chiropractor in Winnipeg who faced a negative judgment by the tax courts. Revenue Canada's people swooped down on his home, even taking the cereal out of the cupboard. They took his 12 year old son's award for heroism,

which was given to him by the governor general. That is the real record of the government.

Mr. David Iftody: Mr. Speaker, I rise on a point of order. The case to which the hon. member refers has been dealt with by the courts and has been found to be untrue.

The Acting Speaker (Mr. McClelland): That is debate, not a point of order.

Mr. Monte Solberg: Mr. Speaker, I assert that it is true. I would be happy to talk with my friend about it later.

That is only one example.

If we want to talk about productivity and helping business, we should consider the situation in Alberta of Mr. Nickerson. Mr. Nickerson mortgaged his home and his farm to purchase a limousine from the United States, which he transformed and now calls the longhorn limo. He brought the vehicle into Canada to rent it out. He was making a living.

The limousine passed the Alberta transportation safety inspection standards with flying colours. All of a sudden, the people at Transport Canada got wind that Mr. Nickerson had become a successful entrepreneur and they decided to impound his limousine. They are not convinced that it will pass certain safety standards. They will not tell him what the specific problem is. In fact, the bureaucrat who made the decision, Mr. Boily, decided that he would impound the car without having seen it for himself and without providing any kind of detail on what exactly was the problem.

This man basically mortgaged his entire life savings for this business and now the government has snatched his dream away with absolutely no explanation. Mr. Boily, who is 2,000 miles away, will go home tonight and sit down with his family for dinner. It is no sweat off his nose. But in Alberta, Mr. Nickerson has to live with friends because he has lost his business.

This is the type of arbitrary, ridiculous regulation and bureaucracy that people in this country run into all too often. It is shameful that members across the way would sit and mock this situation. It is shameful and they should be embarrassed.

Program after program which the government brings forward retards productivity in Canada. The Liberals talk about a productivity covenant. Virtually all of what members on the other side do in some way gets in the way of business and making the country more productive. Liberals find ways to build massive bureaucracies which take days, weeks and months to make decisions which people in the business world would make in a few minutes. That slows things down. Is it any wonder we trail the United States when it comes to productivity?

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This has been pointed out by the Minister of Industry. My friend across the way is heckling. Let him heckle the Minister of Industry. He has pointed to the fact that Canada is falling further and further behind the United States when it comes to productivity. This means that our standard of living is falling as well. Friends across the way know it. They are upset. I have obviously touched a very sensitive area. They are very upset about this.

If the Liberals are concerned they should talk to the Minister of Industry because he raised it first in this place. The minister pointed out that if our standard of living and our rate of economic growth had stayed even with those of the United States over the last many years, the average family of four in Canada would have a standard of living \$28,000 higher than it is today. That is \$7,000 a person. My friend across the way doubts it, but I invite him to talk to the industry minister because he raised it in this place.

• (1230)

What is the impact of all this horrible Liberal record on Canadians? It is absolutely devastating.

I will read into the record a couple of letters that I have received from people across the country who are concerned about where the government is going on the issue of taxes. The first letter is from a gentleman from Clarenville, Newfoundland. He writes:

I understand you were interested in how much taxes Canadians were paying. Have a look at this. I work at the oil refinery at Come-By-Chance, Newfoundland. Last month there was an error in my paycheque due to a mix-up in the number of hours I had worked. When the mix-up was straightened out, payroll issued me a separate cheque to make up the difference. They owed for eight hours regular time and sixteen hours overtime. My gross pay came to \$801.92. There was \$536.20 taken out for income tax and \$10.42 for union dues. My net pay was \$255.30. This is a tax rate of 67%.

I invite my friend over there, who thinks of himself as an expert on these things, to come and check the pay stub because he is welcome to do it.

Mr. Paul Szabo: One pay stub doesn't show the whole thing. Tell the truth.

Mr. Monte Solberg: Now, Mr. Speaker, they are justifying it by saying that one pay stub does not tell the story. Over the course of a year, the hon. member knows what the story is.

I will read another letter from a gentleman from Montrose, B.C. who writes:

I have enclosed a copy of my two most recent pay stubs. I think they stand as a good example of how high taxation rates in Canada can be a disincentive to productive workers.

This is unbelievable, and I know my friend across the way will heap scorn on it because it is profoundly embarrassing to his government, but I will read on.

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During the two week period ending November 5, 1999, I was paid for 40 hours work, while in the following period, I was paid for 40.5 hours work, having put in a half hour overtime. The half hour overtime increased my gross pay by \$19.66. Amazingly, this resulted in my federal income tax increasing by \$20.13. In effect, I paid (the Prime Minister) 47 cents for the privilege of working a half hour overtime.

This is so incredible that one would think I am making it up. My friend can come over and examine the pay stub. He is so embarrassed his face is red with rage. I do not blame him. I would be embarrassed if I was a Liberal as well.

The letter goes on to say:

I recognize that this is an anomaly caused by steps in the tax tables, but the very fact that a step could result in an apparent marginal tax rate of 102% tells me that our tax rates are too high. As a resident of British Columbia with a good salary, my actual marginal tax rate is well over 50% and the pay stub is included.

I would be happy to table these letters in the House if my friend would like. I will voluntarily table them for my friend and he can have a look at them and explore them all he wants. I offer these to the Clerk.

The Acting Speaker (Mr. McClelland): Is the hon. member for Medicine Hat requesting the unanimous consent of the House to table the documents?

Mr. Monte Solberg: Yes, Mr. Speaker.

The Acting Speaker (Mr. McClelland): Does the hon. member have the unanimous consent of the House to table the documents?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Monte Solberg: Mr. Speaker, it will be noted that the Liberal member for Provencher said "No, we won't allow that to be tabled in the House of Commons", because they are so embarrassed.

The Acting Speaker (Mr. McClelland): As the member for Medicine Hat is well aware, we do not refer to the absence or the presence of any specific member during debate.

Mr. Monte Solberg: Well, I am here, Mr. Speaker, and I hope that is okay.

Suffice to say that members across the way are profoundly embarrassed by their record of taxation and they should be. Do members know why? It is because people on the Liberal side of the House spend hours, days, weeks professing how much they care. They care so much. They care about the poor, the downtrodden and the middle class. My goodness, if words of concern were dollar bills, we would be millionaires. We hear it every day from that side of the House. We saw it in the throne speech. Oh, they care so much, but when it comes down to action, my God, they tax the hide off people. We see it every day. We get these kinds of letters every day.

● (1235)

Because of bracket creep, on January 1, 85,000 low income Canadians, who have never paid taxes in their life, will be dragged onto the tax rolls for the first time. They will start paying taxes. Six billion dollars a year is what this government takes from Canadians who have incomes of less than \$20,000 a year. That is shameful. It is shocking.

The Liberals should be embarrassed, especially when they get up and rant and rave about social justice and concern for the little guy. No one should believe it. Those are empty words that we hear over and over again from the people on the other side.

There is a better way of approaching this. The very first thing that needs to be done is for them to quit pretending they care about cutting taxes. They should admit that they have no intention of cutting taxes in a substantial way and that they will continue to spend because Liberals are tax and spend. It seems to be something genetic.

What we ultimately want to see in Canada is a government that is committed to cutting taxes, paying down debt and holding the line on spending. We are already spending more than we have ever spent before. We believe that is the real way to help people.

I will say a few words about how to help some of the people who my friends across the way say they care so much about. How do we help people who do not have skills and who really are people who suffered over the last many years? The most obvious way is to create so many jobs that we have three jobs chasing every person instead of the other way around.

It is time to get this economy roaring so that we regain the heritage that is ours, although unrealized over the last generation. It is the heritage of an economy that is prospering so much that Canadians can go out, sometimes get jobs without many skills and be trained on the job.

My friend from Provencher can heckle all he wants. He can heckle and make fun of people on the low end of the income scale, but that is wrong.

What we are looking for is an economy that booms to the point where if people do not have skills or perhaps have not finished school, they can get a job and learn those skills on the job.

One of the most amazing examples of how that can happen is what has happened in the boom in the United States in the last little while. The United States has an unemployment rate of around 4.1%. Our rate is about 75% higher and 75% higher than our historical average. We used to have an unemployment rate that was lower than the United States.

What is happening now in the United States is that many people, the ones who were often the last to benefit when something was going well in the economy, are benefiting in a tremendous way. The

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bottom 20% of the black community in the United States, in terms of income, has traditionally been a group that was left out whenever there was any kind of increase in prosperity. There is no question that they were a downtrodden group. Since the economy in the U.S. has taken off, because it has been unfettered to a big degree by the regulations and taxes that we still bear, the bottom 20% of that group has an unemployment rate of 6.9%, the same unemployment rate that we have in Canada. These are the poorest of the poor in the United States. These people, who often have little skills, are now getting jobs, experience, contacts and are regaining pride. In many cases, they have had to rely on welfare in the past, but that is no longer the case. They now have real hope.

Why are we denying that to people in Canada? There are many places in this country where unemployment is through the roof. Everyone is in the same boat in places like Newfoundland, Cape Breton, parts of Quebec, the northern regions, the inner cities and in parts of every province. We see it all over the place in Canada. Why are we denying those opportunities to people who need it most in Canada? We can do it here as well. We do not have to be second cousins when it comes to economic prosperity. We used to be the economic betters of the United States. We have it within us to do that again.

• (1240)

Why do we accept this malaise that we see coming from the Liberal government, this mediocre approach to everything? Why not cut taxes? Why not get the economy booming again and put people back to work in droves? Why not do that? Mike Harris does it in Ontario. They do it in Alberta. Why will the Liberal government not do it?

We have an obligation as legislators in the country to do what is right for Canadians. We are failing in that job. The Liberal government has let people down. I members across the way will not do it for themselves then they should do it for their children and grandchildren. We have a moral obligation to leave the country better than we found it.

Mr. Leon E. Benoit: Mr. Speaker, I rise on a point of order. I would like to ask for the unanimous consent of the House to have a 10 minute question and answer period. The government has probably been so damaged by this speech that it should have a right to question—

The Acting Speaker (Mr. McClelland): As I should not have been able to see the hon. member because he is not in his place, we are going to ignore that because it did not really happen.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to take part in this last debate on the prebudget consultations that have been going on since the beginning of this session.

From the outset, I would like to thank the thousands of Quebecers who, in September and October, contributed to one of the largest democratic exercises undertaken by the Bloc Québécois, over the past two years now, which was meeting Quebecers to ask for their opinions on the federal government's budget.

This year in particular, we asked those whom we met all over Quebec the following question: How should the Minister of Finance use the huge surpluses that he generated at the expense of the unemployed, the sick, the students, the provinces and everyone, except itself?

I am also taking this opportunity to thank my leader, the member for Laurier—Sainte-Marie, for giving us the opportunity to meet our constituents and for having established a practice which, we hope, will continue in the future. Finally, I would like to thank my Bloc Québécois colleagues for agreeing to take part in this excellent exercise and for making a brilliant presentation of the conclusions of these consultations.

These conclusions were collected in a synthesis report presented by the Bloc Québécois, through its leader and its finance critic as well as the hon. member for Lévis, who took the opportunity to promote a shipbuilding policy. I just wanted to point this out to my fellow Quebecers that we delivered the goods by tabling about three weeks ago on their behalf a document that includes the consensus reached and their main priorities.

First of all, I want to go over the Minister of Finance's estimates concerning the surpluses for the years to come. With this minister, we have gotten used to the way he fiddles with the real budget figures and his forecasts, first with regard to the deficit and then with regard to the surplus. He has made us very conservative, because his forecasts are very conservative, but he has shown us in the past that he can be incredibly secretive.

Often, he has even juggled the figures to prepare an extremely summary and fragmented table regarding the options available to the federal government in order to fight the poverty to which he himself has contributed since 1994 by drastically cutting our social programs and to support economic growth and job creation.

• (1245)

When the Minister of Finance tells us in his economic update that he expects a \$95 billion surplus to be accumulated in the next five years, the truth must be even more amazing. For this year alone, the minister expects a \$5 billion surplus. When he comes up with these sorts of things, he shows little respect for the public.

The federal government's surplus for the first eight months of the current fiscal year is already \$8 billion, that is \$3 billion over the minister's forecast surplus for the whole of this year. We can expect that the surplus will easily top \$12 billion this year. This is more than twice what the minister had forecast.

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That gives the government considerable leeway. As a matter of fact, we did not wait. In September and October of this year, we made our own projections regarding the current surplus, next year's surplus and the leeway that could develop as a result and be used to improve the Canadian economy and social programs.

We believe that, with part of this year's surplus and with next year's surplus, which we think will reach \$15 billion, and with a tax reform, which would not take ten years but a few months to achieve, the minister could have \$25 billion to play with in the next fiscal year.

We have consulted the people regarding this possibility. Everywhere in Quebec, the Bloc Québécois, through its members who work hard to defend Quebec's interests, has consulted Quebecers regarding these projections and the use of that money.

Here are the main things on which people agree with regard to the use of this enormous amount of leeway the federal government has over the next year.

First, Quebecers have always believed—and they still do, as shown in the latest survey—it is essential that the Minister of Finance restore transfer payments to the provinces for health, higher education and income security.

Second, it is important to return to a true employment insurance plan, one that really helps the unemployed. There is almost complete unanimity that the EI plan has to be revamped, because it no longer covers all the people it should.

Third, we were hoping that there would be promising projects for the financial and social economy. We are thinking in particular of a real shipbuilding policy for Canada, which does not exist at the present time, the construction of social housing, and infrastructure programs, including highways.

Fourth, we called for a real tax cut for low and middle income Canadians and Quebecers, not just window-dressing, but lasting tax reform that would permanently end the injustices that have hit middle income families particularly hard in recent years.

I will go through these four points, one by one, comparing them with what the Liberal majority is proposing in its report.

First, there is the issue of social transfers. As I mentioned, the consensus is clear that this is top on the priority list. Quebecers want the CHST restored. It will take \$3.7 billion annually, starting next fiscal, to return to the level of the transfer in 1993-94, before the Minister of Finance slashed the payments that are used to help fund health and education.

Yesterday, I listened to the secretary of state say that cuts to provincial social transfer payments were a thing of the past. What

hypocrisy, especially from the secretary of state. I hope he has some idea of the figures. If not, his incompetence is shocking.

The cuts announced by the Minister of Finance in 1994 are ongoing and will continue to apply until 2003. Up until now, the cumulative drastic cuts to education, health and income security total \$21.4 billion. By the year 2003, since the cuts are ongoing and despite the fact that parts of the cuts were cancelled, federal transfers to the provinces for health care, education and income security will have been reduced by more than \$30 billion.

This is not a thing of the past. The cuts are still being made, but in an underhanded way. As members know, we have gotten used to the Minister of Finance's vile hypocrisy. He makes one announcement only, but the cuts he announces are good for seven or eight years, and he does not have to repeat them year after year.

• (1250)

What is so revolting is that, because of the drastic cuts made by our Minister of Finance, a shipowner and a millionaire, Quebec is out by \$6.3 billion to pay for health care, higher education and income security.

It comes to \$860 per Quebecer and 37% of all the cuts made in Canada. The Quebec population accounts for 24.5% of the Canadian population, but the Government of Quebec was hit by 37% of the cuts to the Canada health and social transfer.

No wonder our health sector is having problems. Although these problems occur throughout the country, they hurt us a lot more. And the Minister of Intergovernmental Affairs said it before: Quebec has to hurt. Well, the government is certainly on the right track, particularly with its bill preventing Quebec from using the democratic process freely in a referendum. If Quebec has to hurt, the government is definitely on the right track.

This year alone, the Government of Quebec will have \$1.7 billion less for health, post-secondary education and welfare. Based on the historic distribution before 1994, before the federal government's contributions in those three sectors were consolidated into a single transfer called the Canada social transfer, here is what it looks like.

This year, the Government of Quebec will be short \$875 million in federal transfers for health. Do members know what such an amount of money represents? It represents 3,000 jobs for physicians. It represents 5,000 jobs for nurses. It is a lot of money. And then people say that the Government of Quebec really has lots of problems in the area of health. But it is this government that is causing considerable harm to the sick in Quebec and to the finances of the Government of Quebec.

Based on the historic distribution, \$500 million of the \$1.7 billion would have gone to education. Do members know what we

could do if we had \$500 million more to put into education in Quebec? We could hire 5,800 university professors. And the cuts are a thing of the past? How hypocritical can one get? In terms of income security, the Government of Quebec is getting \$325 million less to fight poverty in Quebec. Do members have any idea what could be done with that money? It would mean an additional \$500 for each and every welfare recipient in Quebec.

Of course, \$500 a year is not a lot of money for a millionaire like the Minister of Finance, but for those who are having trouble making ends meet, who are struggling, \$500 a year is a fortune. And this is what they are being deprived of. Then the government goes around bragging that cuts are a thing of the past, that they have put their fiscal house in order and that they are on the right track. Give me a break.

The report of the Liberal majority on the finance committee does not recommend that the social transfers to the provinces be restored. It does not say a word about poverty either, but I am going to come back to that issue.

Second, the report says nothing about reinstating a real employment insurance program. Despite the representations made here and elsewhere in Canada and especially in the province of Quebec where the Bloc carried out wide consultations, the report of the Liberal majority on the finance committee does not mention the need to reform the employment insurance program. It is shocking.

Only 42% of the unemployed are eligible to benefits, even if 100% of the workers pay premiums. The situation for women is even worse. Only 31% of them are eligible, but all of them do pay premiums. They are going after the men and women who are unemployed, as well as pregnant women. Their benefits are being cut because they have been on precautionary cessation of work under the CSST. Because the days and hours during which they were covered by the CSST are not factored in, they are not eligible to special benefits for pregnant women. This is scandalous.

So, nothing on EI. The representations made by thousands of Quebecers and Canadians were ignored.

Third, the structuring projects. I mentioned earlier that the budget offers many great possibilities. The Minister of Finance is hiding more surpluses. He is hiding facts about his real leeway. He has much more flexibility than he cares to admit. He has more leeway than he knows what to do with. The liberal majority on the finance committee could have suggested to spend more than \$500 million a year on structuring projects, on infrastructure projects. This is ridiculous.

• (1255)

With the possibilities and flexibility anticipated for next year and the subsequent two, the committee could have suggested \$3

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billion a year, as we had. In this regard, we had the support of all stakeholders in civil society, including employer associations.

There is nothing either on structuring projects in support of a real shipbuilding policy for Canada. My Bloc colleague from Lévis-et-Chutes-de-la-Chaudière has worked very hard for many years to promote such a policy. Canadians from sea to sea want a national shipbuilding policy.

Not long ago, my colleague informed me that he had gained the support of the Canadian Shipowners Association, of which our finance minister is a member. No one is asking him to secure privileges as a shipowner. There is a difference between passing legislation that favours him and his companies, as he did two years ago with Bill C-28, and developing a national shipbuilding policy to help create jobs in Canada and ensure, for instance, that the level of jobs at Lévis shipyards gets back to what it was before, that is 5,000 jobs, if my memory serves me right.

An hon. member: Three thousand.

Mr. Yvan Loubier: I am told there were three thousand. It is now less than half. What we need is a new shipbuilding policy with economic spinoffs. Not a word from the Liberals on that, though. Everyone agrees there is a need, but the Liberal government is turning a deaf ear.

Concerning social housing, it is a joke, there is nothing in here. It only says that a report is expected from the minister responsible for the homeless, who is still travelling all over the country to hear comments. The government recently announced that \$500 million might be made available for community shelters where the homeless could spend the night.

They earmark a mere \$500 million to shelters. They completely ignore the whole issue of social housing and overlook the fact that there is a way of doing things. Opening shelters is one thing, but support must also be provided to help the homeless get out of that situation.

I take this opportunity to congratulate my colleague from Quebec for her excellent analysis on poverty, homelessness and federal government policies. Since 1994, this irresponsible government should have implemented policies and increased its contribution over the years, using the tremendous surplus it generated last year and will be generating in the coming years.

I also want to pay tribute to the members of the Accueil Bonneau choir, who honoured us with a visit on the occasion of the tenth anniversary of the anti-poverty motion passed by the House. They gave a wonderful concert. I want to remind members once again that it is because of the admirable work done by my colleague from Quebec and by the Bloc Québécois in their fight against poverty.

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While we are fighting poverty, the government is creating poverty. The Liberals create poverty.

With respect to tax cuts, I notice that the Liberal majority members of the Standing Committee on Finance are the true reflection of their government. These are people who put on a big show, making suggestions that may look spectacular and generous at first glance. At one point, they even got us wondering if an election was not about to be called.

However, a closer look reveals a big problem with the tax proposals put forward in the Liberal majority report on taxation. In our consultations, Quebecers told us "Yes, substantial tax cuts are required, but first tax tables and the whole tax structure must be fully indexed". Since 1985 tax tables and tax structure are no longer indexed.

As long as this issue remains unsettled there will be no lasting solution to the problem of tax fairness for all. We are not talking here about insignificant amounts. Since 1994 the bracket creep has resulted in extra tax revenues of \$17.6 billion for the federal government. It is unfair.

In the few minutes I have left let me explain what indexation is all about.

• (1300)

Let me put it simply, as we should always do in this kind of demonstration. If a taxpayer earns \$100 a week and his employer gives him a \$2 raise, his new salary is \$102. But in the economy, prices in general have gone up \$3, which means that the taxpayer is actually poorer.

After a \$2 pay raise and a \$3 overall price increase, this taxpayer is in fact \$1 poorer. Full indexation of the tax tables and the tax structure as a whole takes into consideration the fact that the taxpayer is poorer and not richer, even with an income of \$102 compared to \$100 the previous year.

So, this increase in poverty is taken into account and the taxation level is reduced according to the inflation related rise in poverty. This measure was abolished and, since 1974, \$17 billion in new taxes have been collected. The government cannot be blamed for doing something to increase taxation, but it can be blamed however for not reforming the tax system and restoring the full indexation that was abolished in 1985.

Do you know what \$17 billion represent? It is a lot of money. With \$17 billion, one could give around \$2,400 to each of the 7 million Quebecers and that would make up for the money that was stolen from them. It represents about twice the education budget for Quebec and one hundred times its environment budget. It is a lot of money.

The report does not address these issues but it does mention the elimination of the 5% surtax. That measure, along with the

elimination of the 3% surtax announced in the last budget, will greatly benefit those who earn \$250,000 or more. It will give them \$9,300.

However, the taxpayers earning between \$30,000 and \$70,000 will see their taxes reduced by only \$200. Even by increasing the ceiling to 15%, this solution will only last until 2001. After 2001, without full indexing, our tax system will become unfair again and taxpayers will continue to pay more taxes than they normally should.

For all these reasons, we tabled a minority report, a dissenting opinion based on what we heard when we went to meet the people, putting our ideas together with theirs. We gathered different priorities and views and presented them, the leader of the Bloc Quebecois and myself, to the Standing Committee on Finance on behalf of Quebecers.

[English]

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, I listened attentively to the member's speech. It reminded me that we are in the House as members of parliament not just to speak for our own communities but to represent all regions of Canada when there is a particular crisis.

The problems we have had in terms of changing the fiscal direction of the country have not just been difficult for the province of Quebec. I acknowledge that we have problems in my community of downtown Toronto with a lack of affordable shelter. We have had lots of problems, but when we on this side of the House as well as members of the New Democratic Party and members of the Conservative Party stand, we speak for all Canadians.

It is terribly unfair that the member positions his criticisms of us as a government. By the way, some of those criticisms can be valid because we have had a very tough time with the economy. He should also position them in a way that acknowledges the province of Quebec over the last 10 or 12 years has been classified through the economic formula as a have not province. Those provinces in an advantaged position have transferred over \$100 billion. I have never heard any resentment on any side or from any other members of parliament about the fact that those transfers have been made, because that is the nature of a federation. I appeal to the member to consider that the House is the boardroom of Canada. It is not just for us to come here and speak only for those people who are in pain in Quebec.

• (1305)

The member should start to realize that the special privilege and responsibility of being in here is that it is as much my responsibility to care about his constituents as it is his to care about mine. We have to remind ourselves and Quebecers that they are not a persecuted community or a persecuted province. In fact all Cana-

dians have shared happily with Quebecers over the last number of years, and we will continue to do so long after these separatists are put into extinction.

[Translation]

Mr. Yvan Loubier: Mr. Speaker, there are three main points in the member's question. First, yes, it has been more difficult for Quebec because it had to absorb 37% of cuts in the Canada social transfer, which is more than its percentage of the Canadian population, that is 24.5%.

[English]

Mr. Dennis J. Mills: You only care about Quebecers. Is that it?

[Translation]

Mr. Yvan Loubier: Second—if the member could stop shouting, I would answer—the views I expressed on behalf of Quebecers, as the Bloc Québécois is called upon to do and will continue to do and to fight for Quebecers in the years to come until we get out of this federation, those views are the same as the ones we heard throughout Canada. If they are not to be found in the Liberal majority report, it is simply because the member and his colleagues did not do their job. That is the problem.

Third, we have had quite enough of the kind of nonsense we have just heard. The recent adjustment in equalization payments is money that we were owed and that had not been given to us for two years because the parameters involved in equalization had not been properly assessed. That is the fact of the matter. That money was owing to us and more is still owing.

To give but one example, the harmonization of the GST with the provincial sales tax in the maritimes. Since the early 1990s, we in Quebec have harmonized the GST and the Quebec sales tax. We should be getting \$2 billion for that and they are refusing to hand it over.

As I have said, the effort we are being asked to make with respect to the cuts has been \$2 billion too high ever since 1994. That is another \$2 billion they owe us, on top of the rest.

Much more could be added. There are the R and D laboratories, the productive spending in procurement of goods and services. Anyway, it is pointless. We have been telling them this for 20 years now, and they refuse to believe it, even to believe their own statistics.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the minority report of the Bloc Québécois, and indeed the member's speech, discussed very briefly the aspect of deindexation. He noted in his dissenting report that the federal government would collect an estimated \$17.6 billion of additional tax, thanks to non-indexation.

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I will accept the numbers subject to check, but the budget surplus in the fiscal year ended March 31, 1999, was \$2.9 billion. Since we have balanced the budget the surpluses have been quite modest. If deindexation had not been in place, clearly the government still would have been reporting deficit positions each and every year because of sheer size.

Does the member concede that deindexation or indexation is simply a form of delivering tax cuts? Is he in favour of tax cuts to the extent that they would put Canada back into a deficit position?

[Translation]

Mr. Yvan Loubier: Absolutely not, Mr. Speaker. I would, however, like to correct the figures the member has given.

For the last fiscal year, 1998-99, the surplus is not \$2.9 billion but over \$9 billion. However, the Minister of Finance took \$6 billion away during that same fiscal year, unexpectedly, and applied that amount to the debt right away.

Point one, situations can be corrected and so they should be. The public finances must be put on a healthier footing, but when that is done at the expense of one category of taxpayers and the others are left to profit unduly from the taxation system, and by that I mean the people with the highest incomes, something is not working right.

We do not have to correct problems by creating injustice and by maintaining that particular injustice. It is all very well but the ones who have had to pay are the people earning between \$25,000 and \$70,000 a year; those are the families that have borne the brunt of it.

• (1310)

People with incomes of \$250,000 and up have not had to pay. Point two, millionaires like the Minister of Finance have not had to pay either. Point three, tax reform has been talked about since 1996. Ideas had even been submitted to the Minister of Finance and he applauded these suggestions. Since then, he has been standing there with his hands in his pockets. He is looking out for himself first and foremost, but he has done nothing as far as the tax system is concerned.

[English]

Mr. Paul Szabo: Mr. Speaker, I rise on a point of order. In the response to the member's question he reputed the \$2.9 billion figure. The public accounts report—

The Deputy Speaker: I do not think that is a point of order.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I thank my colleague for his statement on what was said during the

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prebudget consultations. This is very much like what was said regarding the Canada social transfer in the meetings of the committee on children and youth at risk. They were told to give the missing money back to the provinces.

They created six years of social deficit and this gave rise to poverty. Creating poverty has consequences, on the quality of services in hospitals for example, on special support for children who live in poverty and on thousands of women on welfare having a little extra money. For them, it means having more money to pay the rent and to buy groceries.

We heard a little earlier that the minister responsible for the homeless is going to announce a \$500 million program for their benefit. What scares me is not the money to be invested in that project but rather the way this program will be adapted to the situation in Quebec. It is true that realities differ. We were saying a while ago that there was a shortfall, that Quebec did not get its fair share. In social housing, Quebec never received its fair share. I would like my colleague to tell us if he is worried about the federal government's flexibility.

As a matter of fact, the minister responsible for the homeless will be judged on the way this money is given to the provinces and on her flexibility with regard to the distribution of the millions of dollars invested for the homeless. I would like my colleague to comment.

Mr. Yvan Loubier: Mr. Speaker, I believe that having \$500 million is a good initiative but I am concerned as well.

We have seen this government increase the number of initiatives, of structures and, ultimately, the amounts that should be used to provide services to people were spent on buildings and public servants.

Five hundred million dollars, that is good news, but it is not enough. Most witnesses appearing before the Standing Committee on Finance asked that 1% of the Canadian GDP be invested in social housing and that homelessness be considered part of a wider issue called social housing.

Since 1990, I was able to see, by looking at the numbers my distinguished colleague gave us, that the number of households that were putting more than 50% of their income into housing—these households are virtually living in poverty—has increased by 41%. The needs are great. The amount needed is \$1.3 billion.

I am also concerned to see that the prerogatives and jurisdictions of the Quebec government are respected. Through the Société d'hypothèques du Québec, the Quebec government would be able to administer a real program that would help the homeless and people who are in need of social housing. We will work hard to have these amounts increased and to ensure they can be used

effectively to get people off the street, to help and support them during the transition.

[English]

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I will be sharing my time today with the hon. member for Regina—Qu'Appelle. It is an honour to speak in the House for the first time. There is no higher calling than public service and no higher place to serve than in the House of Commons.

I begin by expressing my heartfelt gratitude to the people of Saskatoon—Rosetown—Biggar who elected me in the byelection on November 15. It is a privilege to have the opportunity to serve them. I will do so with all my energy and to the best of my ability.

I find it humbling to follow in the footsteps of the great parliamentarians who have preceded me in this vast prairie constituency. The list includes honourable social democrats such as M. J. Coldwell, Woodrow Lloyd, Alf Gleave and Chris Axworthy. It includes as well the Right Honourable Ray Hnatyshyn, a former Progressive Conservative cabinet minister who later became our governor general.

• (1315)

Mr. Coldwell represented this riding in parliament from 1935 to 1958. He led the CCF in the 1940s and 1950s. He worked tirelessly to bring about many of the great social advances that have shaped our country. These include hospital and auto insurance, pensions, family allowances, labour and welfare reforms.

Woodrow Lloyd served Biggar in the Saskatchewan legislature for 20 years, from 1944 to 1964. In 1961 he succeeded Tommy Douglas as premier. With great patience and great courage, Mr. Lloyd prevailed over the tumultuous strike by Saskatchewan's doctors the following year. Our cherished national medicare system is at least in part Mr. Lloyd's gift to Canada.

M. J. Coldwell had an abiding commitment to social justice. Woodrow Lloyd had a clear and ringing view of social democratic philosophy. "Ours is not just a gimme or a gouge the rich philosophy," Woodrow Lloyd said. "It matches claims with obligations, imposing on each of us a greater individual responsibility than is imposed by other political parties".

I am also guided by the legacy of Alf Gleave who represented the Saskatoon-Biggar area in parliament from 1968 to 1974, and who earlier was one of the pioneers of medicare. When Alf died last summer, journalist Barry Wilson in his eulogy quoted Alf's own words, summing up his life as a family man, a farmer and an elected representative. "At the beginning of the century," Alf wrote, "the people who came to the prairies and those who followed them, the next generation such as myself, made a more secure and bountiful life here by working together, by sharing the load".

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This need to balance claims and obligations, to work together and to share the load has never been more relevant than it is today, as the 20th century comes to an end and a new century and a new millennium are about to dawn.

Nowhere is this need to work together more evident today than in the farm crisis that now engulfs western Canada, a crisis that tears at the heart of so many of the families I represent in Saskatoon—Rosetown—Biggar. What my NDP colleagues have said so often in the House is tragically true. That is that western farmers are gripped by the worst crisis since the 1930s, and in some respects, a crisis that is greater than that of the great depression.

The pain and misery are unprecedented economically and emotionally. Farm stress has reached epidemic proportions. Families are disintegrating. Bankruptcy is driving people from their homes and from their way of life.

An astonishing 46% of western farmers are now seriously considering leaving the land. What this means, should it come to pass, is a mass exodus of as many as 16,000 farmers across Saskatchewan and Manitoba within the next short period of time. The impact of this calamity would be unimaginable.

Why is this crisis occurring? It is happening because our national government, in its cult-like adherence to the ideology of free trade, has cut support for grain farmers by 60% over the last eight years. The government has accepted the free market mantra of the Business Council on National Issues and embraced the global gospel of the World Trade Organization.

The Liberal government has played a destructive game giving away much more in trade negotiations than it has gained in return. Western farmers have been ambushed on the free market road. Consider that European farmers receive 56 cents in support for each dollar of wheat that is sold. American farmers get 38 cents. Canadian farmers today get a paltry 9 cents.

This is happening at a time of unprecedented federal wealth. Our government, as we have heard here today, is projecting almost \$100 billion in surpluses over the next five years. If he wanted to, the Prime Minister could deal with the farm crisis and he would scarcely notice the amount of money that it would take. But he refuses. He is caught like a deer in the headlights on the free market road.

• (1320)

I join with my NDP colleagues in pleading for a change of heart. I urge the Prime Minister to return at least \$1 billion of the money that his government has scooped out of the Saskatchewan economy in recent years. This is just 1% of his forecasted five year surpluses. Farmers need help desperately and they need it now.

This is an immediate measure. In the medium term the government must re-examine the AIDA program to see if it can be fixed. In the longer term, a combination of supports and cost cutting measures and diversification will have to be adopted if western agriculture is going to survive.

Unfortunately the deafening silence of the government in response to the plea of farmers also extends in many cases to society as a whole. We see this only too clearly in the majority report of the Standing Committee on Finance with its empty rationale recommending \$46 billion in tax cuts for mainly high income earners over the next few years. This is wrong as my colleague the member for Regina—Qu'Appelle pointed out in his minority report.

The finance committee report continues the bogus philosophy of trickle down economics preached for the last 20 years by leaders such as Ronald Reagan, Margaret Thatcher, George Bush and Brian Mulroney. This dreary message is always the same. It goes something like this: give the horse enough oats and the sparrows will eventually be fed. This has never been true and we will only make matters worse if we repeat the same mistakes again and again.

Tax cuts that benefit mainly the rich will widen the unacceptable gap that already exists between the wealthy and the poor in our society. This gap has gone from embarrassing to offensive to downright obscene.

New Democrats advocate a fair and sane approach, one that will work, if only the government will adopt it and implement it. We believe that the surpluses projected over the next few years give Canadians a rare opportunity to return to the philosophy of redistributing income to those who need it most. We can undo the damage that successive waves of government cutbacks have inflicted on families, on public services and on living standards in the 1990s.

There is only one real test of any economy that matters and that is, does it serve its people? New Democrats believe that the debate over surpluses must focus on improving the quality of life for all Canadians. We can deal with the farm crisis, child poverty and homelessness. We can give our children the best possible start in life. We can preserve public health and expand it to home care and pharmacare as the Liberals had promised to do in 1993. We can foster world class education and training. We can invest in roads and public transit. We can provide tax relief by making an initial 1% cut in the GST. We can, as Canada's churches have asked, have our country forgive the debt owing to us by some of the world's poorest countries.

I commit myself, as my social democratic predecessors have done before me, to work tirelessly to achieve these just and time honoured goals. I will not rest and my predecessors will not rest in peace until we have built Jerusalem in this green and pleasant land.

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Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is a privilege to ask the hon. member his first question as a member of the House. I congratulate him on his discourse today.

• (1325)

My question for the hon. member is quite a simple one. He has referred to the heritage of the social democrat movement. In keeping with that, I would like him to reflect on the current realities incumbent in that movement and what is happening in both the U.K. and Germany with governments committed to corporate tax reform and reduction.

The chancellor of the exchequer in the U.K. has moved to lower corporate tax rates and capital gains taxes. The finance minister in Germany reduced corporate taxes in the last budget. Does the hon. member join his social democrat friends in other countries?

In fact the economist for the Canadian Labour Congress who recently spoke to the finance committee acknowledged that the greatest level of economic growth of any type of tax reform would come from reducing corporate taxes.

Does the hon. member agree with his social democrat friends that Canada needs to reduce its corporate tax burden?

Mr. Dennis Gruending: Mr. Speaker, I thank the hon. member for his question. I would refer him to a very fine piece of literature, a document prepared for our national convention last summer which talked about fiscal responsibility. I am sure he might enjoy taking it home, reading it over Christmas and having it at his bedside at all times.

In that document we talked about targeted tax cuts for middle income and poorer Canadians. As I have just mentioned, we talked about starting by reducing the GST.

An hon. member: The Tory tax.

Mr. Dennis Gruending: Yes, the Tory tax.

We believe that middle class and lower income Canadians need some tax relief. We would not extend that blindly as the previous Conservative and current Liberal governments have done to tax relief for big corporations.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on the question of the GST, the hon. member will know that the GST collected about \$24 billion in the last fiscal period. That means for each percentage point we are talking about just over \$3.5 billion.

Given the magnitude of the impact on reduced revenues of the government and utilization of the surplus that would otherwise exist, what exactly would the hon. member suggest we do in terms

of either forgoing debt repayment or forgoing increases to health spending to be able to fund that significant tax reduction?

Mr. Dennis Gruending: Mr. Speaker, I thank the hon. member for his question. I would respond to it briefly by making two points.

First, I would refer to the surplus of almost \$100 billion which the Liberal government is proudly crowing about at the moment. Second, I would remind him that it was his own party prior to 1993 which promised to get rid of the GST.

Mr. Scott Brison: Mr. Speaker, my second question for the newly minted member for Saskatoon—Rosetown—Biggar is a very simple one.

One thing I do respect about the New Democrats is their consistency and sense of values and commitment to those values over a period of time. That stands in stark contrast to the Liberals.

The hon. member was quite right in pointing out that while he is opposed to the GST and would like to reduce the GST, so were the Liberals of similar persuasion before 1993. Let me suggest that a potential replacement for those revenues may be gained from a hypocrisy tax. If we were to have a hypocrisy tax that would be levied on politicians who break red book promises, perhaps that would be one way to help replace revenue from the GST.

I would appreciate his erudite views on my proposal for a hypocrisy tax which would serve two functions. First it would force Liberals to keep their promises for a change. Second, it would raise those revenues to reduce the GST, as the hon. member feels is important.

Mr. Dennis Gruending: Mr. Speaker, I thank the hon. member again for his question. I am sure that if our finance critic had had his advice in hand, he would have included that tax in his minority report.

While we are talking about a hypocrisy tax, I have just recommended some literature to the hon. member for over the Christmas holidays. I would refer him to a biography I wrote of Allan Blakeney, a fellow Nova Scotian, called *Promises to Keep*. Perhaps we would like to put that into the minority report as well.

• (1330)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I congratulate the member for Saskatoon—Rosetown—Biggar on his maiden speech in the House of Commons. He follows in the great tradition of prairie social democrats such as M. J. Coldwell, the second leader of the CCF in Canada; Alf Gleave, a former national president of the Farmers Union and member of the House of Commons for six years; and the honourable Chris Axworthy, attorney general and justice minister of the province of

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Saskatchewan, his immediate predecessor. I welcome him to the House of Commons.

I was quite struck by the majority report of the finance committee. I see my Liberal friends are probably even astonishing you, Mr. Speaker, because they are recommending that \$46 billion or about half of the \$95 billion surplus should go to tax cuts.

My good red Tory friend from Nova Scotia talked about hypocrisy tax in the red book promises. Perhaps that is why you are in the chair today, Mr. Speaker, because you can remain neutral on the breaking of a great Liberal principle of balance. Half of it was to go into program spending and half into deficit reduction and tax cuts. Now, afraid of the Leader of the Opposition, the Liberal Party has become a very right wing Conservative Party and is advocating putting half the surplus into tax cuts primarily for wealthy people.

Who in the country has paid for the fight on the debt and the deficit? Is it the Conrad Blacks of the world? Is it the wealthy people of the world? Is it the wealthier banks or the big firms in Canada? No. It is the ordinary people of the country who have paid for the fight on the deficit through cutbacks in health care, through cutbacks in education, through cutbacks in our social programs, and through cutbacks imposed on farmers. That is who has paid for the fight on the deficit. That is who has paid for the debt. Now that we have a surplus it seems to me the people who paid the price should reap the reward of a fiscal surplus, the ordinary people of Canada.

The Liberal Party is afraid of the Reform Party and the Leader of the Opposition and the tax cut agenda. I see across the way the member for Renfrew—Nipissing—Pembroke who is shaking in his chair in fear of the Reform Party. It is the same with the Minister of Finance who is implementing the Reform Party policy in terms of massive cutbacks in social programs like we never saw from any Conservative Party in the history of Canada including Brian Mulroney's.

That is exactly what has happened and there is no better example of that than the 60% cutback in support to farmers by the Liberal government across the way when their competitors in Europe and the United States have not been cutting back but indeed have been increasing support and subsidies to their farmers.

As the member for Saskatoon—Rosetown—Biggar said, 56 cents of a dollar in Europe will come from the treasury in Brussels and in the United States 38 cents will come from the treasury in Washington to support farmers. What is it in our country? It is 9 cents on the dollar.

The Reform Party has called for the end of all farm subsidies. Now it is the Liberal Party that is implementing the Reform policy to get rid of subsidies and support prices for our farmers. Farmers are leaving the land. Farmers are going bankrupt. We have heard time and time again that on the prairies we need \$1.3 billion of immediate aid, a trade equalization payment to farmers to allow

them to survive which would not even bring us up to the American levels or the European levels. What has the Liberal Party done? This message has fallen on deaf ears.

We had in parliament in Ottawa a few weeks ago the premiers of Manitoba and Saskatchewan, supported by all three political parties in Manitoba, three political parties in Saskatchewan, the farm organizations, the chambers of commerce and the trade unions, with a joint position of solidarity in support of \$1.3 billion for farmers in Saskatchewan and Manitoba. What did the Liberal government say? It said nothing in terms of extra assistance to farmers. No wonder the Liberals are hanging their heads in shame.

● (1335)

There was a throne speech back in October. I looked at it very carefully and there was absolutely nothing in it, not even a reference to the farm crisis. Where do these people live? They do not know the real poor people who are facing problems.

Then a month later we got this media show by the Minister of Finance. He flew to London, Ontario, to make a media statement. Again many of the Liberal members are wondering why all this money was spent for him to fly to London. A big schedule was worked out for the Minister of Finance and he made a statement on national television. In a 45 minute speech there was not one reference to the farm crisis despite the suffering, the pain, the demonstrations, the protests, the writings and the calls by the united front across Saskatchewan and Manitoba for extra assistance.

The Minister of Finance and the parliamentary committee on finance are more Conservative than anything I saw with Brian Mulroney or Conservative governments in the past. It is not just the farm crisis. Let us look at what they have done to health care. It is enough to tear our hair out. We have had the biggest cutbacks in health care in the history of the country. The cutback in federal funding to the provinces for health care is causing problems today in hospitals and emergency rooms from one part of the country to another. The closings of hospitals and the lineups for surgery are because of the cutbacks by the Minister of Finance.

Why is there silence on the backbench? The minister from the Northwest Territories never gets up to defend health care. I have never seen her get up to say that the Minister of Finance should put more money into health care. She should be ashamed of herself. She represents ordinary people and knows that people are in lineups because of cutbacks in health care by the federal government.

We have the farm crisis and the health care problem. Where are the recommendations in this report for money for health care? We have a \$100 billion surplus, and what has been recommended for health care? Nothing. Even the Canadian Medical Association is saying that we need an extra \$1.5 billion per year in health care.

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Some hon. members: Oh, oh.

The Deputy Speaker: Order, please. It is very difficult for the Chair to hear the debate. I know the hon. member for Regina—Qu'Appelle, in his most bombastic style, is being perhaps a little provocative and is causing some uproar in the House, but the Speaker has to be able to hear the remarks of the hon. member who has the floor.

Hon. Ethel Blondin-Andrew: Mr. Speaker, I rise on a question of privilege. I am deeply offended by the references made to me in a personal way. If my mandate and duties are being called into question in a professional way, that is one thing, but to be slandered by the member who has done nothing for native people but use them for their votes is unacceptable.

The Deputy Speaker: I have not heard anything here about a question of privilege. I suggest we move on.

Hon. Lorne Nystrom: Mr. Speaker, I did not even mention native people. I am not sure where that came from. I was saying that the member across the way like other Liberal members is not rising in the House of Commons and calling on the Minister of Finance to put more money into health care. The record speaks for itself.

The Liberal Party is implementing policies of the Leader of the Opposition and the Reform Party which call for massive cutbacks and a reduction of the role of government. That is exactly what it is doing. They are setting the agenda and that party across the way has implemented that agenda and knows it. That is why its members are so sensitive.

It is not just health care and the farm crisis. Let us look at what happened in terms of the cutbacks to education. The government is not investing in education like it should be. That is why we are falling behind in public support of education almost every state in United States. That is what is happening in Canada. If we had more federal moneys going to the provinces for education we would have better training for our people. We would have a more competitive and productive economy. That is not happening because of the cutbacks and the priorities of the government across the way.

• (1340)

The important point about the finance committee report is that it is supposed to be a framework and a vision for the next five years. What will the government do? It will continue the same right wing reactionary policies of the Reform Party in terms of handing out more and more money to wealthy people. In fact, the member for Calgary Southwest said at one time in the House that Conrad Black deserved a tax cut. The Reform Party is not implementing it but it is the Liberal Party across the way.

This is why we need a public debate in the country about our real priorities. The priorities should be to invest in people, to create more equality in people, to invest in the health care system, to come to the assistance of prairie farmers and to invest in the education system. Those should be our priorities and they are not the priorities today.

We hear all this stuff about tax cuts. I remember the Liberals in opposition, Mr. Speaker, and so do you. The member from the Northwest Territories was there. I remember when Brian Mulroney brought in the GST. I remember the Liberal Party saying in the House that if Canadians elected the Liberal Party, and it is in the red book, it would abolish the GST. Does everyone remember that?

The only member who had some honour in that regard was the former Deputy Prime Minister who resigned her seat and went to her people in a byelection. The Liberals made that promise on the GST. They promised to get rid of NAFTA, the free trade agreement. They promised many other things that were in the red book, and they broke those promises.

With that, Mr. Speaker, I hope you agree with me that what we are seeing is a right wing agenda by the Minister of Finance implementing the policies of the Reform Party of Canada.

Mr. Leon E. Benoit: Mr. Speaker, I rise on a point of order. In the member's presentation he indicated that the Liberal government is implementing what Reform would like to have implemented. I am deeply offended by that presentation.

The Deputy Speaker: The hon. member may be, but I do not think that constitutes a point of order.

[*Translation*]

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, I listened carefully to the speech made by my hon. colleague from the NDP, who made a sad assessment of the current Liberal government's record.

I would like him to say more on the social transfer. Quebec is having a lot of trouble. The minister, Pauline Marois, is trying in every way possible to find the money needed to provide adequate health care to the people.

I would like to know if the member from the NDP believes that these problems are in large part due to the Liberal government's mismanagement since 1993.

Hon. Lorne Nystrom: Mr. Speaker, this is a good question. In 1995, the current Minister of Finance cut more than \$6 billion from Canada's national health program. This is in sync with the policy being put forward by the Reform Party.

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The Minister of Finance, who is not a member of the Reform Party, made the worst cuts ever to health care, at the national level.

I remember very well when the national health program was introduced under Mr. Pearson. The CCF with Woodrow Lloyd and Tommy Douglas, from my province of Saskatchewan, were the first ones to come up with the idea. It was created at the national level by Mr. Pearson, a true Liberal. A true small "I" liberal, not a capital "L" Liberal like the ones we have today. At the time, the provinces and the federal government came to an agreement whereby the federal government would pay one half of the costs of the national health program, and the provinces, the other half.

Where do we stand today? The federal government only pays 12% or 13% of the costs. There is no national unity. Our country has no great vision. Where are the old Liberals? Where is the old Liberal Party of Pierre Trudeau, of Mr. Pearson, of Laurier and King? Where is that Liberal Party?

That Liberal Party has vanished completely. There is not a lot of difference now between the Liberal Party and the Mr. Manning's Reform Party. They are just about the same. We are stuck here with a government that is more conservative than Brian Mulroney's government was. Brian Mulroney never did such a thing. The government of the current Prime Minister is the only one to blame here.

• (1345)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member as well as the member for Saskatoon—Rosetown—Biggar referred to a surplus approaching some \$100 billion. The members will well know that is a projected surplus over the next five fiscal periods assuming no negative economic changes.

The economic and fiscal update shows that the surplus for the last fiscal year reported on was \$2.9 billion. It is estimated to be \$2 billion for the next fiscal year and \$5.5 billion for the year starting April 1, 2000 to March 31, 2001.

Given that we are talking about the upcoming budget and projecting for that year a \$5.5 billion surplus, I would like to ask the member about the recommendation to reduce the GST by 1% which would cost almost \$3.5 billion based on current revenue production. That means of the \$5.5 billion, \$3.5 billion is going to tax relief.

How does the member square that with his demands that there should be relief for prairie farmers, for health care, for post-secondary education and for children? The member cannot have it all ways. Is he suggesting that the government should be imprudent and go back into deficit financing?

Hon. Lorne Nystrom: Mr. Speaker, I am surprised my good friend across the way who is an accountant interprets the numbers in the way he does.

He knows that the projected surplus will be around \$10 billion in the next fiscal year. If we take into consideration the contingency that the government is setting aside, if we take into consideration the prudence that it is setting aside and if we look at the history of the Minister of Finance, it might be even more than \$10 billion. The Minister of Finance consistently underestimates the revenues of the Government of Canada, so there may be more than \$10 billion.

The member across the way knows that. He is an accountant. He is a good member of the finance committee. Unfortunately he has become very, very conservative in terms of the tax cut agenda for wealthy people.

The GST cutback by one point will cost around \$3 billion. That is about 30% of the surplus. That is a good amount to put in tax relief at the federal level at this time. Let us put most of the rest of the money into programs that are needed by the people of this country: health care, education, the farm crisis, the homeless situation and a children's agenda. That is what the people want.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure that I rise in the House to speak on the prebudget consultation report.

Today is December 16, 1999. There are 14 days left in this century, a century that was to have belonged to Canada. It is important at this time that we reflect on what is occurring not just within our borders but around the world.

The rate of global change facing Canadians is unprecedented. The challenges facing Canadians and the potential opportunities available to Canadians have never been greater. How are we doing in this environment? The Liberals say that the fundamentals are strong. The ex-patriot Canadian economist John Kenneth Galbraith once said that one should beware of governments who claim that the fundamentals are strong. That is an important bit of advice to heed at this time.

In this new globally competitive, interconnected environment the fundamentals are not simply esoteric statistics or unimportant numbers. These are not distant trivia that we can afford to ignore. We cannot afford to ignore what other countries are doing to create environments for economic growth.

Let us look at those fundamentals the government boasts about. We have an unemployment rate that is 70% higher than that of the U.S. We have the highest personal income tax rates of any country in the G-7. We have the second highest corporate tax rates in the OECD, of those 31 countries. Last year we were third highest but we are now second highest. Germany, a social democratic country

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of the same brethren as the New Democratic Party in this country, saw fit to reduce its corporate tax burden and create federal levels of economic growth and opportunity in Germany.

For the first time in the history of our country, our level of personal debt on average in Canada is \$43,200. For the first time that is surpassing the average disposable income of Canadians. In fact, we have the fastest growing levels of personal debt of any country in the G-7. While the government boasts about being in the black, Canadians are in the red to a greater extent than they have ever been in the past.

● (1350)

Personal disposable income in Canada has dropped by 8% since 1990. During the same period of time Americans have enjoyed a 10% increase. There has been a widening of the gap by about 10% in terms of personal disposable income between ourselves and our neighbours to the south.

The fastest growing economic engine is in the U.S. We have an opportunity being a country that borders the U.S. to benefit from that growth, but not if we continually focus on the policies of the past and ignore the opportunities to build policies based on the realities of the future.

Let us look at some other fundamental areas. Productivity growth rates in Canada have been lagging behind those of the U.S. In Canada the equities markets on the Toronto Stock Exchange have had a relatively anemic growth compared to the robust growth in the U.S. During the same period of time the TSE was required to grow by 100%, the Dow Jones Index in New York grew by 300%. As Americans are getting richer, Canadians are getting poorer.

Under this government since 1993 there has been a 10 cent drop in the Canadian dollar relative to the U.S. dollar. The Prime Minister's response was typically erudite, that it would be good for tourism. The logical corollary of his argument would be that if we were to reduce the dollar to zero, we could become the greatest exporting nation in the world. That logic simply does not work. Most Canadians realize it is impossible to devalue our way to prosperity.

The brain drain issue is a very important fundamental. It involves the choices being made by some of the best and brightest young people in Canada. According to the report by the Conference Board of Canada last summer, the number of people leaving Canada and seeking opportunities in the U.S. has grown from 16,000 people per year a few years ago to 96,000 people per year.

We see a very disturbing trend, the devouring of corporate Canada. At the end of the 20th century, which was a century that was supposed to belong to Canada, it is important to pause and think about some of these things. It is sad that at the end of the 20th century Canada no longer really belongs to us. That is largely due

to the fact that the government fails to accept some of the market driven realities of a globally competitive environment.

I will give the House an idea of the impact of the devouring of corporate Canada. Back in 1994 the value of U.S. acquisitions of Canadian companies was \$5.6 billion. In 1998 the Canadian corporate value purchased by Americans had grown to \$16.1 billion. This year it is \$25.6 billion. That is no accident. It has a lot to do with the reduction in the value of the Canadian dollar.

Let us look at some of the causes of the reduction in the Canadian dollar, that 10 cent precipitous drop and decline in the take home pay of Canadians since 1993. A lot of that has to do with tax issues.

Back in the 1970s and 1980s Canada was able to maintain approximately the same level of economic growth as the U.S. During the same period of time we had a positive yield in that our interest rates were marginally higher than those of the U.S. yet we were able to maintain that similar level of economic growth and prosperity.

However in the 1990s and particularly since the election of this government, we have seen a gap between the currency values of the two countries and for the first time in a long time Canada has a negative yield. We have lower interest rates in Canada. We are using monetary policy to compensate for some of the weak fiscal policies of this country.

Part of the reason the Bank of Canada needs to do that is that for the first time ever as a percentage of GDP in Canada, we are at 38% of our GDP in taxes. Compare that to the U.S. which is at 28% of GDP in tax revenues. It is not sustainable. Effectively we are heading toward a government that simply will not be able to continue the devaluation of the Canadian dollar. The Bank of Canada will not be able to continually use that mechanism. We need strong fiscal mechanisms and levers to be implemented now.

● (1355)

Some of the victims of this devouring of corporate Canada include the Canadian icon MacMillan Bloedel, Poco Petroleum Limited, MetroNet Communications, JDS Fitel, Club Monaco, Noma Industries, Newcourt Credit, Midland Walwyn, Peoples Jewellers and Shoppers Drug Mart. Shoppers Drug Mart, Canada's drug store, is now owned by KKR, Kohlbert Kravis and Roberts out of New York. This is not a good trend for Canada.

It is very easy for us to do what the Liberals typically do in this kind of situation and that is to try to demonize America, to try to demonize the free market system and to try to somehow create a bogeyman in the people who are logically taking advantage of the situation that exists here. The fact is that in a globally competitive environment, the responsibilities lie with each government to create the levels of economic growth and opportunity for their companies and individuals to succeed and compete globally.

In that kind of environment the government is clearly failing. It is exposing the nape of Canadian investors, Canadian business people and Canadian individuals to the ferocity of global competition without providing the economic growth levers and productivity enhancement initiatives that they need.

This is in stark contrast to the previous government that had the courage and vision to implement a free trade agreement that this government has embraced and accepted as being good policy in retrospect. The previous government not only had the courage to eliminate the manufacturers' sales tax which was impeding growth and impeding the ability for Canadian enterprises to compete and succeed globally and replace it with the GST, it also deregulated financial services, transportation and energy. All of these are policies that this government embraces. All of them are policies that have been credited by economists as having been largely responsible for the ability for this government to eliminate the deficit.

If we look at what the achievements of the government have been, the only thing the finance minister can point to is the elimination of the deficit. If we accept, as most economists accept, that the elimination of the deficit was largely due to the structural changes made to the Canadian economy by the previous government—

The Deputy Speaker: I hesitate to interrupt the hon. member, but given the time, I think he would want to save half of his time for after question period. He will have 10 minutes remaining in his remarks following question period today.

We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

ARTS EDUCATION

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, the Canadian Conference of the Arts and the University of Ottawa recently announced their collaboration in co-hosting the fourth national symposium on arts education entitled "Sharing the Vision" which will take place in Ottawa in July 2000.

This annual symposium gathers artists, educators and students to discuss how best to ensure that the arts are a fundamental and sustained part of the Canadian school system for all students in all schools. They know that children and young adults who study music and the arts are creative, imaginative, possess strong problem solving skills and actually score higher on a scholastic admission test than students who are not exposed to the arts.

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The government is committed to ensuring a higher quality of life for our children. Our children learning in, through and about the arts is of vital importance for their future. We must continue to play a role in guaranteeing quality arts education for all Canadian children in the new millennium.

* * *

CANADIAN AIRLINES INTERNATIONAL

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, as Christmas approaches it is a shame that the 16,000 employees of Canadian Airlines International are once again facing an uncertain future. Not only are their careers being jeopardized, but they are also being used as a bargaining chip in the negotiations between Air Canada and the federal government.

While Canadian Airlines employees face an uncertain future, their current dilemma is not of their making. As a perennial underdog in Canada's air industry, these employees were always able to provide top notch service in often trying and adverse conditions.

• (1400)

Today Canadian's employees continue to display their professionalism and dedication as they serve the travelling public.

The official opposition wants to take this opportunity to recognize the outstanding efforts of the employees of Canadian Airlines. We urge the federal government and Air Canada to quickly and fairly resolve their differences and provide these individuals with the stability they truly deserve.

* * *

[Translation]

MUSCULO-SKELETAL CONDITIONS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, hundreds of millions of people throughout the world suffer from disabling musculo-skeletal conditions which are the most frequent causes of serious chronic pain and disability.

The prediction is that human suffering will intensify as people live longer and there are more and more accident victims.

The resulting health problems will create a major economic burden which will force governments to spend more and could eventually lead to patients being deprived of the treatment and rehabilitation they require.

I wish to point out that the United Nations, through their Secretary-General Kofi Annan, have supported the proposal for designation of the decade 2000-2010 as the decade devoted to improving the quality of life of people throughout the world who are suffering from conditions and injuries affecting the bones and joints.

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[English]

SANDRINE'S GIFT OF LIFE

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, as national co-chair, along with Sandrine's mother Diane and broadcaster Don Cherry, I would like to thank my colleagues who kindly supported the Sandrine family's Gift of Life organ donor campaign.

Regardless of whether people have signed an organ donor card, their families can override their wishes. However, it has been shown that speaking to family members doubles the chance that their final wishes will be fulfilled.

I am sure that my colleagues will join with me in urging all Canadians to talk to their families about this important decision. By doing so they will honour the memory of 11 year old Sandrine Craig, whose death has inspired this national campaign.

* * *

WESTJET AIRLINES

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, the entrepreneurial spirit is alive and well in the west and is moving east at the speed of a jet plane.

Today I rise to offer congratulations to Calgary's WestJet Airlines, which has announced that it is going to expand its carefully managed operation eastward.

The WestJet success story began three short years ago with a vision and has already served 1.6 million Canadians. Its consistent down-home, casual approach and friendly western service just keeps bringing the customers back.

As WestJet moves east, Canadians will benefit by having access to this new alternative airline.

To which central Canadian city will it fly? Will it be Hamilton or Montreal, Ottawa or even Toronto?

On behalf of my caucus colleagues and parliamentarians, I can say that if WestJet chooses Ottawa we may see a lot more of each other as we go west or east on WestJet.

* * *

CLARITY ACT

Mr. Rey D. Pagtakhon (Winnipeg North—St. Paul, Lib.): Mr. Speaker, the clarity act is about the very being of our country and the fullest expression of responsible democracy. It embodies the advisory judgment of the Supreme Court of Canada respecting the rights and obligations of the federal and provincial governments and the governed. It embodies in clarity the binding relationship among them, including when a province contemplates secession from Canada.

Ours is a country founded on shared values of federalism, democracy, constitutionalism and the rule of law, and respect for minorities. It was created on mutual consent out of the diversity of our people—in culture, language, origin and faith—and has continued to draw societal strength from it.

Resolute is my confidence that the clarity act, which speaks to our Canadian values and identity, will reaffirm our faith as Canadians in one Canada, united and strong.

* * *

[Translation]

CAROLINE BRUNET

Mr. Jean-Paul Marchand (Québec East, BQ): Mr. Speaker, Quebecer Caroline Brunet, the best kayaker in the world, has just been named as the winner of the Lou Marsh trophy, awarded annually to the top Canadian athlete of the year.

This athlete has been turning out exceptional performances for a number of years. In the world kayak championships in Milan last August, she captured three golds and one silver. Over the past three years, Caroline Brunet has totalled no fewer than eight gold medals in individual events in her discipline at the world level.

● (1405)

As well, she earned a silver in the sprint at the Atlanta Olympics. This athlete has every chance of carrying off the gold medal at the Sydney Olympic Games, and we fervently hope she will. All Quebec is proud of Caroline Brunet. She is a model of excellence for young people.

Caroline, congratulations on this new honour. Keep up your amazing performances.

* * *

JEROME LAPER

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, I would like to acknowledge the achievements of a constituent in my riding of Ahuntsic, Jerome Laper.

Mr. Laper used his time and expertise to help develop the economy of another country. He worked for the volunteer organization CESO.

[English]

He completed two assignments in Guyana. He increased sales for a laundry detergent producer and for a coconut oil soap stock producer. His expertise and his recommendations helped to improve and increase sales for both producers.

I wish to take this opportunity to congratulate Mr. Laper on his achievements. I am proud that Canadians such as Mr. Laper work not only to improve our country Canada, but also the world. His accomplishments merit recognition by all parliamentarians.

[Translation]

Congratulations, Mr. Laper, and good luck in your future endeavours.

* * *

PORTUGUESE COMMUNITY

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, in 1974, the Portuguese community of the Outaouais region of Quebec built its community centre called Les amis unis, in Hull. Since then, the centre has contributed to the integration of the Portuguese community into the Outaouais life, while preserving and celebrating its beautiful traditions.

The centre has been a social bond in our region, while also contributing to a better understanding among individuals and communities.

We join in the celebration of this 25th anniversary, which not only reflects the usefulness of the Portuguese centre Les amis unis, but also the exceptional contribution of Portuguese nationals to our region.

As the member representing the riding of Hull—Aylmer, I am pleased to give my regards to the members of Les amis unis and to say that I admire their work.

I wish them continued success. Viva o Centro português.

* * *

[English]

BILINGUALISM

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the Prime Minister wants to force official bilingualism on the new amalgamated city of Ottawa. This city is in effect bilingual today because the demand for services makes it an advantage for citizens to be able speak and understand two languages.

I am personally attempting to become bilingual because I want to, not because someone is forcing me. When the benefits of speaking more than one language are forgotten and legislation is used to force people, they rebel.

I reject the clumsy attempts of federal Liberals to order the Ontario government to legislate Ottawa as officially bilingual. Ottawa is now functionally bilingual, and so it should be.

If the Prime Minister wants to force bilingualism on the city of Ottawa, he should try also to force official bilingualism on the city of Hull. What is good for Ontario should be good for Quebec.

My advice to the Prime Minister if he is not willing to do that is to butt out.

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HUMANITARIAN WORKERS

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, even as representatives of the MFS were accepting their Nobel Peace Prize in Oslo last week, two of their number were being held hostage by rebel RUF fighters in Sierra Leone. The two volunteers, a Belgium doctor, Patrick Cloos, and a German logistician had been detained since December 6. They were being held in Kailahun District by renegade RUF field commander Sam Bockarie.

Only a few hours ago these two hostages were released and are making their way back to Freetown by helicopter. One of the hostages, Patrick Cloos, has a strong Canadian connection. In fact, Mr. Cloos is based in Montreal and will be returning to Canada in early January. His fiancée, who lives in Montreal, will be leaving for Brussels to join him within the next few days.

This incident is further evidence of the tremendous courage and devotion to duty of MFS workers. It is also further evidence of why countries like Canada must continue to work to ensure the safety of humanitarian workers in war zones like Sierra Leone.

* * *

[Translation]

BILL C-20

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, with his Bill C-20, the Minister of Intergovernmental Affairs puts me in mind of the Book of Genesis.

In the beginning, the minister created rumours, squabbling and division within the Liberal caucus. And the caucus was without form and void; and darkness was upon the face of the deep. But fortunately the spirit of the minister moved upon the face of the waters.

● (1410)

Rising in his place in the House, the minister said “Let there be light”. And in the middle of the thunder and lightning, Bill C-20, a bright and shining star, emerged from the darkness.

As the only keeper of clarity, the Minister of Intergovernmental Affairs became the Creator.

In the Book of Genesis, on the seventh day, the Creator saw everything that he had made and he was pleased with it. He decided to rest.

The Minister of Intergovernmental Affairs can rest on one condition only: that his bill, which is dust, returns to dust, and that he gets rid—

The Speaker: The hon. member for Regina—Qu’Appelle.

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[*English*]

THE ECONOMY

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, today's *Globe and Mail* contains an article written by former Supreme Court Justice Willard Estey in which he expresses concern over the sellout of our Canadian economy to foreigners.

It leads me to give the corporate sellout award for the month of December to a company which has been responsible for the biggest sellout in our Canadian economy.

Our first nominee is MacMillan Bloedel, which sold out to U.S. forestry giant Weyerhaeuser for \$2.4 billion U.S. The second nominee is Unihost Corporation, which operates in the hotel industry. It sold out to U.S. Westmount Partnership for \$377 million. The third nominee is none other than People's Jewellers, which sold out to the U.S. Zale company for \$75 million.

I will now look at the envelope. The winner for the biggest sellout of the month award for the month of December is Weyerhaeuser, which gobbled up MacMillan Bloedel, one of Canada's leading companies in the forestry industry.

* * *

HOUSE OF COMMONS

Mr. Rick Limoges (Windsor—St. Clair, Lib.): Mr. Speaker, I am certain that all members of parliament will join with me in thanking all those hard-working people who dedicate themselves to making the House of Commons such an efficient institution.

It is no small feat to keep this place running. I extend my thanks to the pages who jump when we call, the clerks who record our every word, House of Commons staff who feed and clean up after us, and printing and post office staff who help us to get the word out.

Thanks as well to our security staff who protect us so that we can continue to say such outrageous things.

[*Translation*]

To all these heroes, who toil in the shadows, and whose fine work and devotion is too often left unsung, we offer our best wishes on the eve of the new millennium

* * *

[*English*]

HOMELESSNESS

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, on March 25 the minister responsible for homelessness promised that she would have the homelessness problem solved within 30 days.

By tomorrow, when she makes her announcement, it will have been 267 days. She will announce some money for the homeless without the participation of the provinces and the municipalities. She will also make the announcement outside parliament, where MPs cannot scrutinize her work, and on the quietest news day of the week. I guess she is hoping that no one will be listening.

Since March the minister has spent over \$1 million to hire 18 new staff members. According to access to information documents, she also spent \$54,000 redecorating her office. She has spent \$17,000 flying to China, Mexico and jetting herself around the country. She has spent \$30,000 on hotel rooms and over \$16,000 on food and drink for herself. Her trip to China alone cost over \$19,000.

I do not know what the minister will announce tomorrow, but I sure hope that she will treat Canada's homeless at least as well as she has treated herself this year.

* * *

FLIGHT TRAINING

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, 60 years ago, on December 17, 1939, Canada, the United Kingdom, Australia and New Zealand joined together in Ottawa to sign the British Commonwealth air training plan agreement.

A significant milestone for Canada, the air training plan became one of the first symbols of our country's participation in the second world war and was certainly one of Canada's most important contributions to the ultimate victory.

Between 1940 and 1945 Canada became known as the aerodrome of democracy, as 107 air training facilities were established across the country to train more than 130,000 air and ground crews. Many of them paid the ultimate price, fighting for the causes of freedom, international peace and human dignity.

In many senses the training plan laid the foundation of our longstanding co-operation with our allies on the European continent and elsewhere around the world.

Today the tradition of training the world's best aviators lives on with the government's commitment to the innovative NATO flying training in Canada program.

* * *

[*Translation*]

BILL C-20

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, the Fédération des travailleuses et des travailleurs du Québec, the Confédération des syndicats nationaux, the Centrale de l'enseignement du Québec, the Fédération des femmes du Québec, the Front d'action populaire en réaménagement urbain, student federations, the Front commun des assistés sociaux du Québec, all of Quebec is

outraged that the federal government wants to call the shots with respect to Quebec's future.

• (1415)

All of Quebec wants a sovereignist vote to carry the same weight as a federalist vote. Let us be clear on this: the people of Quebec may, in fact and in law, decide its own future.

* * *

[English]

HOCKEY

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, a very serious issue is weighing heavily on the minds of the Liberals. Committees have been instructed to study it. Consultants have been hired to develop solutions. Ministers and backbenchers are pitching ideas at every chance, all to save an industry that was once at the core of our Canadian identity but is now dominated by Americans and Europeans.

What issue is that? Is it agriculture or the farm crisis? No. It is professional hockey and the campaign to cut even further the taxes for millionaire hockey players and team owners. For shame.

Thousands of farmers cannot afford to farm any more, but the Liberal budget gave Canadian NHL players an average of \$16,000 in tax cuts this year alone. By providing entertainment expense write-offs to buyers of corporate box seats and season tickets, we already subsidize pro-hockey teams heavily from the federal treasury.

The country has other priorities, like desperate farmers, medicare, the homeless, the unemployed and amateur sport. Why will the Liberals not stop being lackadaisical and start acting on these very important issues?

ORAL QUESTION PERIOD

[English]

TRANSITIONAL JOBS FUND

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, we now know that the Prime Minister was involved in breaking the rules governing the awarding of federal government grants in his riding.

The departmental officials did not want to allow the grants, but in a memo to a departmental official one of the HRD minister's own staff instructed that the dollar amounts given to the two hotels in the Prime Minister's riding had to be artificially inflated. Why? The memo stated that it was to keep the same amount suggested by the Prime Minister during discussions with the promoters.

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The Prime Minister said that he was just doing a good job as a member of parliament. However, who really benefits when an MP breaks the rules, twists the arms of the bureaucrats and forces the ministerial staff to fudge their numbers?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the premise of my hon. friend's question is totally wrong.

The Prime Minister is not personally involved. This matter was dealt with by officials according to the structure of the program. My hon. friend ought to withdraw his unwarranted slur on the Prime Minister.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I said that the Prime Minister was involved and I will explain further.

The human resources minister's staff was concerned because the Prime Minister's announcements were forcing them to break the rules. Robert Thériault wrote that it was a difficult decision since they departed from regional guidelines. He said that they would have liked to have given another answer but that he had no choice. He had no choice because the Prime Minister promised the promoters this pot of cash. The HRD minister got the marching orders.

Why does the Prime Minister equate fudging the numbers or skirting the rules with being a good member of parliament?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is absolutely false in the assertions he is making.

Let us look at the whole story here. The transitional jobs fund is there to help create jobs in areas of high unemployment. This was an area of high unemployment. These projects had broad public support. No moneys flowed until the appropriate approvals were in place. Jobs were created.

That is the story. That is what this is all about.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, that is not what it is all about. Creating jobs is not the issue here. The problem is dealing with a bunch of very suspicious characters in the Prime Minister's riding.

Pierre Thibault was one of the men the Prime Minister promised the money to. Mr. Thibault is a self-confessed embezzler and a suspect of ongoing criminal investigations.

René Fugère helped the Prime Minister broker that deal. He is under investigation by the RCMP for illegal lobbying. He has also received an \$11,500 payback for arranging the last federal grant.

Why does the Prime Minister's definition of being a good member of parliament include making deals with criminals, suspected criminals, breaking the government's own grant rules

Oral Questions

and allowing paybacks to members of his own constituency association?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member's assertions are totally unfounded.

The Prime Minister has not personally made deals with questionable people. Again I ask the hon. member, if he has any honour connected with his title, to withdraw those unwarranted slurs on the Prime Minister.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, someone's honour is being questioned and it is the Prime Minister's. The Prime—

• (1420)

The Speaker: Order, please. I ask members to be very judicious in your choice of words.

Mr. Monte Solberg: The Prime Minister promised the two hotel owners pots of federal cash. They both got it in spite of the fact that those grants broke the government's own rules. Equally amazing, both of these people had very shady pasts.

Think about it, Mr. Speaker. The Prime Minister assured these characters that they would get government grants. He then forced the human resources minister to break the rules to ensure success.

Why does the Prime Minister's Shawinigan job creation plan involve nothing more than bullying ministers and conspiring with shady characters?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us look at the people who supported these programs: the mayor of Shawinigan; the provincial member, Mr. Pinard, a péquiste and no friend of the Government of Canada; members of the Société québécoise de développement de la main-d'oeuvre; and the Quebec minister of employment.

Is the hon. member suggesting that these people are shady characters?

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, they got no money. We know where the shady characters are.

The Prime Minister promised the convicted criminal owner of the Grand-Mère Inn hundreds of thousands of dollars in government grants. The Prime Minister then strong-armed the HRD minister to ignore the government's own rules to ensure that the deal went through. Not coincidentally, the Prime Minister owned a large share of the golf course that neighbours the Grand-Mère Inn. In other words, if the inn does well so does the golf course.

Was it in the Prime Minister's own financial interest that led to irregular grants to the Grand-Mère Inn?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I can give a list of a number of people and organizations who have supported these programs.

What is clear from the questions of opposition members is that they do not accept that there are areas of high unemployment in this country. They do not accept, as Canadians believe, that we have a duty to work with those areas, whether it be in Atlantic Canada, in Quebec, in Ontario or even in northern British Columbia.

They do not accept that there is a way for the people of Canada to help those who are less fortunate to benefit from the success of this great nation, but we do.

* * *

[Translation]

BILL C-20

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, with his bill, the Minister of Intergovernmental Affairs is altering the nature of the supreme court ruling or opinion on the required majority.

Yesterday, we quoted a supreme court decision in which it is stated that all votes must have equal value.

Does the minister realize that, with his bill, he is saying he can decide that one vote has more value than another, something which is indefensible in a democracy?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I answered that question yesterday.

A referendum is a consultation. A consultation must be evaluated by the political authorities, which must make that evaluation based on various criteria, including the clarity of the question and the clarity of the majority.

For something as serious and irreversible as secession, it is the custom in a democracy to make such a change when there is a consensus in a society to do it.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, what the minister is saying is that he will not abide by a result of 50% plus one. The Prime Minister said the same thing. He is nodding that he is of the same opinion.

In light of these statements, I say that his vote counts for more than mine, that the vote of a federalist counts for more than the vote of a sovereignist.

Some hon. members: Oh, oh!

Mr. Gilles Duceppe: In fact, in all his fine speeches, he keeps telling us that his government will determine the rules once the game is over— Is this what he calls democracy? Really?

Oral Questions

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, there is no change in the rules for the simple reason that there is no rule on a required majority in a referendum, neither in Quebec's Referendum Act, nor in Canadian federal law.

A referendum is a consultation, and we evaluate its result. If the court insisted on the need for a clear majority by using the expression 13 times, it is because a simple majority of 50% plus one is not enough to break up a country.

• (1425)

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs may claim to be clarifying matters, but everything he touches turns to confusion. While he accuses others of ambiguity, he is threatening to trample the basic rules of democracy.

Will the minister admit that the most anti-democratic provision in his bill is the one allowing the federal parliament to determine what constitutes a majority, a provision that Claude Ryan has described as completely ridiculous.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, it is not the first time, nor will it be the last, that the Government of Canada finds itself both agreeing and disagreeing with Claude Ryan. Mr. Ryan has his own way of thinking.

As for the question, Mr. Ryan suggested that it be adopted by two-thirds of the members of the National Assembly and, as for the majority, on August 21, 1998, Mr. Ryan said "It should require 50% plus one, not of the votes cast, but of eligible voters".

If the Bloc Québécois wants to accept these two suggestions made by Mr. Ryan, let it so inform the House. Otherwise, it should quit trying to ride on his coattails. It is a no go.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, nonetheless, Claude Ryan said that the majority provision in the minister's bill was completely ridiculous. That is what he said yesterday.

With the holiday season fast approaching, the minister knows very well that his bill will be the topic of many a family discussion in Quebec. Before breaking, can the minister tell us clearly whether one sovereignist vote is equal to one federalist vote? Can he finally give the House an answer?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, first it was 1-0, then it was 2-0. Let them pull off three wins in a row and we will talk.

In the meantime, Quebecers think that a clear question would deal with separation rather than vague motions such as sovereign-

ty-partnership. The great majority think that a country should not be broken up over a vote of 50% plus one.

And they think, as the member did when he was at university, that it would be a poor idea to shift northern Quebec's aboriginals from one country to another without even asking their opinion.

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[English]

PORT OF HALIFAX

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Halifax port is an economic engine for the metro, for the province and for the Atlantic region as a whole. But all of that is threatened.

The transport minister appointed port authority has jacked up the rent of a key terminal operator by 900%. That means that workers will lose jobs, that international shippers will go elsewhere and ultimately the region's economy will suffer.

My question to the minister is simple. Will the transport minister commit today to help resolve this damaging dispute?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I have been made aware of this dispute. I should tell my hon. friend that this matter is now before the courts. Since legal action has been taken, it would be inappropriate for me to say anything more.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, we are in this mess because of public policy.

Let me translate the minister's response. The Nova Scotia economy is at risk and the Liberals do not care. That is what we heard the minister say. That is not good enough because 7,000 jobs depend on the Halifax port. We know that number will grow in the coming years but only if the port authority makes decisions that put the community's interest first.

I ask again, will the minister stop making excuses and get on with his responsibility to help resolve this dispute?

• (1430)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. member seems to be completely unaware of the purpose of the Canada Marine Act which was to transfer the operations of these ports to local bodies, people who reflect the local communities, including representatives from federal, provincial and municipal governments.

The members of that port authority are outstanding citizens. They have the ability to manage the port and to maximize the advantage for the benefit of all people in Nova Scotia and indeed of all Canada. I am sure they are doing that, but we should not go down the route in the House of Commons of arguing about

Oral Questions

something which is a legal dispute that will be resolved by the courts.

* * *

CANADA POST

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, three months ago the government said that it would provide Canadians access to all government services and programs on the Internet by the year 2004. The secured channel project, a \$5 billion contract to build the electronic gateway, will be one of the largest contracts ever awarded by the federal government.

Is the Minister of Public Works and Government Services aware that André Ouellet, president of Canada Post, is negotiating behind his back with senior officials and ministers that the contract be given to Canada Post without ever going to public tender?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as everyone knows Canada Post launched its electronic post office two weeks ago in Toronto. Yes, it is in negotiations and the negotiations are ongoing as to whether the government should use part of its system.

Canada Post is a crown corporation and belongs to the Government of Canada. It is normal that there should be some discussion going on.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, typically that explains nothing. Surely the minister is aware of treasury board guidelines requiring all government contracts to go out for a competitive bid unless they meet a very narrow criteria, or unless one's name is André Ouellet.

Will the public works minister direct the president of Canada Post to stop trying to sabotage the competitive bidding process and guarantee that all other Canadian companies will have an equal opportunity and equal chance to bid on this \$5 billion contract?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, there is no process. There is no competition out there. There is only discussion.

Instead of asking me to direct the Canada Post president, who is trying to provide a good service for Canadians, the hon. member should tell his lobbyist to stay out of trouble.

* * *

[Translation]

GOVERNMENT GRANTS

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the funding going to the Prime Minister's buddies is in direct contravention of the rules.

It is obvious that the Prime Minister has forced his own Minister of Human Resources Development to break the rules and fiddle the figures.

Does the Prime Minister still believe that he has deceived Canadians by telling them he never benefited from this affair?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, it is interesting to see again that the hon. member is absolutely wrong. What we have here is an undertaking in an area of high unemployment with projects that have actually created jobs.

Let me just quote local MNA Mr. Pinard, a député provincial péquiste, who said:

I find it deplorable that rocks are being thrown at Mr. Chrétien for having worked within government programs.

The Speaker: I remind hon. members not to use the names of members who are sitting in the House.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, as all these people are referred to, I wonder if they knew what was going on behind closed doors. Did those people who accepted this proposition know what was happening? How can the government stand to try to defend the indefensible?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me remind the hon. member again about the people in the community that supported these programs, such as the mayor of Shawinigan; the provincial member, as I pointed out; members of la Société québécoise de développement de la main-d'oeuvre; and members of the caisses populaires. Yes, they know their region. Yes, they know what undertakings will create jobs in their region. Yes, they wrote to our department and confirmed that this was an appropriate investment.

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[Translation]

BILL C-20

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

He can say that his Bill C-20 is a bill on clarity, but the fact is that the provisions on evaluation of the results thrust us into vagueness and obscurity, and lay open to question the universally accepted principle that all votes are equal.

● (1435)

Does the minister not understand that 93.52% of registered voters who cast ballots in the last referendum in Quebec did so specifically because they were convinced that all votes were equal?

Oral Questions

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, all votes are of course equal, and after that the outcome is evaluated.

Is the hon. member by any chance suggesting that every referendum in Quebec in which there is a result of 50% plus one ought to be acted on? If so, he ought to get on the phone right away to the Quebec Minister of Municipal Affairs.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, there is just one thing that is unclear for Quebec: the convoluted arguments of the Minister of Intergovernmental Affairs.

I will ask him only one question through you, Mr. Speaker: is my vote equal to his vote?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, our votes are equal of course, which is what yielded the 49.4% yes vote last time. As far as I know, the PQ government was quick to say "until next time". If it lost the next time there was a referendum, would it say the same again? It will start all over again.

The crux of the problem, however, is that if ever, after a yes vote, separation were to occur, unfortunately, the people who had voted no would not be able to say "until next time". The act would be irreversible, and would commit our children, our children's children, and the generations after that.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: Order, please. I do not know where it came from, but I heard the word liar.

Some hon. members: Oh, oh.

The Speaker: Order, please. The other day the hon. member for Roberval was among those who told us that the right to free speech here in this House had to be protected. It must be protected for all members.

I therefore ask all members never to use these words during oral question period or during debate.

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[English]

GOVERNMENT GRANTS

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the government is attempting to throw up a smokescreen when

answering questions about shady deals in Shawinigan by pointing to a handful of individuals who support the deal. There are millions of Canadians who do not support it.

Let us review the facts. The Prime Minister promised a convicted criminal and a confessed embezzler hundreds of thousands of dollars in government grants. The deal was helped along by René Fugère who is under RCMP investigation for illegal lobbying. Not coincidentally the Prime Minister owned a large share of the golf course which neighbours the Grand-Mère inn.

Is it not true that the Prime Minister's interest in these dealings goes beyond simply creating jobs in his riding?

Hon. Herb Gray (Deputy Prime Minister, Lib.): No, Mr. Speaker, it is not true.

• (1440)

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, once again, the Prime Minister intervened to give a convicted criminal access to hundreds of thousands of dollars in taxpayer money. He discussed the deal with two shady characters, and one of the criminals owns the hotel next to the Prime Minister's old golf course.

Why does the Prime Minister insist that he was just being a good MP when it is obvious to everyone that his dealings benefited him politically?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is a captive of the clouds in his own mind because it is obvious only to him that there was wrongdoing by the Prime Minister. This is not true. This is not true.

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[Translation]

BILL C-20

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, as Mr. Trudeau pointed out in 1958:

In national politics, English Canadians have long behaved as if they believed that democracy was not made for French Canadians.

Will the Minister of Intergovernmental Affairs admit that his clarity bill perpetuates the same bias regarding the ability of Quebecers to democratically decide their future?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, we Quebecers are lucky enough to have two governments and two parliaments that have constitutional powers, one in Quebec City and one in Ottawa. These two parliaments have a responsibility to never let us lose Canada in confusion.

Oral Questions

As long as we want to stay in Canada we will stay, because we built this country, and the national assembly will fulfil that responsibility in its own fashion and so will the Parliament of Canada.

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, we are on the eve of the Christmas holiday. Quebec families will be discussing the minister's bill when they get together.

Should that bill not be clear and should the minister not give a nice present by clearly stating that in a future referendum no vote will have more weight than another one and, therefore, recognize the legitimacy of the 50% plus one rule?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, that rule does not exist. It is not written anywhere in the Quebec Referendum Act. In fact, the white paper that underlies this act clearly states that the reason it is not necessary to set a majority threshold is that the political authorities will be able to evaluate the result on the basis of what is at stake and of the clarity of the process.

Above all, we Quebecers like clarity. We are clearly saying that we no longer want confusing questions like the one asked in 1995.

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[English]

GOVERNMENT GRANTS

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, how things change. When Brian Mulroney found himself in a scandal Liberal rat packers were all over him. Today they applaud and cheer a Prime Minister who negotiated taxpayer funded grants for criminals and allowed a minister of the crown to break the government's own rules by becoming associated with suspected criminals who got secret commissions from these grants.

Will the government House leader or the minister of heritage stand today to explain how this is any different from what they used to raise hell about in the House?

The Speaker: I wish we would stay away from words like hell and damn. We do not need them. We have other words we can use.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us look at this another way. In terms of these projects only 10% of the funding came from transitional jobs funds. The rest came from private sector investors, from private and public financial institutions, from local communities and even from a union investment fund.

Is the hon. member suggesting that these people did not know what they were doing or who they were partnering with? Is he suggesting that they did not believe these projects were the right

thing to do in this region? They agreed that investments by the federal government along with their investments was the right thing to do to help create jobs in this area of very high unemployment.

• (1445)

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, it is amazing that the Minister of Canadian Heritage is remaining quiet in this but let us look at some of the facts.

The ministry of human resources staffer Thériault made it very clear to departmental personnel what they were up against. He said the proposed grants broke the rules, needed to be artificially inflated to meet the dollar amounts promised by the Prime Minister and had to proceed no matter what.

Let me rephrase my question. Can the Minister of Canadian Heritage or the House leader explain how this is any different from what Brian Mulroney did which drove the Tories to two seats in the House? How is what the Prime Minister is doing any different from what Brian Mulroney did?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am absolutely amazed that the member would be complaining about members doing work to help constituents in their ridings. Every single day this week the member has privately crossed the floor to talk to me about a particular project in his riding. It involves considerable expenditure of the taxpayers' money but of course I want to consider it because I respect the integrity of the member.

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[Translation]

BILL C-20

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs claims to be piloting through a bill on referendum clarity while telling us in the same breath that the 1995 referendum was unclear.

How can the minister make such an erroneous statement when we know that 93% of registered voters cast their ballot, that thousands of Canadians attended a rally urging us to stay in Canada, and that the Prime Minister himself said that the choice was final, stay or leave?

How can he now say that the stakes were not clear?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the member knows perfectly well that, if the question had been about separation or independence, support would never have been as high as 49%, and that, on October 30, 1995—

Some hon. members: Oh, oh.

Oral Questions

The Speaker: Order, please. The Minister of Intergovernmental Affairs.

Hon. Stéphane Dion: On October 30, 1995, 49% of Quebecers were not in favour of separation. Let us be honest—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Essex.

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[English]

YEAR 2000

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, the year 2000 is fast approaching and some Canadians still fear the possibility of computer problems. Can the President of the Treasury Board assure Canadians today that the government is ready to deal with any potential problems?

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I thank my colleague from Essex for the question. I know that as chair of the industry committee she has been following this issue very carefully.

The health, safety, security and well-being of Canadians remain our priority. I am pleased to report that the government-wide mission critical systems are over 99% ready. Although we do not expect any major disruptions, we have developed contingency plans so Canadians will continue to receive essential services in our country. Indeed we work very closely with provincial governments and the private sector.

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GOVERNMENT GRANTS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the Minister of Canadian Heritage tries to deflect accusations by saying that the Prime Minister was just being a good MP. In the past, the Prime Minister himself has compared the grants he has doled out in Shawinigan to the recipient who got a grant in my riding.

• (1450)

But here is the difference and let us be very clear about this. I did not sell a money losing business to the recipient in my riding. I did not even know the recipient personally. No person from my riding association received an \$11,000 payment for landing the grant.

My question for the Prime Minister is, will he drop the charade and just admit that this had little to do with jobs in his riding but a lot to do with keeping his job in Ottawa?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, is the hon. member saying he recommended a project and he did not do anything about it? What is straightforward about that. He

owes more explanation to the House about what he did with respect to that project. Why was he recommending something without checking it out first?

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, the issue is that René Fugère represented the Prime Minister in his riding when he was out of town. He even spoke on his behalf. For helping the Prime Minister broker a deal with shady hoteliers, René Fugère got \$11,500 and the Prime Minister does nothing about it. Why does the Prime Minister turn a blind eye?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is making an unwarranted accusation saying the Prime Minister was linked with every activity of Mr. Fugère. There are investigations under way. We do not have the conclusions of these investigations. I think the hon. member should withdraw his unwarranted slur.

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HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, in a letter dated April 9, 1998 the health minister acknowledged the difficulty of requiring drug companies to verify safety and efficacy if drugs are approved conditionally. He actually wrote "I do not think we should wait for such a situation to occur. Rather we should put into place a new policy and to follow as soon as possible with appropriate regulations". Twenty months after that we do not have regulations, only the approval of six new drugs of dubious safety status.

Why is the Minister of Health condoning an unlawful policy? Why has he neglected his role as guardian of Canada's much needed health protection system?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, Health Canada gets pharmaceutical products into the hands or the veins of patients as soon as possible, consistent with our being assured that they are safe and effective.

Recently we do that more quickly than in the past because we found ways within the law out of compassion for people who are suffering or in the late stages of disease. We do that because we want treatments in the hands of physicians and patients as soon as possible and consistent with public safety.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, he did not answer the question why he is not operating within the law. If compassion was his concern, he should have ensured that the policy had the regulatory teeth necessary to enforce it. Instead everything is in limbo and subject to abuse.

The fact of the matter is there is chaos in the minister's department. There is lack of scientific capacity. There is a backlog of submissions and his department is vulnerable to drug company pressures.

Oral Questions

Will the Minister of Health stop searching and reaching for quick fixes outside the law and take control of his department to ensure that the staff, the resources and the regulations are in place to protect Canadians?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the health protection branch operates entirely within the law. We operate motivated by compassion and concern for people who need treatments. We always operate so as to safeguard public safety and getting drugs on to the market that are effective.

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GOVERNMENT CONTRACTS

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, the Minister of Public Works and Government Services has now admitted that there are private discussions going on between the government and Canada Post with respect to the secured channel project. By this admission is the minister confirming that this \$5 billion contract will not go to public tender?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, of course we have had discussions with Canada Post. Public works, Treasury Board and other departments have daily discussions. Canada Post is a crown corporation. It belongs to the Government of Canada and to the people of Canada.

• (1455)

Right now we are discussing a very important project that will cost hundreds of millions of dollars. Before we go to tender we want to make sure that we have the right program and the right measure. This is a very important contract. I am not going to take any direction from the private firms that would like to get the project.

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IMMIGRATION

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, the Minister of Citizenship and Immigration announced on December 3 at an NGO meeting and later in response to a Liberal question in the House that her department is starting a pilot project whereby all refugee claimants will receive photo identification cards for better access to social services. Is this also a pilot project for exit controls? When was this project discussed at the standing committee?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am pleased to confirm that as of December 1 a pilot project which would ease through the establishment of identification refugee claimants to the services that they need was put in effect. This was as a result of conversations particularly with the municipality of Toronto to understand the stresses and pressures on shelter and hostel systems. We will be

evaluating this and after a period of three months, we will know whether or not this is an effective measure in responding to the needs of municipalities.

I want to thank the member for his question. I think this is very important.

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NATIONAL DEFENCE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

The Sharpe board of inquiry is investigating serious health problems with Canadian forces members. Today the board in its provisional findings indicated it believes combat stress is the most likely cause of symptoms in CF members who served in Croatia and are now sick.

Would the minister please tell the House what action the department is taking to help CF members who are suffering from combat stress?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, this report is an important step in helping to ensure that corrective action is taken to ensure that we look after the health care needs of our Canadian forces personnel.

If any of our personnel serve overseas and they go over well but come back sick, we need to look after them and give them the support they and their families need in order to get better again. That is a commitment of the government. It is a commitment I make, to implement the recommendations of this report as quickly as possible.

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GOVERNMENT GRANTS

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the government has said that everything is in order with respect to grants given in the Prime Minister's riding.

We have access to information requests which detail that not only did the officials in the HRD department have to inflate job costs, they had to depart from the guidelines. They had no choice in this matter. They had to adhere to the grants announced by the Prime Minister in press conferences and private meetings with the promoters.

After question period I will ask for permission to table these documents. Will the government also table all the documents it has surrounding these shady Shawinigan dealings?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I have explained to the House today the number of partners that supported these projects in a riding of high unemployment. I can only assume that members of the Reform Party just do not accept that there are areas of high unemployment,

Oral Questions

that they do not accept that the federal government has a role to play to ensure that Canadians in these areas have opportunities to find work. Reform Party members just do not agree with what Canadians believe to be the duty of the government. They want these areas to fester with levels of unemployment that we just will not accept.

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[Translation]

FRANCOPHONE GAMES

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, what a surprise this morning to learn that the federal government is refusing to give French a clear priority status at the Francophone Games to be held in Ottawa and Hull in 2001.

According to our information, these games were held in French in Morocco and in Madagascar, where French is not even the official language.

Is it too much to ask of the minister responsible that the Francophone Games be held in French, please?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the question is ridiculous. Obviously, the Francophone Games will be held in French. As for the claim that they were solely in French in Madagascar, that is incorrect.

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● (1500)

[English]

VETERANS AFFAIRS

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the Minister of Veterans Affairs has two important files on his desk and I ask him if he will have cabinet deal with them today?

The first is to give approval to the compensation settlement agreed upon by the merchant mariners. Second, the German government appears to have made a decision to provide compensation for some prisoners of war.

Is the minister aware of this and will he ensure that those brave Canadian soldiers wrongfully sent to the Buchenwald concentration camp will finally receive a just settlement beyond the insulting pittance given a year ago? Will the minister and his cabinet bring joy at Christmastime to the merchant mariners and our Buchenwald survivors?

The Speaker: I am sure all of us want to hear what will probably or possibly be the last question in this millennium.

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I congratulate the representatives of our

veterans organizations who came to an agreement last night and presented to me a document today in which they are now all on board representing all our veterans.

I remind the hon. member who asked the question that we have arrived at this point because we have been careful and thorough. The hon. member stands in this place today and says that because Christmas is a-comin' he wants me to hop to the tune of *Here Comes Santa Claus*.

That is not the Liberal way of doing things. The Liberal way of doing things is to do it right and then we all sing the *Hallelujah Chorus*.

[Translation]

Mr. Maurice Dumas: Mr. Speaker, pursuant to Standing Order 34.1, I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian interparliamentary union group which represented Canada at the 54th General Assembly of the United Nations, held in New York from October 25 to 27, 1999.

I am seeking the unanimous consent of the House to table this report.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

● (1505)

[English]

Mr. Chuck Strahl: Mr. Speaker, during question period I referred several times to and quoted from documents that I received through access to information requests some time ago.

The government questioned the validity of some of the statements I made. I would like to table those documents with the House now so that they can be quoted accurately.

The Speaker: The hon. member needs unanimous consent. Is it agreed?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, I rise on a point of order. Am I to understand that, when you ask for the unanimous consent of the House to table a document, you wait until you get a "no"? Because to my knowledge, you had the consent of the House before.

The Speaker: There was a "no". I heard it and I saw it. But the answer to the hon. member's question is no.

Points of Order

[English]

BUSINESS OF THE HOUSE

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I think we might have a few more questions in this millennium, and here comes one right now. I am sure the government House leader is ready for it.

The official opposition would like to know what the business of the government would be for the rest of this week, and if it has any idea or plan as to what it might be doing during the first week back in the new year.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I thank the hon. member for his question. Negotiations are presently proceeding among the parties, but I would like to inform the House that this afternoon we will continue the prebudget discussions.

Should the House sit tomorrow we would propose to call Bill C-10, followed by the Senate amendments to Bill C-7. Then the House would stand adjourned, whether we adjourn tomorrow or today depending on negotiations, until February 7.

There are a number of bills that we will be proceeding with at that time, most particularly Bill C-2, the Elections Act. Bill C-20 is another possibility, but it is too early for the House to determine the exact order at this point.

Legislation was tabled earlier today as well, but I would endeavour to contact House leaders of all parties before the time in question to ensure that they are informed of the program for at least the first week, with a possibility of making a statement on opening day to give the exact order for the first week.

In the event that this is the last sitting day of the millennium I will take the opportunity to wish warm regards to everyone, and should we come back tomorrow I will do it again.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON SCRUTINY OF REGULATIONS

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am sure all hon. members in the House in the last couple of days before the year ends believe the House should run more efficiently and we should look through the lens of issues rather than the lens of political stripes.

• (1510)

I bring to the attention of the House an incident that occurred at the scrutiny of regulations committee. This is a very unique and

important joint committee of the House of Commons and the Senate. On Friday of last week I tabled a report and then I asked for unanimous consent to move concurrence in the report. The report was not concurred in because I could not get unanimous consent.

Today the committee meeting could not be held simply because we could not proceed with a reduced quorum. As a result the budget could not be approved and during this holiday season the salaries of legal counsel who are employees of the committee could not be approved.

When we ask for unanimous consent it should not create a situation where unanimous consent is refused because it is one against the other. Some members of the House feel they have different motives or different objectives. I seek some advice from the Chair on how to resolve the issue.

The Speaker: Usually the House finds a way around particular dilemmas. I do not have responses for every question that is put, but do I understand that the hon. member wants to ask for unanimous consent to table a document today? If so, I want him to forthwith tell me that and what the document is. I do not want any more debate on it. Is the hon. member seeking unanimous consent?

Mr. Gurmant Grewal: Yes, Mr. Speaker. In the spirit of the holiday season, if the House gives its consent I would move that the first report of the Standing Joint Committee of Scrutiny of Regulations, presented to the House earlier last week, be concurred in.

The Speaker: We might get around to killing two birds with one stone. As I understand it, and again I did not hear any others, when the hon. member for Argenteuil—Papineau—Mirabel asked to table his paper there was a no from over here. Am I to understand then that the hon. member for Argenteuil—Papineau—Mirabel would be disposed to try again after this one?

Mr. Maurice Dumas: Yes, Mr. Speaker.

The Speaker: We will deal with this one first.

[Translation]

Mr. Michel Gauthier: On a point of order, Mr. Speaker.

The Speaker: I would like to settle this matter first.

Mr. Michel Gauthier: Just a point of information, Mr. Speaker.

The Speaker: I think I have a good idea to deal with all we have to deal with today, if you will leave it with me.

[English]

Does the hon. member have unanimous consent to deposit the information today? Is it agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[Translation]

INTERPARLIAMENTARY DELEGATION

Mr. Maurice Dumas (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian interparliamentary union group which represented Canada at the 54th session of the United Nations General Assembly held in New York City from October 25 to 27, 1999.

I ask for the consent of the House to table this document.

The Speaker: Does the hon. member have the consent of the House to table this document?

Some hon. members: Agreed.

Mr. Michel Gauthier: Mr. Speaker, according to the information I am getting, and it is contradictory, in the case of the hon. member for Argenteuil—Papineau, we are talking about the tabling of a report.

In the case of the hon. member for Surrey Central, it is concurrence in a report. It is not the same thing. Correct me if I am mistaken.

If the hon. member is asking for concurrence in that report instead of tabling it, the answer is no, there is no consent. This is what I wanted to say earlier but you were not listening, Mr. Speaker. You are letting me down at the end of this millennium. This is my last point of order.

• (1515)

[English]

The Speaker: There is no other way to say this other than I made a mistake. I wish the House would get me out of this jam somehow. I understood that this was simply a request for unanimous consent by the hon. member for Surrey Central to table this document. In good faith I thought the two requests were the same, but they were not the same.

Quite frankly, I do not know how to get out of this whole thing because I just made a decision. I will let the whips get together for a few minutes to see if they can come up with some way out of it. If they can, I would appreciate it very much. I will await their decision.

• (1520)

There have been discussions among the whips, and thank God for the whips. Let us see if we can get it right this time.

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Colleagues, with your permission, I will start over. The hon. member for Surrey Central, as I understand, wants concurrence in a report. I will put that question first. Is there agreement for concurrence in this report?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: Now I will deal with the question from the hon. member for Argenteuil—Papineau.

[Translation]

He only wanted to table the report of an interparliamentary delegation.

[English]

I will now put that question. Is there agreement that he be allowed to present his report?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

STANDING COMMITTEE ON FINANCE

The House resumed consideration of the motion.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure that I now conclude my remarks after question period.

Today's *Globe and Mail* editorial was very insightful. It was entitled "The Surprising Legacy of the Minister of Finance". It describes the elimination of the deficit as the single accomplishment of the Minister of Finance.

It says specifically that the finance minister's triumph on the deficit is shadowed by wrongheaded policies elsewhere. Of course, we have already established, as the *Economist* magazine reported, that the credit for deficit reduction in Canada belongs largely to the structural reforms made by the previous government. Therefore, the finance minister cannot really claim that one-hit wonder because he did not really author that one success. Although the finance minister would like to claim being a one-hit wonder, he cannot claim even that to his credit.

• (1525)

Let us look at some of the policies he has implemented. While it is terrible for Liberals to shamelessly take Conservative policies, to implement those policies and then to take credit for the impact of those policies, what would be even worse would be Liberals implementing their own policies. That is what I am concerned about, because we are starting to see a few of those policies rear their ugly heads.

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A year ago, the finance made his no decision on the bank mergers. What has been the impact of that decision? I described earlier the complexities and challenges of the increasingly interconnected, globally competitive environment. In that environment, since the minister's decision, Canadian banks have lost about \$9 billion of shareholders' value. During the same period, American banks have increased in value by about 10%. Again, as Americans are getting richer, Canadians are getting poorer.

In making his short-sighted decision on the bank mergers, and refusing to stand up to the banks to defend the long term interests of Canadians by negotiating a better deal on behalf of Canadians in exchange for mergers on issues like jobs, services to rural communities and those types of things, and in unilaterally and arbitrarily saying no, the minister has effectively put his own short term political interests and those of his leadership aspirations ahead of the interests of the 7.5 million Canadians who own bank shares.

Yes, 7.5 million Canadians, directly or indirectly, own bank shares and are depending on the returns of those shares for their retirement funds. Again, that was the minister's decision on those issues.

The minister has failed to address some of the major crises facing Canada right now and the need for significant and broad-based tax reform and tax reduction. On the personal side, we need significant levels of tax reform. On the corporate side, we have, as I mentioned earlier, the second highest corporate tax rates of the 31 countries in the OECD. Last year Germany had the second highest and we had the third. Germany now has the third highest because it has reduced its corporate tax burden. This country continues to cling to the notion that we can tax to death our companies and our individuals and yet still enjoy some level of economic growth.

In this current environment, we should be undertaking significant levels of tax reform. We should be taking the same courage and vision in our approach to policies that the previous government took with policies, such as free trade, GST and deregulation. In our dissenting report, we discussed the need for broadbased and forward thinking tax reform both on the personal and corporate side.

The government received an excellent report on corporate taxation by the Mintz commission. It addressed many of the significant flaws in our corporate tax system. If implemented, it would address the distortionary nature of our corporate tax system, the profit and sensitive taxes that currently create significant distortions and damage productivity in Canada.

The Mintz report also identified the need to bring our corporate tax regime more in line with those of other countries. At a time when other countries are using corporate tax reform and personal tax reform as vehicles and levers for economic growth, including Ireland and the Scandinavian countries, this country continues to cling to the past.

In our minority report, we identified that tax brackets should be re-indexed. In fact, there is a consensus both on the left and the right that we should be returning to full indexation of the tax brackets. The Fraser Institute agrees with the Caledon Institute in this case. The de-indexation of tax brackets took place during a time of deficit financing in a very difficult fiscal period. In a post-deficit time now more than ever, we need to revisit and eliminate bracket creep which has unfortunately brought more Canadians onto the tax rolls than we have ever had before and we need to revisit that, eliminate bracket creep and re-index tax brackets.

We need to lower the capital gains tax rates. I was pleased to see that the finance committee report did address this to a certain extent. We would go further. We would reduce the capital gains inclusion rate to 50% from the current 75%. The fact is that we could reduce our personal capital gains tax rates to be equivalent with those of the U.S. It would cost about \$240 million per year. For the dramatic unlocking of capital that would occur and for the economic growth that would ensue with that type of visionary policy, \$240 million per year is a small price to pay.

• (1530)

Unfortunately, public policy, in particular for the Liberal government, is focused more often on perception rather than reality. There is a stubborn intransigence in areas of capital gains tax and corporate tax reform. That is why the government has shelved the Mintz report and ignored many of its recommendations.

We would like to see the government set and keep firm debt reduction targets. This is very important. Our country is now in a worse debt to GDP ratio situation than those countries of the EU. We would not qualify under the Maastricht treaty to participate in the common currency of Europe. This is comparing Canada with bastions of fiscal fortitude like France. It is not exactly a positive indicator that we have not been able to maintain the same or lower debt to GDP ratios than our cousins in Europe.

We would suggest that the foreign content limit be increased to 50% immediately, and ultimately be eliminated once we have had an opportunity to evaluate the impact of it. The finance committee is recommending some level of incremental increase over a period of time.

I would argue that at this stage, with the dramatic infusion of capital into the Canadian equity markets, with the Canada pension plan funds and the superannuation funds that we are going to be seeing, there has never been a better time than now to end this economic imprisonment that forces Canadians to accept lower returns, which have cost about \$32,000 to the average RRSP over time.

During a time when the Dow Jones has appreciated 300%, the TSC has performed in many ways anemically, gaining about 100%. I referred to it earlier as fiscal or economic imprisonment. I think it is very important, in particular while the government clings to the

types of tax and regulatory policies that will pummel initiatives in Canada, that it release Canadians and allow them an opportunity to invest some of their hard earned dollars to ensure that they can enjoy a relatively good quality of life in the future.

We would suggest that the government take very seriously the call for a national highway program and that it increase the proportion of gas taxes that are currently returned to the provinces for highway spending from the current 5%, which is the lowest of any industrialized country, to about 15%.

This is an area of utmost importance. While there is some need for new spending in some of the traditional areas such as health care, and the farm crisis and the highway system need to be addressed, the government should not engage in new spending programs, including the child care initiative in which some Liberal backbenchers want to engage.

At a time like this in Canada, when we have never faced more fierce global competitiveness issues, we need to take time to step back and evaluate what is happening in other countries. Other countries are dramatically using innovative tax policies to create levels of economic growth. Other countries are reducing and maintaining lower levels of government spending and lower levels of debt to create the economic environment that will ensure growth.

Other countries are taking on regulatory burden. One of our suggestions is that we have a regulatory budget to allow elected members of the House to debate the merits of individual pieces of regulation so that we do not see a continued growth of regulation by stealth.

This is my last speech of this millennium in the House. I would hope in the future, in the next millennium, that we would take more seriously the competitiveness issues facing Canadians and that we would actually lead the global environment to create a better environment, instead of simply following and playing catch-up, as the government seems want to do at this time.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I want to thank my friend for his thoughtful speech. He is a great asset on the finance committee and thinks a lot about these issues.

• (1535)

I have a question for my friend. Many of his colleagues in the Conservative Party have advocated enriching employment insurance benefits. Would he tell me what his personal stand is on that issue and what is the stance of his party?

If I do not have another opportunity, I also want to wish all members a Merry Christmas and a happy New Year.

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Mr. Scott Brison: Mr. Speaker, I thank the hon. member for Medicine Hat, my friend and colleague on the finance committee, for his question.

Employment insurance benefits, particularly those relating to seasonal workers, is a very important issue. The Liberals slashed these benefits after 1995. That created a situation which I do not think even the government expected, and the law of unintended consequences kicked in.

In many cases the slashing of those EI benefits resulted in people who worked seasonally going on provincial social assistance rolls and not working at all. I would assume that the hon. member would agree with me that that created a greater reduction in productivity and human enrichment than would have existed previously.

That being the case, my personal views on this would be that we should investigate and revisit the notion of individual EI accounts. There was a study done in the U.K. a couple of years ago. It was reported in the *Economist* magazine in the fall of 1997. It studied the idea of having individual EI accounts that people would pay into over their lives. Some of the contributions would be taken from those individual accounts to top up those who draw more frequently.

That type of change would provide an incentive for people to not draw frequently. It would have some of the impact which I believe the Liberals were trying to seek in terms of reducing abuse of the EI system by way of an incentive method, as opposed to purely through a penalty or punishment oriented method that ultimately did not have the effect Liberals wanted.

I am sure the hon. member agrees with me that shifting the burden of social assistance to the provinces certainly did not help in any way, shape or form. In fact it prevented many of these people from participating in the workforce.

It is a complicated issue. There is not a simple, 12 second answer to that. However, I would enjoy exploring the issue with the hon. member at any time in the future.

Mr. Dan McTeague: Mr. Speaker, I rise on a point of order. I understand that this may be one of the last few days or minutes that we have in the House.

A great amount of work has been expended by members from all sides of the House in committee to come to an agreement on Bill C-202, which is currently at report stage. It is a private member's bill which deals with high speed chases. Given that there is unanimity among the parties and the members, I would seek unanimous consent to have the bill now read and determined at third reading to pass on to the Senate.

The Acting Speaker (Mr. McClelland): The hon. member for Pickering—Ajax—Uxbridge has asked for the unanimous consent

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of the House to see Bill C-202 as having been read at third reading. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, I am pleased to take part in the prebudget debate. I am sharing my time with the hon. member for Leeds—Grenville.

As the member for Vancouver Kingsway, I hosted a successful prebudget consultation in my riding. I wanted to hear from British Columbians their concerns and ideas on spending the surplus. Those citizens discussed and shared what they believe the priorities should be for the next fiscal year.

A clear priority which emerged from that discussion was the need for tax cuts. However, tax cuts were not to be at the expense of important social programs such as health, education and poverty.

Vancouver also faces the serious challenge of homelessness, and many of my constituents expressed grave concerns about this issue.

• (1540)

I did not only listen to the people in my riding. As a member of the all-party Standing Committee on Finance I was able to hear from and speak with many Canadians from British Columbia, the western provinces and indeed across the country. In this very public consultation process we heard the needs and wishes of many Canadians.

Canadians were very clear about the direction the next budget should take. They want tax cuts and debt reduction. They want infrastructure development and improvement in all provinces. They want homelessness and affordable social housing needs to be addressed. They want the serious shortfall in core funding for universities and colleges to be reversed. Canadians, whether in British Columbia or Newfoundland, know what they want and we listened.

Members of the committee spent long and careful hours analyzing and discussing what we heard. Our recommendations, based on what we learned from the public consultations and town hall meetings held in many ridings, including Vancouver Kingsway, are found in our committee report which was tabled in the House of Commons only a few days ago.

I would like to take a moment to commend the committee chair and the members of the finance committee for their hard work and dedication over the last few months of the prebudget consultation process. I would also like to thank the hundreds of Canadians, individuals and organizations, who took the time and effort to participate in the prebudget consultation process. All made highly

valuable contributions to the shaping of the committee's report and recommendations.

Tax reduction is a major part of the committee's recommendations. We are suggesting that personal income tax reform be given a high priority. Reduced personal income taxes would mean that Canadians would keep more of their hard earned dollars to invest and to spend in the economy. We want to see the elimination of the 5% personal surtax. Along similar lines, the child tax credit should be extended.

There is also a need for reduction in the business tax system. Canadian businesses are competing globally and they must be allowed the leeway to do so. During the public consultations we were made clearly aware of how badly infrastructure revitalization is needed. Comments were made by people from all regions of Canada about how roads and highways are in dire need of work.

As a nation which relies heavily on roadway transportation, whether it is the automotive industry in Ontario or supplies being transported to Fort Nelson, B.C., we must invest in infrastructure. Therefore we have recommended a \$2.5 billion federal infrastructure program. Not only would such a program mark an important contribution to the well-being and safety of all Canadians, it would create hundreds of new jobs and stimulate the local economy in many regions of the country.

On the issue of homelessness and affordable social housing, Canadians are demanding action. The Minister of Labour has undertaken a national survey to identify the challenges and the—

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, I think that, if you count heads, you will notice that we do not have a quorum in the House. In order for our hon. colleague to deliver her speech in front of the audience she so rightly deserves, I would ask that you call in the members, so as to have a quorum.

• (1545)

[English]

The Acting Speaker (Mr. McClelland): We do not have a quorum. Call in the members.

And the bells having rung:

The Acting Speaker (Mr. McClelland): We have a quorum.

Mr. Joe Jordan: Mr. Speaker, I rise on a point of order. I would ask you to seek the unanimous consent of the House to approve the motion that the hon. member for Pickering—Ajax—Uxbridge put to the House earlier on Bill C-202.

The Acting Speaker (Mr. McClelland): I am sorry, I cannot ask for unanimous consent unless I know specifically what we are talking about.

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Ms. Sophia Leung: Mr. Speaker, the Minister of Labour has undertaken a national survey to identify the challenges and help develop meaningful solutions. We must support her efforts.

I have personally visited the Portland Hotel Society in Vancouver's downtown eastside, the poorest postal code in Canada. This noteworthy organization works with poor and low income individuals to provide housing and services. It tries to address the needs of a group which faces numerous challenges such as drug and alcohol abuse, HIV positive, mental illness, poverty and social isolation.

Every day the personnel of the Portland Hotel Society work to rescue those who have fallen through the cracks of our social safety network. The manager of this affordable housing project clearly expressed her concern for the plight of homeless individuals. We must endeavour to build national partnerships to address this urgent problem.

Increased support for post-secondary education in Canada is needed. Education is an essential element to ensure that our children will gain the knowledge to allow them to compete on an equal footing in the new global economy. Knowledge is the key for the 21st century. Canadian universities and colleges must have a sustainable level of core funding.

I am pleased that the finance committee is recommending a balanced approach for our budget to ensure solid fiscal health in the future. It is clear our Liberal government not only listens to Canadians for their financial interests and needs, we also will build a better future for our younger generation.

May I take this opportunity to wish all my colleagues a very happy holiday season.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, my question for the hon. member, my colleague on the finance committee, has to do with the issue of leaky condominiums in British Columbia.

On a recent visit there I met with some community groups. I was disturbed to learn that 50,000 condominium owners in British Columbia have been badly served by a systemic government failure at the federal, provincial and municipal levels which has left the 50,000 homeowners with repair bills in each case on average of \$24,000 to \$25,000.

The PC Party of Canada supports allowing eligible homeowners to withdraw up to \$20,000 of their RRSPs without penalty for use in repairs to be repaid over 15 years. Additionally, we would support the government matching the provincial government's sales tax relief with a GST rebate on qualified repairs and renovations for leaky condominiums. We would also allow an income tax deduction for repair expenses for the condominium owners.

• (1550)

Would the hon. member support these tax measures which would address the issues for the leaky condominium owners?

Ms. Sophia Leung: Mr. Speaker, I thank my hon. colleague for his question. This is an issue of concern in B.C. and many other places. As a matter of fact we in the B.C. caucus have repeatedly tried to address this issue. In the meantime, we will try to seek an increase in rent support. At the present time we have \$75 million. We are trying to see if this can be made interest free. This is the direction we are planning to take and this will help some of the needy tenants.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I take particular exception to the comments I have just heard.

The member mentioned the Liberal members from British Columbia. I made a sincere attempt to get an all party, behind closed doors meeting to see if we would get one voice from British Columbia so we would not be fighting each other on the leaky condo issue. I received a very curt letter from the chairman of the Liberal caucus in British Columbia saying that they would have nothing to do with it.

I would like the member to tell me why in trying to provide some relief for leaky condo owners in British Columbia it is the Liberal government that appears to be the sticky point. We want some leadership from the government to pull all the players together because it is a system-wide failure. It is a disaster that is analogous to the ice storm in this end of the country.

I would like a clarification from the member. Why did the Liberal caucus in British Columbia reject a sincere approach to try and get one voice from British Columbia on this issue?

Ms. Sophia Leung: Mr. Speaker, I want to thank my colleague for his efforts. I want the record to show that I do recognize his efforts in trying to solve the leaking condominium issue. We have not given up on this issue. We are still working on it and we want to find the best solution. I thank the member for his continued interest.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, my colleague is talking about the budget. I would ask her how she, as a member from British Columbia, could possibly defend the slash and burn approach the government has taken since 1993 in the areas of health care and education? The government has removed approximately \$21 billion in this area while reinvesting, as the Liberals like to say, \$11 billion. This leaves a \$10 billion shortfall. How can the member justify that?

Ms. Sophia Leung: Mr. Speaker, as we all know the government has provided \$11.5 billion over the next five years. I do not think we are cutting. We are actually increasing the transfer payments. In

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the meantime, we want all the provinces to join together and work together.

Mr. Joe Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I will say at the outset that you need not apologize to me for getting my point of order confused. I was a bit confused myself. It was the spirit of the need for haste which threw me off.

I am very honoured to participate in the prebudget debate. Having sat through the morning and now part of the afternoon on this issue, a couple of things strike me and I want to point out a few things. I am not on the finance committee. This is not an apology, but I am trying to bring a different perspective to the issue.

I have taken a quick look at the document we have been referencing as well as the minority reports from the various parties. It is very clear that it is an extremely hardworking committee. Understandably and not surprisingly, various parties are taking traditional stands on issues. I think if we put the entire package together, including the minority reports, we have a good handle on the numbers which make our economy work.

• (1555)

On the issue of tax cuts, we have been around that a number of times. That argument is over. It is very clear the government needs to address the level of taxation.

We make a mistake if we assume that tax cuts are it. I do not argue for a minute that tax cuts are not part of it; what I suggest is that tax cuts are not all of it. What I am hearing from some speakers is that this is somehow a panacea to make the economy work in some magical way: let us eliminate government altogether; let us cut taxes so much that we are actually giving money to be Canadians. I do not know where this ridiculous argument ends.

If we look at the forces at play in our economy today, especially globalization, dismantling and devolving the federal government at this time is sheer lunacy. It is very opportune politics to go around and ask people if they think they pay too much tax. We would have to go into many doughnut stores before we would find somebody who said, "No, I want to pay more".

It is fundamentally misleading to talk about American level taxation unless we want to talk about American level social spending. If Canadians are confronted with that reality they may say that yes, everybody wants to pay less tax, but what they really want is to get value for their expenditures. I want to leave the numbers aside because it is not all about numbers.

I listened with great interest to my Reform colleague. I would suggest to him that somehow burying our heads in a pail of pay stubs is not going to provide the vision that Canadians will require

in terms of leadership from the federal government on the verge of the new millennium. We have to look for that kind of balance.

We certainly had a short term crisis. With a \$42 billion deficit we were essentially up to our ass in alligators, but we are over that now. Through the fiscal management and commitment of all Canadians and the hard work of the committee, we got ourselves to a crossroads. The decisions we have to make at that crossroads are whether we will continue to have our planning horizon mirror the election cycle or will we think three, four, five, six, seven generations down the line and start making some of the decisions that will make our economy sustainable.

The number of people who are in on this debate is interesting. It took the premier of Ontario all of 24 hours to break his self-imposed rule that he was not going to comment on areas of federal jurisdiction. The premier of Ontario is calling on the federal government to put in a balanced budget law which essentially makes it illegal to run a deficit. It is big brother at its worst, that somehow we can come up with decision making algorithms and eliminate the human side of government altogether, that we can put these things in a formula and the computers will govern the country for us.

Surprisingly I have to say that I agree with Mr. Harris. We should not go into deficits in this country but I would argue that his definition of deficit is far too narrow. I would gladly support statutory regulations that prevent us from going into social deficits and from going into environmental deficits as well because that is where we have some very serious problems. I would like us to address literacy issues with the same vigour that we are addressing some of the tax reforms that members are talking about today.

In terms of specific areas for tax reform, as a member of the subcommittee on persons with disabilities I would offer as a suggestion, and unfortunately it did not make the report, that we need to look at the way the tax system treats people with disabilities. They are required to use the medical exemption which is an exemption designed for catastrophic health events in a person's life on an ongoing basis. This is a very difficult deduction for people with disabilities to make.

I hope and trust that our government, as we flavour the next budget as a children's budget, will make sure we capture in that envelope children with disabilities. It is important that all Canadians share in the economic growth that we have been enjoying in the last few years.

I listened with great interest to my Conservative colleague who is, I understand, an economist. I am not, although I must say I held up my end of the bell curve in a few economics classes. He talked rather flippantly about having a hypocrisy tax on the Liberals and somehow that would get us out of debt. In all seriousness, I would suggest to him that maybe we should put in place a failure to learn from one's mistakes tax because of the Conservative's stand on the

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referendum law. That party's members need to learn the lesson of sitting around the table with separatists when trying to run this country. It is not too late for them to change their mind. The Reform Party did it and it seems to have worked. They need to come onboard, but I will leave that alone because it is obviously salt in a widening wound.

• (1600)

I do want to recognize the NDP member for Saskatoon—Rose-town—Biggar on his maiden speech. I thought it was an excellent speech. The member for Regina—Qu'Appelle then got up and again picked up on some very positive themes. They are themes I am mirroring here today in terms of there being more to it than economics and crunching the numbers.

The member from Regina then made a fatal mistake when he talked about half the surplus going to spending, half going to debt reduction and half going to tax reduction. Apart from being impossible in terms of geometry, it is that third half of money that the NDP does not have a sense of reality about. We have to pay for these things. To somehow invent a new half, apart from the fact that it defies the laws of physics, it also does not resonate with voters. Having gone through the debt and the deficit and the cycle of spending and taxing, the voters understand that at the end of the day we have to pay the piper. We cannot spend money we do not have. It is a rather old adage but it does not hurt to remind ourselves of that from time to time.

I will touch on the repeated references to the GDP. It is a real fallacy in the country when we link our well-being to gross domestic product. Economic indicators are important but they do not tell the whole story.

Let us consider the fact that when children get asthma because of air pollution, the price of their inhalers is added to the GDP. When we have wells go bad in rural Canada because of groundwater problems, rural Canadians buy bottled water, and that is added to the GDP. When people replace stolen property or put security systems in their homes, that increases our GDP. When the insurance industry has to spend billions of dollars, as it did in eastern Ontario after the ice storm, because of increasingly violent weather events, our GDP goes up. When planes crash off of Peggy's Cove, our GDP goes up. As a nation and as the new millennium is looking us in the face, the beans need to be counted but we do not govern by the numbers.

It is not unlike driving a bus full of Canadians barreling down the road, staring at the speedometer. From repeated consultations I have had with groups across the country, the people of Canada are looking out the windows. They are expecting the government to take some leadership, certainly in the area of sustainable economies, but they also want to see us move toward sustainable social systems where all people share in the benefits that are generated

and certainly in sustainable environmental policies. At the end of the day, air, water and soil are fundamentally important to the well-being of Canadians.

[*Translation*]

The Acting Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Cumberland—Colchester, National Defence; the hon. member for Halifax West, Equality; the hon. member for Dauphin—Swan River, Gun Control.

[*English*]

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I am splitting my time. I am pleased to speak today on the prebudget allotted time. However, I have to question this exercise which has gone on for months now. The finance committee has travelled across the country hearing from every group of the political spectrum. I was on this committee for some of its travels and I sat through many of the hearings here on the Hill.

The all-party Standing Committee on Finance has now filed its prebudget report with the House. It is entitled "Budget 2000: New Era, New Plan", and has 45 recommendations. My prediction is that the finance minister's budget will not resemble our committee's recommendations, just as it has been every year with the Liberals in government.

The feedback I received from across the country centred around tax relief. Not every group that presented testimony called for tax relief. Many Liberals and socialists were calling for further program spending. In fact, I am certain that some would like to see the entire surplus put toward spending initiatives. They would choke us all with big government. However, I would say that the majority spoke passionately about the need for tax relief. Whether it was relief on the capital gains tax, income tax or just taxes in general, the theme was the same.

• (1605)

Getting back to the committee, the members of parliament on both sides of the House spent much time listening to the grassroots tell them what was needed in the next federal budget. At the end of the day, members will ask themselves if it was worth it. We in the House know that the committee passed a controversial amendment on the unwise 50:50 plan of spending balanced with tax relief and debt reduction only to have this reversed the next when the word came down.

Committees in this place are run like a dictatorship. It is the government's way or it is no way. Canadians need to know that their voices mean little to this administration as evidenced over the years by what the government has brought forward in policy.

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Walter Robinson of the Taxpayers Federation makes the parallel of the prebudget to a Hollywood movie. The previews look really good, but when we show up and pay we are really disappointed.

Reform has, from its inception, been calling for tax relief. Reformers are not alone in this view. The Canadian Institute of Chartered Accountants said that tax reduction would significantly increase economic growth and employment. The Certified General Accountants Association agree. The International Monetary Fund is pushing for Canada to abandon its 50:50 plan and begin tackling the \$570 billion debt more aggressively, in addition to giving extensive tax relief.

The Canadian Chamber of Commerce does not want to see tax reduction take a back seat to new program spending. The C.D. Howe Institute says that Canadians are underemployed, overtaxed and unproductive in comparison to many of our trading partners. The OECD says that Ottawa should give the highest priority to cutting personal taxes, accelerating its reductions in EI surpluses and work with provincial governments to lower business taxes.

These are respectable groups in the financial community. They are all saying the same thing, of what is a wise course to build a better country for everyone, especially for those of low or no income. How can the Minister of Finance, the Prime Minister and the caucus be so out of touch with reality?

Canadians know about the Liberal plan and they know that is much about image, about favouring the sectors that support them and about playing the role of benevolence to an electorate that is supposed to be appreciatively grateful for what it has done for them. In other words, the more surplus the more lolly the ministers can dole out to friends in their ridings. A case in point is the transitional jobs fund for which the Liberals' behaviour with just that one program should be evidence enough for them to be sent packing after the next election.

Reform has a great plan, a plan that will bring Canada back to standing firmly on sound economics and fiscal responsibility, capable of protecting Canadians from troubles in other countries. Much of it has been laid out in the committee minority report and I urge everyone to read it.

Many of my colleagues before me have spoken at length about our plan, and I will try again to highlight a few of the points.

First, we would scrap the unwise 50:50 promise. I think if we asked Liberal members today most would agree. Members across may scoff at this, but if this were not true, why did such an amendment pass the committee last week? This is an embarrassment for them because they know we are correct. They know that the Liberal members who voted in favour of scraping the 50:50 in committee are correct. The kind of underhanded scheming that

went on in the finance committee to change it in the last minute was deplorable.

Second, Reform would reduce the capital gains tax. I will refer to the United States for a minute to show a chronology of what happened when it tinkered with the capital gains tax rate. Between 1970 and 1977, the capital gains tax in the United States increased. Revenues collected from this tax decreased. In 1978, the rate was cut sharply and revenues soared. In 1987, the rate was raised again and revenues stagnated. In 1997, the rate was in the 10% to 20% range and the result was that revenues from the adjustment increased by 40%. The numbers do not lie. Why is the minister and the government ignoring what is so plain and simple to everyone else?

Third, Reform would eliminate bracket creep. I will read what the OECD said about bracket creep. It stated:

The burden on Canadian taxpayers has increased over the last several years largely as a result of a non-indexed tax system. The lack of full indexation has pushed around 20 per cent of tax filers into higher tax brackets over the past ten years, resulting in increasing average tax rates at all income levels (although proportionately more for low- and middle-income individuals).

Let us say that the average worker receives a cost of living raise, that person could possibly be moved into a higher tax bracket, pay higher taxes and in fact probably never notice the raise. That person may even see their income decrease.

In the past 12 years, bracket creep has pulled more than a million low income Canadians into the income tax net. Most of these are the working poor who, under the Reform plan, would pay no tax.

• (1610)

I find it interesting that the Liberals, who have always pretended to take the side of the disadvantaged, would not be doing everything in their power to eliminate bracket creep. Reformers, on the other hand, are advocating fairness for Canadians. Why will the Liberals not follow suit? They are raising revenue via the back door. It is underhanded and it is simply wrong.

Fourth, Reform would hold the line on spending. This is something dear to the hearts of the Liberals, the desire to spend. Next to the NDP, no other political party in the country spends like the Liberals. Spending allows cabinet ministers to dole out sweet deals to their supporters. We do not have to look any further than the transitional jobs fund, a program for creating jobs in federal ridings where the unemployment rate is supposed to be above 12%. According to the national accounts of Canada, government program spending has never been higher than it is today.

Let us take a look at the numbers. In 1997-98, the Liberals overspent by \$2.95 billion or 2.79%. Budget 1997 planned spending was \$105.8 billion; actual spending was \$108.8 billion. It gets worse. In 1998-99, the Liberals overspent by \$6.9 billion or

7%. Budget 1998 planned expenditures were \$104.5 billion but actual spending was \$111.4 billion.

In 1999-2000, all indications point again to overspending and a budget plan that already has in it fat, questionable categories.

Farmers in the prairies are suffering, yet the government says that it has no money. The RCMP is understaffed in British Columbia, yet the government put millions into a flawed gun registration program. The residential crisis of leaky condos in British Columbia cries out for help, yet the Liberals are nowhere.

Reform is not saying that government should not spend money. What we are calling for is control on spending and a more reasonable reallocation. Where is the expenditure management program that was once in place? This needs to be a permanent fixture whether or not there is a surplus.

I could go on and on about the fiscal mismanagement of the Liberals since they took office in 1993. They are truly not wise managers of the public trust. There needs to be a change in the leadership of this country. I am not referring to the current Prime Minister stepping down, for when I look at the team bench, the replacements would not help very much. Canadians are asking for a fundamental change in the direction of the country, not the Liberal version of the so-called balance.

Let us reform the budget so that some day the working poor will pay no income tax, so that some day seniors on fixed incomes will no longer fear the taxman coming, so that some day all taxpayers will pay the same percentage rate of taxation, so that some day the federal government will live within modest means and help rather than hurt, and so that some day we will have viable universal medicare for everyone.

Reform's fiscal responsibility message has been virtually the same since its inception. I can only imagine how strong Canada would be today had our policies been put into place. Canada's story is one of missed opportunity, but we are ready and we have the plan. We have the vision, the vision to lead, the competence to manage and the compassion to provide.

* * *

BUSINESS OF THE HOUSE

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. Following consultations among the parties in the House, I think you would find unanimous consent for the adoption of the following order.

I move:

That, for the remaining of this day's sitting, the Chair shall not receive any dilatory motions or quorum calls, or any motion to extend the hours of sitting.

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The Acting Speaker (Mr. McClelland): The hon. parliamentary secretary has put a motion before the House. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

STANDING COMMITTEE ON FINANCE

The House resumed consideration of the motion.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I listened with great interest to the speech of the hon. member opposite. Quite frankly, he has me really confused.

I have read different media releases that the Reform Party has put out and they are all contradictory. Reformers talk about wanting to give a \$2,500 tax break across the board to Canadians. They want to put new spending into defence, education, health and social services. Let us take a look at what they are talking about, and then I will pose my question to the member.

In Canada there are 30 million people. Of those, there are 14 million taxpayers. If we gave each taxpayer back \$100 in a tax break across the board, it would cost the federal government \$1.4 billion.

• (1615)

What is a hundred bucks? It is nothing. The taxpayer will probably want \$1,000 or close to the \$2,500 the Reform Party is talking about. That \$1,000 would cost the Government of Canada \$14 billion. The \$2,500 that the Reform Party is tossing about would amount to almost \$40 billion.

If the hon. member does all this spending and cuts all this money out of revenue, does this mean to say that the Reform Party will take Canada back into deficit spending?

Mr. Paul Forseth: Mr. Speaker, I guess we have heard the backward thinking of the Liberals who somehow think that ever increasing higher taxes brings higher revenue. It is exactly the opposite. I just pointed that out by using the American example.

We have to look at the unwise spending within the envelope. I have pointed out how the Liberals cannot even keep to their own projected budget, but we need reallocation of wiser spending within that budget envelope.

We have to recount the story of the lost opportunity of growth in the economy because of high taxes. It is not merely a dispute or discussion over dividing up the size of my share of the pie versus another portion of the pie. It is also how we grow a bigger pie.

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The issue at this point in international economics looking at Canada's overall situation in the world economy is that we are overtaxed. The highest priority at this point has to be giving real tax relief to average Canadians.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, once again I am also a little baffled by my Liberal colleague's inability to understand that the government is responsible for spending.

He seems to believe that tax cuts cannot be given to individuals because we have to keep spending more and more money. That is the fallacy of the 50:50 plan over there. They continue on the path of wanting to spend 50% of the surplus and on the path of a lot of other wasteful spending that they are doing right now.

Would my hon. colleague expand on that misunderstanding? The Liberal government just does not seem able to grasp that concept.

Mr. Paul Forseth: Mr. Speaker, I will use the example of medicare which is dear to the hearts of Canadians. When we describe the difference between an American and a Canadian, we often find Canadians saying that they have a wonderful medicare program.

How do we provide safety and surety for medicare into the long term to ensure that it will always be there? With increasing demands, looking at the changing demographic characterization of Canadian society, we will have quite an economic pressure on our medicare plan.

Which party in the House will ensure in its economic plan that we have viable universal medicare? It is the Reform plan, by first of all going after tax reduction. That is how we will ensure and guarantee that we have the available resources to pay for medicare. In other words, we need a vibrant economy to generate the wealth to pay for the social programs we so desire.

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, it is an honour to rise on behalf of the people of Okanagan—Coquihalla to speak to the prebudget debate.

It is appropriate to mention that as we close the House that we have some 4,500 Canadians serving abroad in the Canadian armed forces on missions who will not be sharing this holiday season with their families. I think the House would join me in congratulating those members of the Canadian armed forces for their hard work in the year 1999 and to wish them the very best this holiday season.

My subject today on the prebudget debate will be defence. In 1994 the federal government formed the special joint committee to review Canada's defence policy to answer the question of what principles, purposes and objectives should guide our government in setting defence policy in a rapidly changing world.

• (1620)

The special joint committee of which I was a member studied the issue for eight months and literally interviewed hundreds of witnesses from coast to coast and internationally. The special joint committee concluded that there was a limit to which defence spending cuts and personnel reductions could go without compromising the combat capability of the Canadian armed forces.

We recommended to the Liberal government at that time in 1994 that the Department of National Defence should maintain a core budget of at least \$10.5 billion and personnel levels of the regular force were not to fall below 66,700. I stress that at that time these figures were absolute minimums. Any cuts below these figures would require a corresponding decrease in the commitments of our troops and any increase in commitments would require additional funding to the department.

In response the Liberal government issued its 1994 white paper which laid out the groundwork for its declared official defence policy. In the document the government went to great lengths to state officially that it was the policy of the Liberal government to maintain combat capable forces. I quote from that 1994 white paper which states:

The Government has concluded that the maintenance of multipurpose, combat-capable forces is in the national interest. It is only through the maintenance of such forces that Canada will be able to retain the necessary degree of flexibility and freedom of action when it comes to the defence of its interests and the projection of its values abroad.

The white paper further states:

Canada needs armed forces that are able to operate with the modern forces maintained by our allies and like-minded nations against a capable opponent—that is, able to fight alongside the best, against the best.

Since making these lofty proclamations the Liberal government has broken its stated defence policy by consciously pursuing a defence policy that has literally stripped the Canadian armed forces of combat capability.

The Liberals have accomplished this in several ways. First, they have begun to pursue a foreign policy based on the fluffy and cuddly concept of soft power and human security. I will quote the Minister of Foreign Affairs, the defence minister's senior, who sees little value in the concept of a combat capable force. In the 1997 issue of the *International Journal* he stated:

A country's image is key to the use of soft power. An attractive set of values and an image as a trustworthy partner encourages other countries to consider and weigh our views.

He referred to soft power by saying that it:

—blurs, even counters, the perception of traditional power assets, such as military force.

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The problem is that this idea of influencing other nations by using Canada's image as a country full of nice folks with nice values just does not work.

Let us look at how influential the foreign affairs minister was with the military junta that took over Pakistan recently. Does the Minister of Foreign Affairs really think Saddam Hussein or Slobadan Milosevic will really mend their ways after hearing about Canada's great values? It just will not happen.

Ironically even the creator of the soft power concept, Joseph Nye, understood that soft power meant nothing without hard power or military assets to back up that concept. Also the Liberal government slashed defence spending a whopping 24% to just over \$9 billion, far below what was recommended in the 1994 special joint committee report. This has literally gutted the Canadian armed forces.

I believe many of my Liberal colleagues across the way, in particular those who sit on the defence committee, would agree with this point. The Liberal members, the Reform members and the Conservative member supported the defence committee's first report to the House calling for significant increases in defence spending as a percentage of GDP over the next five years. The finance committee has recognized the urgency of the situation and has recommended a five year increase for national defence.

The results of these massive cuts to defence spending were very predictable. Personnel had to be cut to 60,000, far below that which we recommended in the special joint committee and a dramatic drop from the 87,000 personnel we had in 1987.

• (1625)

According to the Conference of Defence Associations that appeared before the defence committee today, this number has fallen to about 56,000 or 57,000 because national defence cannot afford to replace the people it is losing through attrition.

As we all know manpower is essential to our combat capability. The army is particularly hard hit with personnel at only 65% of what is needed to achieve combat capability. The Conference of Defence Associations told the defence committee today that Canada's forces would be hard pressed to fulfil the Liberal government's 1994 white paper commitment to field a combat capable brigade size force. It argued that the Canadian army is really only combat capable at the company level, which is about 150 troops.

In Canada, with a population of some 30 million people, we are only capable of fielding a company of 150 personnel that are combat capable. We have seen how stretched our two battalions are in Kosovo and Bosnia. We have to bring home our battalion of 1,300 troops from Kosovo because we cannot effectively sustain two battalions in the region.

The army is getting so desperate that two weeks ago, members might have read in the press, Colonel Howard Marsh advised the government contrary to the government's own white paper on defence that it should cut the army to 10,000 personnel from the current 20,000 and make up the difference by using high tech gadgets. This idea is absolutely ludicrous.

The Conference of Defence Associations stated today that even with the army at its current size of 20,000 it is far too small. High tech gadgets will not make up the difference for the crucial role played by highly trained individuals in the army.

Just last month the Conference of Defence Associations stated during hearings before the finance committee that the Canadian forces were on the verge of a major breakdown in combat capability, unless the defence budget was increased by at least \$500 million, climbing to \$1.5 billion over the next few years.

It is important for me to mention again the mismanagement of the Sea King helicopters by the Liberal government. We have been waiting for six years for a replacement for the Sea King helicopter. Canadians still wait and this is unacceptable. We probably will not have replacement helicopters until the year 2008. They are literally falling apart. Pieces are flying through the air from Sea King helicopters. They need to be replaced and they need to be replaced now.

The Liberal government has broken its stated defence policy which claims Canada must have combat capable forces. Instead the Liberal government has consciously pursued a defence policy that has stripped our Canadian forces of much of its combat capability.

Before we get to the point of no return the official opposition calls on the Liberal government to increase defence spending by at least \$2 billion over the next two years to reverse this decline in the combat capability of the Canadian armed forces.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the member for Okanagan—Coquihalla gave a very thoughtful speech. My question has to do with some of the responses the member received from the defence minister when it comes to questions of how stretched Canada's military is.

Both in response to questions about our ability to do peacekeeping and about our ability to keep the Sea King helicopters in the air, the minister has always assured the public that everything is okay and that they are not stretched beyond their capacity.

I wonder if my friend would care to react to that. It sounds to me like there is a contradiction. My friend is saying there is a huge problem and the Minister of National Defence is saying there is no problem.

Mr. Jim Hart: Mr. Speaker, the member is absolutely correct. The Minister of National Defence continually leads the Canadian public to believe that we do not have a serious problem with our

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defence forces and that every time a mission comes up it seems Canada is able to respond very quickly. The problem is that places tremendous stress on our troops. At this time, some 4,500 army troops are serving outside the country. That means three times that amount are needed to maintain that 4,500 figure. The reason is that 4,500 people are training to go on that mission, there are the 4,500 who are deployed on that mission already, and then recuperation time is needed, so there are another 4,500 people who have just returned from the mission and are taking time with their families and undergoing debriefing and training opportunities.

• (1630)

The whole concept of Canada's always being there and deploying more people with the budget constantly declining and the government foisting more missions on the armed forces is a very desperate situation that has come to a crossroads. We like to point these things out constantly to the Canadian public, but we always hear quite the opposite from the defence minister and the foreign affairs minister that everything seems to be fine. The Canadian public should realize this is a desperate situation.

The Canadian public has given its support to the Canadian armed forces in the missions we operate in around the world. It is time for the government to give the people in the Canadian armed forces the tools they need to do their job, whether it be peacekeeping or whether it be a combat role in hot spots around the world.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the input from all members as we continue this debate.

I am puzzled with the position of the Reform Party. In their platform Reformers talked about tax reductions but not starting until the year 2000. We would not have had any tax cuts at all. The Liberal government has already implemented tax cuts of 10%.

In their platform they talk about a tax cut package that in the third year of their proposal would cost the federal treasury \$26 billion. They also talk about an equal amount against paying down the debt. That is \$26 billion in year three for tax cuts and \$26 billion for paying down the debt. If my arithmetic is correct, that is \$52 billion. When I look at the document released by the finance minister a month ago and the surpluses projected forward by 11 of Canada's leading economists, it shows that in year three the surplus would be at a level of \$12.5 billion.

Then the other Reform member was talking about increased expenditure on defence. Other members of the Reform Party have talked about increased expenditures on farm income relief. How does the arithmetic add up? How does this package fit?

Mr. Jim Hart: Mr. Speaker, the member has his facts and figures wrong. As has been pointed out, we would have offered tax

relief in 1997 with the return of the \$7 billion UI fund. To get to the heart of the matter and how we can say that we want to increase defence spending, we would not waste as much money as the Liberal government wastes on unnecessary items.

I do not have to go very far back to remember a \$25 million program where we were giving out free flags to the Canadian public when the people in Bosnia and Croatia did not have the proper clothing to wear. The government wasted \$25 million there and sent our military personnel literally having to exchange helmets and flak jackets as one unit was getting on the plane to come home and the other unit was getting off the plane.

I would tell the government that its priority in spending is out of whack 100%, it has been for years, the Canadian public has financed the deficit reduction the government takes claim for, and it is time to return that money to the Canadian public and use the priorities we as the official opposition have suggested to re-fund, for example in defence.

* * *

• (1635)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. McClelland): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-3, an act to implement an agreement, conventions and protocols between Canada and Kyrgyzstan, Lebanon, Algeria, Bulgaria, Portugal, Uzbekistan, Jordan, Japan and Luxembourg for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

SCRUTINY OF REGULATIONS

Mr. Bob Kilger (Stormont—Dundas—Charlottenburgh, Lib.): Mr. Speaker, I rise on a point of order arising out of an intervention made earlier today by the official opposition member for Surrey Central.

In discussions with the whips of all the parties I believe that if the House would give its consent it would also agree to the following motion:

That payment of the salaries of staff working under contract with the Standing Joint Committee on Scrutiny of Regulations be made by the Committees and Legislative

Services Branch of the House of Commons on behalf of the standing joint committee until such time as the standing joint committee is able to make such payments or March 31, 2000, whichever is sooner.

The Acting Speaker (Mr. McClelland): The House has heard the motion as presented by the chief government whip. Does the chief government whip have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*English*]

STANDING COMMITTEE ON FINANCE

The House resumed consideration of the motion.

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is with pleasure that I rise today to talk about the first report of the Standing Committee on Finance.

First I would like to talk about the process because the content of the report is only as good as the process that preceded it. Coming from Women's College Hospital in Toronto where the motto was non quo sed quomodo, it is not what we do but how, I would like to celebrate the fact that this is a process by which our Liberal government can be extraordinarily proud.

No longer, as with previous governments, does the budget get written in secret after a series of one on one meetings with the finance minister, clearly influenced only by those who were able to secure such a meeting, largely because of their elevated positions in society.

With all the committee hearings and submissions and the town hall meetings held by 62 of our members of parliament, we feel that Canadians have been properly consulted. It is not surprising therefore that the Minister of Finance's budgets are so well received when people can see their own advice in the budgets as they are tabled.

As the member of parliament for St. Paul's I believe that the best antidote to the cynicism and apathy that really threatens our democracy is a commitment to real consultation and the participation of citizens in the policy process. Citizen engagement must be genuine and it is not good enough that governments and parlia-

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mentarians consult. Citizens must feel that they are being given the opportunity to actually shape public policy.

Mr. Speaker, I will be sharing my time with the member for Oak Ridges.

Peter Newman said that politics in Canada has always been the art of making the necessary possible. Therefore deciding what is necessary must be a political decision. Deciding what is necessary must be done by politicians in true partnership with the citizens.

The prebudget consultation is an excellent example of a process whereby all Canadians have the opportunity to provide input into the priorities that define our country. The budget making process is where we receive input into the tools we have at our disposal to help ensure that the necessary becomes possible: debt retirement, taxation as well as tax relief, and strategic investments in program spending.

This year I had the opportunity to chair four consultations on the budget; a town hall in St. Paul's, an invitational round table in St. Paul's, a special meeting of the Liberal women's caucus with the finance minister, as well as yesterday's round table of the subcommittee on persons with disabilities on the tax treatment of persons with disabilities and families with children with disabilities.

• (1640)

The first such consultation which was submitted to the finance committee was held in St. Paul's on November 8. The clear consensus in the room was that affordable housing was extraordinarily important to all issues around the true disposable income of Canadians, and that all levels of government must do whatever they can to make shelter possible for all Canadians.

There was also a clear consensus on the need for proper tax relief, that the amount of disposable income families have is for snowsuits and snow boots for kids. Families, in particular low and middle income families, need to have money to spend, and this year as we focus on children it should be for their children.

There is no question that in terms of our economy the need for a vibrant and accountable health care system was agreed upon by everyone in the room, as well as employment strategies and a focus on the environment.

While affordable housing and tax relief topped the list of budgetary suggestions at the meeting, it was clear there were underlying issues to be addressed. The constituents of St. Paul's wanted to know that they were receiving good quality social services for their tax investments. They were asking the federal government to take the initiative in protecting the things they value most as Canadians: access to shelter, a quality health care system, employment, and protection of the environment for future generations.

In this new age of surplus, constituents would like to see measurable outcomes that demonstrate that their taxes are being well spent. They would like to have confidence that we will ensure

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that basic needs of all Canadians are met. They understand that good social spending is also good economic spending and economic policy and will result in a secure future for all Canadians.

At our prebudget round table, it was interesting that a consensus emerged on the need for the federal government to articulate a clear, long term economic and social vision based on Canadian values. Like the finance committee, they felt that we should be rolling out a vision over more than one year. Their issues of greatest concern were tax relief, debt reduction, poverty, homelessness and the children's agenda.

All in attendance felt that the government must lead the way in long term planning, setting outcomes and filling the gaps within a framework that reflects Canadian values. They wanted to ensure that good social policy was viewed as good economic policy. The consensus was that in order for us to maintain a decent social infrastructure, growing the pie and the economic strength of our country are extraordinarily important in reaching that goal.

At the round table, they felt we must ensure that productivity in the growth of the country occurs. It must be addressed in a long term, systemic way. If the government were to articulate long term plans, people would see their needs as being met. The feeling was that the government must not expect to run every aspect of life, but it must recognize clearly where it has a long term impact and harmonize its actions with other levels and partners to ensure its long term success. They wanted frequent reviews of government programs to see how effective they have been upon implementation to ensure that outcomes are being met.

We felt extremely heartened by the new efforts and initiatives of the treasury board to look at outcomes and the performance indicators of those outcomes in terms of the future of smart spending in the country and in knowing that we will fund programs only if they are shown to be, as we used to call in medicine, evidence based practice.

At their meeting the Liberal women's caucus reflected what they had been hearing in their constituencies. It was a very similar shopping list in terms of the budget. A lot of those things have been reflected in the finance committee report.

What was not in the finance committee report but the women's caucus feels strongly about, is that all aspects of public policy, in particular budget items, require a gender based analysis. We must make sure that there is no discrimination of gender by all policies and it must be done before things come to the point of being a budget allocation. We were heartened by the commitment of the Minister of Finance to meet with the Secretary of State for the Status of Women and the President of the Treasury Board to actually look at how that could be articulated.

• (1645)

Yesterday it was extremely interesting to receive the experts on the issue of tax and families with disabilities. I would like to draw

members' attention to some of the things that were articulated at yesterday's meeting. I am thrilled that a lot of these things were in the finance committee report, but I would like to underline the things that we feel most strongly about or that there would seem to be consensus at the round table about.

Defending the child tax deduction for parents of children with disabilities would clearly benefit both low and middle income earners. The experts wanted to see an index or an adjustment to the various credits and deductions claimed by persons with disabilities and their families to deal with the increasing cost to them due to the lack of indexation. They wanted more technical aids and services added to the list of expenses for the medical expense tax credit. Clearly there was a consensus to broaden the definition of eligibility in the disability tax credit.

We are particularly concerned about people with cystic fibrosis. For some reason in the current definition of disability, in activities related to daily living, breathing has been left out. People who have a great deal of difficulty breathing are not included in the disability tax credit. We feel that is a modest expansion that would seriously help the 600 to 900 adults with cystic fibrosis to participate as full citizens.

We are requesting that the Canada study grants received by persons with disabilities be not treated as taxable income.

There was interest in a new savings vehicle modelled on the registered retirement savings plan that would encourage private savings to support individuals with mental and physical disabilities.

We think there should be more generous and consistent tax treatment of the costs of attendant care and that the income tax guide should be clarified so that taxpayers with disabilities and their families can more clearly understand the applicable tax measures and act accordingly.

We were thrilled to see in the finance committee report strong support for the renewal of the opportunities fund, and we are hoping for accessibility standards that would become benchmarks in the national children's agenda.

It is extremely heartening to see so many of the social infrastructure programs clearly identified in the finance committee report.

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, I thank the hon. member for her intervention.

I read the committee report with interest and I certainly want to commend the members of the committee.

There was an aspect of the report that dealt with increased savings for Canadians. Certainly we are all attempting to encourage Canadians to increase their savings for retirement. There was a recommendation in the report that called for an additional \$2,000 increase in the RRSP limits. The RRSP limits are currently

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scheduled to increase by \$1,000 increments, which would give a \$2,000 increase to the limits as they stand today.

Could the hon. member confirm for me whether the recommendation of the committee would actually push these limits up to \$17,500 over the five year period?

The hon. member often talks about smart spending. I want her to focus on the health file for a second. The Canadian Healthcare Association talks about investing money more strategically in service delivery. I would like the hon. member to take a moment to focus on smart spending and service delivery in the health care file and describe for the House in some detail what she sees as smart spending in the health care file.

Ms. Carolyn Bennett: Mr. Speaker, I would like to affirm to the hon. member that the increase of \$2,000, I believe, having attended a great number of the finance committee meetings, was in addition to the already scheduled increases. I think he will be relieved to hear that.

In terms of smart spending in health care, I was extremely interested in the brief of the Canadian Healthcare Association, which said that putting more money into the health care system, even if were available, would not be the answer.

• (1650)

We are extremely worried that accountability in the health care system is not there. As we know from some of the briefs, 60% of the things that are being done in health care, as we speak, have never been subjected to any sort of evidence based practice. As was recommended in the finance committee report, we have to make sure that there is money for information technology and the ability to practise evidence based medicine as well as research into health care delivery. We need proper data in terms of how we deliver health care.

A lot of us were very impressed by the University of Ottawa and Queen's University study of the sustainability of the health care system. It showed that if we actually moved to best practices, or moved people to the right level of care, there would be \$7 billion in savings annually in Canada. Many briefs said that this was not about dollars, it was about mismanagement. We need a real system instead of this patchwork quilt of non-systems.

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I am delighted to participate in the debate on the upcoming year 2000 budget.

Through successive budgets the government has continued to build on a strong fiscal foundation that began in 1993. At that time our economic condition was in a serious state of disrepair. We had a \$42 billion deficit, high unemployment and sluggish investor confidence.

Since 1993 the government has rolled up its sleeves and presented to Canadians a clear vision of how to get things straight.

Canadians understood that large deficits and an astronomical debt would cripple Canada for generations to come if we did not act, and act we did. Canadians embraced the deficit reduction strategies of the government. Together we have been able to eliminate the deficit, bring in balanced budgets and forecast further balanced budgets.

In 1998-99 Canada balanced the books for the first time since 1951-52. The government has continued to operate deficit free. For the coming millennium we will continue our prudent spending, continue to balance the books and offer Canadians further tax cuts. I can think of no greater gift to offer young people, our future generations, than a deficit free government, lower taxes and a strong economic and fiscal atmosphere that supports growth and development by continued investment in the talents of our youth.

In February 2000 the Minister of Finance will continue on this path by announcing further tax cuts for Canada. I have always been a strong advocate of calling for tax cuts. Many of my constituents want tax cuts as well. I recently conducted a survey in my riding asking constituents what they would like to see in the upcoming budget. Close to 75% of those who responded chose tax cuts and debt reduction as the top two issues that needed to be addressed in the upcoming federal budget. Continued funding for health care in Canada ranked a close third, at 70%.

I would like to share some of the direct comments of my constituents with the House today: "Lower taxes, both personal and corporate, can help to create and retain jobs in Canada. Tax cuts should focus more on lower and middle income people and families". "I believe lower national debts are a key foundation to a stronger economy and the benefits of long term growth. Get the debt behind us and Canada can become a stronger nation". "Continued fiscal responsibility, as already demonstrated by Mr. Martin, is required". "Seeing as children and youth are our priority, the only responsible action in the federal budget is to make debt payment the top and only priority for surplus funds. It is not fair to the next generation to burden them with debt created by this generation".

It is clear that Canadians know what they want. They want a fiscally responsible government which is willing to take action to end the overspending of the past and to make sure that we have cleared the slate for future generations. By getting our fiscal house in order we can concentrate on other issues. We can create an atmosphere where job creation strives and where Canadian entrepreneurs can make their mark in the global economy.

• (1655)

This past November the finance minister brought down his economic and fiscal update. He noted that Canada's economy has made tremendous strides. The economy is now forecast to grow by 3.6% this year, based on the average of private sector forecasts. That is a significant jump from the 2% growth rate that economists were forecasting just before last February's budget.

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For the year 2000 the average growth forecast is 2.9%, again an increase over the 2.5% predicted at the time of the budget. This has brought our November 1999 unemployment rate down by 0.3 percentage points to 6.9%. That is the lowest level since August 1981.

Our future as a country is indeed bright. The government will continue its commitment to Canadians through strong, continued funding for our world renowned universal health care system. We will provide tax cuts.

We also recognize that Canada is a place for business. We have taken great strides to make this so. We recognize the value of innovation, but we know that innovation does not just happen. It requires an investment on our part. It requires infrastructure. We are committed to building a society of security and opportunity by helping Canadians to acquire education, knowledge and skills.

We will provide continued funding to help our youth reach their goals and dreams through the youth employment strategy, the Canadian opportunities strategy and the Canada education savings grant.

Finally, I want to speak briefly about another program. I fully support the joint federal-provincial-municipal infrastructure program. The Speech from the Throne committed the government to developing a five year physical infrastructure plan with the provinces and territories. It is a prime example of how governments can work together for the good of all Canadians.

I look forward with great anticipation to the next federal budget. As the first budget of our new millennium it will set a benchmark for all future budgets. It will clearly demonstrate our commitment to providing Canadians with an efficiently run, fiscally responsible government, and continued investment in the programs and services Canadians have come to expect and deserve.

• (1700)

[*Translation*]

The Speaker: We have a about five minutes left before the time provided for the royal assent. We could go to questions and comments in the meantime.

If there are no questions or comments, we will be resuming debate. The hon. member for Lotbinière.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I rise on a point of order.

Is there not a standing order that would allow us to suspend the sitting temporarily? I think it would be a shame for my colleague from Lotbinière to begin his speech—unless he wants to do so—only to be interrupted after one or two minutes.

[*English*]

Mr. Roy Cullen: Mr. Speaker, I would suggest that if there is time for questions and comments, I could pose a question to the member for Oak Ridges.

The Speaker: What we will do is take a few minutes for questions and comments, and after that I will go to the hon. member for Lotbinière.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the member for Oak Ridges for his participation in this debate and for his contribution to the thought process for the budget 2000.

I know the hon. member has been very much involved in municipal affairs. I also know that he has taken an active interest in an infrastructure program. In the throne speech, there was mention that the government intends to move on an infrastructure program. There have been representations by the Federation of Canadian Municipalities to proceed with an infrastructure program. It talks about social infrastructure as well as physical infrastructure.

I wonder if the hon. member could comment on what he would like to see if the government proceeds with an infrastructure program.

Mr. Bryon Wilfert: Mr. Speaker, there is no question that a national infrastructure program is critical for the economy, for the environment and for the health of Canadians.

In 1983, the Federation of Canadian Municipalities proposed an infrastructure program involving all orders of government in the country. In 1993, the government adopted the national infrastructure program of the FCM.

Traditional infrastructure is roads, sewers, bridges and water. The announcement in the Speech from the Throne clearly indicates all three orders of government participating. Municipally driven is what I would like to see. I would like to see that we are involving all orders of government in a process by which we have at the moment basically a \$40 billion deficit in infrastructure in the areas that I have just outlined. There is no question that over 125,000 direct and indirect jobs were created by the last national infrastructure program.

One of the things that varies in the proposals in the Speech from the Throne is that we actually have a blueprint for five years. We think this is critical when we look at our competition, the United States, Europe and elsewhere. I know that every member in the House benefited from the national infrastructure program. The mayors of the communities in these members' ridings, including my good friends across the way in the Reform Party, have benefited very much. There are some former mayors over there.

The program delivered both in terms of job creation and in speeding up needed infrastructure programs. I say to my hon. friend that there is no question that by involving all orders of government, we will be able to improve our economy by being able to move people, certainly through roads being reconstructed—

THE ROYAL ASSENT

[English]

The Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

December 16, 1999

Mr. Speaker:

I have the honour to inform you that the Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 16th day of December, 1999 at 5 p.m., for the purpose of giving royal assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

* * *

• (1705)

MESSAGE FROM THE SENATE

The Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills, to which the concurrence of the House is desired.

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly the Speaker with the House went up to the Senate chamber.

• (1720)

[Translation]

And being returned:

The Speaker: I have the honour to inform the House that when the House did attend His Excellency the Governor General in the Senate chamber, Her Excellency was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-4, an act to implement the Agreement among the Government of Canada, Governments of Member States of the European Space Agency, the Government of

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Japan, the Government of the Russian Federation, and the Government of the United States of America concerning Cooperation on the Civil International Space Station and to make related amendments to other acts—Chapter 35.

Bill C-21, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2000—Chapter 36.

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[Translation]

STANDING COMMITTEE ON FINANCE

The House resumed consideration of the motion.

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, I am very pleased to take part in this most important debate. First of all, I would like to inform you that I will be sharing my time with my colleague from Jonquière.

After reading the report stemming from the prebudget hearings, which was tabled in the House, one can tell that a great deal of ambiguity remains concerning the direction the Minister of Finance intends to take with the budget to be tabled on or about February 22 or February 29, 2000.

Every year, the Bloc Québécois brings out statistics to support its criticism of what I always refer to as cooking the books, something the Minister of Finance is indulging in with increasing frequency.

For several years now, the Bloc Québécois has been calling for a number of things, and I think that the Bloc Québécois is the party that best defends Quebec's interests. We have called for tax cuts, a return to a real EI system, and the return of social transfer payments to Quebec and the provinces; we have called for support for productive projects, moderate debt reduction, and significant efforts to combat poverty.

This is the gist of what the Bloc Québécois puts forward annually at this time of the year, when the chair of the Standing Committee on Finance presents the committee's report.

In Lotbinière, as everywhere else, we took part in this democratic process, in order to find out what the people of Lotbinière wanted. Like all taxpayers in Quebec and in Canada, the people in my riding want lower taxes, but not along the lines the Minister of Finance is suggesting. We want tax cuts for those who contributed most to helping the federal government eliminate the deficit.

This means a tax cut targeted at the middle class. As for middle class, let me explain what I mean. Statistically, middle class in Canada means those earning between \$30,000 and \$70,000 a year.

In a riding like my own of Lotbinière, or like Jonquière or any others with the same characteristics, semi-urban, semi-rural, the

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middle class is not earning between \$30,000 and \$70,000 a year; often it is earning \$15,000, \$20,000 or \$25,000.

• (1725)

These people often work 40 hours a week, at an hourly rate of \$8, \$9 or \$10, and have a lot of trouble making ends meet. They are also greatly affected these days by the price of gasoline.

When travelling throughout Quebec, people probably notice that the price of gasoline is quite high in urban centres like Quebec City and Montreal. However, if they travel 100 or 150 kilometres to regions like Jonquière, Rimouski and Abitibi, they will see that the price of gasoline in these areas is very high. What does that mean?

Ever since inflation started to skyrocket in the mid-seventies, the price gasoline has had a major impact on the price of consumer products. When the price of gasoline goes up, the trucker who delivers the goods has to increase his rate. Once on the shelves, the goods have to be sold at a higher price, and the consumer who buys them also has to pay more for gasoline.

This is a real problem for the regions. In the budget being prepared for the year 2000, it is anticipated that the government will include no measure to help these people, even though we are now facing this indirect inflation created with the complicity of the oil companies.

I will come back to this issue, because in the year 2000, as the regional development critic for the Bloc Québécois, along with my hon. colleagues, we will be taking major action, including in the energy sector, which will be discussed at some length.

We would not want to relive the situation we experienced in the mid-1970s when inflation soared. We know what it did to the economy of Quebec and Canada.

I would also like to talk about an issue near and dear to my heart which, once again, goes unmentioned the report tabled by the Standing Committee on Finance, namely employment insurance reform. Over the last few weeks, I have been leading an awareness campaign in the riding of Lotbinière, inviting people to sign a petition condemning this situation.

Right now, within the riding of Lotbinière, there are two different rates. The first one is 6.2%, which means that people have to work 660 hours to be eligible for benefits. At the other end of the riding, the rate is 11.2%. This means that people need only work 490 hours. In the same riding, there is a difference of 5%.

When people come to see us in our riding offices, it is difficult to explain to them the injustice that comes from the fact that the rate is based on the place of residence. This means that, if two persons work for the same company and that company closes down or

experiences a slowdown, one person may be eligible for benefits and the other may be penalized.

With the same rates, with the same rights, because of the complexity of the map drawn by the Department of Human Resources Development, some people in my riding are severely penalized.

As recently as this week, someone who thought he would be eligible for benefits with his 635 hours learned that the rate had changed. It came down to 6.2%, and that person left with the sad news that he needed 660 hours to be eligible for benefits. So he did not have a choice, he had to turn to income security.

Sometimes the government is proud of the fact that the number of people receiving employment insurance benefits is going down. This is to be expected, because when unemployed workers no longer have access to employment insurance, that have to turn to income security. In the statistics, these people are no longer considered to be part of the labour force. They have been dropped from the statistics.

• (1730)

Statistics are to be used with caution. Yes, the economy is getting stronger. However, we must not forget the terrible consequences of the employment insurance program. A lot of people have to rely on income security now. It is a problem we have in the riding of Lotbinière and in most Quebec ridings.

I want to thank all those who helped me with this initiative in my riding, including the Caisses populaires that circulated the petition and the municipalities that sent resolutions supporting my initiative. Hundreds of people are still signing the petition condemning this social injustice.

During the holidays, we will take a break, but in the year 2000, we will be back at it and we intend to hand over to the Minister of Human Resources Development a comprehensive report to make her aware of the social injustice affecting the people of Lotbinière.

The regions are also faced with problems at the municipal level. When the new governor general delivered the throne speech, we all expected the federal government to announce immediate measures to help the municipalities. The President of the Treasury Board herself told us that they had a project in mind and she believed negotiations were under way.

Anyway, to sum it up, a project might be announced in November or December 2000. There is a desperate need for action now. This measure should already have been announced. Memorandums of understanding should already be under negotiation. Also, financial support for the municipalities should be included in the February 2000 budget.

We know that the municipalities have to upgrade their infrastructures and that we previously had three party agreements between

Quebec, Ottawa and the municipalities that worked just fine. The federal government now has a surplus. I think it is important that the surplus go to areas where the people feel it is most needed: to help the unemployed, to support municipalities and to restore transfers for health care and education.

Our colleagues in the National Assembly, the health and social services minister, Mrs. Marois, and the education minister, François Legault, are having a lot of trouble running their departments because of all the cuts the federal government has made since 1993. Representatives of the federal government say that it has increased transfers. This is a joke, it is utter nonsense.

The government cut less than it was supposed to be. We know that this government is quite good at marketing. These people are trying to show us how good their government is.

I repeat that the government should reduce taxes to help the middle class, come back to a real employment insurance program, fully restore the social transfers to Quebec and the other provinces, support the positive projects of the municipalities and especially put significant effect into the fight against poverty.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, it is with a certain sadness that I am rising today to take part in the debate on the report of the Standing Committee on Finance because there is not much good news in this report tabled just before Christmas. It does not contain many measures to alleviate human suffering and to bring some hope that next year will be better.

Once again, this report shows the contempt of the Liberal government for the views expressed by the people and by the witnesses who appeared before the finance committee or took part in the prebudget consultations held by my colleagues, the members of the Bloc Québécois.

Instead of reporting accurately the views expressed by the people who said they wanted surpluses to be reinvested in social programs, the Liberal majority on the committee preferred to be servile and to tell the minister only what he wanted to hear, namely that he can keep his surpluses and use them as he sees fit for measures that are not essential.

• (1735)

The Standing Committee on Finance and the finance minister deliberately ignore the reality that exists in many regions. They prefer to hide their heads in the sand. The reality is that the gap between the rich and the poor is growing wider every day.

I will say a few words about my region. Today, in my region, we have to serve meals to children under 12 who, otherwise, would not be able to take their classes or would get sick.

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Some parents are no longer able to serve three meals a day to their children, even if they themselves do not eat their fill. That is the reality the Liberals are ignoring because they prefer to talk about growth, about the economy and so on. During that time, in Saguenay—Lac-Saint-Jean, six soup kitchens are helping people to survive all year long.

Today, La soupière de l'amitié of Arvida, in my riding, is holding its eight fundraising campaign with the help of more than 200 volunteers, who collect money to help the underprivileged.

I would like to take this opportunity to thank those volunteers working on the campaign, under the auspices of honorary president Monseigneur Jean-Guy Couture, and thank also the people of Saguenay—Lac-Saint-Jean for their generous support of the less fortunate.

This government has abandoned the population. There is a growing number of relief agencies and food banks. This situation should not be tolerated. We should never get used to hardship. However, it seems to be a sad reality: this government has created more hardship.

During the prebudget hearings, I consulted with the people from my constituency and from Chicoutimi. Incidentally, I would like to thank the member for Saint-Hyacinthe—Bagot for his document containing realistic suggestions that take into account the real concerns of ordinary people. The people told me that their priorities, with respect to how the budget surpluses the finance minister thinks are his own should be used, are different from the federal government's priorities. They do not want the Minister of Finance to lose sight of the fact that these surpluses are the result of the considerable sacrifices he has imposed through drastic cuts to social programs as well as of not indexing the tax tables and taking money out of the pockets of the middle class.

Incidentally, I thank the hon. member for Lotbinière for his help in the consultations I have held in my riding. I appreciated his co-operation. Many of my constituents have suggested priorities, some of which I would like to mention here.

Many of my constituents do not necessarily want tax reductions; they would rather have the money used to ensure that quality services continue to be provided to seniors, the sick and the young. Many senior citizens who participated in my consultations complained that the money they get from the government and the level of taxation do not take into account the expenses people who live alone are faced with, be it for maintenance or home help, which increase substantially every year.

Many told me that the surplus in the EI fund should be used to help communities through assistance and support programs for the elderly, to help existing small businesses or new ones getting started and to set up an EI fund for young people.

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A number of people told me that the surplus the minister is bragging about, which came straight out of the pockets of ordinary citizens, should be used in part to set up assistance, integration and adjustment programs for people between 50 and 60 who are out of work.

• (1740)

I know of several 50 or 60 year old workers in my riding of Jonquière who, unfortunately, have lost their jobs following plant closures and who are left with nothing. They cannot get training, because, as you know, after spending 30 years in a plant, these older workers can hardly go back to school.

I think the government should be sensitive to the needs of these people who are hurting badly. It should restore the POWA program, or a new and improved program that better suited to their situation.

Unfortunately, the government is once again turning a deaf ear. It contends that there is nothing wrong, that nobody has to deal with this problem on a daily basis. There are things we have to do for the future. But right now, people are really stuck with this problem, and families are facing considerable hardship.

Most of the people want the government to maintain its social transfers. As you know, the federal government has been cutting transfers to the provinces for social programs since 1993. Many people were furious and spoke against EI, which brings nothing but misery. Ten years ago, EI covered 80% of the workers who lost their jobs. Nowadays, a mere 40% of the workers are eligible, although all of them pay premiums.

I would like to point out that, since 1993, the Liberal government's record with regard to the environment has been dismal. Apart from engaging in jurisdictional wars with the provinces and trying to impose national standards, the federal government has not proposed any concrete measures to reduce pollution.

Regarding the reduction of greenhouse gases, which affect the climate, pollution and health, and involve considerable economic costs, the federal government still has no clear plan and no clear timetable to meet the objectives that it set for itself under the Kyoto agreement.

Several environmental groups have adopted a more practical approach and have proposed concrete measures to the Minister of Finance to reduce pollution, such as investing in public transit systems or encouraging the transportation of goods by train, particularly by special railway cars that can carry trucks.

Finally, it is urgent that this government keep its promise to invest in new depollution technologies. There is an approach that we fully support, because it is a concrete measure that would allow industries, farmers and municipalities to reduce their levels of pollution when renewing their equipment or infrastructure.

I will close by saying that in the Jonquière area, as shown in a recent federal study, air pollution reaches very high levels. We are all waiting anxiously for the federal government to co-operate with industries, municipalities and the provincial government to make the air cleaner, which would better reflect the nature of our region.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I want to thank the hon. member opposite for an excellent speech.

In Ontario, we have to deal with a premier, Mr. Mike Harris, who is using money that should be going to social programs for other purposes. Faced with a province that will not support social programs, I wonder if the solution would not be for the federal government to give more money to charitable and non-profit organizations, which in turn could deliver social programs.

Would the hon. member opposite be comfortable with such a solution?

• (1745)

The Acting Speaker (Mr. McClelland): As occupant of the chair, this is the first time I hear the hon. member for Wentworth—Burlington put a question in French. My congratulations.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, before answering the question, I too would like to congratulate the hon. member and I encourage him to speak French more often in the new year to show everyone that Canada is really a bilingual country, as the Liberals like to put it.

I want to point out to the hon. member that community organizations and transfers both come under provincial jurisdiction. What have the Liberals done since 1993? They have infringed upon jurisdictions when they had no reason to do so.

Everything that has to do with health care and the municipalities also come under provincial jurisdiction. I encourage my hon. colleague to tell his government, which has way too much money, to give some back to the provinces. I am sure they will ensure that the money goes to the people.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the prebudget debate. As a member of the finance committee since 1997 I have had the honour to travel across Canada to listen to what Canadians from all walks of life have to say.

I can carefully say that the mood of the Canadian people is that they are quite relieved that the fiscal house of Canada is in order. They are looking forward to more good news. To put it in context, when I became a member of parliament in 1993 and the government took office unemployment in Canada was 11.2%. In addition, we were faced with a \$42 billion deficit.

There is no doubt that each and every Canadian was called on to bear a share of the burden of getting our fiscal house in order. It was an imperative. Not only was unemployment high, not only did we have this deficit, but the debt to GDP was rising. It meant that there was pressure on interest rates. It was a scenario that was not sustainable.

As a result of the sacrifices that Canadians have made, as a result of the prudence that the government has exercised and as a result of the good fiscal management and fiscal responsibility demonstrated by the government, there is good news.

Let me give a few key points. The real gross domestic product advanced 4.7% in the third quarter of this year, its fourth consecutive quarter. The real consumer spending posted its third consecutive quarter of strong growth with an increase of 4.8%. Real business investment has grown at an average rate of 11.3%. Real goods and services exports surged 15% in the third quarter. The current account balance improved dramatically from a \$7 billion deficit to a second quarter surplus of \$2.6 billion in the third quarter.

The healthy economic growth has translated as well into robust job creation. Since December 1997 over 760,000 jobs were created and 199,000 of those new jobs were for young Canadians. The unemployment rate has declined. It is now at a rate of 6.9%. That is its lowest level in Canada since August 1981, virtually a generation ago. Both the International Monetary Fund and the OECD expect Canada to lead G-7 countries in employment growth in 1999 and 2000. Inflationary pressures remain subdued. The consumer price inflation was 2.3% and excluding food and energy the inflation was only 1.6%. Those are technical points but they paint a picture which indicates to Canadians that we have our fiscal house in order.

• (1750)

On November 2 the Minister of Finance took the opportunity to address Canadians in his annual fiscal update. During that update he laid out the scenario as he saw it, using prudent assumptions and responsible fiscal management, looking at the fundamentals, and accepting the advice of the experts in business and industry and the economists of our country.

I will quote from the closing of his speech which should give Canadians the confidence that the next budget will reflect a step in the right direction of addressing the fact that Canadians have taken a great deal of the burden over all the years we have taken to balance the budget and finally get into a surplus position.

The finance minister said:

We will strengthen our economy. We will bring down taxes. We will recast the foundations of individual security. We will forge a culture of innovation. We will build

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upon our traditional industries and we will build a society that nurtures its children like no other.

Canadians should be very encouraged by the state of the fiscal house of Canada. It is time for Canadians to start discussing the strategies they would like to see in terms of how we put these things in place.

As the finance committee travelled across Canada and consulted with Canadians, it will come as no surprise to members and to Canadians at large that depending on whom we were talking to at the time the interest areas were certainly different.

Young people in university talked to us about the cost of education. They asked us if they could get lower tuitions, if they could get better assistance for post-secondary education, a very important and noble request that has to be looked at. At the other end of the spectrum, a growing segment of the Canadian population, our seniors, told us their concerns were the health care system and the social security benefits that allow them to live in the dignity they have earned and to which they are entitled.

Small businessmen told us that they wanted to see changes in the corporate tax structure for small businesses, the business sector that generates the most jobs in Canada. They wanted to know if they could get an increase in the small business limit from \$200,000 to \$400,000.

People spoke on behalf of families and children before the finance committee. They talked about the fairness and equity of our tax system, the taxation of families with children and the issue of one income versus two. They talked about the EI system. They talked about debt reduction. Large business groups and organizations talked about the need to improve benefits under our registered retirement savings plans because they want to be able to provide for their retirement down the road.

Virtually every segment of society had representation. The disabled had an excellent representation by Community Living which came before us and talked about how important it was to address the needs of the disabled of our country. Disabled persons often do not get an opportunity to enjoy the dignity and quality of life of other Canadians because so much of their time, energies and resources are dedicated to meeting their basic needs of health and dignity of life. It is a very important issue.

Members would agree, no matter what party they may come from, that the needs of Canadians are diverse. It is incumbent upon the government to balance those needs on a priority basis and to ensure that when the budget comes forward we maintain fiscal prudence. The finance minister reminded us that we will not go back to a deficit ever again. Canadians can bank on that. The application of fiscal prudence and fiscal responsibility will ensure the sustained growth of our economy, which means more people

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will have jobs, have the dignity of those jobs, and enjoy Canadian life as every other Canadian.

• (1755)

It really gets down to productivity. We had a study last year in the finance committee on productivity. In that study there was some disagreement among the experts about what it really meant, but I think they all concurred that at the end of the day it was really an issue of how we improve the quality of life for all Canadians.

In some ways we can do that by delivering benefits directly to Canadians. In other ways it can be done through stimulating the economy or through the economic sector so that we increase the size of the pie and there is more to share with all Canadians. There are many decisions to be made and they should not be taken lightly. We have to acknowledge the important needs of all Canadians regardless of their state in life. I will be splitting my time with the member for Wentworth—Burlington.

My final comments will be with regard to the report of the subcommittee of the finance committee that dealt with the taxation of families. In that report there were four recommendations. The first was to extend parental leave under the employment insurance system to a full year for maternity benefits. It is a very important initiative. I am very pleased that the government has embraced it and will be pursuing it in the next budget.

We recommended that the government look at how to amend the Canada pension plan system to assist Canadians who withdrew from the paid labour force to raise a family so that they do not get penalized in the CPP structure. We also recommended that a new benefit be introduced under the Canada child tax benefit to assist families with children. Finally, we asked the government to look at the child care expense deduction under the Income Tax Act to ensure that it continues to meet with policy objectives.

The report was commented on by many witnesses before the finance committee. I can tell Canadians and all members that its recommendations were well received.

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I have listened to this prebudget debate all day, and frankly I cannot believe how shortsighted and irresponsible the Liberals are.

The government is prepared, if we listen to its comments, to sit idly by and oversee the death of medicare. I thought we were here today to talk about the future, and for sure one of the important issues of the future is to take medicare into the new millennium.

This is the government that cut \$6.2 billion out of transfer payments in 1995. In the last budget it put back in half of what it took out and stretched it out over five years. It has taken 50:50 cost

shared arrangements down to, if we really stretch it, a 15% federal share of health care spending in the country. No wonder we have Ralph Klein in Alberta threatening to privatize the system and destroy our universal health care system because the government has nothing with which to stand up in the face of that.

I ask the member very specifically whether the government will have the responsibility to put back at least \$1.5 billion into transfer payments for health care. Will it have the integrity to keep to its promises of the last election and the election before that for national home care and pharmacare? Will it have some vision to ensure that we can carry medicare into the new millennium?

Mr. Paul Szabo: Mr. Speaker, I will not be able to address all those points in the time allotted, but I will point out to the member that the cuts to the province of Ontario and the CHST, which includes health, post-secondary and social services, were about \$800 million. The Government of Ontario at the same time decided to reduce income taxes by \$4.3 billion.

There are joint responsibilities with regard to health care. The member will well know that the provinces have to deal with that. Indeed the National Forum on Health identified that there was at least \$11 billion of waste in the system. It is very important that the system be managed properly.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I was very interested to hear the member from across the way talk about having the fiscal house in order. Let us see how much order it is in.

The last time I noticed we were \$560 billion in debt. We have a 67 cent Canadian dollar. We pay about \$40 billion to \$50 billion in interest depending on what rate we are paying at the time. The member calls that getting his fiscal house in order. All of this is despite the fact that revenues have increased since 1993 by about some \$40 billion or \$45 billion.

• (1800)

I recall in 1993 when the Liberal candidate in my riding said that a perfectly acceptable level of deficit financing would be about 3% of the GDP. I would like the member to comment on whether he has changed his mind about that level of deficit.

Mr. Paul Szabo: Mr. Speaker, when the government was formed in 1993 the annual deficit was \$42 billion. Obviously we cannot just make that disappear by flipping a switch. It obviously added to the accumulated national debt. The record shows very clearly that the government not only eliminated that deficit but it has also balanced the budget and delivered surpluses to Canadians as a result of its fiscal responsibility.

The member cannot deny the fact that we are on the right track. The debt to GDP is going down, down, down and in fact it should be below 50% before the next fiscal year is finished.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I thank my colleague from Mississauga South for his speech.

I was surprised to hear him speak so enthusiastically, praising the government for its fiscal management. As I listened to him, I wondered whether he was fully aware of what is really going on.

Yes, the government has eliminated the deficit. Yes, it has accumulated surpluses, but we must look at how it was done. This government acted in the most cowardly fashion to eliminate its deficit. Only 11% of savings, if I can use that word, came from its own programs. All the rest was achieved at the expense of the provinces, through cuts in their transfer payments for health, post-secondary education and social programs, and at the expense of workers and employers who contribute to the employment insurance fund.

This approach did allow the government to accumulate surpluses, with the result that, for example, the provinces had to make drastic cuts in health and education to the point where 80% of cuts affecting the Quebec health care system today are the direct result of this government's cuts in transfers to the provinces.

It is the federal government's fault if it has become so difficult for people to get medical care today. And we hear the members opposite blow their own horn and say how good they were at managing public finances. It is outrageous.

[English]

Mr. Paul Szabo: Mr. Speaker, the member had some pretty strong words.

Let me review it for the member. The year ended March 31, 1998 was the first year we had a balanced budget of some \$1 billion. In the last fiscal year reported on it was \$2.9 billion. In the current fiscal year ending March 31, 2000 we are looking at a budget surplus of some \$2 billion.

When we consider the modest surpluses the government has, I wonder what the member has in mind when he suggests that billions and billions of dollars should not have been cut from the spending of governments. We would have still been in deficit. Unemployment would have remained high. Inflation would have increased. Long term debt interest rates would have increased. Canadians' mortgages would have increased. Car loans would have increased.

There is a balance and I will not deny that all Canadians have to share part of that burden. But let us be clear. When in government it is very important that prudence and fiscal responsibility are exercised to make sure that the changes we have made are sustainable, to ensure we are on a positive track to have continued surpluses, so Canadians can get the tax breaks they have earned, so Canadians can have the health care system they deserve, so that

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students can be taken care of, so that seniors can be taken care of and so that families with children can be taken care of.

• (1805)

Those are the objectives of a responsible government. I suggest to the member that the Liberal government has been a very responsible government.

The Acting Speaker (Mr. McClelland): We added two minutes to the question and comment period so that the next speaker, who would be the hon. member for Wentworth—Burlington, would not be interrupted in his discourse.

It being 6.07 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

Mr. John Bryden: Mr. Speaker, I rise on a point of order. Mr. Speaker, you did something on your own initiative and I know unintentionally that deprived me of an opportunity to speak at what I thought was a crucial time. I point out to you this is possibly the last debate for the end of the millennium. I wanted, Mr. Speaker, to make a couple of comments. Is this going on tomorrow?

The Acting Speaker (Mr. McClelland): If the hon. member for Wentworth—Burlington is asking for the unanimous consent of the House to extend for two or three minutes, I think we have already crossed that bridge. We have already passed the special motion that we would not be doing things that were special. We cannot revert, having crossed that bridge. Hopefully the hon. member for Wentworth—Burlington will be able to get his comments in tomorrow. If not, I sincerely apologize.

We will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

PARLIAMENTARIANS' CODE OF CONDUCT

Mr. Gordon Earle (Halifax West, NDP): moved that Bill C-226, parliamentarians' code of conduct, be read the second time and referred to a committee.

He said: Mr. Speaker, I welcome the opportunity to address my Bill C-226 which sets out to establish a code of official conduct for parliamentarians.

This bill is realistic. It is reflected in provincial legislatures and other nations' national assemblies. This code of conduct would

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raise the level of integrity of our parliament. This bill is rooted in very practical and legitimate concerns Canadians hold about their parliament.

I believe the decision not to have this bill votable was a betrayal of the Canadian public. The clauses I have set out in this code of conduct would have been practical and would have raised the whole tenor of this House and of the Senate.

My first comments to this House of Commons in response to the government's first throne speech were made over two years ago. I quote from that speech:

So many of our citizens have become so discouraged with our politicians and our political system that they have chosen not to exercise the basic rights for which our forefathers fought and died. But the sad reality is, and it came across loudly and clearly to me during the election campaign, that many citizens have lost faith in their politicians. Politicians were described to me as not really caring, being in it only for themselves or for the money, being dishonest or full of empty promises. . . . As I stand here today I pledge that I will do my best to put a new face on politics.

Those were my words in 1997.

This code of conduct sets out to address this very real problem. This bill is being brought forward out of my personal desire to see parliamentarians carry out their responsibilities with honesty, integrity, transparency and in a manner that dignifies the trust placed in them by the electorate.

Unfortunately over the years there has been too much opportunity for people to become cynical, skeptical and pessimistic concerning elected officials. I firmly believe that those entrusted with public office must not only conduct themselves in a manner befitting of that trust, but must also be seen to be carrying out their responsibilities beyond reproach and free from conflict of interest.

• (1810)

This parliament should have and needs a clear and objective complaint and resolution mechanism available to the public. This private member's bill addresses these issues. My bill is based upon the following principles.

Parliamentarians should have the highest ethical standards so as to maintain and enhance public confidence and trust in the integrity of parliamentarians and parliament.

Parliamentarians should perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny.

Parliamentarians should avoid placing themselves under any financial or other obligation that might influence them in the performance of their official duties.

Parliamentarians upon entering office should arrange their private affairs to prevent real or apparent conflict of interest. If such does arise, it should be resolved in a way that protects the public interest.

Parliamentarians should not accept any gifts or personal benefit in connection with their office that may reasonably be seen to compromise their personal judgment or integrity. Parliamentarians would not accept any gift other than those received as a normal expression of courtesy or protocol.

As well, all parliamentarians under this bill would have to disclose all official travel when the cost exceeds \$250 in cases where the trip is not completely paid for by parliament or one of the few officially recognized sponsors.

No parliamentarian would be permitted to be a party to a contract with the Government of Canada under which the parliamentarian receives a benefit.

Parliamentarians would be required to make a disclosure of all assets once every calendar year and would be required to make public disclosure of the nature, although not the value, of all assets each year.

Finally, to ensure that public interest and the highest standards are upheld, there would be an ethics counsellor to advise parliamentarians on any question relating to conduct. The ethics counsellor would enforce the application of the code of conduct. There would also be the creation of a new standing joint committee of the Senate and the House of Commons on official conduct to review the code and to monitor the ethics counsellor.

I should point out that there are codes of conduct in various forms in other jurisdictions, such as the United Kingdom and Australia as well as in some provinces in Canada. For example, in B.C. there is the conflict of interest commissioner. In Alberta there is the ethics commissioner. In Saskatchewan there is the conflict of interest commissioner. In Ontario there is the integrity commissioner.

There are many obvious reasons why having a code of official conduct would benefit all parliamentarians and all Canadians. In terms of the public, I am sure that everyone here would agree that the majority of Canadians has lost confidence in politicians and many hold a negative opinion of the political system. This code would address public cynicism. It would satisfy the expectations of the public and encourage a sense of security in the system.

The values that this bill promotes are central to rebuilding respect in this institution by Canadians. That is why this code would include a statement of principles that parliamentarians are expected to uphold. The values inherent in this code of conduct are that service in parliament is a public trust. Public interest must be placed ahead of private interest and conflicts of interest must be avoided or resolved.

This code is not only a disciplinary measure but it also provides an important educational function. The public would like to see such a function instilled in this House and the code sets forth a framework for that kind of education. This code would make it

clear what parliamentarians are expected to do in certain situations and would provide an educational function for the guidance of parliamentarians.

I said at the outset that I was disappointed this bill was not deemed votable. There are several criteria to determine whether a bill is votable.

Bills and motions if they are to be votable should be drafted in a clear, complete and effective way. This 18 page bill has gone through many drafts and redrafts with the assistance of legislative staff. The bill not only stands the scrutiny of being potentially effective and an operable piece of legislation, but it is one that clearly outlines its goals.

Also, bills and motions must be constitutional and concern areas of federal jurisdiction. The bill fully meets that criteria.

• (1815)

[*Translation*]

Bills and motions must deal with matters of significant public interest. The conduct of parliamentarians is obviously of considerable public interest.

Bills and motions must also deal with matters that are not part of the government's legislative agenda and on which the House of Commons has not had the opportunity to vote during the session under way. As far as I know, Bill C-226 meets these criteria.

[*English*]

In terms of bills being votable, all other things being equal, higher priorities should be given to items which transcend purely local interests, are not couched in partisan terms or cannot be address by the House in other ways.

Clearly Bill C-226 has no given local interest and is fully in the national interest. It would also apply to all parliamentarians, including myself. There is nothing partisan about this particular effort. Members from all parties signed my petition accompanying the bill. I believe strongly that anything we can do to raise the dignity of parliament and parliamentarians in the eyes of the public benefits all of us, both collectively and individually.

Similar legislation exists in provincial legislatures and other national legislatures. It is neither fanciful nor onerous in its construction and in its potential application. I sincerely believe that the bill meets all the tests of being something that is worthy of being voted on by this honourable body.

I would therefore ask for the unanimous consent of members in the House to deem this bill votable.

The Acting Speaker (Mr. McClelland): The hon. member for Halifax West has presented a motion to the House to have his bill

made votable. Does the member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I am pleased to speak on Bill C-226, the parliamentarians' code of conduct.

I do not question the significance of a bill like the one being put forward by my hon. colleague from Halifax West. In fact, I can well imagine that on such a bill depends all the confidence the public may have in their institutions and in the elected representatives and politicians who are part of these parliamentary institutions, which are the foundation of our democratic system and of our system of government.

That being said, I have questions about the surrealistic nature of the debates we are having in the House these days since, at the same time we are discussing a parliamentarians' code of conduct, which, I admit, is a very important issue, the federal government has introduced a bill that challenges the fundamental balance of the federation in which we live.

This federation was created with the voluntary consent of the provinces of which it is made up. These provinces who freely entered the federation are now being put into a straitjacket so they cannot leave the federation, or at least so the conditions allowing them to leave as freely as they entered are more difficult than ever, making it practically impossible for them to leave.

• (1820)

I would like to stray from the subject for a moment to make a few remarks that seem very important to me since, although I do not deny the importance of the bill introduced by our colleague, I believe there is a much more important debate that must take place, a debate on the very nature of the country in which we live, which leads us to have these kinds of debates on the parliamentarians' code of conduct, on the budget and on all the other issues that must normally be brought to the attention of parliamentarians.

Let us keep in mind that at the time Quebec joined the Canadian federation in 1867, it did not do so based on a simple vote by the legislative assembly of the day. Incidentally, that vote passed by a very slender majority of two seats, if I am not mistaken, among the francophone members. The least one can say, therefore, is that this entry was not the most unanimous possible, far from it in fact. But that is how Quebec entered the federation.

Later, when other provinces came into the federation, the founding members never had to give formal assent to their entry, even though the arrival of new provinces did have a fundamental impact on each of them.

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Now they are trying to tell us that consulting the population in a democratic manner, through a referendum, would not be legitimate, would not be the right way to leave this country, whereas in 1867 the population of Quebec was never consulted about entering this federation.

I would respectfully submit that it is legitimate and democratic for Quebec to leave the Canadian federation as freely as it entered it, if that is the wish of its population, and if that wish is expressed by a majority vote, that is a 50% plus one vote.

Across the floor of this House, they are saying "But there have already been two referendums. How many of them are you going to hold before you get a yes?" That is not the point. In 1980, federalists told Quebecers "If you stay in Canada we will reform this country in such a way that you will feel comfortable in it". A constitutional reform was indeed undertaken, but Quebec was left out. Quebec never signed the constitutional reform adopted in 1982 and no Quebec premier, whether federalist or sovereignist, was ever prepared to sign it.

The federalists got a no on the basis of misrepresentation, and the same thing happened again in 1995. On the eve of that referendum, the current Prime Minister, realizing to his great dismay that the sovereignists might win, once again made promises to Quebecers and told them "we will entrench a veto and the concept of distinct society in the constitution". We saw what happened once again. The government passed a meaningless motion in this House and a veto was given to all the regions of Canada, making it forever all the more difficult to reform the Canadian constitution to accommodate the provinces.

Under these circumstances, I respectfully submit that it is perfectly legitimate that Quebecers who voted no in 1980 and no in 1995, by a very slim majority, be given an opportunity to vote a third time. Oddly enough, even if the no side won with only 50.4% of the votes in 1995, they seem to think that the question was clear enough.

On that basis, we must conclude that the moral contract, if I can put it that way, that had been agreed to between Quebecers and the federal governments of 1980 and 1995 was broken. This fully justifies the holding of a third referendum, so that we can tell Quebecers "Listen, they told you that they would reform a number of things to convince you to vote no. Well, there was no reform whatsoever. Do you still think we should continue to be part of that country?"

• (1825)

I believe that if Quebecers were to say no, they would have the option and the freedom to leave this country.

With all due respect for my hon. colleague from Halifax West who has worked very hard to prepare this bill, I want to say that

although I understand why he felt the need to introduce this legislation, we will unfortunately be unable to support his bill.

We cannot support a bill that establishes a code of conduct for parliamentarians when it seems that there is already a very mysterious code of conduct for the ministers that is, however, known only to the Prime Minister.

The Prime Minister appointed an ethics counsellor who reports only to the Prime Minister on a code of conduct known only to the Prime Minister, and now we are asked to set stricter rules for parliamentarians than the ones being applied to cabinet members who have access to inside information and subsidy programs.

I submit to all my colleagues in the House, and with all due respect to our colleague from Halifax West, that the priority should have been the adoption of a public code of conduct for cabinet members. After that, it would be possible to consider adopting a code of conduct for parliamentarians.

If it is appropriate to consider the adoption of a code of conduct for cabinet members and perhaps for parliamentarians, we must also examine the source of certain conflicts of interest in which parliamentarians but especially cabinet members have found themselves or could find themselves.

When one looks at the various cases of conflict of interest over the years, it is possible to see a direct relation between businesses that made contributions to campaign funds and services rendered by parliamentarians, ministers and government members afterwards.

In closing, I think we must not only look at adopting codes of conduct, but we must also carefully examine the way in which political parties get their funding. Bill C-2 will give us the opportunity to discuss this fundamental issue.

[English]

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise and address this item of Private Members' Business this afternoon dealing with the creation of a code of conduct.

The development of a code of conduct for members of parliament is a proposal that has been brought before the House many times over the past 20 years or so. In fact, my hon. colleague introduced this bill in the last session of parliament, which was Bill C-488.

A code of conduct is a matter in which all parliamentarians have an interest and which can only be implemented with the agreement of all members of parliament and in the other place. Obviously, every parliamentarian has a responsibility to act with honesty and integrity and to maintain the confidence that Canadians have placed in all of us.

The Prime Minister, himself, in this House has said:

—trust in the institutions of government is not a partisan issue, but something all of us elected to public office have an obligation to restore.

Clearly as parliamentarians we have individual responsibility for ethical conduct. In addition, together we have a collective responsibility to ensure that conduct. In part, this is because the legislature is a separate and distinct branch of government from the executive. Our approach to conduct can only properly be developed by us for ourselves.

• (1830)

My hon. colleague's initiative for a code of conduct raises issues regarding our individual and collective responsibilities here in parliament.

To put this in perspective, I will comment on what is already in place and the work that has gone on before us as it relates to the integrity and honesty of our political institutions.

First, as parliamentarians we are already governed by the laws of the country, as well as the laws of parliament.

Let me begin with the standing orders of the House of Commons, which govern us here, and the rich history of precedents and Speakers' rulings, which establish parameters for the carriage of our duties as parliamentarians. The same applies in the other place with their own rules.

For example, Standing Order 21 provides that members cannot vote on a question in which they may have a pecuniary interest. Standing Order 23 defines as a high crime and misdemeanour the act of members of the House accepting money to promote a matter which is being considered by parliament.

The criminal code specifically prohibits members of parliament from engaging in bribery and corrupt acts. However, the courts have recognized some ambiguity in the definition of the term officer of parliament, and it has been suggested that the term should be clarified by parliament.

The Parliament of Canada Act addresses conflict of interest for senators and establishes fines for contravention. There are also provisions relating to contracting governing members of the House, though it has also been proposed that these rules, long standing, now be updated.

The Elections Act also sets out guidelines for conduct during elections, for example, with respect to campaign financing. An amendment to the Elections Act currently before the House increases the level of transparency and accountability in election financing, which is consistent with the government's commitment to restore integrity to our political institutions. The penalty in some cases under the Elections Act is loss of the member's seat.

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Aside from these basic building blocks for ethical behaviour, from the beginning the government has recognized the importance of restoring the appearances of honesty and integrity to the country's political institutions. We set this out as a top priority in our Liberal Party's red book during the 1993 election.

Since then, the list of initiatives we have implemented is quite long, but I am sure my colleagues will recognize the following. The government introduced amendments to the Lobbyists Registration Act to increase the transparency of lobbying activities. This included stiffer penalties for lobbyists, and has increased the transparency of their activities.

As part of this initiative, the government also appointed an ethics counsellor who has responsibilities in two areas: First, he advises ministers and government officials on their conduct in the course of carrying out their official duties; and second, the ethics counsellor can investigate complaints about lobbyists' activities pursuant to their code of conduct.

The Prime Minister tabled a new conflict of interest code for public office holders in the House in June 1994. This code is a concrete measure that shows that the government recognizes that restoring the public trust involves strengthening the system from both the public office and lobbying sides.

The code sets out key principles that apply to all public office holders: ministers, secretaries of state, parliamentary secretaries, ministerial staff and full time governor in council appointees. The code is enforced by the Prime Minister.

As we can see, the government takes very seriously its responsibilities to maintain integrity in government.

I will now address parliament's efforts in developing a code of conduct. We have been studying the issue of parliamentary ethics since the early 1970s with various government green papers, standing committee reports and a plethora of bills on the subject, although all have died on the order paper.

• (1835)

In fact, some of the most in depth study was conducted quite recently. Here I am thinking of the work of the special joint committee of the Senate and the House of Commons on a code of conduct, which was established by the government in 1995.

This committee, which was chaired by the hon. member for Kingston and the Islands, heard from many witnesses, including the federal ethics counsellor, the privacy commissioner, academics in the field of political science, respected members of the public and several provincial commissioners of ethics.

The final report of that committee constructed a code that drew on many of the common elements raised during testimony. Some examples include: that a list of principles should be included in the

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code: that it was important to have a commissioner or body appointed to provide advice, take disclosures and enforce the code, as does the existing ethics commissioner for ministers and parliamentary secretaries; that it needed to deal with disclosure of assets and interests; the importance of clarifying the area of government contracting; and recognizing the distinction between the legislature and the executive by recommending that a permanent committee be established to administer the code.

From reading Bill C-226, I can see that my hon. colleague opposite has drawn on much of the previous work that has been done by parliamentarians.

However, as with the many initiatives on a code of conduct for parliamentarians, the special committee's report was not adopted because members of parliament themselves could not agree to adopt the report.

Some members of parliament have indicated that in their view a formal code could create a rigid and onerous system of rules which would not be appropriate in a parliament.

So the challenge in the House and in the other place has been in deciding the best balance to ensure that there exists and appears to be ethical behaviour on the part of parliamentarians.

As I have mentioned, we already have a range of measures in place to deal with this area.

I am not personally aware of a great interest among hon. members in making the development of a formal code a priority at this time. I am also not aware of a special need to do it at this time.

The member's efforts, the member who moved the bill, are most creditable and laudable. He continues a tradition that has been around this place for 20 or so years now. I certainly want to recognize his efforts and contribution to this and to our efforts collectively in this place to maintain high standards and the appearance of high standards of ethical conduct in the conduct of our work and responsibilities as parliamentarians.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, it is a pleasure to talk to the bill about a code of conduct and whether an official code of conduct is a good idea here in the House of Commons and for parliamentarians generally.

I have listened with interest to the member from the government side as he talked about some of the safeguards that are in the system now to ensure that conduct is above reproach.

I find this a very interesting bill. The idea that parliamentary service is a public trust is something that I think most parliamentarians hold very close to their heart. They want to do what it takes to ensure public confidence is maintained in the precincts of parliament.

A code of official conduct is an idea that I think is worth debating. We have had the example of the ethics counsellor, which the member on the government side mentioned, who is selected by the Prime Minister himself but then must often investigate the actions of the Prime Minister. That brings conflict.

I think the debate is very timely. It is timely because people, by and large, have a reduced standard of respect for this institution and for the members. It has been steadily declining for a long time.

• (1840)

When we look at the occupations that have the respect of Canadians, we see that doctors are near the top and that social workers have a certain standing. However, as we go down the line and we get to elected officials, we see that they are way down on the respect list, and we cannot ignore that. That is why this debate is timely, and I congratulate the member for bringing it forward.

The principles of the bill involve things such as ethical standards; the way parliamentarians will act in a fashion that will promote and preserve public confidence and open themselves up to public scrutiny, the way they will arrange their private affairs so they are in the public interest, and that they will not accept any gift or personal benefit connected with their office that could reasonably be seen to compromise their judgment or integrity.

I will dwell on the last point for a few minutes. In the House during question period today, I brought up the situation that has been evolving over the grants in the Prime Minister's riding. This is a good example of why we need an arm's length ethics counsellor, an arm's length code of conduct. I would like to see what the ethics counsellor believes in because I have never been able to get a copy of what he is trying to enforce.

What we asked in question period today is an example of why we need to have public scrutiny and openness about the actions of both ministers and parliamentarians. We asked how many coincidences in a row it takes before the alarm bells go off regarding the activities of the Prime Minister and these government grants.

I can detail, for example, that in the 1997 campaign, 33% of the total of the personal and business donations to the Prime Minister's personal campaign had some government grant or government loan association to it. In other words, the person or the company that received a federal government loan or grant gave in return large donations to the Prime Minister ranging from as low as \$400 to as high as \$10,000. That in and of itself is not evidence of any wrongdoing, but it goes on.

When the Prime Minister sold property to someone who had, shall we say, dubious business credentials and had gone broke in a previous hotel business, the Prime Minister sold a hotel to the same person. That person then received more government grants. Did the Prime Minister receive a benefit or not? The ethics counsellor said

that he did not really think so, but that same hotel now owes taxes to the provincial government and the local Shawinigan government. It owes federal excise taxes and \$100,000 to the local contractors. The inn is now up for sale again.

Why did that hotel ever get any federal money in grants and loans given the bad track record of the proprietor and the very close connection to the Prime Minister? Maybe that in and of itself is not enough to cause alarm bells, although I would argue that they are starting to jingle a little bit. It goes on from there.

René Fugère was an unpaid aide to the Prime Minister. He represented the Prime Minister at public functions and made announcements on behalf of the Prime Minister here and there. He was closely tied to the Prime Minister. This was someone who represented the Prime Minister at constituency functions. He announced a transitional jobs fund grant for the Grand-Mère Inn in the Prime Minister's riding. Ten days later, he received \$11,500 from that same company for services. Maybe it is a happy coincidence for this fellow. If the bells were jingling before, now they are starting to get a little nervous because there are so many coincidences. On and on it goes.

• (1845)

The human resources minister has a special fund that is available for special grants only at the minister's discretion. The only grant that is given out in all of Canada goes into the Prime Minister's riding. Maybe that is another one of those coincidences, but what happens is that the grant is not spent so they have to set up a special trust fund to keep that grant money in the riding until the next fiscal year.

By the government's own admission, by the admission of the government's own documents, the trouble is that the trust fund is actually illegal. It is outside the parameters of legality. They cannot do it legally but it is set up anyway.

It is illegal. It is one of a kind. It is in the Prime Minister's riding. It follows all these other things. Maybe it is a happy coincidence. More than that, the lawyer who set up the illegal trust fund was appointed not once but twice by the Prime Minister to his role at Canada Post, the last time being in September of this year. The alarm bells have gone off now for me. There are too many happy coincidences all at once, one after the other after the other.

The Quality Inn in the Prime Minister's riding, for example, received a \$600,000 grant. It was announced without any departmental paperwork. No paperwork was done whatsoever. It was advertised in the Prime Minister's householder in April 1997, the month the election was called. The approval came well after it was announced in the householder. Press releases were made. There were announcements of grand things that were coming.

Mr. Thibault is involved, a self-confessed embezzler in the Prime Minister's riding and now the subject of criminal

Private Members' Business

investigation involved in legal disputes in the riding. One of the fundraisers for the Liberal Party of Canada in the last election has been convicted of influence peddling by linking the transitional jobs funds grants by saying that he will arrange a grant or arrange for someone to see the minister but the person will have to give a donation to the Liberal Party. The Liberal Party does not condone this but it happened. He has been convicted of it.

When I look at a bill like this one I am not sure it would prevent that. It would certainly point to how wrong it is. It would say that we have to conduct our affairs so that we can be seen to be at arm's length from any benefit to ourselves politically or from any benefit from any sale of property. We have to conduct ourselves in a way that brings honour to this place.

I have asked the Prime Minister repeatedly to table in the House all documents associated with this matter. We keep digging them up in access to information requests. We had some more today. We will have some more tomorrow. The Liberals can know that now.

The problem is that it is time everyone understands that an ethics councillor in this place needs to be arm's length from everyone, including the Prime Minister, to give reports to all of us in order to uphold the highest standard of public conduct and to establish faith in a very honoured institution.

Mr. Jim Jones (Markham, PC): Mr. Speaker, I am pleased to have the opportunity to speak this evening to the bill of the hon. member for Halifax West which seeks to establish a code of conduct for parliamentarians, a code of ethics for parliamentarians. I think that is very important.

I believe the member makes a valid point with this piece of legislation. There are countless examples of elected politicians who dangerously straddle the fence between what is right and wrong in terms of conduct.

For example, the Prime Minister and his suspect use of the transitional jobs fund has led to repeated stories in the press about large federal grants going to shady businessmen in the Prime Minister's riding. In an instance like this one where there is even a political staffer being quoted in the newspaper as saying the process for doling out cash in Shawinigan was outside the standard practices of the Department of Human Resources Development, one has to wonder if an appropriate watchdog body's time is not due.

• (1850)

There is a big difference between sending everything through the criminal route and being investigated by the RCMP versus it being investigated by an independent body that would go after the conduct or the ethics of how a person behaves.

Private Members' Business

The Minister for International Trade, who has taken some serious criticism for his election fundraising and his use of the transitional jobs fund, is another example where a committee or body overseeing ethics might be a good idea. I do not think we need to set up witch-hunt committees. I do not think this is the point of the hon. member's bill. However, in a case like this one where the minister's practices are in question an ethics committee would be a logical tool in establishing the realities of the situation.

The Minister of Human Resources Development, who has also made fine use of the TJF for propping up projects in her riding, might be in a situation where a committee would be a wise body in straightening out the issue.

Through all the endless stories of the government's questionable approach to using public funds, the government repeatedly tells us and Canadians that all is okay with this behaviour because the ethics counsellor, Mr. Wilson, acts as a watchdog for the Prime Minister and cabinet.

Mr. Wilson is not really an ethics counsellor. He is a staffer who reports to the Prime Minister. If he hears of any unfavourable conduct, his job is to straighten it out with the ministers and the Prime Minister and cover it up. A true ethics counsellor would look at it and if there were any inappropriateness his role would be to tell parliament or a committee of parliament. His role would also be to make it public.

While this position provides lovely optics for the government, the fact remains that he reports to the Prime Minister. He does not report to the House but to the individual whom he is supposed to monitor. This is absurd and completely counterproductive to the whole notion of having an ethics watchdog. What is the purpose of having somebody policing his boss? The position despite the charming title is a political one where an individual is tasked with keeping the Prime Minister and ministers out of trouble.

There is a need for an individual who reports to the House on the ethics of government. However I am not sure it is necessary to monitor every member of the House of Commons and the Senate. By the simple virtue of being elected by the citizens of Canada we are automatically asked and expected to hold a high standard of conduct.

However, if we were to look into it further, the U.S. House of Representatives model may be worth examining. Its committee on house administration is charged with overseeing and, if warranted, examining the ethical behaviour of congressmen. This might be a good approach to look at rather than the existing ethics counsellor who is really nothing more than a political fixer for the Prime Minister and his ministers.

The Acting Speaker (Mr. McClelland): Seeing no one rising, the hon. member for Halifax West will have five minutes to end the

debate. At the termination of that five minutes debate will conclude.

[*Translation*]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, first I want to express my deep appreciation to all members who took part in the debate. This is a very important topic, and members' opinions are very useful.

[*English*]

I want to take a moment to try to summarize a few points that were raised with respect to the bill. My hon. colleague from the Bloc Quebecois had some reservations about the bill because he felt it created stricter rules for members than it did for ministers.

In all due respect to the hon. member I would say the bill does just the opposite. The bill would apply to all members including ministers and the Prime Minister. There would be baseline rules for everybody. If the Prime Minister wants to create stricter rules under the bill for his cabinet members for whatever reason he could do so, but the bill would apply to all members of parliament including members of the Senate. It would accomplish the purpose about which my hon. colleague has some concerns.

• (1855)

With respect to the comments made by the hon. government member regarding all measures that are currently in place, I guess the very fact that this issue keeps coming forth, as he indicated over and over again, indicates that perhaps all measures in place are not working the way they should, or else the issue would not constantly keep coming up. As he indicated I certainly did research the previous studies and the previous efforts that were made. The bill builds upon them and tries to codify and bring together all the loose pieces under a workable piece of legislation.

With respect to the hon. member's comments he mentioned that the Right Hon. Prime Minister said that ethics should not be a partisan issue. This is exactly why the bill has come forward. It is not a partisan issue. It is an issue that would apply to all members regardless of political stripe, regardless of whether or not they hold office. The system in place is open to suspect in terms of the ethics counsellor who currently reports to the Prime Minister and does not have in the real sense any objectivity in terms of reporting to parliament as a whole. Therefore there is even within the current structure a system that allows for a perceived conflict of interest.

I am sure all hon. members would believe and understand that even if something is being done correctly there is no harm in having it looked at because that removes any air of suspicion the public may have with respect to actions by elected members. The bill would certainly enhance the role of parliamentarians and would provide for transparency.

I have already expressed my disappointment that the bill was not made votable. I recall someone saying that I should not expect it to be made votable because nobody would really want to vote against it; it would be like voting against motherhood. I understand that, but it is time we voted for motherhood and stood up for something that would perhaps help us improve the way this institution operates on behalf of Canadians.

I did not get a degree of confidence from the people to whom I spoke as I was campaigning and still speak to. They do not have any great degree of confidence in the House and in the personal ethics of everyone in the House and the way we operate. As a matter of fact I think we are rated close to the bottom of the pile on the list of professions. We are down with used car salesmen, I believe.

Anything we can do to improve the image of parliamentarians would be helpful. I understand why the hon. member on the government side would not want to see the bill come into play because it certainly places an additional onus upon us.

I agree with one opinion expressed by the hon. member on the government side. We cannot legislate behaviour and ethics. Ultimately the law that has to apply to all of us is the law of love that comes from within and comes from the heart. I honestly urge all of us, regardless of what legislation is on the books, to examine our actions from within and continue to strive on behalf of those whom we represent from a point of view of love, integrity and respect for other people.

I was speaking with a grade five class in Basinview school in my riding the other day. It struck me that these young people were very much interested in the parliamentary system. I stressed to them the most important thing of all, that no matter what occupation they pursue they should do it with honesty, integrity and a sense of transparency and respect for other people.

As we draw close to the Christmas season I wish all my colleagues a very, very merry Christmas, happy new year, happy holiday season, and all the best in the upcoming millennium.

The Acting Speaker (Mr. McClelland): The motion not being designated votable and the time having expired, the order is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

[English]

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

Adjournment Debate

NATIONAL DEFENCE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I appreciate the opportunity to rise on a question that I first raised on November 23. It was a general question about aircraft in the Department of National Defence.

We talked about Hercules planes that could not get off the ground and could not make it from point A to point B. We talked about the Auroras which cannot fly too low and cannot fly too high. There is only one elevation they can fly at.

• (1900)

I would like to hone in on the Sea King question today. We all know the Sea Kings are very tired and old. They have been refurbished. They have new skins and now they have new lives but even with that, the minister of defence says that their useful life is only until 2005 before we get new helicopters to replace them.

We know that new helicopters are necessary now, especially because we have spent all this money on frigates that were designed to have these new helicopters. Without the helicopters they are really only about 50% effective. We are most anxious to see those helicopters supplied, but the problem is the new helicopter delivery time is eight years. The Sea Kings only have a useful life until 2005 and if we ordered the helicopters today, which we have not done yet, they would not be here until 2008. There is a hole between 2005 and 2008.

My question for the parliamentary secretary is, what will the department of defence do in the time period between the earliest delivery date of 2008 and the expiry of useful life of the Sea Kings in 2005? What happens in the three year hole?

Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, I believe that all Canadians should take great pride in the work performed by the men and women of Canada's air force at home and abroad. Every day Canadian forces aircraft operate throughout the country and around the world performing a variety of demanding missions.

During their mission in East Timor, our Hercules aircraft completed some 130 operational missions carrying more than two million pounds of equipment and some 2,200 personnel. They have also airlifted humanitarian aid to various regions of the world. Canadians also appreciated the valuable contributions of the Hercules during the Manitoba flood and the great ice storm.

Our Labrador helicopters continue to conduct dangerous search and rescue operations and save thousands of lives every year. They will soon be replaced with state of the art Cormorant helicopters.

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During the recent NATO air campaign in Yugoslavia, the CF-18s flew more than 670 sorties striking at a variety of military targets.

In the last few years the government has also taken significant steps to ensure the air force has the tools it needs to do its job. In addition to the Cormorant, the minister has announced the beginning of modernization of programs for both the Aurora maritime patrol aircraft and the CF-18 aircraft.

[Translation]

I am also very pleased to report that the Auroras, which until mid-November were restricted to unpressurized flights, are now almost all authorized to fly at a new altitude of over 10,000 feet. This comes after detailed inspections confirming that these planes can carry out pressurized flights in complete safety.

As for the Sea Kings, the minister has made it very clear, on more than one occasion, that they need to be replaced. In fact, the minister confirmed several times in the House that new maritime helicopters were the number one equipment priority. We are therefore in the process of developing an acquisition strategy.

These initiatives will help ensure that Canada's airforce can continue to serve all Canadians from one end of the country to the other and will make it possible to continue to interoperate effectively with our allies.

[English]

The Acting Speaker (Mr. McClelland): Just in case any of the departments happen to be watching and tuned in, the parliamentary secretaries have exactly two minutes to respond. I know it is sometimes difficult because the responses that come from the departments are substantially longer and they are so well done that it seems a shame to interrupt.

EQUALITY

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, I was appalled at the President of the Treasury Board's response to my question concerning racism in society at large, and in the federal government in particular. She had a choice. On behalf of the government, she could have addressed issues of racial discrimination. Instead she chose to play partisan political games, but it gets worse. She then proceeded to say that the government is addressing the problem by setting up an advisory board.

Black Canadians and other visible minorities have been studied to death. What we need are solutions. The Canadian Human Rights Commission's analysis of the government's performance in 1998 shows an abysmal record. Out of 12,420 term staff positions filled last year, only 418 were visible minorities. That is only 3%. Out of 2,800 permanent jobs filled, only 184 were visible minorities, but with 685 visible minority positions lost, the Liberals had a net loss of 501 employees, or a decrease of 18%.

• (1905)

I am sure the government is well aware that it has been over two years since the commission released the study carried out by Dr. John Samuel entitled "Visible Minorities and the Public Service". In February 1998 a forum on racial discrimination in the federal public service and federal agencies in Canada looked at the issues of systemic racism.

The Canadian Human Rights Commission states in its 1998 annual report:

The public service's record regarding the employment of visible minorities is worse than its record for the other designated groups. For 1997-98, the representation of visible minorities was 5.1 per cent, about half of what could be expected based on the number of people qualified and available for work. There were ample opportunities to remedy this situation, since more than 15,000 people were hired, but the number of visible minority candidates recruited was less than half of those qualified and available. Given the continuing difficulties that federal government departments seem to be experiencing in hiring and promoting visible minorities, it is hard to conclude that they have taken to heart the recommendations made by Dr. Samuel.

I also raised in my question to the President of the Treasury Board the government's inexcusable act of failing to appoint Judge Corrine Sparks who was passed over and ignored in a conscious decision by the government to appoint judges who have sat on the bench in Nova Scotia for less time. Judge Sparks was appointed in 1987. The government overlooked her in favour of judges appointed in 1995, 1993 and 1991, among others. As Lincoln Alexander, chairperson of the Canada Race Relations Foundation stated, this is a "major slap in the face to the black community" and he suggested the government's actions "smack of racism".

I first raised the issue in the House of Commons on April 14. The government buried its head in the sand and hoped the problem would go away, as governments in the country have so often hoped when it comes to issues of fairness for blacks and other Canadians of colour.

The figures speak for themselves. Representation of Canada's visible minority population in the government's public service is abysmal and offensive.

I sincerely hope the government representative will not respond with platitudes, with comments of look how well they have done, and with vague references to future reports of advisory boards or task forces.

I hope the Liberal government will now respond with an action plan including targets, funding and dates.

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is a pleasure to rise on behalf of the President of the Treasury Board to respond to the hon. member's question.

As the President of the Treasury Board has stated in the past, we are committed to employment equity and need to continue making progress in representation and distribution of designated group members.

We are working toward a federal public service that reflects the population it serves. The government wants to create a workplace of choice and to be supportive of employees' well-being. Recognizing diversity, career aspirations and the learning and developmental needs of employees will lead to better service for Canadians. Further proof of the government's commitment is our continuing investment in this area.

The former President of the Treasury Board established a nine member task force to develop a comprehensive action plan and recommend measures for improving the participation of visible minorities in the federal public service. This initiative will help foster the necessary momentum and commitment to create a new culture in the public service. This is proof of the government's resolve to make the public service of Canada better reflect and respond to Canada's diverse society.

During the fiscal year 1998-99, the government made continued progress in our ability to attract and recruit persons in a minority. While we have made steady progress, we recognize that we need to increase our efforts.

A fund of up to \$10 million annually has been set aside for the employment equity positive measures program which has been established to address systemic barriers to recruitment, development and retention of designated group members.

The Treasury Board Secretariat, Public Service Commission and departments and agencies are working in partnership to develop strategies and initiatives to address employment equity challenges and opportunities to achieve tangible results.

GUN CONTROL

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, why does the government put gun registration ahead of putting more police on the streets? This policy of the government has negatively affected my riding of Dauphin—Swan River.

If safe streets are a priority of the Prime Minister, then the government is spending in the wrong places. Let us look at some facts.

● (1910)

Hundreds and hundreds of RCMP positions remain unfilled throughout the country. There are 39 RCMP positions vacant right now in Manitoba. The RCMP training depot in Regina is currently closed. The new government estimates show the spending of \$35

million for gun control and only \$13.8 million for the RCMP. Where are the priorities of the government?

Canada has had gun control for over 60 years. No one disputes that need. Wasting hundreds of millions of dollars on a wasteful long gun registry is irresponsible. This money would be better used to put more police officers on the street, or used in health and education or in defence.

I want to read for the record some information obtained through access to information by my colleague the member for Yorkton—Melville on the current registry of long firearms in this country.

The registration system has cost more than \$300 million so far. Only \$2.9 million in user fees were collected in the last six months of operation. Justice department has still not released the registry's budget for this fiscal year. Cabinet secrecy was used to hide 172 pages of documents on true costs of gun registry. On bureaucrats, as many as 800 paper pushers are now working on the firearms registration scheme. The RCMP have diverted resources from law enforcement to employ 391 on the firearms registry.

Statistics Canada reports that 98% of violent crime victims never encounter firearms. Forty-six percent of all murders are committed with handguns despite a 65 year old handgun registry. Criminal incidents have doubled since 1970 but the number of police officers per capita is dropping.

The RCMP report less than 10% compliance. What use will this be to police? Backlogs are increasing despite a 70% lower than expected number of applications.

A consultants' report states that workflow is inflexible and inefficient at the registry. Only 87,825 photo IDs were issued in the first year of operation; only 2.5 million to 6.5 million to go. Only 260,464 registration certificate numbers have been issued; only six million to 20 million to go. The minister's firearms experts say production must increase from 1,500 per day to 13,500 per day.

On the economic impact, cabinet secrecy was used to hide a 115 page report on the economic impact of the registry. There are still legal challenges ahead. Six provinces and two territories are challenging the registry in the supreme court.

In closing, the government is making the streets of Canada less safe through the headstrong drive to register all long guns in this country. When will the government wake up, quit playing politics and fund the RCMP properly instead of wasting hundreds of millions of dollars on useless long gun registration?

Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, December 1 marked the first anniversary of the beginning of the implementation of the new firearms legislation. I would like to assure my colleague that contrary to the opinion of some here, this

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new program is making a real difference, a difference we can measure.

First, it is making a real difference in terms of public safety. The objective of the firearms legislation is to create a culture of safety regarding firearms in Canada and to keep guns out of the hands of those who should not have them. Looking over the record of the past year, we can plainly see that the program is doing just that.

Stricter eligibility checks on licence holders and applicants is one piece of evidence. Officials have refused 587 new applications for public safety reasons and have revoked 504 licences to individuals who no longer meet the eligibility requirements. This number is significant. It is seven times higher than the total for the past five years. It is a measurement of the success of a new system that provides more information in a timely manner to public safety authorities.

The checking system is also successful in uncovering cases of licence falsification, unauthorized sale of firearms and spousal abuse.

Second, the program is making a difference in terms of what it offers police. The program has provided police services with concrete savings. In fact, there is an annual saving of \$30 million

because officers no longer have to do the paperwork of accepting applications and issuing licences. This allows police more time to do policing. It certainly does not take police off the streets and it does not reduce municipal, provincial or RCMP police budgets. In fact, the federal government reimburses provinces and other administrators of the system for the work they do in the firearms program.

Then there is the fact that the registry provides vital information to police, information that is invaluable to criminal investigations. It enables police to take preventive measures when responding to emergency calls and to identify guns held illegally.

In fact, Canadians should be proud of the country's firearms legislation. This legislation will make our communities safer. It is unfortunate that the Reform Party refuses to see this fact.

[*Translation*]

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

(The House adjourned at 7.15 p.m.)

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