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OFFICIAL REPORT  
(HANSARD)

**Thursday, March 10, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Thursday, March 10, 1994

The House met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

[English]

### GOVERNMENT RESPONSE TO PETITIONS

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

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### PARLIAMENTARIANS' COMPENSATION REPORT

**Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, on behalf of the President of the Treasury Board, I am tabling this morning, in both official languages, the report prepared by Sobeco, Ernst and Young on parliamentarians' compensation.

[Translation]

The report, entitled *Parliamentarians' Compensation*, examines the allowances and privileges of members of Parliament.

[English]

The government is referring this report to the Lapointe commission to review allowances of members of Parliament.

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### BILL C-16

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development)** moved for leave to introduce Bill C-16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another act.

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

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## PETITIONS

### SERIAL KILLER CARDS

**Mr. John O'Reilly (Victoria—Haliburton):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of the constituents of Victoria—Haliburton who are vehemently opposed to the importation of serial killer cards.

This petition adds to the growing list of Canadians who are opposed to the killer cards which glorify serial killers and send a negative, violent message to the youth of our country.

The petition calls upon the Parliament of Canada to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their products, if destined for Canada, will be seized and destroyed.

I note the first signature on this petition is by an 18-year old, my daughter.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, question No. Q-1 will be answered today.

[Text]

Question No. 1—**Mr. Taylor:**

What is the government's intention regarding the automated security systems planned for the Fort Battleford national historic park in Saskatchewan, what is the rationale for the conversion, and what tests have been done on the system under consideration to guarantee that it works?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** The government's intention is to install an automated security system at Fort Battleford national historic site. The system will be installed in five historic buildings, as well as the maintenance shop, administration office, visitor reception centre and storage garage by March 31, 1994.

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The rationale for the conversion is to effect an annual saving of approximately \$51,000, as follows:

1. An electronic security system was approved for Fort Battleford national historic site in the 1989 management plan.
2. Once the security system was approved for implementation, the site's two security staff were redeployed to the visitor activities department with no loss of salary.
3. The Corps of Commissionaires was contracted through a master standing offer to provide security services on an interim basis until completion of the installation of the electronic security system.
4. The average annual operation and maintenance (O & M) costs from April 1, 1990 until March 31, 1994 for the standing offer with the Corps of Commissionaires are \$58,019 per year.
5. One time installation costs for an automated security system are estimated at \$60,000. Annual O & M cost based on existing system are estimated at \$5,000 per annum (maximum).

A saving of approximately \$51,000 will be realized annually, beginning April 1, 1994. In one year, installation costs will be recovered. Savings can be redirected as per the approved management plan.

The highest criteria imposed on installation proposals were utilized: all hardware had to be CSA (Canadian Standards Association) or ULC (Underwriters Laboratories of Canada) approved; must meet the approval of the Dominion Fire Commissioner and Labour Canada; only systems presently installed in several businesses and government offices across the country are being entertained as viable; generally similar systems have been used successfully at other National Historic Sites.

[English]

**The Deputy Speaker:** The question as enumerated by the parliamentary secretary has been answered.

**Mr. Milliken:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

(1010)

[English]

**THE BUDGET**

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 9 consideration of the motion that this House approves in general the budgetary policy of the government.

**Ms. Maria Minna (Beaches—Woodbine):** Mr. Speaker, this day marks the first time in history that a Liberal has stood in this House to speak on behalf of the people of Beaches—Woodbine. I am proud to be that Liberal.

As I campaigned door to door throughout last year's election, I promised the people of Beaches—Woodbine that we could have social justice and jobs. It did not have to come down to a choice of one over the other.

The budget brought down by my esteemed colleague, the Minister of Finance, reflects very much my commitment to the people of Beaches—Woodbine. He has succeeded in creating a judicious balance between the need to put our financial house in order and the equally important need to ensure that Canada remains a truly just society.

That hard to achieve balance is very important to the people of Beaches—Woodbine and to all Canadians.

Our long lasting commitment to social justice is the hallmark of our society. It sets us apart from most nations. If members think that is an overstatement, ask the millions of men and women who left their own countries over the last several decades and made a deliberate choice to become Canadians. Their being here has helped to make Canada a vibrant, dynamic model of living together, a model for the entire world.

Ours is a truly remarkable society and we must ensure throughout the nation-wide debate that is about to take place that we remain a truly just society of which we can all be proud.

We do have to take all necessary steps to arrest the growth of the deficit, reduce it to a manageable level and put in place sound economic policies to create jobs. The budget brought down by the Minister of Finance is a major first step in that direction.

The budget is, however, but one of several initiatives set in motion by the Liberal government. It is designed primarily to ensure that our financial house is put in order as quickly as is humanly possible.

I am more concerned, however, about the social justice part of the equation, that which sets us apart as a great, caring nation.

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As we embark on the national debate about our social security systems, I find myself a little uncertain about the outcome.

Because of the pressure that has been placed on the economy and the social safety net by the recession there appears to be an almost panic mentality that has taken place. Get on with it is what everyone seems to say.

Because of my promise to the people of Beaches—Woodbine on social justice and jobs, I will do everything in my power to ensure that appropriate time is given and taken to ensure that the social safety net review is carried out in a worthwhile manner.

There is a great deal of talk of the stress that social programs have put on the economy but we must also look at the stress that the economy has put on the social programs. Despite some of the holes in our safety net this held out very well despite the huge demands we have put on it.

I believe that the social security system that we will need in the future should be one that can address the needs of Canadians from cradle to grave. It must be a system that is comprehensive, holistic in approach, completely accessible to all and flexible. People now are often falling between the programs.

This may mean a guaranteed income supplement. We have had a form of guaranteed income supplement in this country for quite some time. The old age security system, unemployment insurance and the way we have used them in eastern Canada has been a form of that.

We will have to make some fundamental choices, however. For instance, the labour market is changing with low value, short term and part time jobs on the increase. What choices will we make in the need for continuous upgrading of skills, the type of day care available and retirement planning?

Apart from the real fact that the comprehensive child care program is essential, if we are to have a chance at succeeding with upgrading, retraining and development of programs I believe it is our collective responsibility to ensure that children are cared for. The physical and mental well-being of children will mean healthy and well adjusted adults.

(1015)

Today's youth are tomorrow's leaders. I attended a youth conference in Toronto on Tuesday of this week. It was attended by some 200 young people from all walks of life. Some had received welfare and were now on the youth employment program. Some were university graduates out of work and some were single parents on social assistance. The one thing they all had in common was their desire to want to work and their concern that maybe we, the baby boomers, were not interested in their concerns, did not understand their plight and did not have a commitment to tackle the problems that they are facing.

They made very insightful observations about the strengths and weaknesses of the current social assistance programs and their recommendations I thought were very practical and realistic. These are some of their statements:

"Most kids decide what to do by grade 10. They either stay in school or they drop out. So why can we not start apprenticeship as a career choice at grade 10". "I was asked to move back home in order to receive employment and training assistance", said another. "I have not lived at home since I was 15, so why am I going to move back now"?

Yet another: "I had to drop out of my college program because student aid was not enough and welfare would not pay if I received student aid. I now owe \$3,000 in student loans, but still do not have an education. I really want to be an interior decorator".

Grants for students should come back.

They refer to themselves as the lost generation. They asked me if the government was really serious about addressing their needs. I said that if we did not do anything at this time and did not move quickly, we would be totally negligent and very stupid. They are the future of this country and we must meet their needs.

Social programs might cost more than we would like at first, but in the long run we save. If a young person is working they pay taxes. They will be able to create other jobs as they build their own businesses.

A comprehensive child care program allows parents to work and results in healthier children and we will save on further social costs.

Finally, the cost of the delivery of the programs does not necessarily have to be as costly as it is today. If we use an integrative approach instead of a selective approach and utilize all existing infrastructures such as schools for child care, the voluntary sector, and developed one stop shopping for all three levels of government it might just save some money. Economic renewal does not have to be at the expense of social justice. In fact, I believe that a strong social justice system will aid economic development

As I stated at the outset I am the first Liberal since confederation to stand in the House and represent the people of Beaches—Woodbine. And, yes, I do consider this an honour. The Beaches part of the riding's name derives from the fact that we have the best area of beach in metropolitan Toronto. Every summer and throughout the year thousands of people from outside the riding descend on the beaches and become honorary beachers for several hours of a day.

Our international jazz festival attracts upwards of 60,000 people, devotees of jazz across North America. The beach

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family festival reflects a devotion to family and community that makes the beaches such a great place to live.

The Woodbine part of my riding's name takes up from the tree lined streets of the beach to Little India at Gerrard and Coxwell, the family run stores of the Danforth, the postcard perfect bungalows of the seniors in East York and the largely immigrant population high rise towers of Crescent Town. Does it not sound beautiful?

Beaches—Woodbine is a truly diverse riding and being the member for that area is a rewarding and demanding challenge. We have no factories in Beaches—Woodbine, no company head offices despite a large number of small businesses. We are very much dependent on opportunities for jobs outside the riding. That is why it is very important to us to ensure that metro Toronto gets its fair share of the infrastructure program and all other programs for economic stimulus.

As Toronto grows so does Beaches—Woodbine. You can be sure, Mr. Speaker, that I will avail myself of every opportunity to ensure that Toronto gets its fair share and makes its fair contribution to the growth and prospects of the whole country.

It is the whole country that should be speaking in the House in the debate on the budget, the social security system, our defence, health care and other national issues. We simply cannot afford to pull back, to think only of our ridings and of our regions. Today more than ever before it is important that we speak as one, as one country, one nation, one great people.

(1020)

Mr. Speaker, I want to assure you that the people of Beaches—Woodbine will be well represented in national debate. We will be heard.

**The Deputy Speaker:** Congratulations to the member on what I take was her maiden speech.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi):** Mr. Speaker, first I would like to commend the hon. member opposite for the comments she made in her speech. Since we started this debate on the budget, I believe this is the first time we have heard a Liberal member who is so emphatic about social justice, who tells the government to take its time in carrying out the reforms it plans to make and to examine all sides of the question in order to create the kind of social justice—and I was particularly struck by this comment—that will guarantee a better future for our young people, and the hon. member is to be commended for saying so. Throughout her speech, she repeatedly referred to the future of our young people and the fact that they too will have to make a life for themselves. I am sure that many members of her

party will be mindful of what she said in her speech, for the greater benefit of young people in Quebec and Canada.

I understand where the hon. member is coming from, because I have worked with teenagers for many years, and the problems you described and heard described by various people sound familiar. I must say, Madam, I am impressed.

Before we finish, I would like to ask how you intend to persuade the Liberal caucus to share your views?

[*English*]

**Ms. Minna:** Mr. Speaker, I thank the hon. member opposite for his kind comments.

In my caucus there is very open discussion on these issues. We have embarked on something that is quite unusual. A standing committee of the House normally does not embark on public hearings prior to legislation or prior even to a proposal being put before the House. In fact we are doing that right now, talking to Canadians to hear their concerns about these issues.

Once the proposals are presented to the House by the minister, which will be a discussion paper not yet legislation, we will again travel this country to discuss with every Canadian who wishes to talk with us. We will try to reach as broadly as we can to discuss those proposals and to share what kinds of ideas we want to share and to see what future we want to have.

I will continue to fight and work within my own caucus. A lot of my colleagues agree with me. I do not have to work very hard. I have a tremendously strong and very committed caucus with regard to social justice. I do not think that is something we need to be concerned about too much.

Once legislation is brought in at the end of the year at that point we will be able to consult on the legislation itself.

To explain to members opposite, there will be plenty of time to be able not only to share ideas but to work out solutions, to adjust and to share them and discuss them again with Canadians. Certainly for my part I intend to hold two or three public consultations in my riding. Every member of the House can do the same. In fact I think they are being asked to do the same by the minister so that we have as broad a consultation on this issue as possible.

Certainly the commitment that I have to social justice which is 20 years long is not going to diminish during this process but rather will increase.

(1025)

**Mr. John Murphy (Annapolis Valley—Hants):** Mr. Speaker, as this is my first formal speech in the House of Commons I would like to begin by offering a message to my constituents of Annapolis Valley—Hants. I thank them for putting their trust in me to represent their views in Parliament. I consider it an honour

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and a privilege to have been elected to this position. Julia, Patrick, Kelly and I consider ourselves most fortunate to live in the valley where the warmth and generosity of our people enhance the natural beauty of our area.

When my Liberal colleagues and I were elected to form the government last October, it was as a result of our commitment to jobs and long term economic growth. This budget is a first step in fulfilling the commitment and promise made at that time. It strikes a balance between economic renewal, social policy reform and deficit reduction, a balance that will provide the foundation for jobs and growth.

This budget offers fundamental restructuring of our thrust to this balance so we can move from a passive system to an active one. The changes we are offering will cause some pain but this new active approach will bring on the creativity that is inherent in the people of my riding of Annapolis Valley—Hants and of all Canadians.

I know there is a lot of unemployment in my riding and I feel very badly. It is easy for me to say this because I am fortunate; I have a job. However, I will commit my energies to be a part of the process that will create jobs in my riding.

I recently had an opportunity to travel to CFB Greenwood and meet with the base commander and the defence staff. I have also had a chance to meet with the regular forces and reservists at Camp Aldershot. I am extremely impressed by the dedication, commitment and high levels of professionalism of these military personnel. While these centres have only been minimally affected by the budget, I will work to ensure that the military and civilian jobs at these bases remain secure over the long term.

As the budget indicates, one of the most effective ways to encourage economic growth and jobs is through support of the small business sector. I have talked with many small business owners in my constituency who believe that the federal government can play a very active role in helping small business not only remain viable but grow and create new jobs. I am also working very closely with the local agricultural industry which is the backbone of small business in the community of Annapolis Valley—Hants. By working with this local advisory group we can best determine how the government and the agricultural sector can work together to create jobs.

I have also in the past had the pleasure of working closely with first-rate institutions such as the Acadia University Centre for Small Business. Such centres are not only promoting local community networks but also provide valuable information services to help individuals get their ventures off the ground.

According to a recent survey conducted by the Canadian Federation of Independent Business, a freeze or reduction in

government payroll taxes was one of the most important conditions necessary for small business owners to hire more employees.

We have listened. By rolling back unemployment insurance premiums for small business, we are providing these firms with incentives necessary to increase both investment and job creation. I applaud the Minister of Finance's announcement that we are moving ahead with programs such as the Canada investment fund, the Canadian technology network, and a commitment to work closely with banks to improve access to capital for small business.

Aside from assisting small business, this budget has set the foundation for economic recovery through a number of important initiatives. First, the national infrastructure program is progressing rapidly. In Nova Scotia the federal contribution for this program over two years will be \$69 million. Annapolis Valley—Hants is largely a rural riding and, having high quality physical infrastructure, it is imperative for the future economic viability of both the businesses and individuals who call this area their home.

Organizations in my area have submitted several innovative proposals and I hope they will receive positive approval.

(1030)

Another major commitment we have made in this budget is the extension of the RRSP home buyers program. Prior to the budget I received many letters from the real estate companies and home builder associations in Annapolis Valley—Hants in support of this program. All of these letters indicated the housing industry will play a central role in Canada's economic recovery and that by promoting this program over the long term the government would be greatly assisted in this recovery.

The budget also makes a \$50 million a year commitment to the residential rehabilitation assistance program. This will further boost the housing construction industry and help create many jobs.

The most important aspect of our commitment to economic restructuring however is our pledge to help individuals obtain the skills necessary to find meaningful jobs. It is my commitment to the people of Annapolis Valley—Hants that I will work tirelessly in this endeavour.

By investing in programs such as the Canada youth service corps, the youth internship and apprenticeship programs, we will assist young Canadians in gaining the training and skills necessary for jobs for the long haul.

I have received over a dozen phone calls in the last week from groups and individuals interested in putting forward proposals for the national youth service corps. I am committed to working

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closely with youth interest groups in the riding to assist them in getting involved and benefiting from these important programs.

With respect to education and training I would like to take the opportunity to mention one program which is currently under way in my riding. It is a technology recycling program sponsored by a non-profit organization, Nova Knowledge, in conjunction with the federal government and a number of private sector organizations.

The purpose of the program is to collect used computers from organizations planning to purchase newer technology. These computers then go into community colleges across the province and students refurbish and repair them for shipment to many Nova Scotia schools.

I am proud to say that the province's first program is located in Annapolis Valley—Hants. Students at Kingstec Campus, Nova Scotia Community College in Kentville have refurbished more than 20 computers at this point in time which have gone to public schools. These are the types of innovative programs this government is committed to.

We are working with all the stakeholders to provide valuable training programs which will serve to benefit the local and national economy now and in the future. An important part of our commitment to education and training is our pledge to ensure that people collecting social assistance have access to skills upgrading programs.

It is quite clear the old system is not working. We need to find and make more jobs available. We need to make our approach more active. When we offer assistance we must also offer the opportunity to develop the necessary skills to find a meaningful job. At the same time we must assist small and medium sized businesses in creating a fertile economic environment.

As both the Minister of Finance and the Minister of Human Resources Development have outlined, by revamping our social assistance program we will be able to reinvest our resources into initiatives geared toward finding innovative ways to get people back to work. In that regard I applaud the announcement of \$800 million being made available over the next two years for pilot projects so that we can help with the training of the unemployed.

I am confident this budget will set the course for growth and jobs in Canada. I believe these initiatives will have a positive impact in my riding of Annapolis Valley—Hants. I am proud that as a government we are fulfilling our commitment.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup):** Mr. Speaker, I would like to ask a very brief question to the hon. member. In his speech, he mentions that the deficit is quite reasonable, but the fact is that it is the biggest deficit ever

announced by a government, a \$39 billion deficit. Does he believe that such a deficit is acceptable? Should he not rather try to convince his government to review spending so that we can really make the necessary cuts and get room to manoeuvre to really create jobs, not only in the infrastructure area, where jobs are less specialized, but also all other types of jobs?

(1035)

[*English*]

**Mr. Murphy:** Mr. Speaker, I thank the hon. member for his question. What really arises is that we are attentive to the deficit. We have spent a great deal of time trying to explain that issue to members across the way.

My emphasis is not less on the deficit, because we need deficit reduction and we are working toward that goal. However it must be remembered that we have to create a climate in which there is economic growth so that we can work on that deficit. This is a parallel, two-pronged approach which we need to work on.

I only tried to emphasize job creation, training and the advancement of an economic climate because in my riding I can make some differences working with people. I certainly have had an opportunity to talk with our Minister of Finance and our caucus over time. Yes, we are working on the deficit. I would only encourage members opposite that we work together.

I came to Parliament so that I could work with people to get them back to work and achieve economic recovery. I come from a psychiatric background and know what dependency is all about. I have been at it for 30 years. I want to see people become more independent. That is a goal for Canada, for members across the way and for our party. I look forward to the enhancement of that in my work here in Parliament.

**Mr. John Cannis (Scarborough Centre):** Mr. Speaker, I want to congratulate the member for his presentation. I was very impressed with what he focused on. There is no question he outlined our deficit problem but it is very simple. He emphasized economic renewal. If we through the programs he outlined enhance economic renewal there is no question we are going to be addressing that problem.

I was impressed by how he used the approach that we have now moved from a passive to an active system. That is a prelude to attacking this deficit problem. More so I was impressed with the used computer concept, to refurbish them for use by schools.

I would like to introduce this program in my riding. We are accomplishing two things. First, we are educating people on how to train and upgrade themselves by repairing the computers. Second, we are passing this on to other institutions which use the refurbished computers thus allowing people to elevate themselves to a higher level.

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There is no question that automation is where it is at today and where society is heading in the future. Therefore, the passive to the active system has very much impressed me. I thank him for sharing that.

**Mr. Murphy:** Mr. Speaker, I have thought for a long time this was the route we had to follow. There is pain in this route, but I believe when we move from the passive to the active we bring on creativity. As a government we are allowing people to create opportunities and jobs. Therefore as a government we become facilitators. We are not the creators. We are the facilitators helping small and medium sized businesses get started and get the economic recovery back on track.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, in this budget the government has attacked the most vulnerable members of our society. Unfortunately, the elderly and the unemployed had less clout than the Liberal Party's backers. This is unacceptable, and some day, Quebecers and Canadians will remember this.

We strongly condemn the \$7.5 billion cuts in social programs especially as they affect unemployment insurance. A slow recovery, with little stimulus for employment, is hardly the answer to the tremendous economic problems facing us today.

The safety net introduced by Canadians is now, more than ever before, absolutely essential to the survival of individuals, families and communities that are in need. And now, when we need it most, the minister has decided to weaken the safety net.

(1040)

The budget has attacked all aspects of the unemployment insurance program: benefit periods and rates have been reduced; to qualify for unemployment insurance, a person must have worked at least 40 weeks in his first job; and it now takes 12 weeks instead of 10 to be eligible for benefits. A measure that will be particularly hard on seasonal workers, for instance.

Incidentally, Serge Côté and Normand Anctil of the group for interdisciplinary research on regional development in Eastern Quebec at the University of Quebec in Rimouski have just published a study conducted with the co-operation of with the Minister of Human Resources Development. According to the study, 25 per cent of the unemployed in Rimouski are seasonal workers, and the figures is 50 per cent in the rest of the region, which means they represent 37 per cent of UI claimants. The study also found that 83 per cent of seasonal workers would prefer regular, steady jobs, which puts the lie to the stereotype that these workers are lazy and perfectly happy the way they are.

The minister has cleverly camouflaged cuts in benefits as a way to help low-income women, while at the same time invading the privacy of these women, who will be entitled to

more benefits only if they can prove to UI employees—who are not always very understanding or forthcoming—that they have dependents and are the sole breadwinner. Moreover, women whose only fault is to try to get a second income for the family will be discriminated against, since they will suffer a reduction in their payments.

The Minister is thus launching a policy of intrusion into women's private lives, refusing them the right to live or cohabit with whoever they please, very often solely to save money and make ends meet.

What about social housing? During the election campaign, the Minister had personally promised that a Liberal government would, as it should, guarantee to one million Canadian families decent housing at a reasonable price. Looking at his budget, we realize that he forgot that promise. In 1989, \$133 million were allocated to public housing. In 1993, the amount is down to \$41 million and, in 1994, it will be nil, no money being allocated to new social housing projects.

What is worse, the government is refusing that municipalities use the infrastructure program to build social or co-op housing. Yet, building housing units is profitable in many respects. Because they are saving on rent, people can spend more; social expenses for shelter, soup kitchens or protective lodging are reduced; they offer greater security to low income seniors who cannot afford private foster homes.

The Minister should look around, because the situation is disastrous. In my riding, you can tell people are getting poorer by the fact that 40 per cent of households must spend more than 30 per cent of their income on housing. Senior citizens who are going to be affected by the elimination of the tax credit or the changes in their pension plan, as we now know, will see their situation deteriorate.

While the government is making cutbacks and is overlooking job creation, their friends can live in peace. In fact, the contribution made by businesses to government revenue over the last ten years has decreased. If only the minister had the courage to establish a minimum corporate tax, like the one in United States, taxpayers would pay less and might even benefit from a lowering of taxes without any changes required to our social programs.

At a time when the GST is a nightmare for all Canadians, the minister, once again, has spared the holders of some \$25 billion worth of listed shares when he could have gained substantial revenues by taxing them.

I want to take a closer look now at some aspects of the expenditure plan of Canadian Heritage. The budget announces that the red book is going to be fully implemented, including an investment of \$60 million over a period of three years in the cultural sector. That is great news if you think it involves new money, but such is not the case. In fact, as it is said in *The Budget*



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Plan, these initiatives will be “funded through internal departmental reallocations”.

(1045)

The government cuts with one hand and reinvests with the other. The left hand does not know where it will cut and the right one does not know where it will reinvest. I hope the Holy Spirit will enlighten the Prime Minister, the Minister of Finance and the Minister of Canadian Heritage, and that this new trinity will inform this House as soon as possible.

The estimates for the Department of Canadian Heritage are all the same: they give us very little indication about where the government is heading. On that point, the Minister of Canadian Heritage should make the Cabinet understand the importance of culture not only as part of our national identity, but also as a major driving force behind our economy, and increasingly so.

It is unfortunate that the federal government's inconsistency should have such an impact on major institutions such as the CBC and Telefilm Canada at a time when the main industries of the future are telecommunications and entertainment. The cuts of \$100 million will be maintained for 1995 and 1996 for CBC and, during the coming years, the Corporation will have to deal with a structural deficit which will amount to \$169 million by 1996.

The Minister of Finance is saying to CBC: Make the cuts yourself, take on that responsibility. Like Pontius Pilate, he is washing his hands of the whole question.

Moreover, the government keeps on repeating that it is guaranteeing CBC a five-year budget, but one should remember that, during the last campaign, this same government was promising that it would maintain social programs. Barely four months after the Liberals' coming to office these solemn promises have vanished into thin air. You understand now why we are working so diligently to bring about Quebec's sovereignty, so that we will not be around three years from now, when this government goes back on all the promises it made over and over again.

As far as Telefilm Canada is concerned, this budget maintains the 10 per cent cut in its operating budget announced by the previous government. As a result, for 1994–1995, Telefilm must give \$10 million back to Treasury Board. The overall cut of more than \$116 million over five years is maintained, at a time when the emergence of new technologies and specialty channels create an almost limitless demand for cultural material of Quebec and Canadian origin.

The Liberal government could not come up with a better idea than clipping the wings of such an essential cultural agency. However, to have us believe that culture is of great concern to

them, the Liberals exempted Telefilm Canada from a further 5 per cent cut.

On behalf of the francophone and Acadian communities, one must rejoice in the reinstatement of the Court Challenge Program, the abolition of which they had condemned. It is thanks to this program that the right to be educated in French in Canada was recognized. However, I would like to point out that even though the courts have upheld this right, its formal recognition still leaves a lot to be desired in Canada.

In another connection, I would like to add that the Minister of Canadian Heritage recently allotted enormous amounts of money for the promotion of a failure, Canadian federalism. Here are a few examples.

Communications strategies, \$16 million; negotiation of constitutional amendments for native people, \$27 million; Knowing Canada Better Program, \$6 million; for a better understanding between Canadians, \$15 million; Canada Day, \$3.6 million—48 per cent more than what was anticipated; the 125th anniversary of Confederation, \$22 million; forty-two medals commemorating the 125th anniversary, \$1.3 million.

Time is running out and I would be remiss if I ended my speech without saying a few words about amateur sport and especially about the Athlete Assistance Program. The Minister of Canadian Heritage went to Lillehammer where he met athletes and gave an interview on television. In answer to questions by two Quebec gold medallists, Gaétan Boucher and Sylvie Bernier, the minister admitted that the athlete assistance policy would have to be reviewed.

The last budget increase for that program goes back to 1985. To compensate for the loss of buying power due to inflation since then, benefits under the Athlete Assistance Program should have been raised by at least 43 per cent. What did the heritage minister do? He accepted a budget cut of 7 per cent which will bring average benefits to individual athletes down to \$5,100 a year from \$5,500.

The federal government lost no time in claiming the gold medallists of the last Olympics in the name of national pride and rewarding them with the country's highest decoration, but as for helping them on a day-to-day basis, they force them to live below the poverty line.

(1050)

[English]

**Mr. Julian Reed (Halton—Peel):** Mr. Speaker, I would like to take a couple of minutes to reminisce after hearing the words of the member for Rimouski—Témiscouata. In 1967 I had the distinct privilege of travelling through the member's riding with 200 Boy Scouts from western Ontario. It was during Centennial Year. We travelled 3,600 miles, as they were in those days,

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through the south shore of Quebec and into the maritimes and so on.

One evening we camped in the town of Rimouski in a field beside the high school. Maybe it is still an open field, I do not know. We were wonderfully treated by the people of that town and by one of the service clubs. We were treated to a typical south shore dinner of turkey and rabbit. It was a wonderful evening.

We could not speak very much French and the local people could not speak very much English. However, I recall that when we returned to the campsite from dinner the young people from the town of Rimouski had all gathered and made a big bonfire. We discovered that we could sing together. We sang songs in both languages until about three o'clock in the morning. When we finally recovered and got on the buses we recalled it as one of our most wonderful experiences.

I was very interested as the hon. member talked about the need to support national identity. I concur with her in that regard. It seems to me that our duality and our national identity needs all the support it can get these days. I stand with her in that regard, even though I had a bit of a problem when she said she felt that somehow it was a lost cause. I want to go on record as saying that I do not believe it is a lost cause at all. It is the thing that makes us different in North America; it is the thing that makes us great.

I want to ask the member a question. At the outset of her speech she talked about the government is attacking the most disadvantaged seniors. Does she feel the 25 per cent of senior citizens who are in an upper income bracket of over \$25,000 are disadvantaged senior citizens? I would have to challenge the statement.

I realize senior citizens deserve support and protection, but I believe many seniors in upper income brackets are willing to participate in helping Canada get out of its financial difficulty.

**The Deputy Speaker:** Order, please. The point has been made. It is time for the hon. member to reply.

[*Translation*]

**Mrs. Tremblay:** Mr. Speaker, I mentioned two things. Presently, I want to reassure my colleague. Even when we are sovereign, he will still be welcome in Rimouski. We will still have parties on the beach and sing around a bonfire.

I think that the elderly, pensioners, did not have the chance to live in the same context that we did. They did not have a chance to save up as much as we did. Some of them did but I do not know how many. Perhaps the Minister of Finance could tell us how many of them are in his millionaires' club, but I doubt it is the majority of the seniors of our country. I think they need help.

(1055)

Again, there were suggestions made, plenty of them. I mentioned two: one is a minimum corporate income tax and the other is the levying of GST on transfers of listed shares. With such measures, it would not have been necessary to make changes affecting the public or social programs. As long as there is no reform of federalist parties that keep on being financed by big funds and big business, there will never be a government in this House with the courage to change the Income Tax Act and tax those with the big bucks.

In the end, if we took care of corporations and tax shelters, we could lower the burden of taxpayers as they did in the United States instead of adding to it all the time. We cannot pay any more. If the government keeps on ignoring this simple fact, we will keep on heading towards bankruptcy.

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, we have come to the stage in today's proceedings, pursuant to the Standing Orders of the House, when we resume debate the budget speech. For several days now, members have had the opportunity to voice their concerns about the budgetary provisions. However, I think we can rightfully ask ourselves the following question: What is the government going to do with the views expressed in this House on the budget?

Given the government's obstinate refusal to change its mind about closing the Collège militaire de Saint-Jean, I think the answer to this question is obvious: Nothing! The government has no intention of acting on the concerns expressed during this debate. It has no intention of listening to or taking into consideration the arguments put forward by the members of this House. Just a few minutes ago, my colleague, the hon. member for Rimouski—Témiscouata, mentioned several suggestions made in this House that the government has chosen to completely ignore.

It was not so very long ago that the government was boasting of wanting to consult Parliament and the public before drafting its budget. Yet, it does not seem to be able to benefit from the opinions, suggestions and concerns presented. The Liberal government, which appears to be suffering from acute "consultationitis", spent vast sums of money staging mock pre-budget conferences and was unable to draw little, if any, inspiration whatsoever from the opinions expressed.

However, by holding these conferences which were given wide coverage by the media and which provided an opportunity to float a series of trial balloons, setting Canadian taxpayers up to expect the worst, the government deliberately maintained an atmosphere of austerity. As a result, the vast majority of our fellow citizens were fully prepared to do their share to help bring the deficit under control, provided all segments of society were asked to make equivalent sacrifices.

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Did the government take advantage of the implicit consensus among Canadians and of the admirable movement of collective solidarity? No, it foolishly let this opportunity slip away by tabling a highly disappointing budget designed so as not to stir up the waters too much. In some respects, the budget is a reflection of the Canadian government's powerlessness in the face of the catastrophic state of public finances.

After unemployment, the deficit is one of the biggest concerns of Quebecers and Canadians. This government wanted to work on three objectives at the same time: first, to promote economic growth; second, to stem the increase in public spending so as to reduce the deficit; and third, to carry out at all costs the promises made during the election campaign. In doing so, the government literally overlooked two objectives to which it should have given the greatest importance: deficit reduction and job creation.

It seems that this government was not able to attain both these goals at the same time. In fact, instead of attacking the problems, it chose instead to go after the citizens themselves, especially the most disadvantaged.

Indeed, 60 per cent of the too small deficit reduction projected for 1995-96 is due to the new measures reducing the amounts allocated for the unemployed. Furthermore, the government is increasing the tax burden of seniors and eliminating a tax break that benefited the middle class.

Let us consider for a moment the structural deficit, which is approximately 3.5 per cent of the gross domestic product. The Bloc Quebecois and many Quebecers are convinced that Canada is running up such huge deficits because of the very way this country is structured. Federalism is inherently inefficient with the many overlaps, wasted energy and contradictory policies.

(1100)

The structural deficit is due to the huge government bureaucracy. What is the government doing in the 1994-95 budget to improve the poor management practices that exist and are perpetuated in this bureaucracy? What is it doing to eliminate the waste which the Auditor General has made a point of denouncing many times in successive reports? Very little.

One of the solutions put forward by the government is to cut transfer payments to the provinces by \$2 billion, \$466 million in 1995-96 and \$1.54 billion in 1996-97. Of course, the Minister of Finance defends himself by saying that he will spend \$800 million to finance new approaches to social security. What are these new approaches? Can he assure us they will not, once again, lead to federal government intervention in areas of exclusive provincial jurisdiction?

It is disturbing to see that one of the solutions considered by the government is to increase the tax burden of middle-income seniors and of middle-class taxpayers in general. How can they justify their decision to reduce the age credit? In total, between 1994 and 1997, this measure will take \$490 million from the pockets of seniors, while high-income taxpayers are still benefiting from tax shelters.

On the other hand, when the Bloc Quebecois called for stimulation of the job market and lowering of the unemployment rate, it did not ask the government to shift the responsibility for its problems to Quebec and the other provinces. Unemployment insurance reform will neither motivate people to work nor, of course, increase the number of jobs available. It will in fact put more people on the welfare rolls.

The government's dithering is impossible to explain and unforgivable when every wasted minute aggravates its financial situation as well as the suffering of individuals and families hurt by unemployment and poverty.

The government seems to count mainly on economic recovery to fill its coffers. Recent experiences have taught us to be wary of such calculations. We should have expected the government to take vigorous measures, but it has not done so.

The Desjardins Group, the Quebec Deposit and Investment Fund and the Conference Board all forecast an unemployment rate of around 10 per cent in 1995. How did the government come up with this more or less realistic and much too optimistic percentage of 8 per cent?

The sluggish recovery is mostly due to the excessive tax burden and unacceptable unemployment rate. No wonder Gallup pollsters found out last November that participation in the underground economy is considered acceptable by 33 per cent of Canadians and 42 per cent of Quebecers.

The only real solution to the underemployment problem proposed by the government to Quebecers and Canadians is the infrastructure program. It is better than nothing but it is far from being the solution to all our problems. Furthermore, the short-sightedness with which this program was designed is alarming. In fact, it will only provide 45,000 short-term jobs in economic areas having rather little value-added, so it does not stimulate Canada's international competitiveness. Quebec's 437,000 unemployed are perfectly entitled to question the government's good faith.

Yet, when all available means must be used as efficiently as possible, the government does not seem to understand that enhancing the production and export capability of the thousands of small and medium-sized businesses throughout Canada and Quebec can truly create jobs and produce wealth. The government recognizes that two million jobs depend on exports, which

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account for more than one quarter of the GDP. It also acknowledges that priority should be given to increasing the exports of the small and medium-sized business sector, which account for only 10 per cent of the total volume of exports. It fails, however, to take concrete measures to realize its wishes.

The Minister for International Trade himself declared that measures to stimulate expansion in this sector are insufficient, overlooked and therefore inadequate. Several members received complaints from heads of small and medium-sized businesses who say that they cannot get the information, the expertise or the logistical support needed to access foreign markets. It is therefore urgent for the government to correct the situation and ensure that the information, which apparently exists, is made available.

(1105)

This is only the tip of the iceberg. This sector's real problems result from the treatment small and medium-sized businesses receive from banks and their inability to access funds. In this regard, the minister does not have anything concrete to propose apart from planning a vague consultative process between himself and Canadian financial institutions, but, of course, without the main stakeholders, namely small and medium-sized businesses. Once again, the Minister only uses the future tense. Unfortunately, action must now replace discussions and pious wishes.

We know that, in the past, the governments of some provinces, especially Quebec, made efforts to promote small business development. What is the federal government doing to coordinate its initiatives with those of the provinces? The fact is that small business assistance programs, particularly those related to exports, are not only inadequate, but often competing and conflicting.

Solutions to problems are deferred. After being so alarmist for several weeks, the government finally tabled a budget which had no real direction and managed to make everyone unhappy. Once again, the government resorted to a policy with no long-term vision, thereby leaving us with the poor result that we know.

This budget reminds us of an administration which, not long ago, was vehemently criticized by the Liberals themselves. This budget, like the ones tabled by previous governments, fails to reach the original objectives set by the government.

It does nothing to reduce the deficit. It does not provide adequate measures to create employment. Moreover, it targets social programs, instead of eliminating costly waste and overlapping in government expenditures. One could almost think, and I will end on that note, that it was Michael Wilson or Don Mazankowski wearing the Minister of Finance's work boots, last February 22. And that certainly does not augur well for Canada and for Quebec.

*[English]*

**Mr. John Bryden (Hamilton—Wentworth):** Mr. Speaker, I would like to thank the hon. member for Verchères for his very interesting remarks and I would like to make a comment. He said that one of the reasons for the high cost of federalism was overlap and duplication between the federal programs and provincial programs. I took note of that fact.

In that context I wonder whether he would agree that it would be a net saving and a reduction in the deficit if Quebec returned control of immigration to the federal government as it is in the rest of the country and as it is constitutionally. Would he agree that is a good plan?

*[Translation]*

**Mr. Bergeron:** First of all, Mr. Speaker, I would like to thank my colleague for his question.

The hon. member commented on one part of my speech where I most specifically addressed the issue of costs inherent to our federal system. I mentioned of course the costly overlap and duplication, but I could also have talked about the scattering of public moneys all across Canada, supposedly to defend regional interests and to avoid offending regional susceptibilities. This is one aspect of Canadian federalism which, because of our vast territory, is at the root of some of our financial problems.

To reduce overlap, the hon. member suggested that Quebec opt out of the immigration field. At the outset, I find it horrible that members opposite would only take note of the fact that we find that overlap costs us a lot of money. First, we were expecting a lot more from them. We thought you would act energetically to eliminate overlap and duplication between the federal and provincial governments. Second, Quebec negotiated with the federal government a special immigration agreement which, in a certain sense, does not involve additional costs either for the federal government or for Quebec. This agreement only transfers the responsibility for managing the case files of immigrants and applicants. In my opinion, what the member suggested was somewhat irrelevant, since it has more to do with the Quebec government than with the prerogatives of the Official Opposition.

(1110)

*[English]*

**Mr. John Williams (St. Albert):** Mr. Speaker, I thank the hon. member for his speech. I know we are the opposition on this side of the House, but I do not think that means we have to be so negative. The hon. member knocks the budget but there is nothing concrete, no proposals being put forth by Her Majesty's Loyal Opposition that also sits on this side of the House. He talks about the bank's being difficult on small business, about the underground economy growing, about all things that are negative in the country. As members of the House we should be talking about the positive aspects such as how the federal

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government transfers \$3.5 billion to the province of Quebec through the equalization grants.

When are they going to start acknowledging these things rather than talk like a broken record and say that the duplication of federal-provincial programs seems to be the problem that faces the country? If we repeat that statement often enough people will start to believe it, but the point is that there are many positive things.

Will he recognize that we in the House make a positive contribution to Quebec and every other province in Canada?

[Translation]

**Mr. Bergeron:** Mr. Speaker, this is already the second time I have the opportunity to discuss directly with my colleague from St. Albert on budget issues and, each time, I am under the impression that the hon. member for St. Albert does not listen carefully to what I say.

Duplication was mentioned as one of the factors behind the lack of budget efficiency within the federal system; other causes could have been indicated. So, if he wants, I could meet with him in private or simply make a speech on the factors inherent to the federal system that are responsible for the staggering costs to the country as a whole.

You suggested—and I find it a little sad—that the Official Opposition only knows how to criticize and never has anything positive to suggest. I cannot help but think that you must not have been present in this House very often to say that, since the Official Opposition has not ceased, these last few months, to put forward several budget proposals which the government has not taken into consideration, as I have already mentioned in my speech on the budget.

Moreover, the hon. member has also suggested that Canada is a great country and that it had to be acknowledged that Quebec receives a lot from the federal government in the way of transfer payments. I will put to you that these transfer payments are in the form of unemployment insurance and social assistance benefits and that one does not congratulate oneself on receiving from a federal state investments which are not going into research and development or a job creation program, but which only reveal the poverty of Quebec society within this federal system.

**The Deputy Speaker:** By the way, I ask you to please address your remarks to the Chair and not to the hon. member, even though you sit close to one another. Debate.

[English]

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington):** Mr. Speaker, I am honoured to have the opportunity to speak about such an important measure as the federal budget. I consider the budget to be a historic document

which lays the necessary framework for a renewed, prosperous and just Canada.

As this is my maiden speech, I take the liberty to point out that my great privilege to be speaking today is also a historic occasion. I am the first Liberal representative of Hastings—Frontenac—Lennox and Addington since David Wright Allison defeated Sir John A. Macdonald back in 1883. It is a privilege to be given the trust and good wishes of one's constituents. I will work to ensure the government represents the concerns of my riding.

Hastings—Frontenac—Lennox and Addington extends from Lake Ontario in the southwest and Algonquin Park in the north to the Thousand Islands area in the southeast.

(1115)

As I travel through the riding and stop in places like Bancroft, Madoc, Marmora, Stirling, Napanee, Arden, Sharbot Lake and my own village of Camden East, I receive many words of encouragement. I also receive general advice and specific suggestions about the issues that face our rural communities. I value this input and I thank the people of Hastings—Frontenac—Lennox and Addington for their support and wise counsel.

I give thanks to several hundred people who gave so freely of their time during the recent campaign. Today I am proud to be representing all of the people of our riding.

I would also like to publicly thank my wife Reta, and Kayla Rebecca, our daughter, for their love and support.

One of the messages I receive over and over again is that people want to see the government come out with an open and transparent game plan for economic and social renewal. My constituents expect no less. This is what the 1994 budget sets in motion, a framework for social and economic renewal.

Our objective is clear: to stimulate growth by targeting our spending without imposing new taxes. Just look at how quickly the government has set about funding initiatives which were promised during the campaign. In this party we take our platform, the red book, seriously.

The national infrastructure program has had a speedy start. In my riding alone 44 local level governments and five school boards are busy preparing their proposals. There is no doubt in my mind and in the minds of rural residents that there are many worthy infrastructure projects.

I received copies of proposals from a number of municipalities in my riding. My riding has the most miles of roads of any riding in Ontario. I have seen proposed projects for road improvements. I can attest that there are many heavily travelled arteries which have yet to be paved. The benefits of these proposed upgradings are many. Besides the prospects of jobs in road construction, there is the added benefit to the local tourist economy. Good roads get residents and tourists to and from their destinations quickly and safely.

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Infrastructure projects may even save lives.

My background is in small business. I owned a general store in our community. My constituents own, work in and patronize small and medium sized businesses. Eighty per cent of new jobs are created by small and medium sized businesses. Eighty per cent of all jobs in rural areas are created by local based businesses.

This budget, I am pleased to point out, supports small and medium sized businesses. By its measures to support small business, this budget becomes the foundation for our country's economic renewal.

One of the most common complaints coming from the business community in my riding is that it is difficult to access bank capital for investment or expansion. During the election campaign we in the Liberal Party acknowledged this and promised to act to redress the situation.

The government is acting now in consultation with both financial institutions and businesses to develop a code of conduct for small business lending. The government's role is to act as an honest broker between stakeholders. By consulting with those concerned our government is showing its willingness and ability to tackle the problem of access to capital.

It is only by working with the banks and their business clients that we can together meet our country's common objective to improve the business environment and increase international competitiveness.

With this budget the government has proven that it not only knows how to consult but it knows how to listen and act as well.

More payroll taxes would have been a burden on business and a barrier to jobs. The government has acted decisively to roll back the unemployment insurance premium rate.

As most people know, a common request made to MPs' offices is for information on programs for small business. This suggests to me that Canadians have the will to create new businesses. Canadians have faith in their talent and their abilities. Canadians have plans that they are willing to put into action. Finally, Canadians have the initiative to search out the resources which are available to them.

My staff has been and will remain happy to seek information on government programs for small business on behalf of constituents.

(1120)

It is only sensible that my staff and my constituents should be able to access complete information quickly. They need direct

access to civil servants who hold an expert's knowledge of the content and scope of government programs for small business.

By next year the government will have put a Canada business services centre in every province. This is an efficient one stop shopping scheme for government programs. This is just one more piece of the framework which will serve to support business growth. With this budget the government is putting into place the building blocks necessary for strong social and economic renewal.

Also, on the economic front I am excited about the Canada investment fund and the Canadian technology network, just two more pieces of the framework for our country's renewal.

I am perhaps most encouraged by our government's commitment to fundamentally overhaul the social security system. We will not achieve savings by indiscriminately slashing the budget of social programs. Ours is not the mandate of the previous government. We have not been elected to tear down the social safety net, but rather to rebuild a system that works for all Canadians. This is our mandate and this is what the 1994 budget initiates.

[*Translation*]

**Mr. Yvan Bernier (Gaspé):** Mr. Speaker, I would like to congratulate the hon. member for his speech. However, I would add that I do not agree with everything he said and I will begin with the end of his speech to illustrate the points on which I disagree.

When the hon. member said that his government was not elected to cut social programs, I wonder if we read the same budget, because it said that the Department of Finance will cut \$725 million from unemployment insurance plan this year. Is the hon. member aware of the impact that will have in regions like the Maritimes and Eastern Quebec where, unfortunately, people live on seasonal jobs?

Right now, unemployment insurance is essential there. Like everybody else, workers in those regions would like to be able to work 52 weeks a year, but they need tools. The government says that it did not get the mandate to cut social programs, but nonetheless it is cutting unemployment insurance. The Liberals say that they want to reform and restructure the Canadian social safety net, but I would like to be sure that when they talk about reform, they do not mean cuts and less assistance. What alternative do they have to offer?

[*English*]

**Mr. McCormick:** I thank the hon. member for his question. Certainly I appreciate the fact that I have had an inside opportunity for the last few weeks of sitting with the Standing Com-

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mittee on Human Resources Development. We have been listening to witnesses for 12 and a half hours a day this week, and I will be back there shortly.

Certainly with our programs we are not setting out to cut off anyone and make them suffer and go hungry in this country. We believe that there is a lot of money in the system between the different levels of government, including all the provinces and this government. The strength seems to be that the municipalities can deliver a lot of these systems.

We can save a lot of money within the administration as we study that. We can put this to good use in helping to look after all the people of Canada.

**Mr. Art Hanger (Calgary Northeast):** Mr. Speaker, I congratulate the member on his maiden speech. I would like to bring the hon. member into a point of reality with his analysis of his government's budget.

We must focus on the ugly reality which the government's budget brings about.

(1125)

I am talking about an additional \$100 billion debt that will be attached to the \$500 billion debt that has now accumulated. How is the hon. member going to assure business that there is going to be no hindrance to its expansion, to its growth or other such initiatives when there is no other alternative but to increase taxes?

**Mr. McCormick:** Mr. Speaker, I thank the hon. member for his question.

As I go back to my riding and talk to business people from across 5,000 miles of road a lot of these business people who like to complain about government—I complained about government for many years and I still do—believe there is a new confidence in the air already. I do not believe they are just saying this because I happen to be a Liberal member. I hear people running down the government but who are also acknowledging the fact that there is an atmosphere of confidence today and that things are getting better already.

Back to my small business background, I am certainly glad to talk about the debt. The hon. member's cohorts and my friends in our standing committee are letting every witness who comes in front of us know that we do have a debt in this country. Many of us believe that the only way we can look at this debt and be realistic in this country without ruining it is to have jobs.

Therefore we believe it is very important how we affect this country and certainly we want to provide the right atmosphere to help businesses grow.

**The Deputy Speaker:** I congratulate the hon. member on his maiden speech. On debate, the hon. member for Vancouver East.

**Mrs. Anna Terrana (Vancouver East):** Mr. Speaker, tansi. Tansi means hello in Cree, one of the languages of the aboriginal people.

Being an immigrant I feel it is appropriate for me to use it in my maiden speech. I have risen in the House before to make statements or ask questions but this is the first time I have delivered a speech in this House where so many important people before me stood and delivered their maiden speeches.

My riding of Vancouver East is surely one of the most interesting and diversified ridings in Canada. It stretches from Cambie Street on the west side to Boundary Road on the east side and from the waterfront on the north side to Grandview Highway in a zigzag on the south side.

I cannot imagine myself representing another area. I chose Vancouver East for the work I have done in that area over 20 years and I am glad I did. Vancouver is a very seductive city.

Since my arrival from Italy in 1966 Vancouver has grown by leaps and bounds and is becoming an international metropolis by the day. Vancouver East is a microcosm of Canada with its many immigrants and interesting people representing the fabric of the entire nation.

In Vancouver East the Chinese population at over 30 per cent outnumbers the British group at 16 per cent, followed by the Italians, who used to be the largest group, the aboriginal people and all other ethnicities such as Filipinos, Vietnamese, Indo-Canadians and Latin Americans, to mention a few.

In Vancouver East 45 per cent of the population is classified as immigrants. Almost six people out of ten do not speak English. Vancouver East also has one of the largest aboriginal urban populations in Canada. The port of Vancouver is in Vancouver East and so are many of the labour unions.

In Vancouver East one can find several cultural centres, such as the Aboriginal Friendship Centre, the Native Education Centre, the Chinese Cultural Centre, the Italian Cultural Centre, the Croatian Community Centre and the Sikh Gurdwara.

In Vancouver East we have the police department and several small business owned by families. A colourful part of the city with core streets such as Commercial Drive, Powell Street with Gastown, Pender Street with Chinatown and Hastings Street, Vancouver East counts on a large number of caring people who provide support to the many needy in the area and who are the heart and soul of the riding. These people operate from centres such as the Carnegie Centre, the neighbourhood houses, the churches and the non-profit organizations' headquarters.

I thank them for the tremendous job they do. I want to thank the constituents of Vancouver East for believing in what I have to offer and for voting for me. They will not be disappointed. But I need them now more than ever. I also thank my son David and

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all the people who supported me, those who worked with me in my campaign and ensured my victory.

(1130)

The human element was the most important factor in my campaign. Because of the nature of Vancouver East, I asked to speak to the budget which contains much of what is needed in a riding like Vancouver East. This was the new government's first budget and was a blueprint of the red book that got the Liberal Party elected.

This budget is the first step of this new government to bring back dignity to our population by creating jobs and restoring faith in government. However, let me speak to some of the important issues for Vancouver East and for Canada.

No tax increases. What a challenge. A fairer use of UIC and lower UIC premiums, giving businesses a chance to reinvest the premium money they save in creating more jobs. This was another challenge and this time it came from the business people.

The support for housing through the RRAP, the continuation of subsidies to the needy on reserve housing, projects to help victims of family violence and the use of RRSP for first house purchases. We would like to see more funding for new subsidized housing but I feel we must become innovative and find private funding as well to be able to continue a subsidized housing system which is the envy of the world.

The infrastructure program for the present and future of our transportation network and of tourism. The prenatal nutrition and the aboriginal head start programs are two very important programs for our newborns. The court challenges program and the establishment of the Canadian race relations committee needed for all minorities.

The centre of excellence for women's health and the national forum on health are two very important initiatives for the prevention of illnesses. The youth services corps, the youth internship program, the literacy programs to help our youth become independent and start their lives. The unification of families during the year of the family.

[*Translation*]

All that was done by the Minister of Finance with the advice and support of government members. The Minister of Finance took into account the requests made by Canadians and often changed the course of his budget according to the advice given to him by his colleagues.

The Minister of Finance also considered the fact that, next year, we will have the results of the consultations that will be held in the areas of defence, human resources and immigration. I

think that this budget is a very good example of the government's determination to change course.

[*English*]

What I feel is so important is the slight shift of the work burden from the government to the business sector. We have been counting for too long on the government for our jobs. By offering incentives to businesses, the Minister of Finance is beginning to give the business sector a chance of expanding and creating more jobs. Even the change in UIC is a good step toward creating more commitment on the part of the worker.

During the campaign many single mothers living in my riding called. They want to get off welfare, get some training and start working. This is the answer to their requests.

As a woman, I am quite happy to see that for the first time women's needs are reflected in the budget. I am sure this is the beginning of something.

Sure we would like to see more funding for various programs, but unfortunately due to our financial constraints we all have to share the burden and co-operate. Sure we would like to see a much lower deficit forecast, but this cannot be done without the suffering of all Canadians who are asking for jobs.

Mark Hill, an Ottawa writer, has tried to get rid of the deficit and the debt, but after much general cutting, after: "slashing old age security, unemployment insurance, health care, social assistance and education by 25 per cent", and this on top of what he has already cut, he has concluded by writing: "what if we allowed our elderly to fall into poverty, our sick to go without treatment and our poor to go without decent food or shelter? How many years would we have to suffer after we paid off our debt"? The answer is 22 years of suffering.

[*Translation*]

In conclusion, I would like to bring up an issue that troubles me a great deal. In 1976, I took part in various initiatives aimed at keeping Quebec within Canada. When I arrived in this country in 1966, Quebec was part of Canada and it must stay that way.

(1135)

I want to offer my assistance to Quebec members who want a united Canada and who would like the support of a Canadian of Italian origin, from Western Canada, who speaks French and who is interested in keeping Canada together.

[*English*]

**The Deputy Speaker:** Permit me to congratulate the hon. member on her maiden speech.

**Mrs. Jan Brown (Calgary Southeast):** Mr. Speaker, I too congratulate the hon. member on her maiden speech. As I have said before, that is a very special moment in our political life in this House. I do congratulate the hon. member.



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I am going to be very short. I am going to address the issue of jobs and job creation. In this budget, \$725 million in UI cuts means 40,000 jobs. A \$6 billion infrastructure program means 65,000 jobs. Sixty-five thousand and forty thousand certainly does not add up to 1.2 million. That is currently the number of people in this country who are out of work.

I am having a really hard time understanding how this disparity of 100,000-plus jobs is supposed to get 1.2 million-plus people in Canada back to work. I would like the hon. member to respond to that, please.

**Mrs. Terrana:** Mr. Speaker, I can see the concern and I know it is only 10 per cent of what we need.

With the infrastructure program it is not just roads and the infrastructure we need. Some moneys are also set aside for arts centres. Fifteen per cent of it is earmarked for other programs.

I would like to say that this is another opportunity to increase jobs. I would also like to say that we cannot get 1.2 million jobs on the first budget and we cannot get the deficit down while trying to do some work in the area of the economics of the country.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup):** Mr. Speaker, I would also like to thank the hon. member for the quality of her maiden speech. Many of us here have had to make this first speech, and it is always a rather moving experience.

I have a comment about a remark she made in her speech on the change of direction brought about by the new government. We, on this side of the House, do not agree at all that there has been change, considering some significant items in the budget. For instance, this is the record deficit. Never before had the government forecast a \$39 billion deficit. There is also the increase in the number of weeks of work needed for entitlement to unemployment insurance benefits coupled with a reduction in the number of weeks people can get these benefits. To me, this looks much more like a continuation of the previous Conservative government's policy.

That is why Canadians and Quebecers find it very hard to accept the results of this budget. During last week recess, people told me this was another case of all talk and no action, since after telling us for two months how serious the situation was, the government ended up with no real cuts. It is just business as usual.

I have a second brief remark. The hon. member said that she wanted to work with Quebec members at building a united Canada. I would invite her to work at making sure that Canada and Quebec set up structures that would make them able to face

global competition in the years ahead. In that regard, Canadian federalism no longer represents the kind of structure that will allow us to be competitive in the global market.

**Mrs. Terrana:** Mr. Speaker, first of all, I would like to comment on the second remark of my colleague. The fact that Quebec has tried to separate from Canada for many years did have an impact on our economy. It is well known that problems are not limited to Quebec but affect the whole country. I believe that, as we say in Italy, united we stand, divided we fall. I do not know how they say it in France, but we say that unity is strength.

As to the first remark on a new direction for our country, I must say I am convinced there is indeed a new direction. This is our first budget, and it was tabled only four months after the government came into office. It is the first of two phases, and the second one will come next year. It will then be possible to discuss the budgetary content because we will have all the findings of the consultation process. The opposition may find that we are right in what we do and do it in the best interest of this country.

(1140)

[English]

**Mrs. Sharon Hayes (Port Moody—Coquitlam):** Mr. Speaker, on behalf of the whip of the Reform Party, I would like to advise the House that pursuant to Standing Order 43 our speakers on this motion will be dividing their time.

I am more than pleased to address an area of concern that is very real to Canadians. Last week I spent time in my riding of Port Moody—Coquitlam, the first extended opportunity I had to meet with individuals and groups since the budget was introduced. I was met with three main areas of concern, two of which I would like to touch on today.

The first topic is the budget. The other is immigration. Both deal in very real terms with the concern of ordinary Canadians about the future directions and opportunities of Canada.

Most Canadians view the budget of February 1994 as a stop-gap measure, an attempt, however feeble, at holding the line on the deficit and yet it has not done too much damage in their own backyard. Predictably those whose livelihoods have been directly affected through base closures or wage freezes or other means are angry. Others who have watched our nation's economy closely through the last several decades are angry.

I put to it the House that this budget is a failure and that all Canadians should be angry.

Canada's debt and deficit situation is now at a point at which it is affecting every individual and every business through exorbitant taxation. Every personal paycheque is slashed by taxes and reduced buying power. Our debt load of over half a trillion

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dollars, among the largest per capita debt of the industrialized world, will destroy trade, jobs and our standard of living.

The deputy finance minister admitted yesterday that the tax burden on individual Canadians and corporations is higher in Canada than in any other major industrial power except France. One-third of every dollar we pay in taxes disappears to debt servicing. Those moneys are not there for our country's needs.

Allow me to illustrate. Every second eats up \$1,300 in debt interest payment, enough to employ two Canadians for a week. In six seconds you could feed a family of four for a year. In the 10 minutes I have for this speech the debt will have increased by \$780,000. It will take an average Canadian 20 years to earn that much.

Remember, this money is not owed just to ourselves as some may like to think. It is a fact that our largest export as a nation is Canadian dollars owed to foreign lenders each year.

Yet with this budget government spending for the coming year has actually increased by \$2 billion. As with so many previous budgets there will supposedly always be more revenues, better economic conditions to bring our debt problems in order. Not so then and not so now.

The problem is too severe to be left to the future because it is that future that will inherit not the promises but the crushing load of today's inability to face the problem. Spending must be reduced and Canadians must be prepared to face the problem squarely and honestly.

This current situation demands that all areas of expenditure and human capital be addressed. That is why the budget debate is an ideal time to examine the issue of immigration.

On its own it has been relegated to an untouchable topic associated too easily with suspect motives and easy labels. Our financial and human resources must be opened up for close inspection in this area as well as others.

As the *Globe and Mail* stated on its 150th anniversary, the biggest story of the nineties will be whether we learn to live within our limits in a world already stressed by our excesses.

Our world has become a place of movement, of capital and humanity. Recent reports in the media remind us that the economic and migration issues are not ours alone.

(1145)

Bosnia is one of almost 50 identifiable areas of civil war. Up to 22 million people in Africa will need emergency food this year. There are 20 million refugees worldwide, plus another 24 million people displaced inside their homelands. One-third of the world's labour force, more than 820 million people, is either not working or is living below a subsistence level.

This dilemma only intensifies as it becomes too apparent that there are no easy solutions. The 1991 Geneva Convention cannot adequately address these developments. International co-operation must be pursued quickly to deal with shared long term solutions.

Canada has one of the most generous immigration policies in the world. We accept more refugees as landed immigrants than any other nation in the world per capita. On February 2, 1994 the Minister of Citizenship and Immigration announced the target for this year's immigration level set at 250,000 or 1 per cent of our population. Per capita it is double that of Australia or the United States, the other two countries which receive the largest amounts of immigrants.

We pride ourselves on our humanitarian and multicultural policies. Yet according to a recent Vancouver *Sun* article recent studies on immigration demonstrated that federal planners cannot know for sure what impact these new arrivals will have on Canada. Reports and studies are mixed. Even the much quoted Canada Council report of 1991 recommends an immigration target of 1 per cent of population only after 25 years.

Historically, Canada's immigration rates have been erratic since the 1970s, ranging from a low of 84,000 in 1985 to more than 200,000 in the last three years. Typically, rates have reflected economic trends with numbers dropping in harder economic times. Historically, the largest flows have been in response to definite need as when record numbers came in the early 1900s to populate a vast western prairie.

Studies seem to indicate immigration has been economically neutral, neither helping nor hindering the economy to any large extent. That would seem to depend on the receiving conditions and the adaptability of the immigrants to the needs of the country. Both these factors have changed dramatically in the past few years.

Canada and Canadians are facing a tremendous economic challenge as we adjust to new world market conditions. Our debt puts us at a growing disadvantage. Domestically, new technologies demand major shifts in a struggling labour force. Jobs are no longer there not only for the untrained but neither for the student nor those in middle management careers.

The present unemployment rate is 11.4 per cent and much higher if we take into account those who no longer are looking or are underemployed. Add to this an immigration policy that will introduce 2.5 million new people in the next 10 years. More than half of the new arrivals coming as refugee or family class immigrants will not have the skills needed in the new economy.

The independent class of immigrants with job and language skills dropped from 54 per cent in 1954 to 27 per cent in 1992. The family reunification class increased at the same time by a similar amount. Immigrants who spoke no English or French used to be only 10 per cent of new arrivals. Last year that soared

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to nearly half with over 100,000 of Canada's 250,000 immigrants with no official language capacity.

I saw a living example of such proportions in a Port Moody school last week. Fully half of the students in that school are in the ESL program stream. Students there take their seat in the classroom having arrived two or three days earlier in a brand new land surrounded by brand new sights and sounds.

Immigration decisions made here in Ottawa are being lived out in the burgeoning budget needs of local school boards and the stress of overworked teachers. Language training for new immigrants currently costs the Canadian taxpayers over \$100 million a year.

The life and the blood of our nation are its people. Government can seek to prescribe remedies to all kinds of our country's ills through tinkering with this one factor. Will immigration really save our pensions? Will immigration save our dwindling revenues?

Increasingly, we see the band-aids that must be applied to the serious side effects of these choices, whether it be the rising racial prejudice, immigration dependency on social services, perceived welfare abuse and criminal activity among new arrivals, or the stress in our education system.

(1150)

It is time to go back and honestly review the doctor's prescription. Basic immigration policies and assumptions must be opened to re-examination.

Last week I met with representatives of a Chinese immigrant service organization. Their greatest concern was not in supporting the cultures of those they represent. Their role is to help give new arrivals the tools to make a new life in their new chosen home. For that they need more and more resources to meet the escalating demands of greater numbers and greater needs. They see their main goal as effectively integrating these new Canadians in a prosperous new country. Present immigration policies are ruining their effectiveness. Present economic policies are ruining their hope for a prosperous country.

We have a responsibility therefore to ask ourselves the following question: What drives government policy that invites record numbers and new classifications of new arrivals into an unpredictable future?

I urge all members of all parties of this House to be truly humanitarian and truly compassionate by giving our immigration policies a responsible scrutiny and careful assessment. As members of Parliament we are watchmen at the gate for those who live in this land as well as for those who will come to join us. We must therefore seek out those policies that are proven, which will strengthen and create opportunity and unity.

**Mr. Peter Adams (Peterborough):** Mr. Speaker, I listened to the member's remarks with great interest. I must say I heard very much of a mixed message. I do not know where she gets some of the literature she cites.

In the province of Ontario, which I know best but I am sure the figures are roughly the same, its population would have decreased every year of the last 10 years if it had not been for immigrants. The population of the province of Quebec would have decreased even more quickly. What is perhaps more important for us all is that while that was occurring, the population of the province of Ontario would already have been close to 25 per cent senior citizens. That is one aspect. How she thinks that works into the mix of our economy I do not know.

The other matter is that the immigrants—by that I mean new immigrants, not established immigrants like myself—in my riding are almost invariably contributing members of our community. They are people who often take jobs well below their qualifications and work very hard in those jobs. They rent first of all and then buy small houses and improve them. They see that their children get educated.

Also in the hon. member's figures she mentioned immigration of 1 per cent. She knows this country has never had 1 per cent immigration. There have been targets of 1 per cent. There is a target at the present time but there has never been 1 per cent immigration.

She mentioned Bosnia. She mentioned unemployment. She mentioned compassion and humanitarian feelings for people in other countries. Does she realize that in her lifetime the world population will double and will then double again? That assumes, by the way, that she lives an average life and I hope she lives longer. What are we supposed to do in this country while the world population doubles and redoubles?

For the member's information 1 per cent of our population, which is the target for immigration we have at the moment, represents at this moment one day's increase in the world population. Do we move into a bunker and let the world population grow around us and try and live as increasingly aging and wealthy people not reaching out to help these people in other countries?

**Mrs. Hayes:** Mr. Speaker, I thank the member for his comments and questions. Actually I am getting a mixed message from the member as well.

As we look at the immigrants who do come to this country, the thrust of my talk and feeling is we need to give them opportunity when they arrive here, as well as provide opportunity for Canadians who are here already. That should be our bottom line.

(1155)

I did not say anything about a 1 per cent immigration rate before this time but that is our target. I think we agree with that as the established government target.

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There are no studies indicating that 1 per cent is where we should be at. What I do see though and I referred to this in my speech are the surfacing problems. In today's *Globe and Mail* over one-half of Canadians perceive we are accepting too many immigrants. That tells me there is a perception problem which needs to be addressed.

Why is that perception there? The immigrants that do come to this country tend to come to three urban centres. They come to places that are already stressed. They come to places where jobs are not available. They come to expectations we cannot provide because we have not been able to assess how we are going to accommodate these people.

The hon. member has admitted in his question the reasons our immigration policies are what they are. The government wants to provide pension funds because of its own mismanagement of funds in the past. Those pension funds will not be there if present trends continue. Is it fair to the immigrants if we bring in the possibility of reduced employment, fewer jobs for the Canadian population?

I would agree that immigrants are necessary and immigration is a positive force in our country if it is done wisely. Where is the proven wisdom in our present policy? That is what we need to challenge.

**Mr. Ron MacDonald (Dartmouth):** Mr. Speaker, to be quite frank, I find the statements by the member to be quite troublesome.

The member quoted a poll from today's paper which clearly shows there is a problem. Perhaps the problem is accentuated by the fact that people who claim to be leaders in the community stand in places like this and in provincial legislatures and allow the perception that immigrants are a drain on the Canadian society to be put out there without any type of substantiation whatsoever.

It is very dangerous to stand in the House of Commons and give a speech that lends credibility to an argument that has absolutely no foundation in fact. The problem is not that immigrants are becoming an undue burden on our major cities. The reality is that more immigrants with different skin colours are coming to Canada from places like Asia. That seems to be the problem I hear. I would like the member to comment on that.

**Mrs. Hayes:** Mr. Speaker, I would like to comment certainly on what the hon. member has said.

You say that I have no substantiation in that I repeated something in the paper. The substantiation I have is that it is in the paper. The public perception is there. What are we going to do about it? I would challenge you on your substantiation of the numbers that are now used for the immigration policy. There is no basis for those numbers in the world, except Canada, or in proven studies.

**The Deputy Speaker:** I would please ask members to try to say "the member" rather than "you". It is supposed to lower the temperature and I think we will all benefit if we use that method.

**Mr. John Duncan (North Island—Powell River):** Mr. Speaker, I rise to participate in the debate following the first budget presentation in this, the 35th Parliament. My constituents expect me to bring some new perspective and sanity to how government spends the taxpayers' dollars and to what effect and purpose.

(1200)

My west coast riding covers one half of Vancouver Island's coastline as well as one half of the mainland coastline of British Columbia.

My riding generates major wealth. Its contribution to our gross domestic product is one of the country's highest, if not the highest. It is a resource based economy. We have five pulp mills with the two fastest papermaking machines in Canada, logging, three major mines, sawmills, fisheries and a highly developed tourism industry.

My constituents contribute in a big way to the wealth of this country but do not enjoy the level of services provided in other parts of this country. It is not a question of more government employees. We already average 8,000 federal, provincial and municipal government employees per riding in Canada. What is required is downsizing, better deployment of employees and prioritizing of services.

The federal government has cut jobs such as lighthouse keepers and federal fisheries officers, the very people and institutions which deliver services in the field in an irreplaceable way. We all know that reductions in services and employees should be in middle and upper management, not in the field.

There are indications that the federal government is considering closing the fisheries offices in small coastline communities in my riding. This policy is totally contradictory to the government's pledge for example to maintain rural post offices in Canada and is detrimental to hands-on enforcement and habitat measures. These policy decisions send a strong negative signal to these rural communities. It also sends a signal to the people who ask if the federal government has the competence to manage this resource".

It is the only resource managed by the feds and they cannot even get it right. The sports and commercial fisheries ask: "Where are the enforcement, habitat and budgetary priorities of fisheries and oceans going?" The demise of the east coast fishery is on the minds of everyone.

Let me now turn to the budget document. It is very disappointing to me and my constituents to deal with the fisheries issues I have just articulated in the face of increased federal spending.

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At the same time the government projects 8 per cent growth in revenue after a drop in revenue last year. This is absurd.

Allow me to put the national debt into a constituency perspective. The Powell River area's cost of servicing national debt allocated on a pro rata basis is \$17 million per year. This money is blown out the window. The entire cost of local services provided by the Powell River area for police, fire, garbage, water, sewer, sidewalks, streets and all those other valued local services also runs at \$17 million per year. If this does not point out the profligacy and penalty of federal spending, I do not know what does.

Incidentally, similar national debt comparisons can be made for other local governments in my riding such as Campbell River. Our local B.C. governments do not run deficits by legislation. The debt and deficit are weakening confederation and the federal government is in danger of becoming impotent. This government had better get its act together on spending decreases. No tax increase during the life of this Parliament is essential.

Allow me to turn to the Department of Indian Affairs and Northern Development. Most government departments had a 3 per cent cap in the growth rate of departmental budgets in the last Parliament. The department of Indian affairs has enjoyed exclusivity from this policy. The budget of this department should be frozen at 1993-94 levels at the very least.

(1205)

Since the 1988-89 fiscal year, the departmental budget of Indian affairs has increased \$1.6 billion, averaging a \$275 million increase every year. This fiscal year departmental spending is projected to increase \$396 million over fiscal 1993-94, representing an increase of 8.6 per cent. Compare this with the Environment Canada total operating budget of \$737 million. The Department of Indian Affairs and Northern Development increase is almost half of its total budget.

Is there anyone who believes that these spending increases are sustainable or can be attributed to demographics? According to the Department of Indian Affairs and Northern Development, there are 997,000 people in the aboriginal population in Canada. Total federal aboriginal spending now exceeds \$7 billion or \$28,000 per family of four. I ask if this spending has brought our aboriginal peoples any closer to self-sufficiency.

The myriad of programs and services provided by other government departments for Indian affairs confuses an already complex situation regarding programs and their delivery.

One does not have to look far to find examples of a lack of accountability within the Indian affairs department. For over 20 years the Auditor General has been raising concerns over the management of programs and delivery of services by Indian

affairs. In his 1993 report, the Canadian aboriginal economic development strategy is cited as a function where lack of appropriate performance and evaluation information impedes the necessary accountability within the aboriginal communities and between the government and Parliament. This has cost the taxpayer approximately \$1 billion since 1989.

The Auditor General went on to say that the department could not demonstrate that it was meeting the strategy's objectives.

As another example in 1992-93 Canada's status Indians and Inuit received non-insured health benefits totalling \$422 million administered by the Department of National Health and Welfare. The Auditor General's 1993 report states that the cost of this program could have been reduced by \$85 million or 20 per cent if the benefits had been provided in accordance with national program directives and principles.

The Auditor General concludes that the information provided to him on the program continues to fall far short of reasonable and adequate disclosure.

It is evident that reforms must be initiated. A Department of Indian Affairs and Northern Development budget freeze at 1993-94 levels would stimulate activity in priority setting in a long overdue way. The current situation stifles creativity.

**Hon. Anne McLellan (Minister of Natural Resources):** Mr. Speaker, I am pleased to rise today in support of the first budget of this government announced on February 22 by my colleague, the hon. Minister of Finance.

This budget deserves the support of this House because it provides a solid framework which will both stimulate economic growth and set the course for long term fiscal restraint and responsibility. As the member for Edmonton Northwest, I am very encouraged by this budget. It addresses those issues that the residents of my riding raised with me during the election, issues of job creation, deficit reduction and meaningful reforms to Canada's social programs.

(1210)

In addition, there are several announcements concerning the activities of my department, Natural Resources Canada, that I wish to highlight.

First I wish to discuss aspects of the budget which affect my constituents in the riding of Edmonton Northwest. The unemployment rate in Edmonton Northwest is high. However, with this budget the government will help restore hope and prosperity not only to the residents of Edmonton but to all Canadians.

A key component in restoring this hope and prosperity will be the creation of jobs by the private sector. In my riding as in many others these jobs will be created primarily by small businesses.

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For example, mine is a riding of small businesses. There are over 5,000 such businesses creating employment in my riding.

This budget recognizes the importance of small business, supports its further growth and encourages its natural creativity and initiative. For example we have cut back on premiums for unemployment insurance. That will save businesses \$300 million a year which they can now reinvest in new jobs. The government will consult with banks for the first time to develop a code of conduct for small business lending.

The budget also creates Canada business service centres in every province to facilitate contact with our government. It establishes the Canada investment fund to streamline badly needed access to venture capital for small enterprises.

In addition this budget addresses the badly needed reform of our social programs. Our social security system was designed for a different era and no longer meets Canadians' needs. We have hundreds of thousands of Canadians who are unemployed, underemployed or stuck on social assistance, who see unfairness and disincentives in the system and who live in poverty.

We will undertake this reform of Canada's social programs through a wide ranging process of consultation involving other levels of government, the private sector, members of Parliament and their constituents. There will be numerous opportunities over the next few months for constituents in Edmonton and elsewhere to participate in this process and I encourage them to do so.

Now I would like to turn to another key component of the budget, deficit reduction.

As stated by my colleague, the Minister of Finance, the budget reduces the deficit from \$45.7 billion in 1993-94 to \$39.7 billion in 1994-95 and \$32.7 billion in 1995-96. In terms of spending cuts this is the most significant budget we have seen in this country in 10 years.

One of the key components of the deficit reduction program is major cuts in defence spending, some \$1.9 billion over the next three years. The budget contained the announcement that 21 defence facilities across Canada would be closed or restructured. While these decisions were not easy they are an example of the tough choices this government has promised to make to get our spending under control.

In Alberta alone the net saving which will be achieved through cuts in defence spending is approximately \$44 million annually. We in Edmonton with a proud and long military tradition know that we must do our part to ensure an efficient and effective yet streamlined military force.

At CFB Edmonton several operations will be transferred out, including the search and rescue squadron to Yellowknife and the air transport squadron to Trenton and Winnipeg. These and other

operational changes will result in a net saving of approximately \$36 million annually.

(1215)

At the same time the Lord Strathcona Horse Brigade will be transferred from CFB Calgary to CFB Edmonton. By reducing the transit time to the main training area for these troops at Camp Wainwright and by closing the Harvery barracks, this move represents a saving of \$6 million annually to taxpayers. In addition, the closure of CFB Penhold will achieve another \$2 million in annual savings.

The government believes that our defence infrastructure has far exceeded for many years any probable and reasonable defence needs. The announcements of reductions reflect the realities of the nineties that with the end of the cold war Canada's military presence must be rethought and reconfigured.

The budget also focuses on achieving greater equality in social conditions for all Canadians. In this budget we see investments made in women's health care issues, the well-being of children, young Canadians and aboriginal peoples. These issues are very important to me as they are to many in my riding.

I am very pleased to note several announcements which follow from our promises to Canadians in the red book. The budget provides funding for a centre of excellence for women's health, a prenatal program for low income pregnant women, an aboriginal head start program, a new youth service corps and youth internship and apprenticeship programs.

I believe these programs are long overdue in terms of responding to the needs of these groups and individuals. The introduction of these initiatives demonstrates that this government is committed to the equality of all Canadians.

Further, these programs represent a key step toward meeting the challenge which the Minister of Finance identified in his budget speech, the challenge to construct responsible social programs which are affordable.

Several aspects of the Minister of Finance's announcements will have a direct effect on the women of this country. For example, I would like to note that the package of reforms to the unemployment insurance program will help the women of Canada. As the Minister of Finance said, it is often women who bear the brunt of social stress and economic dislocation.

He said that during our budget consultations a number of issues were raised regarding disparities in the tax and income support systems.

Specifically, while the unemployment insurance benefit rate will be reduced to 55 per cent, the rate will be 60 per cent for individuals with modest incomes who support children or older parents. Many of those people are single mothers. There will be amendments to the provisions governing workers who quit their jobs voluntarily or are fired for misconduct. This acknowledges the concerns of the many women who voice their opposition to

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the introduction of these provisions by the previous government.

Furthermore, I am very pleased to note that the Minister of Finance announced that he will act on the recommendations of the federal-provincial family law committee which has been studying the issue of tax treatment of child support payments and the related issues of their levels and enforcement.

While these measures respond to the specific needs of Canadian women, they also respond to the pressing need to reform Canada's outdated social security system to ensure that system builds bridges to work and that system encourages independence, not dependence.

The Minister of Finance also discusses in the budget a number of measures which will create economic renewal and revitalization, including the infrastructure program. In Alberta total investment in infrastructure development and enhancement and job creation will be \$518 million. The creation of both short and long term employment, particularly in centres with high unemployment such as Edmonton, comes as welcome news.

Moreover, the infrastructure program will improve national, provincial and local competitiveness and help promote improved environmental quality.

(1220)

For example, I know that the Edmonton city council is considering a number of projects, including the construction of a major roadway interchange along a truck route, improvements to the Gold Bar Wastewater Treatment Plant and the extension of its river valley park system.

Such programs will help to ensure that Edmonton not only remains a good place to conduct business, but also that its citizens continue to enjoy a high quality of life.

I have addressed some aspects of the budget which directly affect my constituents in Edmonton Northwest. Now I would like to turn to issues which deal with my responsibilities as Minister of Natural Resources.

Let me emphasize the fact that Canada's natural resource sectors are industrial cornerstones of Canada's economy. Through our general economic policies and the work of my department this government is committed to ensuring that the energy, mining and forestry sectors continue to provide jobs for Canadians, stimulating the economies of hundreds of communities in all regions of this nation and continuing to contribute to Canada's positive balance of trade.

Before I discuss specific budget announcements affecting these industrial sectors I would like to address two key concerns identified by Albertans in discussions leading up to this budget. First, the federal government's acting unilaterally to impose a

carbon tax was of great concern to some Albertans prior to the budget speech. The Minister of Finance did not impose a carbon tax.

In addition, the Minister of Finance did not reduce tax rebates for privately owned utilities.

One of the things this new government will accentuate is a partnership approach with all key stakeholders such as other levels of government, industry, labour, et cetera. Gone are the days when governments could impose solutions without consulting with those who will be most affected.

The goal of the Public Utilities Income Tax Transfer Act, also known inelegantly as PUITTA, is to reduce interprovincial tax disparities and provide a balanced playing field for crown and investor owned utilities and their customers wherever they are located in Canada.

The principal beneficiaries of PUITTA are those provinces with investor owned utilities of which Alberta, Nova Scotia and Prince Edward Island are the main examples. Under the PUITTA legislation the federal government rebates 85.5 per cent of the federal income taxes paid by investor owned utility companies back to the provinces.

The government is not abolishing PUITTA but merely extending the current restraint on its growth. Albertans are not being targeted. Their utilities receive better treatment from the federal government than from their own provincial government.

In 1990 the Alberta government abolished its own equivalent of the federal PUITTA program.

I would like to turn now to the changes affecting class 34, capital cost allowances. First, I should explain that class 34 allowed the right-off of certain equipment used in co-generation, the recovery of waste heat and renewable energy, including active solar heating, small hydro, energy from wood and municipal wastes and wind energy.

In this budget class 34 has been eliminated and we have created a new and expanded class. Class 34 was created in 1976 and was designed to encourage business and industry to reduce energy waste and use renewable energy sources.

On the energy efficiency side many of the standards used under class 34 were based on the technology of the seventies. Since the purpose of the tax write-off mechanism is to encourage the use of leading edge technology the standards needed to be revised, and accordingly the new class does just that.

(1225)

On the renewable energy side we have created a new class that now has expanded to include three new renewable energy sources. Photovoltaic energy, geothermal energy for electricity

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production and methane from landfill sites and sewage treatment facilities are now included in the new class.

The initiatives under this new class will contribute to the government's greenhouse gas emission objectives. In addition, the government is examining a variety of measures under the national air issues co-ordination mechanism. This examination includes several measures to increase the use of renewable energy in Canada.

There has been criticism about the fact that this budget does not do anything to improve the prospects for mineral exploration in Canada. First of all, the Liberal Party of Canada was the only federal party to have a platform on mining during the election campaign.

Let me also point out that this budget was one of the first in years to address the concerns of the mining and mineral industry in this country. The tax changes concerning mine reclamation, which I will discuss in a few moments, prove that this government is committed to the future of this industry in Canada.

The mining policy mapped out by my party notes the serious economic implications of Canada's declining ore reserves due to inadequate grass roots exploration. The Minister of Finance has listened carefully to my concerns regarding the ore reserve and mineral exploration issues.

He has also carefully considered concerns registered by organizations such as Save Our North, the Prospectors and Developers Association of Canada and various regional prospectors and developers associations. However, the government's immediate agenda for taking action to stimulate mineral exploration and other desirable economic activity must take into account constraints imposed by the country's current fiscal situation.

I should also point out that this issue is being examined through a consultative process called the Whitehorse mining initiative. This initiative, as I know members are aware, is driven by industry and includes federal, provincial and territorial governments, native peoples, environmental groups and other related stakeholders.

Mining has been a significant factor in this country's economic growth since before its very inception. As I mentioned earlier, the mining industry has demonstrated its commitment to Canada through the development of the Whitehorse mining initiative. Late last September the industry launched an impressive public information campaign called "Keep Mining in Canada" which my department enthusiastically supports.

In this campaign's ten point plan the industry called on government to change the tax laws on mine reclamation funding to encourage investment in new mines. Briefly, mine reclamation is the process of decommissioning and rehabilitating mine sites following closure and the termination of production. It involves restoring the site to the same or better state than existed prior to the development of the mine. As I am sure members can

appreciate, this often costly process supports our commitment to sustainable development.

By bringing in changes to the mine reclamation tax fund regulations, the Minister of Finance has created greater equity in the tax system. The government has taken a position that is fair to both small and large companies. Smaller single mine companies are put on a level playing field with large mining corporations.

With the new measure such small companies will be able to take the deduction up front to the extent that they are required by provincial governments to make payments into mine reclamation funds.

(1230 )

In short, the measure the Minister of Finance has taken is good for environmental protection. It has brought greater equality into the income tax system and has increased the cash flow of large and small mining companies.

This measure also represents an annual investment of about \$15 million by the Government of Canada in our mining industry. I believe this measure addresses some of the concerns raised by the Keep Mining in Canada campaign. It also supports the improvement of the investment climate without doing something which could prove to be fiscally imprudent.

I should add the perception that this new measure creates a system of double taxation for mining companies is false. While fund earnings are taken into taxable income twice, there is a corresponding deduction for the amount of reclamation expenses. Therefore in reality tax is paid only once on the fund earnings.

Finally I should emphasize several measures announced by the Minister of Finance which have positive benefits for client sectors of Natural Resources Canada.

As I mentioned earlier the reduction of UI premiums is estimated to provide businesses with some \$300 million to put people back to work. I believe this will spur job creation in small businesses engaged in energy, mining and forestry activities throughout this country.

The establishment of the youth corps is also expected to provide young Canadians with the opportunity to gain valuable on the job experience in our forestry sector. The apprenticeship program will enable other young Canadians to get valuable experience in all three sectors supported by my department.

The technology network represents a first step toward improving the linkage between federal government research and development institutes, universities and the private sector. That linkage will be extremely important as every country in the world seeks to set up electronic highways to improve its competitive edge.

Besides the potential increase in demand for forestry products the residential rehabilitation assistance program may also increase demand for energy efficient products that have been



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developed by industry in co-operation with my department's research and technology arm, CANMET.

The redefinition of Canada's involvement in space will boost our commitment to the continued development of Canada's expertise in remote sensing. As members know the Canada Centre for Remote Sensing which is a division of the surveys, mapping and remote sensing sector of my department was almost single-handedly responsible for the push in the early 1970s to develop our expertise in the field of space.

Mr. Speaker, I see that my time is almost up.

**The Acting Speaker (Mr. Kilger):** I was just going to ask the hon. minister if she could give me some assistance and possibly indicate as to how much longer she might be.

**Ms. McLellan:** Two minutes.

**The Acting Speaker (Mr. Kilger):** Is there unanimous consent for the minister to conclude her remarks?

**Some hon. members:** Agreed.

**Ms. McLellan:** Mr. Speaker, these last two points I have raised only begin to scratch the surface of my department in terms of its importance in the development of Canada's science and technology expertise.

I can assure members of this House that Natural Resources Canada is committed to greater efficiency in its operations in order to maximize its contribution to Canada's science and technology capabilities which are key to our future prospects for economic growth and job creation.

In closing, as the member for Edmonton Northwest and Minister of Natural Resources, I urge this House to fully support the announcements my colleague the hon. Minister of Finance has made concerning this government's first budget.

Canada faces serious challenges as we move together toward the next century. I believe these measures provide an extremely positive and useful series of first steps to get this country on the road to a more competitive standing in global markets and to get Canadians back to work.

Much has been said about this government's commitment to the concept of sustainable development. It is clear we must move carefully to achieve a balance in decision making between environmental and economic objectives.

(1235)

At this time our movement toward sustainable development must progress carefully. We know very well that the wrong signals to the marketplace will have a drastic effect on our ability to encourage environmental sensitivity. All Canadians must work to balance environmental and economic objectives. It is that simple.

In conclusion this budget will rekindle that confidence. It is the kind of confidence this country needs to get hundreds of thousands of Canadians back to work and to fulfil their desire to make a positive contribution to the future of this great nation.

[Translation]

**Mr. Nic Leblanc (Longueuil):** Mr. Speaker, I do not think the Secretary of State for Human Resources really understands what the budget does. At least not the way I understand it. I do not see how she, as the Secretary of State for Human Resources, could let the Minister of Finance increase unemployment insurance premiums by \$800 million. And since she is supposed to help Canadians who need assistance, I wonder why she let the Minister of Finance raise the minimum entrance requirement and reduce the number of weeks during which claimants can collect benefits. It seems to me that the minister does not have a great deal of influence with the Minister of Finance.

She also talked about research and development. I may remind her that at this very moment, \$1 billion more is being spent annually on research and development in Ontario than in Quebec. I hope that from now on she will monitor the situation closely and ensure that funding is distributed more equitably.

She also mentioned infrastructures and the many jobs this will create. I say it will not happen, because increasing unemployment insurance premiums by \$800 million means that consumers will have that amount less to spend. The government reduces our purchasing power by \$800 million but allocates \$1 billion for infrastructures, which means zilch for job creation.

It is clear this budget is not about job creation but job reduction.

Furthermore, corporate taxes will be increased by \$1.7 billion and individual income tax by \$1.8 million, over the next three years.

If the government thinks this is going to create jobs, I think the reverse will happen. That is why I completely disagree with the secretary of state. And now for my main question, which concerns her directly. Considering her responsibilities in this area, how could she let the Minister of Finance raise unemployment insurance premiums for the current year and reduce unemployment insurance benefits? In other words, how can she let the Minister of Finance do the exact opposite of what she should be doing in her own department, which is to improve the well-being of Canadians?

[English]

**Ms. McLellan:** Mr. Speaker, perhaps my hon. colleague is under some misapprehension as to who I am and what I do. I am not the secretary of state for human resources. I am the Minister of Natural Resources. There is a difference, although I take the

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point that perhaps our greatest natural resource in this country is our people. Having said that I will respond to a couple of the comments made by my learned colleague.

(1240)

In relation to his concern about unemployment insurance as my comments indicated the reforms of this system are ongoing. There will be a far reaching consultative process with Canadians. In the interim however we have targeted those people most in need to ensure that their benefits are increased. Those most in need with modest incomes, with dependents be they children, elderly parents or disabled family members, are going to see their benefits increase to 60 per cent.

In relation to the hon. member's concern about jobs and job creation this government believes the single greatest engine of job creation in this country will be small business.

I reiterate those steps the Minister of Finance and this government have taken to encourage small business to create more jobs. The Minister of Finance offered small business a challenge in his budget. I have no reason to believe that the small businesses will not take that challenge and create tens of thousands of new jobs across this country.

**Mr. John Williams (St. Albert):** Mr. Speaker, in her concluding remarks in answer to the previous question the minister said she had every reason to believe business is going to take up this challenge and create hundreds of thousands of new jobs. Why then do we actually need an infrastructure program which is going to cost the taxpayers another \$6 billion?

The minister asked us to endorse the budget that was brought down by the Minister of Finance. In her speech she talked about creating jobs through small business. Why do we need a \$6 billion infrastructure program that loads more taxes and more debt on the taxpayer? We have argued for a long time to start reducing taxes and allow business to do its job and that is how we will start creating employment.

In her remarks on unemployment insurance she was taking great credit for the fact that government is reducing UI premiums. Remember however that on January 1 the government increased the UI and now is taking it back. The net result is absolutely zero. For the government to take credit for reducing the UI premiums I think is false on its part.

The hon. minister talks about the budget, taking great credit for reducing the deficit to \$32 billion. By the minister's own admission it will drop on its own to \$41 billion this coming year.

Why is the minister asking for our support when the Minister of Finance brought down a dismal budget? It has not been

accepted by Canadians and Canadians recognize that government has not even started to address the deficit problem, adding another \$100 billion in debt.

Will the minister please explain why we should support the budget as brought down by the minister because I do not think we should.

**Ms. McLellan:** Mr. Speaker, in relation to the infrastructure program and small businesses, small businesses will create jobs. What do small businesses need to create those jobs—renovated and rebuilt infrastructure. They need good public transportation, good roads, good sewer systems, cleaner air. That is what they need to compete with their competitors around the world.

It is interesting that our major global competitors, Germany, Japan and the United States, are contributing billions and billions of dollars over the next 10 years to renovate their public infrastructure. Why? They know it is a public responsibility to provide the foundation, the bricks and the mortar, so businesses can then do the job they do best which is to create wealth and put people back to work.

(1245)

That is why this government, with its commitment to long term thinking, is making this short term commitment to the renovation of this country's infrastructure.

*[Translation]*

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, I am pleased to rise in this House today to speak on behalf on the citizens of Mégantic—Compton—Stanstead about the budget tabled recently by the Minister of Finance. Let me assure you that my constituents, like Quebecers and Canadians everywhere, have become acquainted with the measures contained in the budget and, like the Official Opposition, are extremely concerned about the budget's implications on their day-to-day lives.

In the past few days, as I was thinking about what I would say on the subject, the front page of the Saturday, March 5 edition of *La Tribune* caught my attention. In fact, two headlines caught my attention. I would just like to mention that *La Tribune* is owned by the Power Corporation. It has no ties to the Bloc Québécois and is in no way sympathetic to the Bloc's position. I would invite my colleagues on both sides of the House to subscribe to this daily which, I might add, focusses on the Eastern Townships. On reading the editorial page, they will see that this newspaper has nothing in common with the usual stands taken by the Bloc Québécois.

As I said, this daily newspaper is sold in the Eastern Townships and outside this region. So, naturally it also reports on the

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goings-on in the riding of Mégantic—Compton—Stanstead which I am honoured to represent in this House.

As I was saying, two headlines in the newspaper caught my attention. The first one, which I would like to show to my colleagues, proclaimed the following: "Record Number of Social Welfare Recipients".

Last January, 21,539 people in my region received unemployment insurance benefits, according to statistics supplied by the Department of Human Resources Development. How in all conscience can we speak of human resources development in the face of such a high level of unemployment? In addition, 17,600 people received social welfare benefits during the same period. These figures do not include dependants of unemployment insurance and welfare recipients. In reality, what all of this means is that 28.6 per cent of the region's labour force is unemployed.

The 1994-95 budget launches an assault on the least fortunate, the very group that the Liberal government and its Minister of Finance profess to staunchly defend.

The second headline in this newspaper was a statement made by the Prime Minister of Canada which earned—the statement that is, not the headline—the applause of 700 people attending a luncheon given by the Saskatoon Chamber of Commerce. I assume that very few unemployed people must have attended that luncheon. The Prime Minister is quoted in this article as saying: "Stop complaining. The time has come to stop whining, to forget about the Constitution and think about creating jobs". He goes on to say: "Stop whining—you know what I am talking about—and you will make progress".

The Prime Minister's comments show unacceptable scorn towards the thousands of people who find themselves unemployed, not because of their own iniquity but mostly because of mismanagement by all federal governments of the last 20 years, in particular that of Pierre Elliott Trudeau in which, as Minister of Finance, the current Prime Minister was one of those who started the monstrous deficit spiral that has led to a debt of over \$500 billion.

(1250)

However, we understand why the Prime Minister drew applause from the richest members of our society, since this government has not touched the outrageous family trust system.

I want to point out another perverse effect of this budget on unemployment insurance. I refer to the study done by three economists from Quebec University in Montreal, Pierre Fortin, Pierre-Yves Crémieux and Marc Van Audenrode. What are the conclusions drawn by these economists?

They point out that the new unemployment insurance measures are generally more stringent than the 1990 Tory reform that caused an outcry among members of the current Liberal government then in opposition, and make the unemployed bear the burden of the unemployment insurance reform now under way, which represents 60 per cent of the new budget cuts announced by this government.

According to these three economists from Quebec, the new cuts are in the order of \$4.1 billion, \$2.4 billion of which comes from savings made possible by the changes to the unemployment insurance program.

In the face of such measures, how can we assume that the government is acting in good faith when it claims it wants to improve income security programs through an extensive reform process and when, even before knowing the first thing about this reform, we already know that this government intends to make cuts of between \$5 billion and \$6 billion in unemployment insurance and who knows how much in the Canada Assistance Plan? Only yesterday, the Minister of Human Resources Development and the Prime Minister announced outside this House that they would make cuts not only in unemployment insurance and social assistance but also in old age security pensions.

In conclusion, I urge the Minister of Finance to intercede with the Prime Minister to make him show more compassion towards the disadvantaged and more common sense in the administration of federal affairs. If the government really wants to save \$280 million at Quebec's expense, it only has to put Quebec in charge of managing job training programs, as all Quebec stakeholders are asking; it will thus save \$250 million a year while ensuring that job-seekers receive better services.

**Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services):** Mr. Speaker, I would like to ask the following question: Does he believe that the victims, whom he mentioned in his speech, are the result of policies of the former Conservative government or are they victims of the policies of the new Liberal government, which has been in office for a little over four months? Of whose policies are they the victims? That is my first question. I would like to have a very honest answer to a very specific question.

The second question I would like to ask is as follows. He mentioned that the Prime Minister of Canada, the Right Hon. Jean Chrétien, made a speech where he said that we need to have a positive attitude and stop whining and so on.

(1255)

Does he really believe that this Prime Minister was targeting people who are unemployed or on welfare? Frankly, that is what I understood, and if that is the message he was sending, I am very, very disappointed, because no member and no party in this

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House, be it the Prime Minister or anyone else, would wish such a misfortune on anyone. If I am wrong, let him correct me; if I am right, I would like him to withdraw that comment.

**Mr. Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, I will first answer my colleague's first question, in which he refers to his government's responsibility for the state of the Canadian economy. I come back to what I just said in the last ten minutes, something that is mentioned very eloquently in the study done by economists at the Université du Québec. I remember the figures given in this study by the economists, which incidentally was published in the newspaper *La Presse* last Monday:

The federal budget provides for a net deficit reduction of \$8 billion in 1995-96. However, slightly less than half of this had already been proposed by the previous Conservative budget.

The new Liberal cuts are thus about \$4.1 billion. Of this amount, \$2.4 billion is from savings made through changes to the unemployment insurance program.

So the responsibility belongs both to the previous government and to the present government, because in fact just the label has changed from Conservative to Liberal but the measures are the same.

So, yes, the present government bears some responsibility for the drastic economic situation in which we find ourselves. As I said, the present Prime Minister, when he was Minister of Finance some 15 years ago and more, was one of those who started this deficit tragedy which means that today we have a debt of over \$500 billion.

On the second point, I will answer my colleague that I believe that people in all parties are sincere when they feel sorry for the unemployed and welfare recipients throughout Canada, except that a government is judged by its deeds and its actions.

In this budget, dear colleague, the cuts being made are aimed at the unemployed. Again, I take the example of family trusts, on which nothing is being done, although they could immediately have obtained large amounts from them.

If the Prime Minister or members of the government are not talking about the unemployed when they say to stop complaining, I would like them to tell me whom they are talking about. The unemployed people whom I met in my riding last week feel these remarks were meant for them.

**Mr. René Laurin (Joliette):** Mr. Speaker, this is the fourth day of debate on the 1994-95 budget. According to this budget, expenditures will reach \$160.7 billion, which is \$39.7 billion more than the anticipated revenue.

While the expected deficit should be 0.2 per cent lower than in 1993-94, it still remains an enormous burden for Canadians, and particularly for the middle-class and the poor.

(1300)

Indeed, this budget asks the unemployed to tighten their belts even more. It asks the middle class to forget about salary increases, even though this has been the case for the last four years. It asks the elderly to accept smaller pensions. It asks small businesses to still wait for an economic recovery which will come of course when the recession ends. It asks municipalities which, in many cases, cannot afford it, to get even more into debts to improve their infrastructure and create a few thousand temporary jobs.

However, this budget reassures the well-to-do by maintaining most of the benefits which will enable them to increase their wealth as well as the gap between them and their less fortunate fellow Canadians. The rich will continue to get richer by taking advantage of tax shelters. Wealthy families will continue to avoid paying taxes, thanks to the maintenance of family trusts. Similarly, major corporations will continue to cash in millions in non-taxable profits, thanks to tax havens. The 90,000 companies which, in 1987, realized profits of \$27 billion without paying any taxes, according to professor Léopold Lauzon, will carry on their operations without having anything to fear from the tax man. The underground economy will be able to continue to prosper.

Yet, according to the Association of Canadian Distillers, liquor smuggling alone results in an annual loss of \$1.2 billion for the various governments in Canada. Last November, Gallup conducted a survey to ask Quebecers and Canadians if they had contributed to the underground economy in the 12 previous months. Thirty-three per cent of Canadians and 42 per cent of Quebecers candidly admitted to having paid cash for purchases, so as to avoid paying applicable taxes.

In fact, it looks as though it is perfectly acceptable to promote the emergence of two classes of citizens: the poor who have trouble meeting their basic needs, and the rich who live the life of Riley. The noble definition of just society advocated by the federal Liberals since the days of Mr. Trudeau has very little to do with the reality experienced by Canadians as well as with their perception of that notion.

The deficit is a chronic problem for which the federal government is the primary responsible, since close to 80 per cent of the total public debt in Canada is attributable to it. Yet, the Auditor General tells us that, for several years now, the federal government has been doing a rather good job of monitoring its budgetary expenditures. This was also the case at the end of the Conservative administration. So where is the problem?

To understand the root of the problem, you have to realize that this federal debt results from the accumulation of deficits over time. If we look at the evolution of the deficit in relation to the GDP, we can see that the debt really grew primarily under Liberal governments.

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Indeed, from 1970 to 1985, the debt-over-GDP ratio went from a surplus of 0.3 per cent to a deficit of 8.5 per cent, an all-time record.

(1305)

Usually, increases in budgetary revenues tend to follow a rise in GDP. However, during the 1992-93 fiscal year, the federal government's budgetary revenues fell by 0.41 per cent, despite an increase of 2.6 per cent in GDP during the same period.

The trend has continued. According to the forecasts of the Department of Finance, budgetary revenues will decline by 3.74 per cent or \$4.592 billion during the 1993-94 fiscal year. This was abundantly confirmed by the results for the first eight months of the current fiscal year, since federal budgetary revenues were down 5.2 per cent, from the same period in the previous fiscal year.

During the second and third quarters of 1993, GDP increased 3.6 per cent and 3.7 per cent, respectively, on an annual basis. The decline in revenue is largely attributable to a decline in personal income tax payable, another indication Canadians' fiscal threshold had been reached.

Despite the extent of the deficit and the national debt, Canadian taxpayers may be willing to make additional sacrifices, provided all members of society and all economic partners do their fair share. And also provided that those sacrifices will be used solely to improve their individual and collective economic situation. As a guarantee to Canadians that this will indeed be the case and that the objective will be achieved, the government should immediately put in place mechanisms that will inform Canadians quickly and accurately on the state of the economy.

Since so many complex factors are involved, it is not easy for the average person to get a clear picture of the country's financial situation. Since the experts often disagree on the best way to deal with the economic situation, I realize it must be hard for the average citizen to weigh his own immediate interests against the broader, long-term interests of the country.

However, we must not underestimate the ability of average Canadians to make up their own minds if they are given clear and precise information or a number of simple indicators. As was pointed out by the Auditor General in Chapter 5 of his report to the House of Commons, it is important the government provide Canadians and their elective representatives with the appropriate tools they need to grasp the essence of the problem.

Simple tools and periodic information must be made available to Canadians so that they can evaluate the government's forecasts and its achievements. Any discrepancies between the two should be explained to them.

Canadians must be told with delay about the impact their future choices will have. For example, if it had been properly explained to them that the revisions to the 1992 economic plan made in the 1993 budget would mean an \$8 billion increase in the projected deficit for 1993, if they had been told clearly that this would translate into an increase of \$65 billion in the total debt six years down the road, then they would have understood that the government's objectives sometimes have considerable future cost implications.

(1310)

The more Canadians know about the state of the government's finances, the less chance they have of being taken in by questionable interests. Better still, they will understand when the time comes to make difficult decisions.

In conclusion, let me just say that if this government honestly believes that it can achieve the economic and financial goals set out in this budget, then it should have the courage of its convictions and immediately provide the public with adequate evaluation mechanisms so that all Canadians can judge for themselves well before the next election whether they made the right choice when they democratically elected this government.

*[English]*

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry):** Mr. Speaker, I would like to say to the member opposite that I was quite surprised when he was delivering his budget remarks that he did not mention the two initiatives he talked about in his prebudget speech. He asked the government to make sure these were included in the budget speech.

I refer to the speech the member gave on the budget day consultation when he talked passionately and convincingly about the necessity to maintain the homebuyers permanent plan, allowing first time homeowners to buy homes out of their RRSP funds.

I remember saying to the member that he made a compelling argument.

We listened to the member and as he knows that is in the budget and I thought it very strange that the member did not acknowledge that we on this side of the House had listened to him for that idea he put forward.

That was a good idea and is part of the comprehensive package that this budget is putting forward in trying to put people back to work. As the member knows, with low interest rates right now this is a period in which young people with families could have a chance to get into first time homes. That will create jobs for people in trades.

That is the thrust we are putting all of our energy into, putting people back to work. The member had a very good idea. We listened to it and I am surprised he did not acknowledge that the Minister of Finance had listened to him.

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To simply focus on some of the problems with the budget in terms of the unemployed, just to talk about that, is a bit unreasonable. All of us in the House realize this has been a tough budget, particularly for those who are unemployed, but we are trying to get them back to work.

It is very important also that the member should have acknowledged some of the things we are doing in this budget for small business, particularly the study in the industry committee, the study on access to capital for small business. Many of the Bloc members are participating constructively.

My point is that although there may be room for some constructive criticism on this budget, it is also important that the opposition recognize some of the good things in this budget.

(1315)

Our responsibility in this House is to deal in hope for the people who are trying to get this economy going. I am wondering if the member could maybe acknowledge that.

*[Translation]*

**Mr. Laurin:** Mr. Speaker, I would not want the hon. member to be too disappointed at not hearing my thanks. I am pleased to thank him today because the Liberal Party decided to accept one of the many measures which we proposed.

Since not many of our suggestions were accepted by the Liberals, you will agree that I cannot spend ten minutes thanking them. I would rather let the hon. member remind me that he congratulated me, and I really appreciated that.

As for the other measures, particularly as regards unemployment, I want to point out, as I said in my speech, that the poor might once again be willing to make an additional and ultimate effort. People in our ridings discuss this issue when we meet them. If ordinary Canadians could be guaranteed that this ultimate effort would eventually help improve their financial situation and reduce the deficit, I think that they would be willing to make that extra effort, but only on the condition that they would not be the only ones to pay. But the government still has not given us that guarantee.

Indeed, the poor and the middle class are affected, but the wealthy have kept their most important privileges. They are only affected in a symbolic way. This is what the poor find unacceptable. They say: If we are an integral part of this society, are we an integral part only when the fiscal burden must be shouldered? Are we there only ones to pay? Should we not also get some benefits?

The humble privilege which should be granted to the poor is the right to collect UI benefits when they become unemployed,

usually involuntarily. Instead, the government decided to impose stricter conditions for them to be eligible to UI benefits.

I do not think this is the just society which the Liberals were so adamant about, and I will be very pleased, in a future speech, to thank the hon. member and the government opposite if they are willing to accept our numerous other requests.

**The Acting Speaker (Mr. Kilger):** I would like to join all members from both sides of the House today to thank you also for your co-operation.

I recognize the hon. member for Rosedale.

*[English]*

**Mr. Bill Graham (Rosedale):** Mr. Speaker, it is with great pride that I rise today to give the first speech in this House in which I have the opportunity to speak to the members of this House, my colleagues, to some extent about the nature of my riding in introducing my observations about the budget.

I am very proud to stand here as a representative of the people of Rosedale riding and to take the place of a great Liberal who was the last Liberal to represent that riding, the Hon. Donald Macdonald. I do not say that I will be able to fill his shoes. As I am sure you, Mr. Speaker, and his other friends in this House will remember, that would be a difficult task both physically and mentally.

I would like to introduce my remarks by saying to my colleagues in the House that the name Rosedale does not entirely describe the diversity of the riding. I would like to tell members about the diverse areas that we have in our riding. It stretches from Davisville to the waterfront and includes such interesting areas as Moore Park, Rosedale itself, Cabbagetown, Regent Park, Moss Park, Crombie Park and St. Lawrence.

In this area are located six major hospitals, two universities, part of the University of Toronto and a new university, Ryerson University, and other institutions of higher learning.

Toronto's financial district, the notorious if I may say that, King and Bay area is located there and includes the headquarters of five major banks and many other financial institutions. Osgoode Hall, the seat of the justice system of the province of Ontario, is also located there as are many theatres of local and national reputation including the Théâtre Français of Toronto and some 18 co-operatives. In addition, I am sure it will be of interest to members of this House to know that we also have the Riverdale Farm located in the riding. It is perhaps not of enough size to give me credibility among my colleagues in the rural caucus but is at least a presence and a reminder to the people of this urban riding that we too must always be conscious of rural issues.

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(1320)

In human terms, we have here a complex urban mixture, a microcosm, as other members of this House have said, of the society in which we live and, if I may say, not only a microcosm of Canadian society but in fact of the integrated world which we are now living in and adjusting to. It is an exciting dynamic community which represents, if I may say, the best of what Canada has to offer.

The area of Rosedale proper of which I spoke contrasts in some ways with St. James Town, Regent Park and Moss Park where we have many people living in assisted housing, many seniors and single mothers, and others who are working hard to keep ahead. All are united in their desire to have good government, a government with a sense of balance, a government that puts their interests first. Our government I believe achieved that in this budget.

We have in our riding a large component of new Canadians. Some have come to us as immigrants, some have come as refugees. All are decent hard working people, bringing their skills to contribute to this country in the tradition of our forefathers.

The riding also contains the largest gay and lesbian population in Canada who bring a sense of diversity to our community and who enrich many areas of our community life, including the artistic and cultural life of the city. These people look to this government to fulfil long unkept promises of many previous governments to ensure that discrimination in their lives and in their employment will cease so that they may play their full role in our society. It is their right to live in a world with a level playing field and we owe that to them.

[*Translation*]

You will also find in my riding a French community which may not be large, but is important to us. This community is proud, different, and fully contributes to our culture and our economy. Our French Canadian community considers the presence of Quebec within our federation as an asset and a source of inspiration for its own linguistic and cultural future. And our French community hopes that our friends in Quebec are aware of it.

[*English*]

This diversity raises challenges and opportunities. I would suggest that many of those challenges and opportunities are reflected in the budget which we are discussing here today. The merit of this budget in my view is its balance between the various financial imperatives which influenced it, the directions that it sets for the future and the way in which it relates to real people's lives. It puts people first. It does not sacrifice them on the altar of fiscal dogma or orthodoxy.

The people in my riding have responded well to this budget. The people in Rosedale proper who are self-employed were pleased to see that they will be able to contribute to their RRSPs and guarantee their financial future so they will not become a burden on future taxpayers of this country.

The small and medium sized businessmen in the riding were pleased to see their initiatives adhered to and their concerns referred to in a way which will enable them to compete more effectively in this complex world in which they have to operate.

The new Canadians of whom I spoke seek to employ their skills to advantage and are looking for ways to use their languages and their cultural skills in a way in which they can take them out and invest them into medium and small sized businesses and the export markets. This budget points the way in that direction. These skills are a resource of this country which we owe to ourselves to mobilize for the good of all of us because it is the future of the world and the future of Canada which is at stake in the way in which this particular community brings its cultures and skills to play. This budget specifically focuses on that.

(1325)

People in my riding living in assisted housing see the human resource development initiatives in this budget as an excellent beginning on the way to ending their dependency and giving them back control of their lives so they may live productively without having to rely on the government handouts which they despise.

I had the opportunity last week during the break to assist in a very proud moment in my riding. I went to a meeting at George Brown College where, because of a grant of the Government of Canada, Goodwill Industries was able to reach out and train people who hitherto had been unable to get training. Some of the people had disabilities, some had had drug problems, they all had problems which had inhibited them from being able to take advantage of their lives. They were given a program, thanks to a government grant, which enabled them to complete this program and 70 per cent of them had jobs as of the night they graduated.

When I heard the leader of the Reform Party speaking yesterday about the need for budget cuts and Draconian measures I could not help but think of the smiles on their faces and the smiles on their families' faces, showing the pride with which they graduated from this program. Those programs are the type of programs that this government is creating for people to enable them to get back to work. This is a resource that we cannot afford to lose in our society. This is the budget that is going to enable us to do it.

That is why I am proud on behalf of the people who live in my riding to speak for them, whatever class of society they come from.

It is that element of the budget which makes me proud. I think it maintains an essential, constructive, necessary Liberal role of government and the people of my riding, all parts of it, support it.

Even in the university community there are many problems of finance. I was speaking to the president of the University of Toronto the other day. He told me that the cuts in unemployment insurance premiums, which have had to be paid by the university, are a significant contribution. Universities are very big employers. This will make a contribution to their financial stability.

The infrastructure program has been ridiculed on the other side of the House as being nothing but a bricks and mortar operation. The president of the University of Toronto tells me it is creating a tremendous opportunity for his institution of higher learning to do a better job of training young Canadians who are going to take us forth into the 21st century.

Why do we do negative things like this, just for partisan political purposes? I heard the minister speak, just before I got up to speak, eloquently about the need to deal with our infrastructure. We all have to realize that this infrastructure program has an intellectual component to it which is just as valid as bricks and mortar and I am proud to be part of a government which has seen that, seen the need to renew and seen the need to look forward to the future.

Let me conclude my remarks where I began. I am proud to stand here in this House and make my first speech, recognizing the people of Rosedale who elected me and who put me here. I will do my best for them. I will do my best for my country. I will do my best for this government which I think in this budget has set the framework for a productive and human future for this country.

**Mr. Milliken:** Mr. Speaker, I am very reluctant to interrupt the question or comment period that is about to start on my learned colleague's speech, but I wonder if I might seek unanimous consent of the House to revert to presenting reports by standing and special committees. I have a committee report which I think will be of interest to members that I would like to table at this time.

**The Acting Speaker (Mr. Kilger):** Does the hon. parliamentary secretary have the agreement of the House?

**Some hon. members:** Agreed.

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## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I have the honour to present the 10th report of the Standing Committee on Procedure and House Affairs concerning the items of Private Members' Business which have been selected as votable.

Pursuant to Standing Order 92(2), this report is deemed adopted once laid upon the table.

Normally this report would not be tabled until tomorrow. There was agreement that if it were tabled this afternoon to get the information before members so they know which items have been selected Private Members' Hour would not start tomorrow but would start on Monday.

Accordingly I move, I believe with unanimous consent:

That consideration of Private Members' Business commence on Monday, March 14, 1994 at eleven o'clock a.m.

Motion agreed to

## GOVERNMENT ORDERS

(1330)

[Translation]

### THE BUDGET

#### FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion.

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, I am pleased to make a brief comment on my colleague from Rosedale, with whom I had an opportunity to travel to Vancouver a few weeks ago. I got to know him better and I believe that he is someone who can be called a gentleman, as the term was understood in the Middle Ages, that is, a man who is sincerely open-minded towards all his colleagues in the House. I do not at all doubt his sincerity when he speaks or when he expresses the wish that Quebecers feel at home in the Canadian federation.

I also want to tell him that should Quebecers in the near future choose to take charge of their own affairs and thus make Quebec a sovereign country, Quebecers will still be happy and interested to maintain ties with neighbours who show this open-mindedness, like the hon. member for Rosedale.



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I commend him for what he said and I hope that we can indeed maintain such a relationship, whatever the future holds for us.

**Mr. Graham:** Mr. Speaker, I thank the hon. member for his very nice comments about me but he also reserved something for the end that may give us the opportunity to voice more opposition than today.

I would like to put some emphasis on what I said about Rosedale. I suggest to him that it is not only a matter of Quebecers being welcome in other parts of Canada. I assure you that Quebec's attitude and the fact that Quebec and Quebecers have succeeded in keeping alive their culture and their language is an inspiration to francophones outside Quebec, including those in my riding.

I urge you not to endanger, through your actions and what you will do in the future, this fragile flower that must be tended by you, by us and by all members of this House so that the francophone culture can flourish in the rest of Canada like it did in Quebec.

[*English*]

**Mr. Paul Steckle (Huron—Bruce):** Mr. Speaker, I want to preface my remarks in my first address in this House by offering my own congratulations to our Speaker and our Deputy Speakers for the even-handedness in the way that they have conducted the interventions in this House.

We are witnessing a new civility and decorum in this place rarely witnessed in recent memory. I think all members, regardless of their politics, are showing Canadians that serious discussion, debate and, yes, some disagreement can take place with respect and honour.

I want to take a few moments to reflect on my riding and the wonderful people who elected me as their representative and voice in Ottawa.

My riding of Huron—Bruce is situated on the easterly shore of Lake Huron. It is a riding that consists of the entire county of Huron in the southerly half of the county of Bruce.

(1335)

It stretches from Grand Bend in the south to Southampton in the north. This beautiful riding includes towns and villages such as Kerkton, Dublin, Teeswater and Zurich, and on the far easterly boundary, Paisley. My riding constitutes 43 municipalities in total.

It is without doubt one of the most truly rural agricultural ridings in Canada. It is decisively agricultural in its base, with pork, beef, dairy and poultry all being produced in great numbers.

The climate is also well suited for beans, navy beans and other cereal grains including canola. I would also like to mention that my hometown of Zurich boasts being the bean capital of Canada. While the town of Goderich boasts being Canada's prettiest

town it is also the manufacturing base of Champion road graders which builds graders and other road building equipment. I am glad to see some of that equipment on the streets of Ottawa. Farther to the north of Lake Huron we have the Bruce nuclear power plant, the largest nuclear generation plant in the world.

Among notable Canadians to have come from my area of Huron—Bruce, Paul Henderson in 1972 scored what proved to be the winning goal and made world history in the Canada—Russia summit series.

Timothy Eaton, upon immigrating to Canada, established his earliest roots in Usborne township in the southeast area of my riding.

Kipple Disney, the grandfather of the famous Walt Disney, settled on the family farm in Bluevale. This is where Elias, Walt's father, was born and later went to central school in Goderich.

Most recently we were made proud when another famous person from my riding, Lloyd Eisler from Seaforth, or as he would like it to be known, Egmondville, the suburb, and his partner Isabelle Brasseur from the riding of Richmond—Wolfe won a bronze medal in the 17th Winter Olympics in Lillehammer, Norway.

To all those people who worked and voted for me in Huron—Bruce I offer my sincere appreciation and gratitude. Their friendship and encouragement are reward enough for a task that at times seems impossible.

Most important in my life has been my family, my wife Kathy and our two sons, Cam and Brian, their wives Kathy and Bonnie and our two grandsons, Brent and Shawn. They have all supported me in my efforts to come here and they have also given me great encouragement in the many years I served in municipal politics. Thank you for your love.

This being the year of the family causes me to reflect in the directions we take as we determine social policies for the country. My view, which I think is shared by many hon. members, particularly my hon. colleague from Central Nova, is that life is sacred from conception to natural death. This view will obviously give cause for some difference of opinion. I welcome the opportunity to debate and address this and other issues in this place of democracy.

Prior to the election, Canadians had lost confidence in their political representatives and the institutions in which they served. I believe we as the new government have begun to reverse this opinion and return people's trust and confidence in us as members of Parliament.

During the election the public had some clear choices before it, parties with very different policies and ideas. We as Liberals believe that the people should know exactly what they were voting for and that is why we put our policies in our famous red book.

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Canadians overwhelmingly chose to support our party and, most important, our policies. This is where the confidence factor comes in. What better way to improve Canadians' confidence toward politicians than to give them exactly what we promised and ran on in the election?—not exactly a new idea, but one that has been forgotten for some time.

People's confidence is essential if we as a government hope to be successful in making the necessary reforms to a whole host of policy areas from social security to foreign affairs and defence.

Confidence in Canadian institutions has also increased due to the unprecedented level of consultation and open debate that occurred on recent peacekeeping missions in Bosnia and cruise missile testing discussions in northern Canada. This open consultation has also shown that this place does serve as a forum for constructive debate on matters of national interest.

These changes are just the beginning and I look forward to future debates and changes that will further improve our representative role.

(1340)

If we look at the budget that the hon. Minister of Finance presented last month we see that the commitments made in the red book are almost kept item by item. If I look at page 111 of the book I cannot find anything that has not been acted upon.

As I have told my constituents, the contents of the budget should come as no surprise to anyone. This most of all will increase the people's trust in their representatives. I am also proud of this budget and have absolutely no problem with defending it and selling it to my constituents. It is a balanced, far reaching budget that lays the groundwork for future reform on improvement to programs and services.

In my riding over the last couple of weeks I have spoken with a great many people and have conducted several media interviews. In all instances people had a positive opinion of the budget. What I think people like about this budget is that it is realistic. People were tired of budgets that promised the impossible and then failed to deliver. It is realistic in terms of deficit reduction, economic projections and job creation.

What we did was lay out before the people the serious financial problems of the country which included a deficit that has skyrocketed to \$45 billion, far more than what was expected.

We as Liberals believe in getting our fiscal house in order and that is why the minister has put forth a budget that over three years attains a ratio five to one in terms of spending cuts to revenue increases. This sets us well on our way to meet the deficit target of 3 per cent GDP in three years; again, something which was in the red book and is what Canadians supported.

To those who would say that we have not gone far enough, I want to say that we are not going to abandon those in need or risk spiralling back into recession by cutting and chopping, spending wildly or giving no thought to the consequences at a time when 1.6 million people are unemployed, when welfare rolls are skyrocketing and child poverty is up 30 per cent. It is not the time to abandon these people.

Those people who argue for deeper cuts forget that we did not get into this situation overnight and it will take time and a great deal of fairness and compassion to get out of it. These people forget that they were not on a different planet during the time of deficit spending. They voted and supported governments and benefited from the spending just like we all did.

We must now not take radical approaches but take a balanced approach that emphasizes building a framework for economic growth, restoring fiscal balance and creating jobs.

This budget pursues job creation, not in the old ways in which government provided the jobs, but in a way that produces the climate and provides business with the tools to create the jobs.

I also want to point out that the government wanted to invest in the infrastructure of this country, an investment that will enable Canada to stay competitive in this time of increased globalization. This will create approximately 50,000 to 60,000 jobs.

The minister has listened to Canadians who said that they wanted deficit reduction without tax increases. They wanted a beginning to policy reform without drastic cuts to programs for the most needy. They wanted job creation. They wanted a constant, systematic decline in the deficit. They wanted investment in R and D. They wanted economic renewal and revitalization, and they wanted a fair and more equitable tax system.

This is the budget we delivered and it is the one that I am proud to support.

**Mr. Paul E. Forseth (New Westminster—Burnaby):** Mr. Speaker, I rise in this House today to not only express my dissatisfaction over the budget that the finance minister introduced on February 22, but moreover I want to state for the record the dissatisfaction of my constituents in the riding of New Westminster—Burnaby.

A measure of opinion was expressed to me publicly in a recent town hall meeting. It was specifically called to discuss the budget and the fiscal priorities for the nation. I took the public risk and advertised very widely for an old-fashioned town hall meeting in which any constituent could express himself or herself on the budget in front of their own community. The meeting went for over two hours and I listened to the line-up of speakers who came to the open microphone.

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(1345)

Government ministers should have been there for they would have heard that the Liberals have no political mandate to do what they are doing in this budget. I did not hear a positive thing said with regard to this budget except a relief that the government did not announce massive new spending on grand, misguided schemes. Most complained that there was no long term job creation in this budget. The budget did not inspire hope.

The election was a mandate for change. What the country got in this budget was just more of the same.

There was a promise in the budget to fix sewers and repair old roads. Suffice it to say these are not long term jobs to put us on the international cutting edge.

In the budget the finance minister withdrew the government's support for the KAON particle accelerator project in British Columbia. I suppose it is more important to pave old roads than to keep Canada at the competitive forefront of science and technology.

I can remember back in the election campaign when the Liberals promised Canadians jobs and hope for change. When in opposition, the Liberals decried that the Conservative government had let the unemployment rate rise to 11.2 per cent. The red book, which now looks like the Liberal red ink book, promised to put Canadians back to work and decrease the unemployment rate.

When the unemployed of New Westminster—Burnaby watched the budget presentation on TV they were expecting, and I repeat expecting, that the finance minister would give them a job or at least the hope for one and provide a plan to slash the rate of unemployment.

In his ultimate prediction the Minister of Finance did predict a lower unemployment rate, a walloping .1 per cent. Canadians from coast to coast could not believe what they heard: .1 per cent. Unbelievable for a party that spent the entire campaign promising jobs. We all heard it: "We have the plan, we have the team, trust us".

The Minister of Finance wants us to believe that next year is when more jobs will occur and that is when we will see an improvement in the economy. The mandate for this election was crystal clear. It was to change, to drastically reduce spending, to go in a new direction and thus spur on the economy. The mandate was not to shuffle a few things and hope that the economy would turn around on its own.

The people in New Westminster—Burnaby know that in our present predicament high taxes, the high spending of this budget and high unemployment are directly linked.

The government needs to go on a diet. For starters it should have put a cap on all federal spending at \$153 billion bringing the deficit to \$27.8 billion rather than the predicted \$39.7

billion. This would have been a modest broadly based goal that would have sent the right message to the international markets where we are ultimately judged.

Instead of making an effort to lower federal spending, the government raises it by \$3.3 billion to \$163.6 billion from \$160.3 billion just the year before.

If the finance minister had done nothing at all the federal deficit for 1994–95 would have been \$41.2 billion. However, since it is mandatory for the government to introduce a budget, the minister put on his new footwear and lowered the deficit by a mere \$1.5 billion.

Folks in New Westminster—Burnaby wonder how federal spending can be so high. I will zero in. Some of my responsibility is in the field of justice and legal affairs. I will comment on some of the spending in that area.

The continued funding for special groups is incredible. For example the Law Reform Commission which was reinstated in this budget had previous expenditures of \$4.8 million in 1992–93, \$4.9 million in 1991–92 and \$5 million in 1990–91. All of this is for an unaccountable organization of academics who turned out obscure reports that were mostly forgotten the day after they were published.

The taxpayers are going to foot the bill for this Liberal academic think tank. It will clothe itself with credentials in the appearance of political neutrality while preaching Liberal dogma. Political parties have their own funding from their supporters. Now the taxpayers are going to fund a Liberal think tank. This is old Canada thinking of the Pearson–Trudeau era. We should support the legitimate academics in our universities to do research on legal public policy. We do not need the social engineering of a reconstituted Law Reform Commission.

Another example of waste is that of the court challenges program. The actual expense of this program for 1992–93 was \$1.06 million. In 1993–94 the forecast was \$1.26 million. For 1994–95 the main estimates show it will be allowed to use \$3.35 million. What a retirement plan for lawyers, well the Liberal lawyers anyway who might get the retainers.

If I sound cynical it is because I watch from here and see it is business as usual, old Canada thinking from yesterday's leader who peddles an outdated budget philosophy ill-suited for the new world economy.

(1350)

The court challenges program was initially introduced in 1978 to fund individuals who brought forward constitutional cases based on equality and language rights. It was expanded in 1982 for the new charter arguments.

The scope of the program has changed dramatically. It now serves as a taxpayer supported platform for radical feminists, the gay–lesbian agenda and other social engineering groups who want to revise the political landscape via the back door of the

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court rather than obtain a mandate for their changes at the ballot box.

The appointments to the selection committee for this program will be suspect and most financially burdensome as there will be no market forces to moderate who gets what. If a case is worth fighting to the Supreme Court of Canada the people of Canada will voluntarily support it. If it cannot fly in the marketplace of ideas in the community, then it should not proceed to court.

I also hear now that salary increments are frozen for the RCMP which is causing an internal uproar. Yet the government is committing millions for court challenges and a commission. What does this say about the priorities of this government? Our economy is in a tenuous state.

The government should have realized that the first cuts to be made should have been to the special interest groups. The National Action Committee on the Status of Women has regularly received \$300,000 since 1991 with the exception of last year when it received \$270,000. The government gives this group over \$250,000 and then the group complains that it is not enough.

By cutting off all spending to every special interest lobby group the government would eliminate two problems. One, it would reduce a substantial part of federal expenditures. Two, it would eliminate the bickering and rivalry that goes on among groups if the government cuts part of their budget. It would stop the divisiveness in our communities.

For Canada the international community is holding its breath and has given the government a short term breather. I am not so optimistic that the Liberals can or will deliver later. Reformers have asked for a minibudget in the fall to stave off what is now starting to happen, especially with those in the area of more liquid assets.

Investors are increasingly betting against Canada and money is going offshore. That trend will continue at a steeper rate until it will actually develop into what is commonly known as a run on the dollar.

Right now Canada is draining its gold and foreign reserves to buy up Canadian dollars on the international market just to keep the price from falling too fast. It is the old law of supply and demand. The problem is that Canada does not have the deep pockets to keep up this defence for any sustained period.

The old standard advantages of political stability and a prospect for reasonable return may not stay in place for Canada. When one places the political instability of Quebec along with the general fiscal malaise we are due for a major shock from offshore.

If we do not straighten ourselves out then the international community will do it for us in blunt, brutal terms. The best predictor for future performance is past behaviour. At least since 1984 the world community has listened to Canadian

governments promise time after time to deal with deficits and proportional taxation levels. Then they see a stay the course budget delivered time after time.

The prescription is that we must now run consistent balanced budgets for a number of years because of where we have been economically in the past few years. The cure is known but it takes courage to act. The overweight needs a crash diet to bring us back to health. The pain must be shared equally by all.

The first dramatic steps need to be done with Parliament Hill operations and general spending at the top for a leadership by example package.

Currently the burden is not equally shared. Eighteen new spending programs for ideological reasons are outlined in this budget. Debt charges are underestimated, a very risky forecast. The international capital markets are waiting until this fall but not much longer.

Parliament is where government comes to the people to get permission to tax and spend. This House bears the responsibility for the financial consequences of this nation. It is up to members to decide to take action.

Those in the Reform camp, those who are indeed in touch with their communities, have heard the people speak and have made a start. However, there must be 100 ways for members who are not Reformers to apply pressure against those stuck in yesterday's old Canada thinking. To put it in psychological terms, spending behaviour reveals inner character.

Let it be said right now that where there is conviction let there be the courage to act. If we believe in what we do we can journey to the new Canada where equality is our standard and compassion is our principle, where humility is our manner and truth is what we say.

(1355)

**Mr. David Berger (Saint-Henri—Westmount):** Mr. Speaker, I commend the member on his speech. At the same time however I would like to ask him to perhaps go back and check his arithmetic.

He criticizes the rather modest expenditure the government is undertaking in re-establishing the Law Reform Commission, but criticizes the rather sensible decision the government made about the KAON factory. The hon. member should know that the KAON factory would cost the Canadian taxpayers in excess of \$200 million a year in capital and operating costs.

Given that extremely high cost and the futuristic nature of the science involved, the government's advisory councils made a recommendation. The National Research Council, the Natural Sciences and Engineering Research Council, the Science Council of Canada and a committee of the National Advisory Board on Science and Technology appointed by the previous Prime Minister unanimously recommended this expenditure could not be justified given the country's priorities with respect to science

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and technology and the current levels of science and technology spending and the other needs we have.

The hon. member also failed to mention in his speech that this government has committed in this budget substantial resources to implement the red book commitments for example to upgrade the industrial research assistance program and create a Canadian technology network. There are very important expenditures on the diffusion of technology.

That will benefit the many small and medium sized businesses which really comprise the Canadian economy. Canada has a small firm economy and that is where the efforts of this government have been directed.

**Mr. Forseth:** Mr. Speaker, it comes down to a matter of opinion concerning basic government priorities. I talked about how spending behaviour reveals inner character and a person's underlying philosophy.

**The Speaker:** It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### WOMEN IN ARTS AND CULTURE

**Mrs. Jane Stewart (Brant):** Mr. Speaker, I would like to pay tribute to the many Canadian women who have made significant contributions in the field of arts and culture. Arts and culture have made a real impact on the continuing development of Canada's social fabric, as well as on our economic growth as a country.

I am truly inspired by extraordinary performers like Karen Kain, by authors like Margaret Laurence and by artists like Keterina Mertikas.

I am proud of women in my riding like Linda Schuyler who recently received the 1994 Order of Canada for her outstanding contribution to the media. Ms. Schuyler is most notably known as the executive producer and series creator of the acclaimed television series "The Kids of Degrassi Street".

Virginia Little is the musical director for the Little String Orchestra in Brantford. Recently Ms. Little was selected Arts Citizen of the Year by the Brantford Regional Arts Council.

As performers, entrepreneurs and volunteers Canadian women are making their mark in the world of arts and culture. My congratulations and thanks to them all.

[Translation]

### JOB CREATION

**Mr. Yves Rocheleau (Trois-Rivières):** Mr. Speaker, the *Fondation de l'entrepreneurship* has just launched a new initiative called "A quarantine for employment". The foundation has teamed up with a number of regional organizations in order to generate local initiatives of job creation. The *Défi Emplois* program of the foundation will try to have some input in every community in order to facilitate the emergence of new job-creating businesses.

I wish to congratulate the *Mouvement Desjardins* for putting network of credit unions at the disposal of the foundation in order to support the *Défi Emplois* program. We must pay tribute to the social involvement of the *Mouvement Desjardins* which, beside this program, is involved in *Forum pour l'emploi*, *Qualité Québec* and the Desjardins Chair for the Development of Small Communities.

(1400)

It is too bad this government does not show the same enthusiasm in proposing job creation measures for Quebec and Canada.

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[English]

### FATHER ALBERT LACOMBE

**Mr. John Williams (St. Albert):** Mr. Speaker, I rise to recognize the anniversary of the birth of Father Albert LaCombe, born on February 28, 1827.

Father LaCombe migrated from his native community of St. Sulpice in the province of Quebec to found the settlement of St. Albert in 1861 and several other missions in the province of Alberta such as St. Paul de Cris.

He worked with the native Indians of Alberta, the Cree and the Blackfoot. His efforts led to the peaceful acceptance of the building of the CPR. During the 1885 Louis Riel rebellion he acted as a calming influence in the region. He was also an adviser on the negotiations of Treaty No. 8.

Father LaCombe was also an accomplished linguist. He wrote a dictionary and a grammar book of the Cree language and he translated the Scriptures into native languages.

In conclusion, I wish to recognize Father LaCombe as a great Albertan and a great Canadian.

**TIBET**

**Hon. Warren Allmand (Notre-Dame-de-Grâce):** Mr. Speaker, today is the 35th anniversary of the uprising of the Tibetan people against the Chinese occupation of their small peaceful country.

Each year I have risen in the House on this date asking our government to protest with the Chinese government the massive violation of human rights in Tibet, the destruction of its environment, and the denial of its self-determination.

During the past year political arrests have risen by 30 per cent and have included children and Tibetan nuns.

Yesterday China was once again successful in having the United Nations put aside the resolution criticizing its human rights record. That is a tragedy.

The people of Tibet have always pursued a non-violent approach in dealing with this issue. In 1989 the Dalai lama won the Nobel peace prize.

I hope that this matter will be positively dealt with in the government's review of foreign policy. Human rights abuses in Tibet and elsewhere cannot be ignored.

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**PROSTITUTES ANONYMOUS**

**Mrs. Anna Terrana (Vancouver East):** Mr. Speaker, there are many success stories among women but some are more touching than others.

Paige was a prostitute sexually abused at a young age. In spite of trying to get into a normal lifestyle she ended up on the streets and became more and more involved in drugs to the point of having seizures when she was clean.

After many years of prostitution Paige had the good fortune of learning of a woman who started Prostitutes Anonymous. This fortunate turn of events helped Paige start on her difficult road to recovery.

Battered women's shelters, drug and alcohol centres and recovery houses became Paige's new environment. In 1991 Paige started Prostitutes Anonymous in B.C. She is now a member of an ad hoc citizens' committee of elected women helping women.

Last week I participated in my first committee meeting. I met Paige and also Cindy-Lou. These women are only two of many who fortunately were able to get out of prostitution. Paige needs help in her task. Transition houses are crucial to give prostitutes a chance.

In this International Women's Week I rise to pay tribute to a young woman who went against all odds and won.

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[Translation]

**QUEBEC WEEK FOR THE DEVELOPMENTALLY HANDICAPPED**

**Mr. Raymond Lavigne (Verdun—Saint-Paul):** Mr. Speaker, next week from March 13 to March 19 will be the Quebec week for the developmentally handicapped, during which traditionally, parents, friends, caregivers and persons who are developmentally handicapped organize various activities throughout the province, to make the public more aware of the experiences of the developmentally handicapped and their families.

I would urge members from Quebec and other provinces as well to take part in the week's activities under the theme: My family accepts me—do you?

This being the International Year of the Family, I want to thank all the people in Verdun—Saint-Paul and especially the "Droit de Vivre" group of volunteers who work with the developmentally handicapped who are living with their families.

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**POVERTY**

**Mr. Laurent Lavigne (Beauharnois—Salaberry):** Mr. Speaker, recently, the Assemblée des évêques du Québec met with a group of influential people to discuss ways to deal with the ever widening poverty gap which is causing more and more damage and suffering in our society.

The proposals developed by this group of experts echo the pressing demands submitted by many groups and organizations to a government that still refuses to listen.

Mr. Speaker, poverty is not just a statistic. It has a face, that of men and women who suffer and try to recover their dignity in any way they can.

(1405)

The Bloc Québécois supports this initiative and intends to make sure that the recommendations of this group of experts is not ignored by this government.

\* \* \*

[English]

**CAPITAL PUNISHMENT**

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, in February newspapers reported that the Solicitor General promised sweeping reforms to the National Parole Board following the investigation into the release of Robert Leech, a convicted rapist sentenced to life imprisonment in 1972, whose subsequent parole resulted in the sadistic murder of Jewel Gamble in Regina in 1992.

Now that Mr. Leech has been sentenced to life imprisonment for the second time, we all wonder what steps the government

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will take to ensure Mr. Leech never gets out of jail to rape and kill again. If Mr. Leech hoodwinks the parole system again, will he be released into our neighbourhood?

Considering the fact that national polls consistently indicate the majority of Canadians support a binding referendum on the reintroduction of capital punishment, I beg on behalf of this silenced majority that the government introduce legislation giving voters what they want, a binding vote on capital punishment.

\* \* \*

**SOCIAL PROGRAMS**

**Mr. Geoff Regan (Halifax West):** Mr. Speaker, hunger and poverty are very real problems in Atlantic Canada. The Metro Food Bank Society of Halifax—Dartmouth has recently released a comprehensive survey of food bank users in the metro area. This survey serves as a sombre reminder of the often forgotten members of our society.

It found that food bank clients receive incomes far below the poverty line; 94 per cent have incomes of less than \$1,000 a month. For the few who have incomes of slightly more than \$1,000 a month, most have households of four or more persons. Forty-four per cent of food bank clients experience days when they go without food. Many of these are parents who go without food to ensure that their children have enough to eat.

Here is proof that our social programs are not working. Here is proof of the real need for reform.

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**CHILD CARE**

**Mr. Pat O'Brien (London—Middlesex):** Mr. Speaker, we must ensure that the needs of self-employed women get as much consideration in tax laws as those of self-employed men.

The number of women in the workforce with children younger than school age has risen to 68 per cent. The majority of these women are working or running a business full time and cannot claim child care expenses as a business expense.

Child care is an important family support service and an integral part of society's ability to sustain a broader income. Because women are the parents whose careers are still most affected by child care responsibilities, the inclusion of child care expenses as a business expense would certainly give women more incentive to further develop their entrepreneurial skills and ingenuity.

Surely child care is more of a true business expense than country club memberships, seasons tickets to a sporting event or the rental of a luxury car.

During this International Women's Week, I join with the Canadian Farm Women's Network, my constituents and, in particular, the women of London—Middlesex in urging the government to consider legislation that would allow the deduction of child care expenses as a business expense.

\* \* \*

**ARCHBISHOP OF SARAJEVO**

**Mr. Janko Peric (Cambridge):** Mr. Speaker, Monseigneur Vinko Puljic, Archbishop of Sarajevo, is with us here today.

After 22 months of living under siege in Sarajevo, Monseigneur Puljic received permission from UNPROFOR on Sunday to leave the war torn capital of Bosnia—Hercegovina.

Monseigneur Puljic has long been an outspoken advocate of a just and peaceful solution to the ongoing conflict in Bosnia—Hercegovina and a harmonious co-existence between all of its peoples.

Despite the threat to his personal safety, the Archbishop remained in Sarajevo to oversee the distribution of desperately needed humanitarian aid to all citizens in need.

I would like to welcome Monseigneur Puljic in Croatia as well.

*[Editor's Note: Member spoke in Croatian.]*

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*[Translation]*

**LIBERAL PARTY**

**Mr. Gaston Leroux (Richmond—Wolfe):** Mr. Speaker, the Liberals have been in office barely four months, but the new government is already showing its true colours. Elected on the strength of a program borrowed from the NDP, they are now resorting to the practices and policies of right-wing conservatives to govern the country.

(1410)

When the time came to translate the red book into a budget, we see that it was not the corporations or the wealthy families who were enlisted to help fight the deficit, but rather the least fortunate, including the unemployed. The eagerly awaited, much-ballyhooed GST reform will be a camouflage operation aimed at hiding the tax in the overall price, meaning that it will apply to all goods, including food.

The Liberals speak of strengthening the social fabric of the country. Instead, they are dividing society. Retired persons are being asked to sacrifice their pensions for youth training programs.

Now we are seeing the true face of the Liberals. Their election facade has crumbled.

*Oral Questions**[English]***BILINGUALISM**

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, we have heard much from the government about a new integrity in politics. The Prime Minister recently stood in this House and refused to speak strongly about the Leader of the Opposition's promoting separatism abroad. Instead, we have heard the government condemn my party for being against bilingualism.

I rise today to appeal to all members of this House to stop the name calling and deal with the facts. The facts are that we are for individual and regional bilingualism. What we are against is the Official Languages Act and the ridiculous cost it has created.

The government member has asked us to provide accurate costs. We tried to get these costs but his government will not provide them because it does not know what they are. Research estimates the direct and indirect costs at between \$2 billion and \$4 billion a year.

I challenge the government to provide us with the real costs and open the debate up in this House on this issue.

\* \* \*

**FISHERWOMEN OF NEWFOUNDLAND AND LABRADOR**

**Mrs. Jean Payne (St. John's West):** Mr. Speaker, as we celebrate International Women's Week I would like to draw the attention of this House to a unique group of women comprised of the fisherwomen of Newfoundland and Labrador.

While we often talk about the men who earn a living from the sea, the lives of women who fish for a living are almost forgotten. These brave souls face the cold ocean day in and day out to help support their families. In the fishing boat everybody is equal.

In these days of declining fishery activity there is a difficult job to be done and the fisherwomen of Newfoundland and Labrador have proven they are up to the task. Their efforts are a great part of the Newfoundland culture. During International Women's Week their spirit and determination should be applauded.

\* \* \*

**INTERNATIONAL WOMEN'S WEEK**

**Ms. Colleen Beaumier (Brampton):** Mr. Speaker, I rise in the House today on the occasion of International Women's Week to invite all members to join me in honouring those women who have offered their services to their relative communities as volunteers.

We will find them in the slums of Third World countries and in the community centre next door. We will find stories of their

courage and dedication in the history books and in today's newspapers. We will find them performing singular acts of voluntary courage for their community and we will find them dedicating years of service through unending commitment to various causes.

Women have courageously and selflessly volunteered their services to their respective communities throughout history in a variety of ways.

International Women's Week has given us the opportunity to ponder the achievements of women throughout the world. A week long recognition of these achievements would not be complete without mentioning the efforts which women have made to serve their communities as volunteers.

I call upon all members of this House to join me in recognizing the years of dedication and service which women have contributed to their communities throughout the world.

\* \* \*

**UNEMPLOYMENT INSURANCE**

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville):** Mr. Speaker, I rise today to bring to the attention of this House an issue that I trust all hon. members will support.

Michelle and David Gebe, two constituents in my riding of Markham—Whitchurch—Stouffville, became the proud parents of a baby girl, Erin—Denise, on February 10. They became parents through the adoption process monitored by Ontario Social Services. This is indeed a joyous occasion for Mr. and Mrs. Gebe.

Unfortunately, they have run into a major roadblock trying to obtain maternity benefits through the unemployment insurance program. As adoptive parents, they are only eligible to receive 10 weeks of UI benefits as opposed to up to 30 weeks of benefits that a birth mother can obtain.

I humbly call upon the government to investigate the obvious discrepancies in the unemployment insurance legislation and to rectify this problem. Adoptive parents such as David and Michelle should be supported and rewarded by the federal government. They need our assistance.

**ORAL QUESTION PERIOD**

(1415)

*[Translation]***OLD AGE SECURITY**

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, my question is directed to the Prime Minister.



*Oral Questions*

We are gradually getting a better idea of the government's real plans for changing our social programs. Yesterday, the Minister of Human Resources Development confirmed that he wanted to review old age security programs. However, during the election campaign, the Leader of the Liberal Party strongly condemned the Reform Party's plans to cut old age pensions and said that it was not something he would recommend.

Why does the Prime Minister feel that cutting old age pensions is advisable today, while that was not the case just before he went to the polls? Why is he coming down hard on senior citizens today and why has he reneged on his commitment to leave old age pensions intact?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I said it before and I say it again, we do not intend to cut old age pensions, and those who insist on spreading these rumours are trying to scare people.

What we have to do is look at the serious problems we have in connection with the Canada Pension Plan. This is a very long-term program, and we know that in 2005 and 2010, it will be difficult to finance the program.

Since we want to do a good job, we are trying to anticipate the problems we will have when we form the government in 2010.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, instead of daydreaming, the Prime Minister should look at the source of these rumours. He should look at his Minister of Human Resources Development and tell us whether he endorses the minister's irresponsible statements. Does he want to force Canadians to choose between training for young people and old age pensions?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I want to make it clear that I have full confidence in the minister, who is working very hard to reform what needs to be reformed in this country. As Canadians we must ensure that we can once again give people on welfare and unemployment insurance the dignity of having a job. That is what the minister is trying to do now, and I think he is doing a very good job by consulting the provinces and all concerned.

I think there is no connection with what I mentioned earlier. Because of an aging population, we expect that the Canada Pension Plan will run into problems after the year 2000. Our government must start looking at these problems right away, and the minister is doing an exceptional job in trying to restore the dignity of Canadian workers.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, that is the kind of ambiguous statement that will revive the fears haunting the elderly today in Canada and Quebec.

Now that we have a government that attacks the universality of old age pensions, I think we should ask the Prime Minister

whether we are to conclude he deliberately hid his true intentions during the election campaign.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I can certainly be no clearer than I was on the first question. It is quite possible that all three questions were prepared ahead of time, so he read them! I said we did not intend to cut old age pensions. Stop trying to scare people! I cannot be any clearer than that!

In a way, I rather enjoy seeing the Bloc Québécois defending the Canadian status quo every day in this House. We want to introduce reforms, but they do not want us to change anything in Canada. They want us to keep Canada the way it is. We want to introduce reforms for the benefit of all Canadians, including those in Quebec.

**Mr. Maurice Dumas (Argenteuil—Papineau):** Mr. Speaker, my question is for the Prime Minister.

The policy of the government is becoming increasingly clear. After launching an assault on the unemployed, the government is now setting its sights on seniors. By reducing the tax credit for seniors, the government is actually increasing their tax burden by \$500 million over three years. The Minister of Human Resources Development has also announced a review of social programs for seniors.

(1420)

Instead of targeting the pensions of senior citizens, why does the Prime Minister not have the courage to eliminate tax shelters?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, in response to the hon. member and the leader before him, if they want to look at the intentions of the government I would suggest the first page they should turn to is page 56 of the budget wherein we commit to substantial augmentation and addition to old age security programs over the next four or five years. If they want the answer it is in the book.

We are trying to say that over the next couple of decades we will have a full doubling of Canadians who are eligible for various kinds of security. We want to ensure the next generation has the same security as this generation. To do that we have to find a way to ensure that we pay for it.

This means that much of the investment now generated out of pension plans and RRSPs must be used more effectively to generate jobs and growth in Canada today so young people can go to work and can pay for the pensions of tomorrow. That is what we are trying to do.

*Oral Questions*

[Translation]

**Mr. Maurice Dumas (Argenteuil—Papineau):** Mr. Speaker, in 1985, the Conservatives were assailed by the Liberals for wanting to eliminate the indexation of old age pensions. What has happened to the convictions of the Liberals in 1994? Now they are directly attacking the very existence of old age pensions.

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, the only person in the House who attacked the existing benefits for seniors is the Leader of the Opposition when he was a member of the previous government. He is the only person in the House to do so.

We are trying to make sure the system is strengthened and maintained for the future. We are not talking about cutting the budgets now. We are not talking about affecting universality. The budget makes that very clear.

We are talking about an open consultation with all kinds of Canadians so that we can have a full discussion about the future security of Canadians, how we use the pension funds to invest in Canada, how we make sure there is a proper CPP, and that we have a proper system of payment.

This generation of Canadians has to look at how we begin to ensure the future of Canadians is as good as the one that we provide for seniors today.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, my question is for the Minister of National Defence. It is also on the social implications of the budget.

The minister has announced plans to reduce the size of Canadian forces in his department by 16,000 people. Many of us in the House regard this downsizing as a test of the capability of the government to help workers shift from employment in one sector to productive employment elsewhere.

Specifically what steps are the minister's department and the department of human resources development taking to help these 16,000 Canadians find and fill productive jobs elsewhere?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, perhaps my colleague, the Minister of Industry, can talk about the defence conversion program; he has responsibility for that.

We are trying something very new and bold in dealing with our public servants and the military, in trying to give them a combination of moneys—we call it an enhanced buyout provi-

sion—so they can take early retirement. In some cases money is applied for retraining and other allowances that will help them make the necessary conversion the hon. member is so concerned about.

With respect to the conversion on a mass scale, that is something we are committed to as a government under the defence conversion program. I will be working along with my colleague, the Minister of Industry, to ensure this is done as we gradually downsize the armed forces.

(1425)

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I would remind the minister we are not talking here about 16,000 tanks or trucks but about 16,000 people with families.

My question is for the minister. Would he be prepared to submit to the House a registry containing the names of these 16,000 people so that Parliament can monitor how many are forced on to UI or welfare or on to dead end jobs and how many in fact make their way to jobs in the new economy the Minister of Industry is talking about?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, the leader of the Reform Party has certainly an odd version of democracy where we make the private lives of individual Canadians known on the floor of the House of Commons. We do not do this with the tax system. We do not do this with health benefits, and we are not going to do it with the people concerning defence. I cannot believe the Reform Party is preaching this Orwellian view, something that we totally reject.

We respect the privacy of individuals. We are very concerned with those people who are losing their jobs. I think the statements I made following the budget underlie that.

If the hon. member looks at the severance packages that have been announced, that are now being negotiated base by base and throughout the department, I think he will see we are treating people in a most generous fashion.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, will the minister then acknowledge that what happens to these 16,000 people being laid off by his department is a fair test of the government's ability to help the unemployed in general?

In other words, if the government cannot guide 16,000 people laid off by the minister's department into a new economy, who in heaven's name would believe that it could help 1.6 million unemployed people to that destination?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, obviously the hon. member has not read the budget documents or listened to the speeches I have been giving.

*Oral Questions*

There will be generous severance packages. We probably will have to legislate one part of it over and above the workforce adjustment provisions of the collective agreements that are now in place.

From the discussions we have had with the unions, obviously they are not happy with the numbers of people who are going to be phased out over four years. They recognize that the end is not going to come tomorrow and that this is going to be a regulated process through which everybody is going to be dealt with fairly.

I find it rather ironic the hon. member woke up two weeks after the budget to talk about the plight of these 16,500 people who will be phased out, yet for the last couple of years he has been talking about much more Draconian cuts in the public service.

\* \* \*

[Translation]

**COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN**

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, I can understand the frustration experienced by the hon. member who never has any questions to ask. He would like to ask his government a few questions.

Yesterday, on the subject of the eventual closing of the military college in Saint-Jean, the Minister of National Defense said:

It is one that I opposed, the Prime Minister opposed and many people opposed. We would have liked to have done it another way rather than close this college. However, from the point of view of financial sense, it seemed to us that the best business case was to concentrate the college in Kingston.

Can the Minister of Defence assure us today that the decision to close the military college in Saint-Jean was made “only” to save money and not for political reasons?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, the answer is certainly yes.

[English]

I should explain that in looking at our proposed reductions if we had been able to cut other facilities that were surplus we would have done it. It made sense to rationalize the colleges, all the arguments that have been given here by myself and my colleagues. Naturally no one likes to phase out the jobs of 16,500 people; no one likes to have such a difficult effect on various communities. It was a tough decision that we had to wrestle with. However, in the final analysis, I put forward the list and that was in the budget. It is something that we will defend. The closing of the two colleges is regrettable, Royal Roads and CMR, but it is a decision that is final.

(1430)

[Translation]

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, the minister also said: “—when I appear before the standing committee dealing with the estimates. I will have all the information available at that time”.

People do not understand the minister’s decision. In Saint-Jean, they are preparing for a big demonstration to protest the minister’s decision. Why is the minister stubbornly refusing to disclose the figures at this time? Could he be fiddling with them to justify his decision?

**The Speaker:** I know that when we ask questions, we sometimes get carried away. I am sure that the hon. member could replace “fiddle” with another word.

**Mr. Gauthier (Roberval):** I will put my question more politely. Is the minister manipulating, arranging, or organizing—

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

**The Speaker:** You mean “explain.” The hon. minister.

[English]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, I will be guided by your judgment, but the hon. member has imputed some very bad things that I am alleged to have done. In normal cases I would demand an apology, but I understand the hon. member is new to the House and perhaps we can overlook this.

All the figures will be available next Tuesday. In fact we have given figures on all of the base closings to all members that are concerned. It does not matter what party. We have been completely open. As he knows, I have organized briefings with my department, with the Reform Party and with the Bloc Québécois. We have been totally open. We have nothing to hide.

A much more detailed discussion really is something that should be done at the committee. He can have all day. I will spend all day and all night just to satisfy the hon. member.

\* \* \*

**EMPLOYMENT**

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, my question is for the Minister of Human Resources Development.

According to the minister’s own numbers, government will have to spend \$92,000 to create one job through its infrastructure program. On the other hand, cutting UI premiums will create private sector jobs at a cost of \$50,000 per job.

My question to the minister is this: If cutting taxes creates almost twice as many jobs as spending tax dollars then why is

*Oral Questions*

this government still planning to launch such an inefficient infrastructure program when it can simply cut taxes?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure):** Mr. Speaker, the infrastructure program was launched at the request of the municipalities across this country because they recognized that to create jobs in this country and to get people back to work we needed to keep up the infrastructure in our communities so that we could attract investment to increase our competitiveness in this increasing global economy.

The purpose behind the program was partly that and partly to get Canadians back to work. That program is being fulfilled and it is being fulfilled in partnership with municipal and provincial governments all in agreement right across this country.

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, I have a supplementary question.

Yesterday the Deputy Minister of Finance admitted that Canada's corporate and individual tax rates are the second highest in the industrialized world. Surely the minister understands that there is a direct link between high taxes and high levels of unemployment.

Does the minister have a long term plan to create jobs by seeing Canada's taxation levels reduced?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the Deputy Minister of Finance spoke well at the meeting yesterday. In fact, there is no doubt about the tremendous burden of taxation which Canadians are forced to bear at the federal, provincial and municipal levels. It is certainly a major inhibition to job creation.

(1435)

It is exactly for that reason that in the last budget for every \$1 in revenue that is raised this government imposed \$5 in expenditure cuts.

It is also for that reason that the Minister of Human Resources Development was able to announce through the budget that we were reducing unemployment insurance premiums which are in fact a tax on jobs. We have begun to attack this cancer on job creation in this country.

\* \* \*

[Translation]

**PUBLISHING INDUSTRY**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday, the Minister of Industry told us that the government had given its interest in Ginn Publishing to a foreign company as part of a verbal commitment. We still do not know who concluded this verbal agreement.

Does the heritage minister know the identity of the person who gave this agreement? If he cannot reveal the name of this person to us in this House, can he at least assure us that he really knows that person's identity?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, it is not customary in this House to make accusations against people whom one names. I would not want to either make an accusation or name names, but there are dates. The date is 1992. And I believe that I said that the ministerial responsibility must be borne by those who held the portfolios in question in 1992.

Of course, this is a complicated and sensitive issue. I have already expressed my opinion on this subject. I think that some decisions were made. We had to follow up on those decisions. That is what we did, to the benefit of the publishing industry in Canada.

**Mr. Bouchard:** He is all mixed up, read my career.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, a minister is confused—

**The Speaker:** Order. The hon. member for Rimouski—Témiscouata has the floor.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, how can the minister go on supporting the transaction involving Ginn Publishing when he and his colleague in Industry said yesterday, on leaving the House, that they had never seen the legal opinion of the Department of Justice on which they base their support for this controversial transaction?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I believe that is not quite what I said. I said that I did not see the contract, since it was an oral one and naturally could not be seen. I said that these oral exchanges leave traces.

I can reassure our colleague. Yes, I saw the opinion that was issued. So I answered her question and I can assure her: I saw the opinion that was issued.

\* \* \*

[English]

**ABORIGINAL SELF-GOVERNMENT**

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, my question is for the minister of aboriginal and northern affairs.

Yesterday in the House the minister announced that Manitoba would be a test case for aboriginal self-government. Since this will involve tens of thousands of aboriginal people and will ultimately affect all Canadians, will the minister tell the House exactly how he defines self-government for Manitoba's aboriginals?

*Oral Questions*

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development):** Mr. Speaker, that is a difficult question.

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

**Mr. Irwin:** Really. Seriously. I do not analogize numerical superiority with intellectual superiority. I would like to work with my hon. friend because if the Reform Party truly wants self-sufficiency and self-government and self-determination, these are issues that we have to define collectively.

(1440)

It is not like doing a budget. It is not like altering a figure. It is really altering opinions or mindsets. We want to work together. Consequently, we have entered into what will be extensive discussions with the Manitoba chiefs. They will be difficult, they will be hard. We are not kidding ourselves. But they will be done.

Our commitment to self-government, self-determination and self-sufficiency is in the red book. Because it is difficult does not mean that this government will shy away from it. I hope that my hon. friend will work with us.

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, we recognize that defining self-government may be difficult but when the Government of Canada makes a commitment, an agreement to enter into self-government, I think somebody had better know what agreement they are entering into. That is what we are getting at.

Will the minister tell the House who he is negotiating with and how he is going to let the aboriginal people ratify any final self-government agreement?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development):** My hon. friend I think should know that there is a system in place through the First Nations, through the assemblies, through the various tribal councils, to do just that.

As we said initially, there will be six months of discussions with these people. As we said, we will do it within a timeframe that is acceptable to the First Nations. It will be done. There will be ratification. It will be done very democratically. I am sure at the end we will collectively have something that my friend will be very proud of as a Canadian.

\* \* \*

[Translation]

**GOODS AND SERVICES TAX**

**Mr. Pierre Brien (Témiscamingue):** Mr. Speaker, my question is for the Minister of Finance.

Some economists and tax experts are recommending that the GST be applied to food items. In November 1989, the Liberal opposition said, in a report tabled in this House: "The Liberal

members of the Finance committee cannot accept that basic food items be taxed".

Does the minister intend to act upon the recommendation to apply the goods and services tax to the food sector?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I am asked to answer a question which is already being reviewed by a parliamentary committee. As you know, the mandate of that committee is really to listen to Canadians and get their opinion.

It is certainly not the role of the government to tell Canadians that they have no right to express their views. This is one of the fundamental freedoms in our country. I think the committee is doing an excellent job and we support it.

**Mr. Pierre Brien (Témiscamingue):** Mr. Speaker, Canadians want to know the minister's opinion.

Will the Liberal government immediately rule out taxing food items, as the same Liberals did when they were in opposition?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, we are talking about a committee which includes several colleagues of the hon. member. This committee has a very important role to play before the end of June, when it will table its report. It is not the government's intention to stifle debate. We want this committee to sit and listen to Canadians, and I am surprised to see the hon. member afraid of letting Canadians express themselves.

\* \* \*

[English]

**PEACEKEEPING**

**Mr. Bill Graham (Rosedale):** Mr. Speaker, my question is for the Prime Minister and it relates to the position of our Canadian troops in the former Yugoslavia.

It is my understanding that the government's present commitment to retain troops in that area expires on March 31. Will the Prime Minister advise this House whether it is the government's intention to maintain troops in the former Yugoslavia or in the Balkans area after the expiry of our present mandate.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, there will be a statement by the Minister of Foreign Affairs later today on this issue.

I would like to inform the House that all the troops have been successfully taken out of Srebrenica. Tonight they will complete their mission very successfully. On behalf of all Canadians I would like to congratulate them. They were in an extremely difficult situation. They have protected the lives of 30,000

*Oral Questions*

Muslims for a long period of time under extremely difficult circumstances.

(1445)

I am very happy to report to the House that they are out of there.

[*Translation*]

I also want to say that a press release received just a few moments ago informed us that the Pope had met 50 soldiers from the Royal 22nd Regiment. His Holiness praised them for their efforts to maintain peace in the former Yugoslavia. I think we should also congratulate those soldiers who have gone through very difficult times and who have done an excellent job.

**Some hon. members:** Hear, hear.

\* \* \*

[*English*]

### GUN CONTROL

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, my question is for the Minister of Justice.

On Friday, March 4 I attended a rally with over 1,200 gun owners in Preeceville, Saskatchewan. They are extremely upset with the government's new gun control regulations.

There are two types of gun owners in Canada: law-abiding citizens and criminals. According to the Canadian Centre for Justice Statistics less than one-tenth of one per cent of registered handgun owners commit crimes with guns.

Could the minister explain how putting more controls on responsible gun owners better protects law abiding citizens?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the legislation in place today to ensure the safe use, storage and maintenance of firearms is intended to reflect that firearms are themselves inherently dangerous.

Whether it is the intention of the owner to use it lawfully for proper purposes or otherwise, the fact of the matter is that this government has decided and I believe it is quite correct, that anyone who wishes to acquire or use a firearm should be subject to the reasonable controls in the law today.

In terms of the use of firearms for criminal or improper purposes, we are taking a variety of steps to ensure that does not occur. We are tightening up border controls with respect to illegal smuggling of weapons from the United States.

The hon. member knows our platform has specific proposals for strengthening measures to ensure that criminals do not have weapons in their hands. We will be introducing measures to ensure that occurs so the people of Canada can feel safe from the improper use of firearms.

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, Saskatchewan gun owners are not against safety and training in the use of firearms. They asked me to ask the minister how does putting more restrictions on law abiding and responsible gun owners in any way deter criminals from illegally acquiring these guns?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I have met with chiefs of police in Moncton, Fredericton, Edmonton and last week in my own riding in Etobicoke near Toronto.

Those chiefs of police made the point very forcefully to me that weapons used in criminal offences are often stolen from lawful gun owners who keep them improperly or in insecure circumstances or do not look after them with a reasonable degree of prudence.

The laws, regulations and administrative controls to which the hon. member has referred are intended to bring home to every person in this country who owns a firearm that a reasonable standard of safety and security is required. In that way we can limit the prospect of someone stealing that weapon and using it for criminal purposes.

\* \* \*

(1450)

[*Translation*]

### TRADE

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, at the conclusion of a recent visit to Washington, the Minister of Foreign Affairs said that Canada had made a number of major diplomatic concessions to the United States, particularly on the issue of air strikes in Bosnia, the *Freedom* space station and the North American Free Trade Agreement. The minister expressed the hope that this would have some impact on certain trade issues between our two countries.

Following the incredible, in-your-face ruling of the United States International Trade Commission reversing the decision on softwood lumber reached by a panel of experts, and given that we are facing an unprecedented US offensive with respect to such products as uranium, beer, wheat and steel, does the Minister of International Trade really believe that his colleague, the Minister of Foreign Affairs, has adopted the right strategy?

[*English*]

**Hon. Roy MacLaren (Minister for International Trade):** Mr. Speaker, there are ongoing discussions with the United States on a number of trade issues.

The United States has indicated it intends to pursue the issue of softwood lumber when there is no basis for any further movement by the United States, except to find that the panel's conclusions are correct.

*Oral Questions*

We also have seen progress in recent days on the wheat issue that has separated our two countries. We look forward through the continuing discussions on agricultural issues to a final resolution in that area as well.

[Translation]

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, my supplemental is for the Prime Minister. Given the considerable economic interests at stake, does he not believe that the time has come for him to take up the matter directly with his US counterpart in order to put an end to the harassment that Canadian industry is experiencing?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we make representations to US authorities on a regular basis. In the course of the conversations that I have had with the President of the United States in recent weeks, I have indicated to him that too much pressure is being applied in certain areas and that we are not completely satisfied with matters. I hope that this will produce some positive results.

Of course, considering that nearly 80 per cent of our trade is with the United States, it is normal to encounter the occasional irritant. However, we ensure that we make the best representations possible. I have to thank the Leader of the Opposition because when he was in Washington, he raised a number of issues of concern to all Canadians and he asked the Americans to treat us fairly.

\* \* \*

[English]

**MEMBERS OF PARLIAMENT**

**Mr. Darrel Stinson (Okanagan—Shuswap):** Mr. Speaker, my question is for the Prime Minister.

The report on parliamentary compensation tabled today proposes that salaries for members of Parliament be increased from \$64,000 to \$88,000. The President of the Treasury Board says that this is an important first step in assisting the government in finding out what is acceptable to the taxpayers.

Would the Prime Minister concede to this House that a 40 per cent raise is not acceptable whether it is in two, four or six years?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, this report was asked for by the previous government. The salaries of MPs are frozen, the same as for everybody else in the public service.

However, we received this report. It has been referred to a commission that is always there. After every election it reviews problems of compensation for members of Parliament.

At this moment we said very clearly in the budget that salaries for members of Parliament are frozen.

**Mr. Darrel Stinson (Okanagan—Shuswap):** Mr. Speaker, in this report and as was stated there will be consultations with some Canadians.

Would the Prime Minister consider consulting with the hundreds of thousands of Canadians who have been laid off in the last three years without generous severance payments or gold plated instant pensions?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we have discussed this many times.

(1455)

Members' salaries are frozen at this time. A commission has been established by the Parliament of Canada to look at this problem neutrally. It will do its work and report to the House of Commons.

I can understand that this member feels that he is paid too much and I agree with him.

\* \* \*

**TAXATION**

**Mr. John Finlay (Oxford):** Mr. Speaker, my question is for the Minister of Finance.

Before I ask my question, Mr. Speaker, I would like to acknowledge that most of my constituents, most of the people of Canada, and most hon. members in this House would congratulate the Minister of Finance on a masterful and balanced budget.

Canadian press in the *London Free Press* of February 7, 1994 reported that 20 Canadian millionaires paid less than \$100 each in income tax in 1991. The report goes on to state that 190 Canadians who earn more than \$.25 million filed non-taxable returns for 1991.

Will the hon. minister assure this House that such tax loopholes will be closed in this taxation year?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the hon. member has made both a comment and a question. I want to congratulate him on his comment which has certainly elevated the debate in this House.

The answer to his question is very clear. He indicates the degree of interest we have in building fairness into the system.

As he knows there are some people who did not pay taxes because they had business losses or interest on loans. The single biggest reason would appear to be the \$100,000 capital gains tax exemption which we eliminated in the budget.

*Privilege***PRIVILEGE**

[Translation]

**IMMIGRATION**

## PRIVATE MEMBERS' BUSINESS

**Mr. Osvaldo Nunez (Bourassa):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration. On January 26, I asked a question to the Minister regarding the deportation of a group of about fifty Salvadorian refugees from Montreal. The Minister has not dealt with the problem yet.

Today, this group of Salvadorians travelled to Ottawa, and several are here in the gallery, to demand just and equitable treatment from the Minister, given that the political situation in El Salvador has significantly deteriorated recently.

**The Speaker:** Order, please. This is getting a bit long, would the hon. member put his question.

**Mr. Nunez:** Mr. Speaker, what is the Minister waiting for to exercise the powers he has under the Immigration Act and grant permanent resident status, for humanitarian reasons, to this group of individuals?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration):** Mr. Speaker, I find the statement by my friend a bit difficult to swallow. He asked me to meet with this group of 50 Salvadorian refugees. My officials have already met three times with the group in Montreal. I should also say that the hon. member who requested that this meeting not be held here in the first place.

[English]

As a result of the three meetings of those refugee claimants and my officials and because of the concern after the automatic review of cases from El Salvador an automatic review on top of that will be given to all failed refugee claimants. In that way we can make doubly sure through due process that has rendered an adjudication that it is in fact safe for those individuals to return to El Salvador.

\* \* \*

(1500)

**PRESENCE IN GALLERY**

**The Speaker:** I wish to draw the attention of hon. members to the presence in the gallery of the Hon. John Todd, Minister of Economic Development and Tourism, in the Government of the Northwest Territories.

**Some hon. members:** Hear, hear.

**The Speaker:** I also wish to draw to the attention of hon. members the presence in the gallery of His Excellency Monseigneur Vinko Puljic, Archbishop of Sarajevo.

**Some hon. members:** Hear, hear.

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, I rise on a question of privilege regarding the 10th report of the standing committee on House management which deals with Private Members' Business. I would submit the process that has been followed infringes upon my right as a member of Parliament to advance Private Members' Business.

The House has been in session for almost two months and we have yet to begin debating or discussing Private Members' Business. Standing Order 94(1)(a) reads:

The Speaker shall make all arrangements necessary to ensure the orderly conduct of Private Members' Business

It is your responsibility, Mr. Speaker. I would submit it is your responsibility as well to ensure that the process is fair to all members.

The process that has been followed thus far is unfair. It infringes upon the rights of certain members of Parliament, particularly my rights as far as the private member's bill I introduced on February 17 dealing with the Young Offenders Act.

In effect, as a result of the 10th report of the committee, the private member's bill I introduced—and I undertook to my constituents during the election campaign to advance it in this Parliament—has effectively been blocked by a small committee of individuals meeting in camera to decide for whatever reason what bills and motions to pick as votable items in the House.

I would ask Your Honour to consider the following. The committee was required to select five bills and five motions to be debated, discussed and voted upon in the House. The committee was required to consider certain factors in its deliberations.

After these behind the scenes, in camera proceedings, which I as a member of Parliament was not entitled to attend, a decision was made on which bills were in the national interest and which bills would be given three hours of House time, plus committee time, plus the opportunity to be voted upon by members of Parliament. What are those bills?

The committee in its wisdom decided that designating hockey as the national sport of Canada was a more important piece of legislation than amendments to the Young Offenders Act. The committee also decided that it was more important to devote House time to a bill that would deal with the witness protection plan as if it affects a lot of Canadians.

**The Speaker:** I am sure the hon. member will come to the point of precisely which privilege has been somehow impeded so that he cannot practise in the House. I would invite the hon. member to please come to his point.



*Privilege*

**Mr. Wappel:** On a point of order, Mr. Speaker.

(1505)

**The Speaker:** I will deal with the question of privilege first and then I will come back to the member.

**Mr. Nunziata:** Given the commitment of the government and opposition members to reforming the House of Commons, surely we have the right as private members to present a piece of legislation and to expect that the piece of legislation will be considered by the House in a meaningful way, if our commitment to parliamentary reform is genuine.

**The Speaker:** Order. I think the hon. member will know the report has been adopted by the House. I suggest he may wish to take this particular grievance to the committee. I would recommend, at this point at least, that he give some consideration to doing that rather than raising it as a question of privilege in the House.

If the hon. member wishes me to rule on the question of privilege, I will take what he has said today under advisement and I will consider it.

**Mr. Nunziata:** May I finish my submission, Mr. Speaker?

**The Speaker:** I thought you had finished your submissions.

**Mr. Nunziata:** No, I have not.

**The Speaker:** Could you please make it very brief.

**Mr. Nunziata:** I did not realize, Mr. Speaker, that when presenting questions of privilege we were required to make them brief. One would expect we would be given the opportunity to explain fully our questions of privilege.

I will conclude. I would ask you, as the Speaker of the House and the person responsible, to ensure fairness and to ensure that private members have the opportunity to be meaningful in the House. I ask you to review the process.

To ask a group of individuals who have already made these patently unfair decisions to rule again on the same question is inappropriate.

I would ask you, Sir, as Speaker of the House, to rule on the matter.

**The Speaker:** I thank the hon. member. I will at this moment reserve judgment. I will come back to the House very soon.

**Mr. Tom Wappel (Scarborough West):** Mr. Speaker, really the only—

**The Speaker:** Is this the same question of privilege?

**Mr. Wappel:** It is and it affects me personally. It arises out of the comments the hon. member made and it relates to them specifically.

**The Speaker:** I will hear the question of privilege arising out of the same question of privilege.

**Mr. Wappel:** Mr. Speaker, I listened to the hon. member very carefully. He made mention of the witness protection bill which happens to be my bill. I did not even know it had been chosen to be votable.

However, I want to tell the hon. member and other members in the House that I too committed to my constituents during the election that if I were re-elected I would attempt to bring forward a national witness protection plan. I told tens of thousands of people who signed petitions across the country, which I presented to the House, that I would do so. I take great personal umbrage in the member's comments disparaging the bill.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, with great respect to the difficulties that have been raised, I think Your Honour will appreciate that the argument advanced by the hon. member for York South—Weston is not a valid question of privilege in the House.

Frankly he is complaining about the decision of the committee. We have heard the opposite side in effect from the hon. member for Scarborough West. I recognize the committee has a difficult decision to make with respect to votable items, particularly on the first selection when it has to choose 10 items out of the 30 on the order of precedence.

The hon. member for York South—Weston first complained about the length of time it has taken to get to this point. If he reads all of the rules relating to Private Members' Business, he will know that Private Members' Business cannot begin until there are items on the Order Paper from at least 30 members of the House. There was a lengthy delay in the early part of this Parliament in getting the requisite number of members to table motions or private members bills in order to reach the point of a draw.

(1510)

That point was finally reached. A draw was held and the committee which I chair met promptly through its subcommittee. The subcommittee has met three days this week. It submitted its report this morning to the committee. That report was adopted by the committee, tabled in the House earlier this morning, and was concurred in on tabling.

The hon. member for York South—Weston was here in the last Parliament. He has known of this procedure for years. That has been the practice in the House for many years, certainly since before 1988 when I was first elected. I cannot say when the procedure was first adopted. It was modified a bit in the last Parliament to increase the number of opportunities for members to present private members bills and have them voted on in the House.

*Business of the House*

The fact that his bill was not selected is regrettable. All the bills the committee considered were important, and it came to the conclusion that certain ones would be considered in priority to others, that is they would be given a vote.

His bill will be debated in the House. It will receive an hour of debate. It may be that at the end of the time the House will be willing to allow him to go to a vote on it. I do not know; that is not a decision that I can make.

I can tell the hon. member that first of all it is not a matter for Your Honour to decide. In support of that proposition I cite page 222 of Beauchesne's sixth edition, citation 760(3):

The Speaker has ruled on many occasions that it is not competent for the Speaker to exercise procedural control over the committees. Committees are and must remain masters of their own procedure.

That is the citation and I invite Your Honour to direct the hon. member for York South—Weston to direct his criticisms, if any, to the committee. He can go there and make his submission again. He and every other member had an opportunity to appear and make their submissions before the subcommittee, which then rendered a decision.

I submit the decision was fair. He had an equal opportunity with every other member of the House who had been in on the draw to make his submission. The committee did not happen to agree with him and so he is here today complaining.

I also submit it is not a question of privilege. The committee has acted entirely properly. Its report has been tabled in the House and adopted. I suggest there is not a question of privilege here. In fact the committee has acted extremely carefully in this matter and with due consideration to all factors it is required to take into account.

**The Speaker:** Submissions have been made to the Chair with regard to privilege. I suggested the hon. member for York South—Weston might want to appear before the committee. The fact is that the report has been adopted by the House of Commons and it cannot be reversed by the Chair. That does not negate the chance of the hon. member appearing before that committee at some future date to plead his case.

At this point it is clear to me that I would rule there is no question of privilege, that the report has been accepted and that it cannot and will not be reversed by the Chair. I would like to put this question of privilege to one side.

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

**The Speaker:** Order, please. A decision has been taken by the Chair. I have made my ruling now and the ruling will stand. This question of privilege is over.

Are there any other questions of privilege or points of order hon. members would like to raise? On a point of order, the hon. member for Beaver River.

**Miss Grey:** Mr. Speaker, let us perhaps sum this up by saying that there is a process in place. The parliamentary secretary just went through it.

**The Speaker:** Order, please. I am sure the hon. member will understand that this question of privilege is over. Unless the hon. member has another point of order or question of privilege I would like to proceed with the affairs of the day.

If there are no other points of order or questions of privilege I will proceed from here to House business.

\* \* \*

[Translation]

**BUSINESS OF THE HOUSE**

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, I would like the Government House Leader to tell us what the business of the House will be for the next few days.

(1515)

[English]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, today the House will conclude the budget debate.

Tomorrow, Friday, the House will consider Bill C-5 regarding the customs tariff and Bill C-6 concerning oil and gas operations.

Next week, Monday, Wednesday and Thursday shall be allotted days. On Tuesday of next week the House will consider a motion by the Minister of Foreign Affairs to establish a special joint committee of this House and the other place to review Canada's foreign policy.

The business for Friday, March 18, next week will be legislation to be announced later.

Having given that statement of House business, I would like to say that there has been consultation and I believe if you seek the view of the House you will find agreement that the Minister of Foreign Affairs be allowed to revert to the period of Statements by Ministers to make a statement and opposition critics can reply. Therefore, considering the consultation that has taken place, I would like to seek unanimous consent for my colleague the Minister of Foreign Affairs to make his statement.

**The Deputy Speaker:** Is there unanimous consent for the Minister of Foreign Affairs to make a statement at this time?

**Some hon. members:** Agreed.

*Routine Proceedings*

## ROUTINE PROCEEDINGS

(1520)

[*Translation*]

### PRESENCE OF CANADIAN TROOPS IN FORMER YUGOSLAVIA

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, first I would like to thank the hon. members of this House for allowing me to make this statement at this time.

I would like to inform the House of a decision the government made in this morning's Cabinet meeting regarding the presence of Canadian troops in the former Yugoslavia.

You will recall, Mr. Speaker, that last January, the government consulted the House on the future of our troops in that part of the world. During the debate, a majority of hon. members stated that they were in favour of maintaining a Canadian presence within the United Nations Protection Force in the former Yugoslavia. The House decided that Canada was making an important contribution to the objectives of preventing the war from escalating and getting out of hand, trying to negotiate an end to the conflict and participating in the humanitarian effort. The House also reaffirmed Canada's commitment to its traditional role of peacekeeper, the promotion of stability and security in Europe, and the quest for a negotiated solution to the situation in the Balkans.

I am pleased to announce today that in light of that debate and the developments that have taken place in recent weeks, the government has decided that the Canadian troops, whose mandate was set to end on March 31, will remain in the area for another six months.

**Some hon. members:** Hear, hear.

**Mr. Ouellet:** The number of troops will not change. In connection with this decision, the government will consider the possibility of redeploying some Canadian troops to the Balkans theatre, if that is what the United Nations Protection Force Command wishes, to provide maximum support for the current effort to achieve peace.

In making its decision, the government took into account the encouraging progress that has been made in the area. Specifically, ceasefires have been negotiated and observed in Sarajevo. The Archbishop of Sarajevo was here in this House a moment ago, and this seems an opportune time to make this statement when all parties involved are trying to find a peaceful solution to the conflict in Sarajevo. We should also say that ceasefires have been negotiated throughout Central Bosnia, the parties in the conflict have begun serious negotiations, the airport in Tuzla has been turned over to the United Nations, and our unit in Srebrenica has managed to leave the enclave and rejoin its battalion in Visoko.

I can say today that Canadian soldiers carried out in Srebrenica an outstanding mission that brings credit to the Canadian armed forces.

We are now in a situation where major steps have been taken toward a peaceful solution, in particular the agreement between Croats and Muslims in Bosnia to form a Confederation. It is important to underline the vital diplomatic intervention of the Americans, who invited Croatian and Muslim representatives to Washington and helped them take this very big step toward peace.

Ceasefires have helped create an atmosphere of negotiation, facilitated the delivery of humanitarian aid and reduced the danger for the troops stationed in the area.

Canada has been a full participant in the diplomatic talks surrounding these developments in NATO, the United Nations and other forums. On the international scene, Canada has a duty to speak up whenever it does not agree with something but it also has an obligation to protect the unity of the allies. That is what the Prime Minister of Canada did at the NATO summit in Brussels when he vigorously opposed a military escalation in favour of diplomacy. Canada delayed the use of air strikes that could have been launched last January.

Today, without the use of air strikes, the airport in Tuzla has been liberated, our soldiers have left Srebrenica, and the peace process is resolutely moving forward. In its own way, Canada has served the cause of peace.

Under these circumstances, the presence of Canadian troops is more important than ever. We have an obligation to continue supporting the efforts being made by the international community under the direction of the United Nations in order to consolidate what has been accomplished in the past few weeks and clear the way for more progress in implementing the ceasefires and agreements. Canadian troops will be used more and more to carry out their traditional role as peacekeepers and will continue the task of helping ensure that humanitarian aid reaches the area.

[*English*]

I should also point out that Canada will continue to be an active player in the international effort to help in many ways. We will continue to provide financial support for various international humanitarian aid agencies and make military flights available to the United Nations to deliver that aid. We will continue to facilitate implementation of the United Nations sanctions, particularly through our naval units that are there.

Canada is also prepared to continue its effort in other non-military sectors, such as the presence of a large contingent of Royal Canadian Mounted Police and civilian experts. We will

*Routine Proceedings*

also continue our efforts to find an overall diplomatic solution to the current conflict.

In closing, I would like to draw special attention to the outstanding job the Canadian military is doing in the former Yugoslavia. Despite conditions that at times have been very difficult, its contribution to peace is something that Canadians can be proud of and something that we in this House of Commons should commend.

(1525)

[*Translation*]

**Mr. Jean-Marc Jacob (Charlesbourg):** Mr. Speaker, last January 25, the Official Opposition actively participated in the debate held in this House on the future of peacekeeping operations and of Canada's commitment in Bosnia.

The Bloc Québécois was totally sincere in deciding to reverse its position on this thorny and pressing issue. For a while, public opinion was shaken by the apparent futility of our efforts, the danger to which our soldiers were exposed, the costs of the operation, and the complexity of the political and military situation in Bosnia. However, the encouraging results achieved in recent days in Bosnia are restoring Quebecers' and Canadians' confidence in our commitment in that country.

In the opinion of the Bloc Québécois, Canadian missions and CIDA are great sources of pride in Quebec and in Canada. Both have helped to establish Canada's credibility in the world.

It would have been easy to give up, to pick up all our equipment and leave, but it is not how Canada earned a solid reputation as a peacekeeping nation ready to make the extra effort to preserve it, as the Leader of the Opposition said earlier.

The truth is that the Prime Minister was at least careless when he mentioned, on leaving Brussels at the beginning of January, the possibility of a unilateral withdrawal of Canadian troops from the peacekeeping mission in Bosnia. Today, the government is at last reassuring its allies, with whom it must act in concert. It could not break the solidarity pact that Canada was courageous enough to draft with its NATO partners.

The government then decided, after alarming all its partners involved in the United Nations Protection Force in the former Yugoslavia, to extend the presence of Canadian troops, whose mandate was set to end on March 31, for another six months.

However, Canada refuses to respond favourably to the urgent appeal made by the Secretary-General of the United Nations, Boutros Boutros-Ghali, who is asking for more peacekeepers in Bosnia. Since strengthening the peace process requires a larger number of peacekeeping contingents, the Bloc Québécois asked the government on many occasions to reconsider its decision not to send more Canadian troops to Bosnia.

Incidentally, on this issue, today's newspapers widely report the opinion of Canadian General Lewis McKenzie, who commanded UN forces in the Sarajevo area at the beginning of the war.

In his opinion, if the UN does not succeed in convincing member states to provide extra troops within a month, the opportunity for peace will be lost.

The government must reverse its decision and respond favourably to the urgent appeal it received, so that peace achievements to this day can be built on and moved in the direction of total peace.

Finally, I would like to point out once again the courage and dignity with which our soldiers carry out their difficult task overseas. They deserve our admiration and full support. We also think of their loved ones who are also going through a very difficult time.

[*English*]

**Mr. Bob Mills (Red Deer):** Mr. Speaker, I extend our appreciation to the minister and to this government for allowing this House to discuss the Bosnian issue in January. We have received many comments from our constituents about the excellent state of those statements. I want to extend our thank you.

This not only allowed the MPs to have input, it also gave the people of Canada the opportunity to have input. It got people listening, reading and discussing the issue. This form of consultation is not only appreciated but helps return some credibility to this parliamentary process which has been tarnished by previous governments' lack of consultation.

The situation in the former Yugoslavia is not one which has an easy solution. As we expressed during the debate, none of the warring factions are totally right or totally wrong and an easy settlement is not possible.

(1530)

Like the minister we appreciate the level of service our troops have shown and continue to show. Certainly their actions are what build the national pride in this country and make us the proud Canadians we are. The level of humanitarian aid which has been provided is unquestionable and the fact that our presence has made a difference is obvious.

Because a tenuous ceasefire has been in force for some two weeks now it appears that the will of the people to settle their differences may exist and we should help to make it happen.

Because some light appears at the end of the tunnel, we agree with this announcement today. I wish, however, this announcement would have included a cost estimate for this decision. We simply cannot keep making statements in the House and not include what it costs.

*The Budget*

As I understand it, we will incur an additional cost for such things as delivering more humanitarian efforts, more military flights, enforcement of the UN sanctions, the RCMP, civilian experts, and so on. The depth of our financial crisis must be recognized and must be foremost in every decision we make.

**The Deputy Speaker:** I see the member for Kamloops rising. Is there unanimous consent to have the member for Kamloops give a position on behalf of his party?

**Some hon. members:** Agreed.

**Mr. Nelson Riis (Kamloops):** Mr. Speaker, I thank my colleagues in the House of Commons for this generosity.

I feel today it is appropriate to join with others to thank the Minister of Foreign Affairs for his statement in the House today following up on the tradition that was first introduced in the debate in the House of Commons. As my friend in the Reform Party indicated, we appreciated the opportunity to share our views on behalf of our constituents and our political parties as to what the course of action ought to be in our judgment.

At that time our spokesman, the hon. member for Burnaby, indicated a Canadian presence ought to be maintained, the traditional role of Canada in its peacekeeping tradition ought to be maintained, and it was crucial that our presence be there.

I am pleased that the minister has taken time in the House today to announce the government's decision. We support that and encourage that.

In conclusion, I simply want to say that we want to acknowledge the extraordinary contribution Canadian troops have made to bring peace to this troubled part of the world. We also recognize, as my colleague in the Bloc earlier indicated, the support for the families. They also have borne a tremendous burden in this effort as their friends and loved ones were serving in the former Yugoslavia area.

There is a cost associated with this initiative. While we must be sensitive to that cost, if our contribution along with others representing the United Nations can be there and can bring peace to a part of the world where we have seen what can only be described as barbarism, it is a worthwhile cost.

I thank the minister for his statement in the House today. We support it and are very pleased that our troops will be there to assist in peacekeeping and making the peace for the next six months.

**GOVERNMENT ORDERS**

[*English*]

**THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion.

**The Deputy Speaker:** Before the member for Crowfoot begins his maiden speech—

[*Translation*]

—I wish to inform the House that because of the ministerial statement, Government Orders will be extended 14 minutes, pursuant to Standing Order 33(2)(b). The hon. member for Crowfoot has the floor.

[*English*]

**Mr. Jack Ramsay (Crowfoot):** Mr. Speaker, as I rise to give my maiden speech in this House I would like to extend my personal congratulations on your appointment as Deputy Speaker. I would like to express my feeling of respect and honour for the career that you have had in politics. It is truly an honour for me to be making my maiden speech in this House with you, a fellow Albertan, in the chair.

(1535)

I would like to begin by taking this opportunity to thank the people of Crowfoot, my constituents, for giving me the privilege of representing them in Ottawa. The Crowfoot riding is comprised primarily of farmers, ranchers and people in the service industry who are hard working, honest and frank.

I have pledged to represent their views in the same open manner in which they conduct their lives. I live in Camrose, the largest urban centre of Crowfoot, with my wife, Glenna, and our four children Anne-Marie, Jackie, Spencer and Sterling. I would like to put it on record that I love them very much and I miss them very much. I appreciate the position of all hon. members who are separated from their families for long periods of time and the position of their families as well.

I am proud to represent this riding which is named after the great Blackfoot chief, Crowfoot. Although the Blackfoot band is no longer in my riding, its present chief, Striker Crowfoot, is a direct descendant of Chief Crowfoot. We met with him some time ago as a caucus committee and it was wonderful to sit in his presence and listen to his wisdom.

Given that my riding is larger than the province of Nova Scotia, it is a real task to travel to each part of my riding to consult with my constituents but I am committed to listening to the numerous opinions and concerns of the people of Crowfoot and to making their voices heard in the nation's capital.

*The Budget*

During the election I encountered a great deal of anger, frustration and a feeling of betrayal from the voters that stem from a belief that the politicians and government had violated the faith and trust that people had placed in them, that members of Parliament had exceeded the parameters of fair play and common sense and that they had been irresponsible in the manner in which they had conducted the affairs of this country.

The people of Canada know that the stability of every organization, whether it is the family business, church or community organization, is governed by the fundamental law of economics which simply states that one cannot continually spend more than one brings in. If one does, one's organization will cease to exist.

For more than 20 years the people of Canada have seen their government violate this fundamental law of economics. By doing so, the government has left the impression it is beyond the law and immune to the consequences of non-adherence to the economic principles that govern the private sector.

The federal government has not balanced its budget in 20 years. It has simply refused to live within its means. This government's budget has shown that it is no different than the past Tory and Liberal governments that have brought us to the brink of financial despair.

It has ignored the enormous danger that overspending and over taxation poses to the economic well-being of our people and our nation, and by doing so has displayed contempt for the principles of economics that govern the private sector and that ultimately hold such dire consequences for every citizen of this country.

The greatest threat to the economic stability of the individual and the family is the unrestrained power of government to tax away our wealth. The federal government has increased taxes more than 35 times in the last 10 years, adding a tax burden of close to \$1,900 to the average Canadian family.

The Fraser Institute claims that over 50 per cent of all we earn now goes to the three levels of government in the form of taxation. In spite of the enormous amount of wealth the federal government has taken from the people each year, we find ourselves in a debt hole of over half a trillion dollars and plunging another \$40 billion into debt this year.

This represents a colossal mismanagement of Canada's fiscal and monetary affairs and a degree of irresponsibility unheard of in the private sector. While the politicians have been plunging us into debt the people of this country have watched as the same politicians gave themselves pensions so extravagant and outrageous that Mr. Clark, for example, will receive over \$3 million in benefits by age 75 and Perrin Beatty will receive close to \$5 million.

These politicians take home a pension cheque each month greater than the paycheque of the average Canadian worker. This is unfair and unacceptable.

(1540)

The perception that politicians ignore proper practices and procedures has been reinforced in the past five years by the almost daily violation of the rule of law that governs the procedure of the House of Commons by members of Parliament.

On almost any day during the previous Parliament, Canadians could have tuned in and witnessed a violation of Standing Order 16 when hon. members interrupted procedures by shouting, hollering and hurling insults at each other. Canadians watched the complete disregard for the rule of law that governs the procedure of the very institution that creates the laws of this nation.

When hon. members show contempt for the rule of law in this House, why should we be surprised when those outside this House show a similar contempt for the law?

If we as members of Parliament cannot govern our own feelings and emotions, why should the people trust us to govern the affairs of this nation?

No wonder people have lost faith in their government and no wonder politicians are held in such contempt across the country. The faith and trust of Canadians have been violated and they feel betrayed.

What has been the result of this feeling of betrayal on the part of Canadians? The reaction has been two-fold. The political reaction of Canadians has been the complete destruction of the Tory government, the decimation of the NDP caucus and the election of 52 Reform MPs who campaigned on a platform of fiscal restraint, tax relief and parliamentary reform.

The economic reaction of Canadians to this betrayal of trust is much more ominous. An underground economy has developed in this country which some estimate at \$100 billion per year. People are opting out of a tax system which they consider to be unfair and threatening to their personal and family survival. Canadians living near the U.S. border are shopping in the states to avoid the GST and other taxes. The number of normally law-abiding citizens willing to risk prosecution to purchase bootlegged cigarettes and other products to avoid high taxes is growing. These people are rejecting our tax system because they consider it unfair and a threat to their economic survival.

They see government over-spending and they see the waste of taxpayer's dollars on every side and they feel betrayed. They see a justice system run amok; a parole system that releases violent criminals onto the streets who continue to rape and murder; a Young Offender's Act that cannot hold 10-year olds accountable for their criminal conduct. They see legislation that is impotent and unable to protect society against criminal acts; legislation

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such as the ill-conceived gun control bill which is wrongly aimed at law-abiding citizens and not at the criminal use of firearms.

Canadians have seen wave after wave of political patronage which has such a demeaning and destructive effect upon the integrity of politicians and government in the minds of Canadians. Now they hear the Prime Minister telling them it is disgusting and revolting to allow them the right to have a say in deciding important issues, moral issues like mercy killing.

The Prime Minister repeatedly reminds this House that Canadians knew what was best at election time. It was not disgusting and revolting for them to participate in the election of their representatives. However, as soon as he became Prime Minister he suddenly knew what is best.

From this I know best attitude, the hallmark of the Trudeau and the Mulroney administrations and now continued by the present Prime Minister, we have a nation beset with high taxes, enormous debt and a justice system that cannot protect the property and lives of Canadians.

In spite of all the budget consultations throughout the country, the I know best attitude is still evident. Canadians did not ask for or want another \$100 billion added to the debt and yet that is exactly what the Liberal government is doing with this budget.

The government did not inform Canadians of this planned addition to the debt and it has omitted mentioning the dangers of adding \$100 billion to the existing debt of half a trillion dollars.

Why does this budget not say a word about the consequences this will have upon our nation and our people? What will it do to our social programs, to our economic stability, to our international credit rating and to the one million children reported to be living in poverty? What will the addition of another \$100 billion to the debt do to further enhance the sense of betrayal felt by a growing number of Canadians throughout this country?

(1545)

This budget shows a lack of concern with the debt. This government is spending \$3 billion more this year than last. It is taking more money from Canadians and out of the economy than it did last year. This budget shows no concern for the dangers to Canadians posed by the ever-rising debt.

Past governments, including Liberals, showed no concern about the dangers of debt. The Liberals left us with a \$200 billion debt in 1984. The Tories could not handle that debt and simply added another \$300 billion to it.

Now this government is promising to add \$100 billion to the federal debt in the next three years with no mention of the devastating consequences this debt poses for our nation and our people.

This irresponsible action by the governments of the old line parties which is contained in this budget is absolutely unacceptable to me and to Canadians. These governments through the force of law have imposed a tyranny of debt and taxation upon the people of this nation. The mismanagement of our fiscal and monetary affairs by this and past governments is destroying the economy of this nation.

The life of this nation depends upon the economy and it depends upon the spirit of the people who constitute the nation. The feelings of anger, frustration and betrayal run deep in this country and are taking their toll upon the spirit of Canadians.

Nothing will change those feelings until Canadians are able to place their trust in the people whom they have chosen to govern them. This budget could have been a start. This budget could have helped heal the broken economy and sparked the spirit and hope of our people. It has not done this.

In closing, I would like to address the good that is in this budget and there is good in this budget. It has been spoken of by members on both sides of the House. From my particular viewpoint, I view the good in this budget like adding a needed piece of furniture to a house that is burning down.

[*Translation*]

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I rise today to support the budget that was tabled on February 22 by my colleague, the Minister of Finance.

The federal budget has set out a responsible course of action to bring the deficit under control and put Canadians back to work. It builds on the need to tackle the deficit, reform social programs and devise plans to assist our unemployed.

This budget reflects the government's belief that, by working together with Canadians, we must make changes to improve the economy. The budget's provisions will have a significant impact on every Canadian, but I believe the Minister of Finance has struck an equitable balance between spending restraints and carefully-planned measures that will encourage economic growth.

The goal of the budget, said the Minister of Finance is, and I quote: "— a balanced approach to fundamental reform—to create jobs, to continue to care for those in need, and to get the deficit down". Indeed, the diverse nature of Canada's economy places ever-increasing importance on a fast, reliable and low-cost transportation system.

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Transportation is the life-support system of the country's exports and a critical factor in the competitiveness of Canadian industry. A prime example of the importance of transportation efficiency is the share of export prices attributable to transport costs. Between 18 and 45 per cent of the selling price of our primary products—coal, forest products, grain and lumber—goes to transportation. Transportation represents an estimated five per cent of the cost of manufactured export goods and, in some cases, is as high as 17 per cent.

(1550)

The transportation industry is a major employer, providing for more than 442,000 direct and 378,000 indirect jobs—many of them highly skilled.

*[English]*

There are many significant challenges facing the transportation sector in our country. Changes brought about by the General Agreement on Tariffs and Trade and the North American Free Trade Agreement demand an efficient transportation system. With the globalization of markets and new trading arrangements, Canada's focus is shifting to the growing north-south traffic and our increasing exports and passenger travel overseas.

Our east-west transportation demands must continue to be met and these needs should expand in the future with the successful completion of internal trade negotiations and improved market access for our primary commodities through the Uruguay round agreements.

However, our transportation industries, notably the airlines and railways, have suffered and continue to suffer major financial losses. Canada's two major airlines are in serious financial difficulty. Only time will tell whether they can survive.

Recent developments, such as the end of the Air Canada legal action and the entanglement with Canadian Airlines International over Gemini and other issues, illustrate our commitment as a government to work closely with the industry in every way and certainly to try to improve its commercial viability and its ability to compete in the global marketplace.

We are looking forward to analysing any proposals that may be brought forward by CN and CP to merge or otherwise rationalize their operations in Canada from coast to coast. Our evaluation of any rail rationalization proposal will attempt to strike the appropriate balance between the needs of users and the interests of workers. However, I want to stress that for me, for the government and for the department our primary concern will be the interests of the Canadian taxpayer.

Our decision will take into account the many dynamic changes in the North American rail industry and the economy in general, including the growing importance of north-south traffic, intermodal competition and integration, the possibility of

increased competition from south of the border, which certainly exists, technological change and any potential economic efficiencies we may be able to achieve.

VIA Rail is another entity for which our department is responsible and which faces a very, very troubled future. There will have to be a remarkable combination of efficiency gains at VIA Rail and rationalization of its operations or the cost to the Canadian taxpayer to support VIA will escalate even far beyond where it is now.

We have to recognize that some of Canada's transportation systems are overbuilt and far too heavily subsidized. Ninety-five per cent of all Canada's air passengers and cargo are handled at only 25 of our many, many airports. Eighty-four per cent of rail traffic is carried on 33 per cent of the lines. Eighty per cent of port traffic passes just through 5 per cent of our ports.

We are spending a lot of money in this country for transportation. In the main estimates we have indicated that it is the government's intention to spend \$619 million on the Canadian Coast Guard, \$710 million on the air navigation system, \$430 million on airports. We will pay \$331 million for passenger rail services, \$159 million for ferry services, nearly \$650 million under the Western Grain Transportation Act and in excess of \$100 million on the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act.

These are huge numbers, beyond the comprehension of most Canadians, but they are numbers that are going to have to be looked at very seriously.

*[Translation]*

We must separate the desirable from the essential—and the essential must be the focus of the transportation system of the future. There are tough decisions to be made. In this context, the budget calls on me, as Minister of Transport, to discuss with my provincial colleagues the development of a highly-effective, integrated, affordable, surface freight transportation system, and the redirection of subsidies to improve the efficiency of that system. For example, it has become clear that the national highway system in this country needs to be upgraded. The provincial and federal transport ministers have agreed on what has to be done. Now, the finance ministers must find a way to pay for it.

(1555)

*[English]*

Scarce financial resources must be redirected to the development of an integrated, multimodal, affordable transportation system. We must bring together many of the components that are available to us in the transportation sector to make sure we have the best possible system. The challenge undoubtedly is going to be very difficult for industry to meet, especially for the railways and airlines when they are struggling to find more efficient ways



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to conduct their business. The government too has to meet the challenges of very limited resources.

For our part at Transport Canada, we are implementing our own cost-cutting initiatives in keeping with the provisions contained in my colleague's new budget. We are pursuing approaches that involve a mix of modal integration, pragmatism, innovation and most of all hard-nosed realism. We are focusing on solutions that will be important for Canada's future rather than dwelling on the romanticism and nostalgia of the past, as important as Pierre Burton's view of Canada might be.

The budget provides for increases to the air transportation tax, an opportunity to demonstrate that we want to reduce the transportation cost burden on the taxpayer and shift costs to those who use the various systems.

[*Translation*]

Transport Canada provides many services. Users are contributing 42 per cent of the \$2.1 billion cost of these services, but the taxpayer is picking up the remaining 58 per cent.

We are going to ensure that those who benefit most directly from a service or facility pay a fair share of the cost. A better balance between taxpayers and users was strongly supported by the Royal Commission on National Passenger Transportation and by the National Transportation Act Review Commission. Let me emphasize that Transport Canada's proposed fee increases for 1994-95 are related directly to inflation rates since the last increase.

[*English*]

The time has come for government to look at new ways of providing services. In his budget the Minister of Finance stated that we would look at initiating the concept of commercialization at Transport Canada.

I am a strong believer in the ability of the private sector to get the job done. In Canada, if ever there was a time when those who do the job best should be allowed to do just that, this is it.

We will look at every opportunity to collaborate with the private sector to provide transportation services to Canadians. We will not be timid about asking the private sector to do what it can do best. We will also make sure that the role of government, however, continues to be to set policy and to ensure adequate services for all Canadians.

Traditional ways of the past do not allow today for quick responses to rapidly changing needs. The government does not have to own and operate a system in order to achieve its public policy goals. I believe that commercialization is an attractive option since it brings business discipline to the provision of services often traditionally delivered by government.

Commercialization can take many forms from government operations to non-profit entities, special operating agencies and crown corporations and can include privatization, can include mixes of those various components. Regardless of the form it means we must adopt a businesslike approach which is more efficient, more responsive to clients and less dependent on the Canadian taxpayer. The benefits can be better capital planning, access to private financing, faster approval, easier introduction of new technologies and more user and client input.

There is great potential for commercialization including for example the air navigation system, St. Lawrence seaway activities, short line railways, coast guard. I believe that commercialization in these and many other areas of government activity can bring major savings to taxpayers and better service to clients. Any move to commercialization will respect our government's commitment to maintaining Canada's high standards in the transportation sector.

(1600)

We cannot ask more of users than we ask of ourselves so I am pleased to tell the House today that new management initiatives at Transport Canada with respect to overhead costs will result in annual savings of some \$50 million. This will involve the reduction in the number of positions in our department by about 1,000 over the next four to five years.

Overhead costs will be examined every year and in this context Transport Canada managers are aware of my very serious and deep concern about employees who may be affected by such changes that they must be dealt with sensitively and fairly in accordance with the government's workforce adjustment policy.

Over the years Transport Canada has achieved significant reductions in expenditures in the provision of facilities and services. Overall the net result has been a reduction, for example, in operation budgets from 1985-1986 to 1993-1994 of \$5 billion.

During the same period the workforce was reduced by 2,400 person years or over 11 per cent. These reductions have been achieved despite an increase in most aggregate workload indicators.

I have discussed some of the transportation issues that must be examined in the context of our new budget. I believe the components of the budget and the actions we are taking together with the co-operation of users of transportation services represent a balanced national program to meet Canada's needs.

Our government is fully committed to helping Canadians build a stronger economy. We intend to move forward on policies that will bring immediate gains in transportation efficiencies and we will try to protect jobs but we have to maintain transportation security and safety.

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Canadians want to control their future and they are very respectful of their past. I have said on many occasions that aside from railroads and the nostalgia of the building of this great country, as important as it might be, we now have to look at the realities we face today. I will paraphrase the words of Geoffrey Simpson in the introduction of his book "Faultlines". He discussed the national railway as the national dream of the 19th century.

I think for most Canadians, as we go through this process of trying to find an equitable equilibrium between our resources and those services we want to provide for Canadians, recognize that there is a national dream at this stage in our nation's history. It probably has to do with taking care of people in social programs such as medicare.

Times have changed and we are going to have to reflect that. At Transport Canada because of the tremendous contribution that various sectors in the transportation industry have made to the development of Canada I know it is very difficult for many to accept these changes.

I believe that Canadians insist that their government have the means to maintain vital programs, policies and services and that we must have the flexibility to respond to priorities that we have become all too much aware of.

A national, integrated and affordable transportation system is not the new national dream. As we prepare for the 21st century a national, integrated and affordable transportation system is a national necessity.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont):** I can say that after listening to the Minister of Transport, there is one point on which I agree: if our current railway network corresponds to the national dream, that dream is pretty obsolete.

After listening to his speech, I concluded that the Minister of Transport had become a subsidiary of Treasury Board, because he told us basically that we had to cut costs and raise fares. I expected some vision of the future.

He told us that if there was a merger between CN and CP, they would examine it. But why does the minister not make a merger mandatory and provide clear guidelines on maintaining essential services, cutting costs and making railway services competitive?

(1605)

Why is the minister waiting for CN and CP to come up with proposals, when today we are told this will take at least another year. Meanwhile, they will sell off assets. A lot of this property is on railway lines, and major assets will be transferred to real estate subsidiaries of these companies. These assets are now

worth a lot of money and were probably acquired for a song, with government assistance.

There is another matter that is even more important for the future of this country, and the Minister of Transport did not even bother to mention it. The high-speed train project for the Quebec City-Windsor corridor, a project for the future, a project based on new technologies that will be able to meet both transportation requirements of a billion dollar North American market for new technologies, and would you believe, Mr. Speaker, the Minister of Transport did not say a word about this project?

Could the Minister of Transport perhaps give us some idea of what the prospects are for the future?

**Mr. Young:** Mr. Speaker, regarding the hon. member's comments about the merger being discussed by officials of CN and CP, we said that we will certainly consider the proposal that might be made to the Government of Canada as CN's shareholder.

Of course we are willing to look at all these possibilities. Those who know Canada's railways even a little already know that Newfoundland and Prince Edward Island do not have any rail service. CP will abandon its lines in eastern Canada, east of Sherbrooke, next January.

My hon. colleague was there when all these things were decided by the previous government. For our part, we will certainly listen to what the two railways have to suggest to us. We are very aware of the need to find an efficient system that can be maintained in Canada, but we insist that all elements of the transportation sector must be combined in a system that is efficient and that we can afford.

Line abandonments will certainly continue. The Canadian taxpayer is certainly unable at the end of the 20th century to support a system that was undoubtedly efficient 30 or 40 years ago, but we are trying to phase it out as fairly and equitably as possible, taking account of other alternatives.

As for the high-speed train, my hon. colleague no doubt knows that the governments of Quebec, Ontario and Canada are now conducting a multi-million-dollar study. This study is to be completed in the spring and I hope that a report will be available to us this summer. I believe that it would be very wrong of me to say whether or not we should have a high-speed train system before listening to our colleagues from Quebec and Ontario, because we think that they have worked hard and deserve a hearing when they come to us with a report.

[*English*]

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, I would like to congratulate the minister on his speech. It was certainly positive and we need to look forward to efficiency at a reasonable cost today.

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The minister is genuinely trying to go in that direction. It is encouraging that the ideas coming out have not been shown in decades. I congratulate the minister for that.

Airports, particularly small airports in this country, have cost taxpayers millions of dollars. That is unfortunate but sometimes often considered necessary because small airports have trouble getting revenue from landing fees, expansion, and so on.

In my own community the Abbotsford airport, home of the International Abbotsford Air Show, has been trying for several years to have its own airport authority which would have seen the result of fewer tax dollars in the federal government and local taxing authority looking after the airport.

(1610)

In many discussions we had in previous years with the previous government it seemed that we got into the bureaucracy and there ended what would be considered a fruitful discussion.

I wonder if the minister might enlighten us as to where these small airports are going to go eventually. Is the minister open to trying to get some of these communities that want their own airport authorities to get them moved from the Department of Transport locally?

**Mr. Young:** Mr. Speaker, perhaps a small airport, yes. We are all very familiar with the activity at Abbotsford with the big air show.

I reassure my friend that it is the intention of the government to facilitate the devolution of operations for airports to communities across the country. We will probably encourage them very aggressively to do that.

I want to indicate that the operating budgets for smaller airports generally speaking should be manageable. We do recognize that the capital investment is not always possible. It is very difficult to raise capital. It is very difficult to find sufficient capital to be able to do the things that are required to maintain the levels of service at airports.

We want to be very even handed about it. We have said that with respect to Pearson and other large airports across the country. We want to be consistent. It is our philosophy to look at the wide range of options from government operated airports all the way out to privatization.

I suspect that we will be recommending a form of local authority with some degree of accountability. Where individuals from the community who best know their needs manage those airports in a form of relationship with the Government of Canada that will respect the interest of the Canadian taxpayer, we intend to do that very soon.

[Translation]

**Mr. Philippe Paré (Louis-Hébert):** Mr. Speaker, I listened very carefully to the Minister of Transport who said that some significant investments of the order of \$470 million are expected for airports, at least in the budget, if I understood correctly.

Also, I took note of the answer he gave to the hon. member for Rosemont earlier in which he said that he could not commit to a high-speed train project because a study was underway. I would like to point out to the minister, before I ask him a question, that all the studies on the expansion and upgrading of Jean Lesage Airport are done. They have been shelved and we are only waiting for the Minister of Transport to release the money needed to go ahead.

I would like to remind the minister that, in the Summer of 1993, this facility was given the status of an international airport. However, we are under the impression that this is only a token status, since Jean Lesage Airport is in rather poor shape, compared to other airports in Halifax, Winnipeg, and Edmonton. It only has a third of the space these other facilities have.

Does the minister intend to do something in 1994 to expand this international airport so it can meet current needs? There is consensus among experts in the field on this issue.

**Mr. Young:** Mr. Speaker, I am well aware of the situation in Ancienne-Lorette with respect to Aéroport Jean-Lesage, Quebec City's airport. You are correct in saying that studies have been carried out and proposals and specifications have been drawn up. I am sorry to have to tell my hon. colleague that we have not been able to do everything in four months. When we started to review these files, plans had been under way for some time already. Discussions had taken place and representations had been made. I regret that the previous administration was unable to complete the Quebec City airport project.

However, I want to assure the hon. member that we are working on proposals based on what it would cost to carry out the needed work at the Quebec City international airport. I hope that I will have an answer for him fairly soon. However, while we are on the subject of the budget, the figures that I quoted in my speech are generally associated with the cost of airport operations, rather than with airport construction costs. I hope that a decision can be reached, and that the comments of my hon. colleague will be taken into consideration.

(1615)

**Mr. Antoine Dubé (Lévis):** Mr. Speaker, I welcome this opportunity to comment on the Budget brought down by the Minister of Finance on February 22.

As a member of the Standing Committee on Human Resources and as the Official Opposition critic for training and youth, I

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think, Mr. Speaker, it is only appropriate that I should address the social impact of the Budget and especially the impact on the future of our youth.

I would like to start by discussing the proposed changes in the unemployment insurance plan, because I think that is where the Liberal government has been most remiss since it was elected. But is unemployment not our most pressing problem?

In 1989, one million Canadians were unemployed. In 1993, there were 1.6 million, an increase of 60 per cent. Unlike what the Liberals said when they were in the opposition and during the last election campaign, they are applying the same policies as the Conservatives, in other words, they would rather attack the unemployed than try to create jobs.

For instance, they decided to maintain the increases in unemployment insurance premiums proposed earlier by the Conservatives. Although yesterday during Question Period, the Minister of Finance admitted this did not make sense, he will not make any changes for another year, apparently hoping that the social program reforms being discussed today will provide the necessary funding to create 40,000 new jobs next year.

Why not do it this year? After all, the government had no qualms about cancelling the helicopter contract and backtracking on the privatization of Pearson airport. Freezing unemployment insurance premiums last January would have been easier than rolling them back a year from now.

Generally speaking, the changes in the unemployment insurance program will mean that people will have to work longer to be eligible for lower benefits received for a shorter period of time.

A study by professors at the department of economics of the University of Québec in Montreal shows that more than half of the cutbacks announced in the latest federal budget will be at the expense of Canada's unemployed.

By introducing different benefit levels, the government is dividing the unemployed into two categories: low income unemployed people with dependants and the others. To justify its decision, the government cites a supposed notion of equity, when instead it is a breach of the universality principle which has been the cornerstone of our social programs since the beginning. It amounts to discrimination based on family status.

For example, what will happen to equity when both spouses are unemployed? Which one will be entitled to higher benefits? Time does not allow me to give more examples, but there are a lot more. With more diversified eligibility standards, it will become increasingly necessary to monitor claims. After the boubous macoutes we have seen in Quebec, are we going to have Martin macoutes and Axworthy macoutes?

Another one of the perverse effects of UI reform is the fact that it passes the buck to the provinces. By reducing the duration of benefits and delaying eligibility, in a time of high unemployment, this reform will push more people onto welfare, which will mean more expenses for the provinces and a loss of dignity for individuals.

(1620)

Furthermore, a greater number of persons who want to participate in various training programs will be disqualified because, as you know, most of the federal training programs are now intended for UI recipients.

On the other hand, if the benefit period is shortened, unemployment insurance reform will lead some people to accept insecure, often low-paying jobs bearing no relationship whatsoever with their skills. By forcing them to accept low-paying jobs just to survive, we are preventing these people from seeking more appropriate employment.

Is that this government's new philosophy on human resource development? Being unemployed often pushes people into insecure, precarious jobs. The proposed reform affects honest workers who are actively looking for work and who have a hard time finding a permanent job because of the present economic situation.

Several studies have shown that more than 90 per cent of the unemployed have lost their jobs through no fault of their own or are looking for their first job. Most of them have no control over the duration of that job. The problem is not that the unemployed do not want to work, but rather that there is not enough work for everyone.

I also want to mention some statistics regarding our young people, such as the fact that 17.5 per cent of young Canadians and 20 per cent of young Quebecers are currently unemployed, for a total of more than 600,000 individuals. In Canada as well as in Quebec, the drop-out rate in high schools is around 30 per cent. According to a report published by the Conseil permanent de la jeunesse du Québec, close to 40 per cent of young Quebecers live in poverty. Across the country, there are two million young people under 30 who live below the poverty level.

Yet, in its budget, the federal government offers nothing really new to young people. The Youth Service Corps, which was widely publicized in the red book, seems to be the only government initiative for our young. Some meetings took place in December and in January, but a report has yet to be released.

According to the most recent information, that is according to copies which were circulated when those consultations took place, the Youth Service Corps would only include 2,500 young people the first year, 5,000 the second year, and 10,000 after three years. Is that an adequate measure, considering that there are 600,000 young unemployed in Canada? We do not think so.

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Moreover, it seems that young people participating in this program would only receive \$61 a week if they still live at home, and \$121 otherwise. Ask yourself this question: Would you accept such an arrangement for your own children who are old enough to work?

To make things even worse, the Youth Service Corps seems, for the time being, more geared to occupational activities, with no direct link to the labour market, as was the case with the Katimavik project abolished by the Conservatives in 1986.

So far, all the organizations dedicated to helping young people which have been heard by the Standing Committee on Human Resources Development have said that when young people leave school they need practical and relevant experience to find real jobs. The federal government would be well advised to increase its financial support to existing organizations instead of creating another structure such as the Youth Service Corps.

Since I sit on the Standing Committee on Human Resources Development, I would like to conclude by relating what I have heard over the last few weeks from various groups and individuals during our public hearings on social programs reform. What has struck me so far is that the majority do not seem to be in favour of a reduction of resources, quite the contrary. Other trends are also evident. There is fairly widespread support for a major decentralization of the management of social programs and for greater involvement of local communities.

(1625)

Also, it is increasingly obvious in this consultation that there are two social realities in Canada and two expectations with respect to the federal government.

Some groups in English Canada want a greater federal presence in social security and even more national standards; on the other hand, Quebec groups and organizations in general have a completely different vision. They turn more to the Government of Quebec. But the most significant trend with all groups is deep concern about employment. Obviously, we must bring together all available resources and target all our efforts to increasing the number of jobs.

*[English]*

**Mr. Art Hanger (Calgary Northeast):** Mr. Speaker, I have a question for the hon. member.

The Official Opposition talks about reducing the deficit but continues to seek increases in federal transfer payments. The Official Opposition talks about deficit reduction by cutting government administration, yet federal transfer payments and social programs amount to 60 per cent or 70 per cent of the budget. The books cannot be balanced without cutting federal transfer payments to the provinces.

When will the member realize that his plan falls considerably short of doing any such thing as reducing the deficit when he insists on having lucrative social programs supported by the federal government?

*[Translation]*

**Mr. Dubé:** Mr. Speaker, my answer might sound, to the hon. member's ears, like a repetition of what has already been said, but I believe that, at times, repetition is a good thing.

First, as far as job training is concerned, it is clearly established—and nobody denied the validity of the figures—that the elimination of all duplications would produce savings of \$250 million in Quebec alone, which extrapolated for the whole country would mean a billion dollar saving. This is a first step.

The Bloc Québécois never concealed the fact that it wanted cuts in military spending, but we were talking about administrative costs. In that sense we agree with several comments of your party. However, there is another question to consider, and that is unemployment among young people. Allowing young people with a university or college degree, and very often a heavy debt load, to be without a job paying decent wages, is denying the government revenues in the future, revenues that could help finance its spending program. More unemployed young people means more spending and less revenues. It is very important that we reflect on this and that we do it rather quickly.

Being unemployed is always traumatic, but for young people, studies have shown that failure to find employment related to the acquired knowledge or skills within two years can lead—and this is a widespread conclusion—to total despondency and erratic behaviour. This in turn could create serious social problems and significant expenses. So, we can expect more spending in the future and, primarily, people who will be unable to contribute to deficit reduction.

(1630)

**Mr. Jean-Guy Chrétien (Frontenac):** Mr. Speaker, in response to the Minister of Finance's budget statement, I would like to make a three-pronged retrospective. First of all, I would like to talk about the last election campaign, about the purgatory of the federal Liberal Party, the nine years it spent on this side of the House, and also about the nine years the Conservative Party was in office.

During the last election campaign, the party in office, under its leader, created a lot of hope among the people. Quebecers, as well as Canadians, were given the usual package of election promises and slogans which they sincerely believed in for a while.

Today, we have a rude awakening. We suddenly realize that we did not have just a bad dream, but that, once again, reality is striking us savagely in the face. The change of direction that Liberals were proposing is quickly becoming totally mean-

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ingless, and people are stuck with this monotonous, Conservative continuity, void of all rigour and fairness.

This government, opposite, promised without any restraint a major job renewal to the people, and here I quote a part of what it was promising: "We will, once and for all, put the people of this country back to work". What a lie!

Quebecers and Canadians fell into a trap. That party that now forms the government is far from the innovation that it was promising in the red book, and I quote again: "When we form the government, we will innovate, we will look at our problems in a new light. We will not go for the usual recipes". Again, what a lie!

National Defence, public service, unemployment insurance: the same targets, the same cutbacks as those of the previous governments, whether Conservative or Liberal.

On top of that, this government has misled the average workers, the senior citizens and those in need by emphasizing interesting future opportunities through a rewarding job or through social programs which would be humane and sensible.

It is quite obvious that the people of the county of Frontenac as well as those from the other counties in this country, once their votes were assured, were ignored, scorned by this government, which is quite clearly demonstrated in this budget. As a popular song written by the great Quebecer Felix Leclerc says: "The day before the election, he calls him son, but the day after, as one might expect, he has forgotten his name".

The average taxpayers from the county of Frontenac and elsewhere were deceived and they are the ones who will have to pay the tab. The Minister of Finance predicts a revenue increase of 15 per cent for 1995-96.

This increase will have to be made possible through additional taxes imposed on the middle class taxpayers, because of the 10 million taxpayers, almost 85 per cent declare an income which is less than \$30,000. So it is an unfair and shocking measure.

Older people as well are getting a taste of the same medicine since they are progressively losing their tax credit while dividends on shares and family trusts are still exempt from tax. It is the very taxation system which is scorned by this government.

(1635)

How am I going to explain to the unemployed in the riding of Frontenac—whether it be in Thetford Mines, East Broughton, Sainte-Méthode, Coleraine or Plessisville, that this liberal government has no plan whatsoever to create jobs and has not considered any—I repeat, has not considered any—long term job creation measures?

How am I going to explain to the people of the riding of Frontenac that this budget does not contain any measures to stimulate economic growth or any measures regarding job creation, in view of the fact that this government has been elected on a platform that proclaimed loudly and clearly its strong commitment to the creation of good jobs to restore dignity and hope?

Yet, Canadians, in particular Quebecers, have two clear and well defined objectives. First, they want a government that creates jobs and at the same time a government that has a broad plan towards employment. Second, they want the government to be more responsible in its management of taxpayers money, especially in these times of recession.

How am I to explain to the unemployed in the riding of Frontenac that from now on, the period during which they will be allowed to receive unemployment benefits will be shorter, that their benefits will be 2 p. 100 less and that they will have to work longer in order to qualify for unemployment benefits, so as to help reduce the deficit? How do I explain to unemployed workers that they must tighten their belts while the member for Hull—Aylmer, the Minister of Intergovernmental Affairs, spends more than \$150,000 in travel costs to give a brief speech—listen to this—on the benefits of sound management?

How do I explain to them that the Minister of Finance spent \$800,000, or nearly \$1 million, on public consultations? How do I explain to the president of the seniors club of Saint-Alphonse parish in Thetford Mines that 800,000 people age 65 and over will see their age credit reduced or quite simply eliminated, depending on their income, while at the same time, the Governor General hosts a costly reception to mark the opening of the 35th Parliament?

My constituents no longer trust the old-style federal politicians who often treat them with cynicism and indifference. The Minister of Finance saw this for himself during the last election campaign during a swing through Thetford Mines. At the Balmoral, barely 30 people showed up to greet him at a \$30 a plate evening fund-raiser. Not 3,000 people, but barely 30 voters.

The budget is unfair in that it spares the wealthy, who are often friends of the government, contribute to the election coffers and enjoy a strong, well-organized and effective lobby to influence the policies of the Minister of Finance.

With his half-laced Kodiak work boots, our Minister of Finance was not a bit like our asbestos miners. He bore no resemblance whatsoever to a good, hard-working individual. It was a disgraceful spectacle, one that only seasoned actors can get away with. Only, the spectators certainly did not enjoy being the butt of this joke.

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(1640)

The clever tricks employed by the Minister of Finance during the pre-budget period did not escape the public eye. No one was fooled by the old trick of setting people up well in advance to expect the worst in order to get them to swallow a very bitter pill.

However, and this concludes my remarks, the medicine has had the desired effect. My constituents are bitterly disappointed and sick at heart. They feel betrayed and victimized because they have been repeatedly targeted. As environment critic, I must comment briefly on this department's budget.

**The Deputy Speaker:** Questions and comments period. I am willing to recognize the hon. member for Rosemont, but he should stand in his place. I can wait for him to go back.

**Mr. Benoît Tremblay (Rosemont):** I appreciate your great kindness, Mr. Speaker. If I may, I would like to ask my hon. friend from Frontenac, who is the Bloc Québécois critic for the environment, to tell us what this budget means for the environment.

**Mr. Chrétien (Frontenac):** I would like to thank the hon. member for Rosemont. It is a very pertinent question, because, as you very well know, Mr. Speaker, in 1994, the economy and the environment go hand in hand. Moreover, it was a very important part of the red book. Since the member for Rosemont is also a well-informed environmentalist, he is interested in the environment and I want to take the opportunity to denounce what the budget does on environmental issues.

The Department of the Environment is one of the few to have its budget increased—you will see later why I mention this. Of course, we must be grateful for a 4.1 per cent increase, but some measures are not so good. Listen to this: the budget for Phase II of the St. Lawrence Action Plan will increase by \$18.4 million. Of course, I am pleased with this initiative that will implement Phase II of the project. This increase shows that this program is giving excellent results. So why has the agreement for this second phase, which was to be signed with the Government of Quebec in December, still not been signed, and even worse, has \$18.4 million been added to this part?

It would also seem that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes. From the latest report of the International Joint Commission which was presented to us less than three weeks ago, we know that pollution in the Great Lakes affects human health. Despite that, the Liberal government opposite is cutting \$5 million from the budget to clean up the Great Lakes, and we know that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes.

**An hon. member:** Something is not working!

**Mr. Chrétien (Frontenac):** Yes, something is not working. So on the one hand, the budget to clean up the river is being increased and, on the other, the budget for cleaning up the more polluted body of water, the Great Lakes, is reduced. It makes one wonder what has become of the coherent approach to sustainable development, Mr. Speaker.

I conclude with that and I thank all hon. members for listening to me so kindly.

**The Deputy Speaker:** Order! Pursuant to Standing Order 38, it is my duty to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Bourassa—Immigration.

(1645)

*[English]*

**Hon. Sergio Marchi (Minister of Citizenship and Immigration):** Mr. Speaker, it is a pleasure for me as the member of Parliament for York West to participate in the debate on the government's budget.

Budgets are about many things. Budgets are about ledgers. As the government and specifically the Minister of Finance approached the budget essentially two ledgers were imposed on him, on the government and indeed on Parliament.

On the one side of the ledger was a population of Canadians who were looking to the government and to Parliament to try to control spending and to try to bring the deficit and the debt into line. On the other side of the ledger were those who expressed themselves through the recent election campaign and essentially demanded some economic renewal, some economic hope, a strategy and a plan to put Canadians back to work.

Those in essence were the two ledgers with which the Minister of Finance and Parliament has had to come to grips in the budget. I would suggest we will have to come to grips with the two ledgers for the duration of Parliament and this mandate. They are not two easy ledgers. Both are very real. Both are very worthy. At the same time both are priorities as articulated by average Canadians.

We have talked about the budget cuts. We have talked about the \$8 billion in cuts. We have talked about the base closings. There is a base right next door to my riding that was closed. Those decisions are not taken easily. Those jobs that have to be transferred from the bases to other sectors of our economy are not easy. In fact that was debated moments ago during the question and comment period. Yet I believe Canadians are understanding.

Budgets have to go beyond ledgers. Budgets have to go beyond simple figures and numbers that obviously make up the bottom line. Budgets are also about a document that should provide and inspire a sense of hope and a sense among the

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population that budget and fiscal commitments have been honoured and kept.

I would like to spend the few minutes available to me talking about the ledger, about jobs and about keeping economic hope alive. Individuals in the House have suggested much more Draconian cuts to try to bring the deficit and the debt under control. They have a cost; they certainly do not come free of charge. In fact the ultimate aim of the budget was to try to balance the two ledgers.

During the recent election campaign I heard that the ledger on the side of jobs and economic growth was not only important to the future aspirations of Canadians looking for work but as a long term answer to the other ledger, trying to come to grips with the debt and deficit. Particularly as a member coming from the region of metropolitan Toronto I am sensitive to the kind of commitment Canadians gave to the government which had the ability to convince them that it was in a position to offer economic hope.

I come from a city that is not and should not be seen as the fat cat city of Confederation. Yes, there is the city on the shining hill. That is certainly a side of metropolitan Toronto and we are very proud of it. However there is another city in metropolitan Toronto. There is a chronic underbelly that speaks to a sense of despair over the last number of years. We have been through a very brutal economic recession that has also touched metropolitan Toronto.

Sometimes we thought that Toronto would have been sheltered, given that Toronto and Ontario are seen as the economic engine in terms of the manufacturing heartland of the country. Sometimes we felt Toronto would be sheltered from the ravages of a national recession.

(1650)

Obviously the reality is there for everyone to see. There are record line-ups at food banks and record welfare rolls. Canadians who for the first time in their lives found themselves on the unemployment line were embarrassed to come to see me during my Saturday constituency days. They were actually embarrassed to ask me how to fill out a claim for unemployment insurance or to ask me to help them find a job that would give them back dignity.

I am familiar with that side of the ledger. In the last number of years metropolitan Toronto and other parts of Canada have not had an easy time of it. As a government we have lived and seen reality. We have campaigned largely on the question of how to put the economy back on track and to focus on job creation and economic growth. That bottom line dictated the outcome of the election campaign.

There were many more issues than just that one, but the national overriding concern was who had the answer, who was

able to capture the imagination and create economic growth and economic hope. I would submit the budget that was presented kept faith with that side of the ledger. It kept faith on what we talked about with respect to small businesses. The budget also kept faith on a number of areas we have talked about in the throne speech and during the campaign.

I remember when I was sitting on the other side of the House in the last Parliament. I moved, for instance, an opposition day motion respecting the credit crunch faced by small businesses because, like many members of Parliament in this House and in the last Parliament, we ran into countless numbers of small business and medium size business owners who simply could not get the time of day from lending institutions.

Many individuals who had been good corporate citizens of lending institutions, who had good ideas and good projects, who had track records in their communities, who in the end wanted a lifeline not only to be able to expand their businesses and realize those ideas and dreams but to see their way through the economic drought, were simply turned down.

I believe there needs to be a shift in the banking culture in the country. In the red book and in the campaign we talked about moving and encouraging our lending institutions to be better equipped and better structured to meet the realities of the small business sector.

The Minister of Finance followed through on that in the budget by establishing a task force of small business leaders and with the leadership of lending institutions to come to grips with the credit crunch. I believe that crunch is a reality. We are not trying to suggest that the blame should be cast on the our lending institutions; far from it. However, they have a key role in the economic equation of our country. They have to go the extra mile to put on solid footing the network of one million small businesses.

Why is it that banks, parliamentarians, economics professors and economists tell us freely that 80 per cent or 85 per cent of job growth and job creation comes from small and medium size firms? Why is it that 25 per cent of the overall business loan portfolios of our big five or big six banks, if we include the National Bank of Canada, are loans to small and medium size firms? This means that 75 per cent of business loans go to the large multinational corporations of the country. Why is that? Why is it so out of whack that 85 per cent of job growth comes from small businesses, yet only 25 per cent of business loans or thereabouts, according to the Canadian Banking Association, go to small business?

(1655)

I am not suggesting that we have to tell the banks who to support. I am not saying that the banks should not be beholden to their shareholders. I am not suggesting that the banks should not worry about their credit worthiness.



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I am suggesting that if politicians and Parliament have to change the way they do business and if the world is changing at a rapid pace, just maybe the banks have to revisit how they do business.

Sometimes it is easy to understand why a lending institution would rather make 10 loans of \$10 million each rather than 200 loans of \$200,000 each. Obviously there is a greater investment of time and labour. Obviously the big corporations might have the business plans all fit and proper with professional accountants, as opposed to spending time with small and medium sized entrepreneurs. If job growth is to come from the small and medium sized sector there is an onus on the banking fraternity that gets its licence exclusively from Parliament, through an act of Parliament, to work with us and with the small and medium sized businesses in better partnership to try to resolve the credit gridlock.

If we were to do so, we could imagine the one million plus small industries across the country and the kind of job creation that would accrue through that partnership. Therefore I am excited by a task force that tries to create that partnership. I am excited when the Imperial Bank of Commerce appoints a small and medium sized business ombudsman, a senior corporate vice-president to redress and look at the complaints with respect to lending applications of small and medium sized firms.

Some may say it is a small step, but it is an important recognition on the road to trying to change the way the lending fraternity does business with small and medium sized firms. Therefore I believe the budget has kept faith with the small business sector. In addition to the other issues enunciated by the Minister of Finance including the premium rollback on UI, a net creator of some 40,000 jobs with the millions of dollars that will be saved through that program initiative, the budget keeps faith with the infrastructure program. Some will say it is not a good program. Some will say it is a wasted program that talks about tinkering with construction.

During the election campaign the former Prime Minister almost ridiculed the kinds of benefits that would accrue in construction, trades and home industries across the country, as if construction workers, trades people and the infrastructure of our cities and towns were not important enough.

We should talk with the mayors of the municipalities. Many individuals in the House were municipal politicians. I started there. I only served two years, but I speak from experience about the numbers of projects that would otherwise dwindle on the shelves, that would never see the light of day because there was no partnership with senior levels of government. For instance, I served on the city of North York council. Given that it only gets dollars from the local property tax base, it was not in a position to fund many of those projects; it was not in a position to fund 100 cents on the dollar.

Now we have a partnership, one program. We are not saying that is the nirvana of the economic miracle. We are saying it is one program. Nonetheless it now offers the city of North York, as it does cities across the country, the opportunity to fund some of those projects and kick in 33 cents on the dollar. Yet, as we contemplate that, it would be doing two things. First, it would be upgrading their facilities, their infrastructure as a city or as a town. Upgrading our facilities is paramount to trying to upgrade our competitiveness. That is a variable in the competitive equation, whether members like it or not.

(1700)

Second, it would create and stimulate jobs in a key economic sector of our country. I was in Windsor last week and, automotively speaking, people in Windsor were very happy that the big three would be moving positively and aggressively in the coming months and years. The prognosis is very healthy for a kind of recovery in the automotive industry. That is a key economic indicator.

So is construction in the trades and in the home industry. Certainly in my home town of metropolitan Toronto where that part of the economic pie has been dead as a door nail for far too long they see this as an economic hope or a partnership that stretches out an olive branch.

When we look at the creation of 50,000 to 60,000 direct jobs across the country, we are putting people back to work. We are stimulating the local economy because there are spinoffs and indirect jobs that flow from those direct job impacts.

We are upgrading our cities and towns, our communities, our neighbourhoods. Which country can afford not to upgrade its cities and municipalities? We do it as a family, we do it in our homes, and as each of us does it our neighbourhoods go up.

Look at the city of Montreal. I believe that Montreal, with all due respect, is a classic example of how the lack of upgrading of its infrastructure has reduced the ability of Montreal to be able to compete aggressively. In a city like Montreal, which I visit from time to time because my wife's family is from there, you can see over a number of years that the inability or the avoidance of keeping those infrastructures upgraded has had an impact in the overall economic life of that urban centre.

Third, this budget has kept its faith with training. We also know that we have to do a better job about how we go about training and educating our workforce. We often have pointed out by constituents and colleagues alike some of the European models. Germany is often put on the table very quickly. We are told that we need to do a better job of equipping individuals, our youngsters as well as those who are displaced from one economic sector and have to face a future of shifting their education or their training.

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Our budget has committed itself over the next couple of years to investing almost a billion dollars in the area of training. It creates youth internship and apprenticeship programs in partnership with the private sector, not at the exclusion of some big government program, but together with the private industries of this country. Only in that partnership will those training programs be the success that we all hope they will be.

It keeps its commitment to trying to equip our country and our peoples with the right tools. That too is upgrading our national infrastructure. As we give our Canadian people the skills and the equipment needed, we are also upgrading the skills and the talents of our country.

It also keeps its faith with the youngsters through its youth corps. Again one program, but we heard countless times over the course of the campaign and certainly after it about the consternation that parents have about the future for their children. Here is one project, just one, and we are not suggesting that it is the cure—all, that once it is up and running will take approximately 15,000 young Canadians per year and have them do a job in a community outside their own so that they get to see what this country is all about. It will also give them that first all important experience so that they can hopefully get on the march toward establishing themselves in their careers.

(1705)

You mentioned, Mr. Speaker, that my time has just about run out. I suppose I should have timed my remarks because I had wanted to say a few other things in terms of the innovation, the new economy and the job and entrepreneurial skills that immigrants, for whom I have the honour of being the minister, bring to this country.

I look forward to concluding my remarks at another time and answering any questions if there are any.

**Mr. Jack Frazer (Saanich—Gulf Islands):** Mr. Speaker, the minister said a number of things in reference to the budget which I would like to address. I know that you are going to limit my time in making those remarks so I will limit myself to two points.

The first point is the deficit. The minister mentioned that cutting the deficit would impose costs on the population of Canada. Unquestionably that is true. He also implied that more severe cuts than the present government has made would really impose undue hardships.

Has the minister considered the other cost, the cost of not having taken sufficient measures to cut the deficit? This government has admitted that over the next three years \$100 billion will be added to our deficit. Even at a nominal rate of interest of 8 per cent that means that the interest on that additional money will be \$8 billion. There is no question that has to come from the taxpayers of Canada. I suspect that it will entail extra taxes.

The minister also mentioned small business and the reluctance of banking institutions to loan them money so they can improve their business. I agree with that, but we too did a survey of small business during the election campaign and prior to it. What they kept telling us was that the best thing that government could do for small business was to reduce taxes and reduce the bureaucracy: "Get out of my pockets and get off my back". They said that if the government does that they can make a prosperous business work. It will get the economy going, people will have more money, they will spend it more and our businesses will flourish.

Has the minister considered the effects that this minimal intrusion into the deficit is going to have downstream because we will now be \$600 billion in debt? We are going to have to borrow that money because even then, if we achieve the 3 per cent of the GDP which the government aspires to, we are still going to be borrowing \$25 billion in that final year.

Has the minister considered whether this is really the best way to go?

**Mr. Marchi:** Mr. Speaker, I thank the member for his two questions on the aspect that small business requests less government and less taxes.

I think those were the very words the Minister of Finance spoke about when he announced his budget in reference to small businesses. The payroll deduction, the question of trying to have less red tape and less bureaucracy for small businesses and a consistency in trying to allow them to grow with some kind of predictability are the very elements that underline the elements in the budget with respect to small business.

I believe we are both on the same wave length in terms of the budget as it treats small businesses.

With respect to the deficit and the debt, obviously he and I are agreeing to disagree. His party certainly came at the national campaign and since then with the feeling that we should have moved further. There have been a number of commentators in the country who have suggested that we cut too much and others who have said that we have done too little. Perhaps once one gets commentaries on both sides there is an indication that one has probably done the right thing at the right time.

We come to this Parliament with our first budget after nine years of a Tory administration that made it its focal point to be a government that was going to reduce debt and deficit. We certainly know something untoward and something very different about that. We believe that the commitments we made in our red book with respect to the 3 per cent that the member alluded to is the correct approach.

This budget starts us down that road. We believe that allowing the economy to grow, providing some job creation and some confidence in the marketplace is certainly an impact that should not be underestimated in order for us to address the other ledger. It is also a question about balance. I think the budget that my colleague, the Minister of Finance, presented spoke to the

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balance between the two ledger sheets that are both, not one but both, on the mind of Canadians. Both are priorities.

(1710)

I think we can only do justice to both if we try to balance both a responsible reduction in our costs of government and doing government which we did and at the same time try to ensure that the economy will certainly produce as Canadians would want it to.

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, I would like to try once again—I have tried this several times—to go through this funding for the infrastructure program.

The infrastructure program is supposed to spend \$6 billion, \$2 billion from municipal sources, \$2 billion provincial and \$2 billion federal. At the end of the day through this exercise we have spent \$6 billion.

The minister has indicated that the municipalities were in favour of this. Having talked to a mayor of a municipality his feeling was that “my public works program is going to continue as it always did”. The difference here is that the residential taxpayer will only see one-third of the usual cost because the provincial and the federal governments are going to share.

No wonder the municipal politicians are in favour of it. We are going to carry a fair bit of burden at the federal and provincial levels. Nevertheless it is the same taxpayer who pays regardless of which level provides the funding.

My question I suppose is going to be obvious. What can the minister tell us that we have at the end of two years other than spending \$6 billion and employing 60,000 people, I believe the number of their book was, over two years? What is left after the two years besides \$6 billion in expenditures, some kind of capital structure and maybe a very few people employed to maintain the structure? What is left for employment, besides a very large bill to pay?

**Mr. Marchi:** Mr. Speaker, the member points out one particular mayor in one particular municipality. He should know that the Federation of Canadian Municipalities was a big supporter and initiator of this program. In fact some of them have suggested that we should have gone even further.

I do not hear too many municipalities disputing this program. We do not hear too many provincial governments disputing this program. I think the member puts a very negative spin on what can come out of an infrastructure program.

Yes, there are jobs and that is important. I tried to allude to the fact that this is but one program. We are not suggesting that the economic recovery of Canada is simply and solely on the back of

this infrastructure program. We are saying that it is a very important cog in the economic wheel.

Second, it will upgrade our infrastructures. Whether the member likes it or not those infrastructures must be upgraded in order for our cities and towns to be competitive.

Third, there are going to be infrastructures that are also going to attract further business and further investment. There are proposals being submitted to the city of Toronto that if in fact realized will attract additional tourism, additional dollars in the marketplace. It is not only a question of simply upgrading sidewalks or bridges. Those are also important. We are also trying to realize innovative and creative structures that are needed and are going unaddressed in terms of trying to capture a greater market share of that tourist dollar or of those convention goers or of trying to provide some additional lifeline into some of those municipalities.

I do not think we should be inhibited by the lack of creativity that the member brings to the infrastructure program. It is an important sector of our economy. I think if we get that sector going, together with the automotive sector and the other sectors of our economy in terms of the home building and the programs that we have in terms of home ownership, the cumulative effect and the cumulative impact of those different programs kicking in will make our economy more vibrant and psychologically lift the spirits of Canadians. Quite frankly we have been living through an economic depression and a psychological depression.

(1715)

I think if people get the confidence that things are moving, the confidence factor in an economic equation is absolutely vital for that equation to be alive and well.

**Mr. Cliff Breitkreuz (Yellowhead):** Mr. Speaker, before the House recessed almost two weeks ago my colleague from Nanaimo—Cowichan spoke about the Official Languages Act and reasons for cutting costs of implementing its policy.

I will be speaking on how the Official Languages Act ought to be changed so that it is fair and just for all Canadians.

The year 1994 is the 25th anniversary of the Official Languages Act. This law, enacted by the Trudeau government in 1969 and later revised by the Mulroney administration in 1988, was intended to bring unity to the country, to end the unjust treatment of French speaking Canadians and to help defuse Quebec separatism.

We learn from authors as respectable as Quebec’s distinguished Christian Dufour that: “Some forget that it was not

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bilingualism that made this country, that it cannot ensure its survival and that it could even lead to its destruction”.

Those of us who have lived and worked most of our lives far away from the centre of power in Ottawa may have agreed with the original intention of official bilingualism. It was described eloquently in the 1968 throne speech of the first Trudeau government as exemplifying the essential connection between justice and national unity.

We also wonder whether the Official Languages Act has actually brought justice to the area of official languages. If the law is as badly flawed as we believe it to be, and therefore unjust, where does that leave Canada's unity?

It is my contention that language policy cannot and will not achieve the justice and fairness that is its stated goal until it is fundamentally rewritten.

I would like to draw the attention of colleagues to just one aspect of official bilingualism in order to show how badly flawed the present policy is and also to show how a careful and thoughtful revision of the policy could do much to reunite the country by removing an institutional irritant which sets anglophones against francophones and provincial majorities against their minority populations.

As it is presently written, the Official Languages Act requires the federal government to provide services in English in those parts of Quebec and in French in those parts of the other nine provinces wherever there is sufficient demand.

However, the act fails to define the concept of sufficient demand. Instead of providing a clear and easily understood definition, the act states that sufficient demand will mean whatever the federal cabinet decides it ought to mean.

The law recommends that the size of official language minorities be taken into account but so may, and this is from section 32 of the act, any other factors which the governor in council considers appropriate.

What this provision of the law means is that when the Official Languages Act was passed this House never debated—it never had the chance—the level or the extent of minority language service that seemed most appropriate. The provision of minority language services is the most politically sensitive aspect of the act and yet it was determined in virtual secrecy by order in council.

When highly contentious issues are developed in secret rather than in open debate in the people's house, the House of Commons, the resulting information vacuum opens the way to rumour and innuendo. Conspiracy theories come to be taken seriously.

(1720)

This in turn has the potential to breed suspicion, resentment, prejudice and ultimately hatred along linguistic lines. For this

reason, section 32 of the Official Languages Act needs to be rewritten to remove the arbitrary authority of the governor in council.

In its place there should be a clear, easily understood definition of the criteria that would cause a region of the country to be declared a bilingual district. This definition could be debated openly so that the resulting formula would be a just and moderate compromise between the rightful aspirations of Canada's linguistic minorities and the rightful concerns of our majority populations.

What I am proposing is hardly a new idea. It was first recommended nearly 30 years ago by the Royal Commission on Bilingualism and Biculturalism. Before this the concept of openly defined bilingual districts, also known as territorial bilingualism, had existed in the laws of Finland for several decades.

In that country, the system has produced a sense of national unity between the Finnish speaking majority and the Swedish speaking minority that is enviable by Canadian standards.

Obviously it is not possible at this time to state categorically what definition my hon. colleagues might give to sufficient demand if they had the chance to review the concept in open debate.

However, I do feel confident that they would not choose to make it as loose as the definition that the federal cabinet chose to impose by order in council on January 1, 1992. This definition is so lopsided that it mandates services in English in Barkmere, Quebec, which has an anglophone population of 20, and in French on Baffin Island where 10 government departments and agencies, including the RCMP, the CBC and the Department of Fisheries and Oceans, must provide bilingual services for the benefit of 220 francophones.

My guess is that my colleagues would stop the charade in which Toronto was designated bilingual for the purposes of federal services despite the fact that French is only the 11th most widely spoken language after such languages as Chinese, Italian and Spanish.

Nor do I think they would continue to let English services be imposed in east Montreal where they are an affront to the homogeneous francophone population that nonetheless feels that its linguistic heritage is gravely in peril.

I believe that my colleagues would adopt a definition of sufficient demand very similar to the one advocated by the Canadian Federation of Municipalities which maintains that services should be offered in an individual town, city or rural district only when the linguistic minority meets two statistical measures.

The minority must be above a certain percentage of the local population and it must also be above a certain total number. The

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federation uses 5,000 as the minimum and absolute number and 10 per cent as the lowest acceptable percentage.

With these two criteria set, sufficient demand would include the vast majority of French speakers living outside Quebec and most English speakers inside Quebec but it would not be nearly as much of an intrusion as the present secretive definition.

In short, both minority rights and majority rights would be acknowledged. Canadians would be one step closer to true linguistic justice and, by extension, one step closer to a genuine, lasting national unity.

In closing, I draw the attention of my colleagues to another important anniversary. The year 1994 is not only the 25th anniversary of the Official Languages Act, it is also the 50th anniversary of D-Day. Half a century has passed since our fathers shed their blood on the sands of Normandy so that we could live in a country characterized by free and open government.

Let us take this opportunity to honour their memory by amending the act to remove its secretive, arbitrary aspects. Then perhaps we may consider ourselves worthy of the legacy of freedom that they bequeathed to us.

(1725)

**Ms. Colleen Beaumier (Brampton):** Mr. Speaker, let me tell the House what official bilingualism has done for Canadians. I am unilingual and my options were not great. The opportunities were not great.

My children are bilingual. Language is more than just a means of communication, it is another way of thinking. I would like to remind the hon. member that bilingualism is not the cause of polarization and division in this country today. It is ignorance and intolerance, not the 200 and some odd members mentioned who are being provided with bilingual services. That is not what is causing the divisions in our country today. It is intolerance.

**Mr. Breitreuz (Yellowhead):** Mr. Speaker, I am unilingual like my hon. colleague. My children as well took French in public school. Certainly the more languages one can speak the more rounded an individual one is. At the same time, when official bilingualism was instituted in this country we did not have two full blown separatist movements in this country. We had them after official bilingualism was instituted.

I believe that the Official Languages Act has gone a long way to bring this country to the state it is in. All we have to do is look across the way to see our 54 hon. members from Quebec.

[Translation]

**Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria):** Mr. Speaker, I want to thank my English-speaking colleague from Ontario for her comments. But first, I would like to make a correction.

[English]

In the Official Languages Act the wording is not “where sufficient demand”. The wording is “where numbers warrant”.

I would also like to point out to my colleague that a few years ago I was in Calgary and I was invited to be part of a festivity commemorating St. Jean Baptiste. That francophone community in Calgary, the home province of the member for Yellowhead, was so vibrant with life, happy to be together, happy to have cousins from elsewhere in Canada at its festivity. It was happy also to invite other Albertans to its festivity to be part of the culture.

[Translation]

In French, we say “*enlever les oeillères*” to take off one’s blinkers or “*regarder plus loin que le nez*”, not to see the end of one’s nose. When the hon. member says the Official Languages Act was never debated in this House, he should go back and reread the newspapers. Besides, when the Constitution was patriated in 1982, a nation-wide debate went on for months, not only in this House, but all over the country. Canadians from coast to coast reaffirmed their commitment to bilingualism.

(1730)

I would also tell the hon. member that my father-in-law, Mr. Maltais, a French-speaking New Brunswicker, was in Holland on D-Day. He was a proud participant in a war which brought democracy and tolerance to Canada, the Commonwealth and Europe.

If the hon. member is unhappy about the kind of Official Opposition we have got, I can tell him that I do not like the philosophy of his party either.

[English]

**Mr. Breitreuz (Yellowhead):** Mr. Speaker, I appreciate the hon. member’s emotions and comments. I can also appreciate that our philosophies do not agree.

The hon. member talked about blinkers and not seeing to the end of our noses. I would point out that Alberta did not implement bills 101 or 178, if the hon. member wants to talk about blinkers and not seeing beyond our noses.

I would suggest that the Saint-Jean Baptiste days she enjoyed in Calgary would have transpired even if we had not had official bilingualism. Those festivities were there before there was official bilingualism in this country and I would suggest that even if we rewrite the laws of the Official Languages Act they will be celebrated for many years thereafter as well.

**Mr. Charlie Penson (Peace River):** Mr. Speaker, I rise today to add my voice to those of my colleagues who lament the government’s budget of February 22. This budget is not a disappointment as some members have suggested. It is a disaster.

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The government says it wants to create jobs, yet this budget is disastrous for job creation. The reason for this is the heavy burden of taxation everyone in Canada faces now and in the future as a direct result of the failure to curb government overspending.

The Canadian Chamber of Commerce says that taxes are job killers for its 170,000 members. For every dollar the government taxes away, it is another dollar lost which could have gone toward job creation. Furthermore, the budget is disastrous for export trade because it stunts our ability to take full advantage of a golden opportunity.

We have just signed two very important trade agreements, NAFTA and GATT, that lower tariffs for our products around the world. I heartily commend this government for its role in those agreements.

Our Department of Foreign Affairs and International Trade has been doing an excellent job in developing markets abroad. Canada has gained a good reputation as a leader in helping the GATT to be established after the second world war and now the new world trade organization.

However our efforts are futile if we cannot give our industries a fair chance to compete. Our companies, small, medium and large, which have to break into and develop these foreign markets cannot do so effectively. They are hampered by disappointing results at home. They are hampered because our government will not act responsibly in fiscal management. They cannot sell strongly into their domestic market because their consumers are overtaxed and the cost of doing business is so high. That leaves them with limited resources to operate aggressively abroad.

At the moment our major trading partner, the United States, to whom 80 per cent of our exports go, is experiencing incredible growth. Our economy is also starting to pick up, led by promising increases in our exports.

(1735)

If only this budget could have given a strong signal that we were getting our fiscal house in order the response from our business sector would have been incredible. The incentives would have been there to invest and take risks. The incentives would have been there to expand and hire new employees because the promise of tax relief would have been just around the corner.

By failing to deal with the deficit we are missing a golden opportunity to move further and forcefully into export markets. Canada is a trading nation. We simply do not have the population to warrant economies of scale that many businesses need. Our ability to be competitive internationally is crucial to our ability to grow and create jobs.

The Canadian Chamber of Commerce is presently doing a massive poll of 2,000 corporate members and 1,000 entrepreneurs. The purpose of this poll is to identify obstacles to job creation. Business people have been asked to list the five things that would improve their ability to create jobs. Guess what heads the list of responses: getting the federal debt and deficit problem under control.

The reason for this is that deficits and debt have caused the government to overtax our citizens. In fact personal income taxes have more than doubled in the last 10 years. Excise and sales taxes have gone up by almost 75 per cent. That means consumers have less disposable income. It also means Canadian companies face a smaller demand at home.

It was reported in the *Globe and Mail* this morning that Canadian individuals and corporations are the most heavily taxed in the industrial world, with the exception of France. This statement comes from our own Deputy Minister of Finance.

What is more, the \$500 billion debt and the burden of refinancing approximately half of that every year crowds out other borrowers. When the federal government borrows huge sums of money it competes with private industry for the available capital. That reduces the amount of money available to finance private business expansion. It also drives real interest rates far higher than they should be.

Seventy per cent of the businesses reporting to the Chamber of Commerce survey are saying that the cost of business in Canada right now is much higher than in other countries. That is alarming. What is worse is that preliminary findings show that 22 per cent of the respondents intend to relocate all or part of their businesses outside of Canada because of high taxation and the cost of government regulations.

When taxes are too high businesses simply cannot survive and be competitive outside Canada. Many are forced to pass these taxes on through higher prices. If that means they cannot sell their products abroad they might as well move to where the cost of doing business is less.

This budget should have started the process of lowering government spending. That did not happen. Instead government spending increased. The promise that next year it will happen or maybe the year after it will really happen is not good enough.

There are lots of areas where cuts should have been made. Obviously social programs which consume a major share of the federal budget should be targeted to those who need it the most.

The leader of the Reform Party and others in the Reform Party have spoken of this already. This budget should have shown Canadians that government was really serious about job creation. We all know, or at least we should know, the private

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sector, particularly small and medium sized businesses, creates jobs, not government.

This budget should have shown Canadians and the international community that the government is serious about tackling its huge deficit. If the government cannot bring its spending into line with revenues, how on earth are we ever going to handle the growing debt? In fact the international community is now responding to its concern about our failure to control government spending and overspending.

Canadian interest rates are rising. A good part of the reason for this rise in rates is the lack of confidence internationally in our ability to finance our debt. Higher interest rates mean it will cost more to refinance the federal debt and this will only compound our problem.

The way to job creation is to stop overtaxation. Let us not make our Canadian businesses have to compete with one hand tied behind their backs. The way to tax relief is to stop government overspending, not next year or the year after, but now.

(1740)

**Mr. Paul Zed (Fundy—Royal):** Mr. Speaker, it is with great pride and deep humility that I rise today to speak in this House of Commons as the Liberal member for Fundy—Royal. It is with pride because the Minister of Finance has continued the Prime Minister's commitment to all Canadians. That is the commitment in this budget which offers a balanced plan for governing our country. It is a plan about economic renewal, deficit reduction and necessary reforms to social programs.

This budget invests in the skills of Canadians and supports the small and medium sized business sector which has been and will continue to be the number one job creator in Canada.

This budget and this government are being watched by the people of New Brunswick particularly the people of Fundy—Royal. That is because for the first time in the history of the riding of Fundy—Royal they have chosen a Liberal to represent them. It is an honour to represent the people of Fundy—Royal.

I am delighted today to tell the Minister of Finance that the people of my riding like this budget. I join them in offering the minister congratulations and support from one of the most diverse ridings in Atlantic Canada. More than half of the population of this bedroom community works in one of the three major cities of Saint John, Moncton, and Fredericton.

This riding includes the oldest industries on our continent like coal mining in Grand Lake and farming in King's and Queen's counties. There are the newer industries of potash and food processing and traditional industries of fishing, lumbering and

wood lot management. Then of course there is our tourism industry. We have the powerful Bay of Fundy and Fundy National Park with some of the most beautiful scenery in New Brunswick, Canada's picture province.

The people of Fundy—Royal are a people of faith, faith in God, faith in themselves, faith in each other and faith in Canada. I am proud of the people of my riding. They offer a fine example to the rest of Canada. I am committed to them and committed to political leadership that protects family values, family farms, and family business.

Small business people and self-employed New Brunswickers are the lifeblood of our economy in Fundy—Royal. This budget offers a realistic plan for them.

It is unlike any other budget in Canadian history because it is a people budget. It is the result of an unprecedented consultation with the people of Canada from coast to coast. This budget reflects the concerns of people. It addresses deficit reduction today and sets us on a clear path of further deficit reduction in the future.

This budget saves \$300 million in unemployment insurance premiums. That \$300 million can be reinvested by small businesses to create new jobs. This budget revives the residential rehabilitation assistance program for home renovations and boosts the construction industry. This budget makes the temporary home buyers plan permanent. This budget will improve access to capital for small business. This budget will establish Canadian business service centres in every province to provide one-stop shopping for government services.

With this budget we begin a process that will replace the unpopular GST. Nothing will please the people of my riding more than the demise of the GST. Nothing has hurt them more.

Governments cannot solve all our problems. But this government knows that governments must lead and must lead by example. The people of Fundy—Royal like all Canadians are tired of governments saying one thing but doing another.

(1745)

In my travels throughout Fundy—Royal I have found there are two key areas of concern, lack of jobs and the government debt. Most people agree that these problems are related. With approximately 37 cents of every federal tax dollar going to serve the debt, our government resources for investing in education, infrastructure and social programs are very limited.

While it is easy to recognize that excessive debt and deficits impact negatively on our country, what is not well understood is that about one-third of the federal debt is owed outside of Canada. In simple terms that means we are paying millions of

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dollars per year in interest to non-Canadians. This means we are losing Canadian taxes and losing control of our own destiny.

It is time to do something about this problem. I believe it is time for Canada Savings Bonds to be replaced with Canada deficit bonds. The revenues raised by the sale of such bonds could be applied directly to the foreign debt with a plan of repatriating the debt from the current level of 33 per cent to a level of about 20 per cent over a five year period.

Significant benefits would flow from such a proposal. Canadians would own more of our debt and interest payments would be made to Canadians instead of to the Japanese or the Germans.

I strongly agree with the Minister of Finance's plan to cut \$3 billion in government operations over the next three years. However, I believe that we must cut further and deeper. I believe we can achieve this by passing legislation in this House that would mandate expenditure reductions in government departments by 5 per cent per year to a maximum of 20 per cent.

Perhaps the last five years of the Auditor General's report would provide a good beginning to identify sectors in need of immediate attention.

I would like to say a few words about free trade in Canada. Since the federal election Canada has joined in forming the world's largest trading bloc, yet we still do not enjoy free trade within our own borders. Interprovincial trade barriers must be removed. While I am encouraged by the progress we have made on this issue, we still need to do some significant work.

Atlantic Canadians have grown accustomed to the boom and bust cycle that often grips our world and more often chokes our region. When the world sneezes we in Atlantic Canada get pneumonia. We in Atlantic Canada are prepared to shoulder our share of the burden when it comes to leading the Canadian economy into the new world economy. We know the importance of information management, of vigorous national science education programs and the development of energy conservation technology.

We will shoulder our burden but we also want our share of this Canadian dream.

As we rationalize government expenditures and services in our province I believe we must have a commitment for a strong port in Saint John. These past two years have shown that even with icebreaking in the St. Lawrence, Mother Nature proved too much for that river and Saint John filled an important national transportation role.

We also must have first-class trans-Canadian highways in New Brunswick from St. Stephen through Saint John, Sussex and to Moncton. These days in Canada we hear a great deal about the information highway. In southern New Brunswick we want

to hear more about an economic highway, an economic highway that links communities together and enables them to prosper.

I will commit all of my effort and energy to make sure that southern New Brunswick, the engine of economic growth in New Brunswick, gets its fair share from this government, a fair share for ports and a fair share for highways.

(1750)

I have a great deal of faith in our transport minister to be a strong advocate for these interests. This budget is only the first of many steps Canadians must take together, arm in arm on the road to a future that delivers dependable economic growth and better and more secure employment.

I believe Canadians can fashion such a future but it will require hard work. It will require a resurgence of the Canadian tradition of looking out for our neighbour and working for those who cannot work or who cannot find work.

Fundy—Royal as one of the oldest settled communities in North America has fostered those traditions for centuries. I know the people of my riding value the realistic approach of the finance minister and the courage and the decisiveness the Prime Minister has shown since the election, a leadership that is decent, fair and responsive.

In closing, I offer a humble thank you to the voters of Fundy—Royal who placed their confidence in me and gave the Liberal Party their trust for the first time in Canadian history. I promise these people I will continue to work hard, to listen well and to act decisively on their behalf.

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources):** Mr. Speaker, I congratulate my neighbour. One of the things that makes his riding so great is that it happens to be next to mine. It is a pleasure to hear him extol the virtues of southern New Brunswick and the contribution that is made by that part of our country to Canada.

In listening to what the member for Fundy—Royal had to say about how good this budget is, and we on this side recognize the benefits of a balanced approach to getting the economy working, I am sure that because of the shortness of time he wanted to take some time to talk about the tremendous infrastructure program and the importance that it is going to have to all of the municipalities in his riding.

They offer the opportunity for smaller communities to be able to do that minor work but for important work like the sewer programs, water programs, recycling programs and those types of things and I am sure that had he had more time he would want to talk about that.

I want to give him an opportunity to extol the virtues of both the benefits of putting Canadians back to work that the infrastructure program offers and also the benefits to the many smaller communities in his riding that will be able to have the



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types of programs that are essential to small communities for their economic development and growth.

Therefore I ask the member whether he is supportive of the position that this government has taken with respect to the infrastructure program.

**Mr. Zed:** Mr. Speaker, the infrastructure program has been very positively received.

In fact in Fundy—Royal there are 32 municipalities and as one can imagine the difficulty is to balance those various municipalities and their interests in receiving this important program. Most of the municipalities expressed their interest in this program through the Canadian Federation of Municipalities.

As the hon. member for Moncton knows, the members of the Canadian Federation of Municipalities had an opportunity to express to the then opposition their interest in this program. The Liberal Party listened to that and adopted it. I can tell the hon. member that it is very positive. If anything I will be one of those people who will be back here next year hoping that the program is continued.

**Mr. Jack Frazer (Saanich—Gulf Islands):** Mr. Speaker, I became excited a few moments ago when the hon. member was mentioning his appreciation that about a third of our national debt is offshore. Therefore it entails a whole bunch of interest dollars leaving Canada and being unusable for our economy. I got really excited when he said the elimination of provincial trade barriers would be a tremendous bonus and benefit to Canada.

(1755)

I was about to offer him a membership in the Reform Party until he responded to his colleague who said: "How about this infrastructure program"? He endorsed the infrastructure program. Here we are with \$6 billion of borrowed money that may create 60,000 jobs that will be gone after the end of two years. Now what do we do? We just pay the interest on the money we borrowed.

**An hon. member:** For years and years and years.

**Mr. Zed:** Mr. Speaker, I think the hon. member will let us all know whether any of the municipalities in his riding take advantage of this important infrastructure program.

It will be interesting to see how many communities in the member's riding benefit from it and it will be more interesting, of course, to see how the member's party responds to some of the other important initiatives in this budget.

I want to tell the hon. member that I am pleased to hear he is interested in at least some of the things I had to say. I look forward to working with him on those things we agree on.

**The Deputy Speaker:** The member for Fraser Valley West, briefly please. Again I would ask members to say "the member" not "you", especially with the Speaker standing nearby.

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, I must come back on that comment as to how many municipalities and ridings will get involved with the infrastructure program. Why would they not want to because one third of the cost only is going to be attributed to residential taxation. They are going to pass the other part off on federal and provincial taxes.

I must remind the hon. member that there is only one taxpayer paying three portions at three levels of taxes.

My question is what is left after the two years of the infrastructure program after \$6 billion has been paid out? What is left for the Canadian taxpayer other than some form of capital structure?

**Mr. Zed:** Mr. Speaker, I will tell the member what is left. We will have billions and billions of dollars worth of necessary sewers, safe water systems, bridges, roadworks and other community projects throughout this country that but for this program these projects would not be there. It will be interesting to see whether in the hon. member's riding there will be projects taken up by that one taxpayer and whether the program is being positively received in your riding, Mr. Speaker.

**An hon. member:** You tell them.

**Mr. Grant Hill (Macleod):** Mr. Speaker, I want to give the members two specific examples of how municipalities are in fact handling the infrastructure program. When I was in one community in my riding not so long ago, I was told: "Well, we are going to look after our sewers on the main street". The councillor admitted to me that this work would be done next year but they were pushing it ahead one year because the infrastructure program was there.

A second community in my riding, and these are communities that have no reason to tell me other than the truth, said they were going to modify their beautiful ice arena equipment so that it would be upgraded, work they would do simply two years down the road.

My comment is that I do not believe that many of the things that are being done with the infrastructure program should be done with borrowed money. I would be more than willing to have the member's comment on that.

**Mr. Zed:** Mr. Speaker, my comment is simply the fact that both of the municipalities have indicated that they are advancing work ahead of schedule is precisely what the program is

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supposed to do. It is not a single program. One cannot look at this infrastructure program as a single initiative. It is part of a broad initiative that this government is moving forward with.

(1800)

You have just given us, Mr. Speaker, the evidence that we need, the fact that both of the communities that you have mentioned, but for being involved with our program, would not go with the program for some other time in the future. That tells me that jobs are being created now rather than being created at some other time.

[*Translation*]

**The Deputy Speaker:** It seems that another member of the Liberal Party wants the floor, the member for Hamilton—Wentworth, as well as two other members. Is there unanimous consent to give them ten minutes each, for a total of 30 minutes?

**Some hon. members:** Agreed.

[*English*]

**Mr. John Bryden (Hamilton—Wentworth):** Mr. Speaker, a fundamental change is sweeping this country and this government's budget reflects it. It is a change that more than any other will determine a united Canada's prosperity for the next century.

Others have spoken in this debate on the budget's fiscal provisions, the changes in unemployment insurance, cutbacks in defence spending, new rules for capital gains exemptions, and so on. I propose to draw attention to two other areas which I believe when linked are to me more significant than all the others combined.

I look to new incentives for small businesses on the one hand and reallocation of spending on research and development on the other. Put these two concepts together and I believe we see a fundamental truth about today's economic reality and a glimpse of the economic opportunities of tomorrow.

On the historical perspective, for the better part of this century Canadian industrial production has been dominated by major foreign owned companies, principally those based in the United States and Britain. Research and development, industrial scientific research, if you will, was concentrated in the parent companies rather than in their Canadian subsidiaries. The ability to do quality industrial scientific research is a national asset which is not willingly shared by the United States, Britain, Japan, Germany, France or any other major economic power. That is a fact of international life.

Canada's answer to the problem in 1916 was to set up government funded laboratories grouped together as the National Research Council. I wish hon. members would take time some day to visit the old NRC building at 100 Sussex Drive, built during the depression in the 1930s. Not only is it one of the most

interesting architecturally of the buildings in Ottawa but it also speaks through its bricks and mortars, through its terrazzo floors, its tiny laboratory rooms, of that moment in history when Canada finally invested in the brains of Canadians, in our ideas. It is a place that evokes the era of Banting, Rutherford, Best and the Canadian pioneers of this nuclear age.

The Canadian version of the National Research Council was an experiment that had no parallel in Britain and the United States, but it began poorly. Scientists are like artists. If funding is unconditional, they would rather work on pure research. They would rather explore ideas for the sake of them instead of what they might mean in terms of a country's technological progress. Most would prefer to be Einsteins, not Edisons.

The research in the early days of the National Research Council merely wandered through the woods of scientific inquiry and rarely glimpsed the sun.

The Second World War changed everything. In 1940 France collapsed. All Europe echoed to the measured tread of Hitler's armies. The United States was still neutral. The night sky over London flickered with the flashes of exploding bombs. Britain's only remaining ally of consequence was Canada. Now the National Research Council really came into its own, for Britain needed more than men and weapons, it needed science.

In co-operation with Canadian universities, the National Research Council led an incredibly varied program in applied research: new explosives, radar, sonar, chemical weapons, high altitude research. No other country, I firmly believe, given its economic size and population, contributed as much brain power to the war as Canada.

(1805)

I apologize for speaking so much of the past rather than of the present, but surely our actions and attitudes of today are governed principally by what we know and what we do not know of our own history.

My colleagues in the Bloc for example embrace separatism because they perceive the historic threat only as it pertains to Quebec. Yet we all move forward, Canadians of all provinces, we all have been moving forward together. The fault is that none of us, Quebecers, Albertans, Nova Scotians, pay serious attention to our collective past, to our own accomplishments as Canadians.

How many of the 295 MPs in this House know that Canada was the second country in the world to achieve nuclear power? The first nuclear reactor outside the United States to go critical was built just upstream from Ottawa at Chalk River. We were ahead of Britain, France and even the Soviet Union. That was in 1945. We declared then that we would use nuclear energy only for peaceful purposes and we have kept faith with that promise.

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The National Research Council was instrumental in the development of Canada's nuclear program. However after the war both nuclear and military research were spun off to other agencies or to the Department of National Defence. The National Research Council reverted mainly to pure research.

Meanwhile Canada's branch plant economy boomed while applied science, industrial research and development, languished. Throughout the 1960s and 1970s the foreign parents of Canadian subsidiary companies had for the most part little interest in promoting research in Canada.

Now everything has changed again just as dramatically as with the advent of the second world war. This time however the two instruments of change are computers not weapons, and a global recession not war.

Think of it. Up to about 10 years ago a scientist had to have access to a multimillion dollar computer that only a large corporation could afford if he wanted to work out complicated equations or do deep statistical analyses. Now he can do the same thing with a 486 computer worth \$1,000. If he links that by modem to other computers and other information systems he has power at his fingertips which exceeds the largest supercomputer and he can work right at his own desk or even in his own home.

As for the large corporation either foreign owned or domestic they are everywhere retreating. Like the giant department stores of old they are subject to relentless competition from small enterprises which are unfettered by the leaden bureaucracies of large corporations. Even IBM long seen as the bluest of blue chips is downsizing as it contemplates diminished bottom lines.

I cannot resist citing an opposite example in my own riding. The company is called Westcam. It occupies an unprepossessing collection of old buildings next to a rural bush lot. It employs less than 100 people. Its product is spy cameras, the kind of devices that can photograph a postage stamp from miles away. Its market is highly specialized but it is worldwide. It is a small business.

High technology, small business. That is where this budget rings with a clear pure note. Out with the old, in with the new. The large corporations no longer have the lion's share of research and development. Technological innovation is going to come from the little companies, not the big ones. This government's budget addresses that fact.

Consider what the budget says. Free up capital for small business through the Canada investment fund and by putting pressure on banks. Simplify paper work. Provide funds for small businesses to hire scientists and engineers. Establish networks to share technology and business savvy. Set priorities for research directly funded by government.

There are casualties: the funding for the KAON nuclear accelerator project in British Columbia for instance and Canada's participation in the U.S. Space Station Freedom. That is another prestige project many in the American scientific community consider a wanton waste of money in terms of the return on scientific knowledge.

(1810)

Canada should be getting out of that, and so we are. What are we doing instead? Canada is putting \$800 million into a new space program centred on remote sensing and satellite communications. This historically is where Canadian technology has shone. We are known the world over for our prowess in this field. This expertise has largely come from medium and small businesses, not from the multinational corporations.

The National Research Council also has been revamped. For years under the previous government it has endured a steady erosion of financial support. While the Tories proclaimed to the press their dedication to science, they starved the institution that has done more for Canadian science than any other.

This government in this budget has thrown out a lifeline to the National Research Council. The schedule of cutbacks instituted by the Tories has been halted. The National Research Council can breathe again.

The future is bright. Canadians have an incredible talent for innovation. I do not care if we categorize ourselves as Quebecers or Torontonians, easterners or westerners; the fact remains we are one of the most versatile peoples on earth.

Our strength is in our tolerance, our diversity, our constant search for new ideas. These are qualities we all share. We share them in this House on all sides, not just the Liberals, but the Bloc and the Reform. In that sense, to all my colleagues I say we are one.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe):** Mr. Speaker, in reply to the Minister of Finance's budget, I wish to underline that the government totally ignored the recommendations found in the Auditor General's report.

Canada is going through a major crisis. The accumulated debt exceeds \$500 billion, and the annual deficit now totals \$41 billion. In other words, each year, this unmanageable country earns less than it spends, and is inevitably heading toward economic bankruptcy.

Big corporations and capital holders say that a decrease in their profits resulting from a fairer tax system would cause irreparable damage to the economy.

So, they argue that the government must slash budgetary expenses. The business community, the decision-makers in the world of high finance suggest that the time is right to dismantle

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what is left of the welfare state. The neo-conservatism of the 1980s is now the philosophy of the Minister of Finance in the present Liberal government, since he fully approves of the big corporations' approach, and his budget proves it.

In fact, this budget speech announces that the government will, during the next three years, cut more than \$7.5 billion from social programs, particularly unemployment insurance. Thus, the government has avoided launching a frontal attack on major great financial interests, while it has ignored waste within its bureaucracy and mismanagement by senior civil servants and its own policy-makers.

First of all, I would like to remind the House of some of the comments the Auditor General made in his last report about waste and mismanagement of public funds, which comments the Minister of Finance totally ignored while preparing his budget.

The government is doing absolutely nothing to reduce the structural deficit, since it avoids dealing with waste and mismanagement. Let me give you some examples of waste. The federal vehicle fleet costs more than \$500 million and 4,000 new vehicles are added every year; Investment Canada has spent \$132,000 to set up a new office, complete with a kitchen and a bathroom, for the new president, even if the office of the previous president, located in the same building, provided all those amenities. The cost of the use of the Challenger aircrafts reached \$54 million, more than half of which was spent for transporting ministers. According to the Auditor General, this comes to \$19,650 per hour of flight. More than 800 civil servants who received a cash out to retire were rehired afterwards. About \$30 million was wasted that way.

(1815)

The Canadian Grain Commission has made an *ex gratia* payment—and I remind you that an *ex gratia* payment is one that is made as a gift, in the public interest, and not because it is legally necessary—in the amount of approximately \$657,000 to some producers as compensation for losses incurred because a seed cleaning company that had obtained a licence from the Commission went bankrupt.

What measures in this budget tend to eliminate such waste, which is only the tip of the iceberg? None. And what about the mismanagement that has become generalized within the Public Service since the Liberal Party was in power at the end of the 1960s and beginning of the 1970s? The Auditor General has given several examples of this, which we have grouped according to three types of problems: program assessment, identification of program overlapping, and a more general view of certain expenditures reflecting poor management on the part of the government.

On the subject of program assessment, in his 1993 report, the Auditor General especially blamed mismanagement of public funds on a glaring lack of close examination of government

spending. He recommended that programs be judged on their results so as to guide policy decisions. The Bloc Québécois has already raised this point, but it is worth repeating that nowhere in this Liberal budget is the problem of program assessment really addressed.

From a quantitative standpoint, between 1989 and 1992, program evaluation spending fell by 28 per cent, resulting in a much smaller number of program evaluations being performed. In 1987–88, 99 program evaluations were conducted, compared to only 80 in 1992. Again according to the Auditor General's report, in 1991–92, the government spent \$125 billion on 16 programs, only two of which were thoroughly evaluated. It is not the most expensive programs which are evaluated. It is estimated that twice as many programs worth less than \$250 million are evaluated compared to those worth more than \$250 million.

From a qualitative standpoint, since the responsibility for program evaluation rests with the department, the immediate needs of managers prevail over the government's needs and the public interest. When interviewed by the Auditor General, the persons responsible for program evaluation within the department said that the most important role of an evaluation is to assist managers in solving organizational problems. So they pay no attention to the fundamental function of program evaluation, which is to measure the effectiveness of a program and to question its relevancy if necessary in order to achieve optimal resource allocation. It is to be noted that this type of information would be most useful to Parliament in allocating resources and to Canadians in rating government performance. In fact, parliamentarians are asked to work blindly, to allocate resources without knowing the facts.

In his report, the Auditor General says, and I quote: "In the 1990s, program evaluation should be seen as crucial to the management of government expenditures, because it can help to arrive at informed decisions aimed at controlling growth of the public debt". In spite of that warning or, if you prefer, of that suggestion by the Auditor General, nothing in the budget would lead one to believe that the Liberal government is heading in that direction.

Overlapping remains one of the main causes of waste and poor financial management. The federal spending power in areas of provincial jurisdiction accounts for 24 per cent of overlapping and the power to legislate in areas of shared jurisdiction accounts for 76 per cent of overlapping, but, again, nothing in the budget shows that there is a will to change the traditional Liberal way of thinking in this regard.

(1820)

Program duplication is partly to blame for the mismanagement of public funds and is therefore responsible for the increasing cost of government action. Since it is more econo-

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mical to give to only one administration exclusive jurisdiction over services provided simultaneously; since duplication often adds nothing to the quality of government interventions, quite the contrary; since affected employees and facilities could be used in a much more rational and relevant way; and since also the measures put in place by both levels of government often cancel each other out, the competing if not conflicting nature of federal-provincial relations makes it difficult to co-ordinate programs because neither level of government is ready to make major concessions about their own objectives and priorities.

Finally, program duplication is an inflationary factor in the Canadian economy since an increase in the amount of information citizens must have to be able to take advantage of the services and financial aid available, or to conform to laws and regulations, results in a multiplication of the steps required to get that information and thus, in an increase in the number of employees involved in a somewhat unproductive task.

In conclusion, we find it hard to understand that the Minister of Finance, who seems to have made the fight against deficit his priority, has ignored the recommendations of the Auditor General about waste and mismanagement of public funds. In order to eliminate waste, unnecessary spending and mismanagement in government, in the name of the Bloc Québécois, I request again that the government create a parliamentary committee to analyze and review budget spending, item by item.

**Mr. Philippe Paré (Louis-Hébert):** Mr. Speaker, before dealing with the budget presented on February 22, I think it is appropriate to remind everybody that a budget is an instrument that a government uses to pursue its objectives. To recall the objectives that the Liberal Party had set for itself, I should point out what the leader and his candidates said during the campaign.

What did they say? They said that it was necessary to give hope back to Canadians, to get people back to work and to bring the deficit back to 3 per cent of the GDP. They said that they would protect the universality of our social programs and our health care system against the severe cutbacks announced by the Tories and requested by the Reform Party. They said that it was necessary to invest \$20 billion in the infrastructure.

Let us pursue our search for coherence. Immediately after the election, the Prime minister announced the cancellation of the helicopter contract, thus causing the loss of hundreds of high technology jobs in Quebec without compensation, in spite of the traditional inequity of the National Defence spendings in Quebec: \$538 per capita in Nova Scotia, compared to \$62 in Quebec.

Another way to judge the objectives of the government is to refer to the throne speech. Allow me to underline the lack of a real will to deal with real problems.

Apart from the infrastructure program, which was slashed from \$20 billion before the election campaign to a mere \$6 billion, no concrete measure was taken to revive the labour market on a durable basis. On the contrary, the government announces the loss of 40,000 jobs due to the unemployment insurance premium increase in 1994.

There is no will to reduce operating expenditures. There is no will to reform the Canadian tax system. Just like the former government, the new government announces that it will undertake in the next few years a reform of our social security system.

After such a weak throne speech, how could we expect a budget different from the one that was presented in the House on February 22? Could we hope for a miracle? Let us recall the discussion we had in the House in the weeks preceding the budget speech.

Every time the official opposition asked the government questions on important matters such the national debt, the deficit, the tax system, the preservation of our social safety net, family trusts, job creation, the fate of young Canadians, we were told to wait for the budget, that it would give all the answers. It was to be the cure-all, the nirvana of the finance minister. What a sham. What a cruel parody.

Last week, on February 28, I experienced a truly democratic exercise with my constituents whom I had invited to come and share their concerns with me.

(1825)

Among the forty or so persons present, there was a large consensus on family trusts and tax loopholes, shelters and havens. These constituents are shocked by the government's inaction and the absence of adequate measures in the budget tabled by the Minister of Finance.

These voters do not understand why, after having fought against the Valcourt plan, the Liberal Party would come down so ferociously on UI benefits. According to three economists of the Université du Québec at Montreal, who certainly have more credibility than the Minister of Finance, the unemployed alone will contribute 60 per cent of the savings the federal government says it will make in its financial commitments.

People in my riding compare the way those less fortunate people are being treated with the extravagant expenditures of our embassies. They think of the generals and ambassadors who are still driven around in limousines and the army, where there are more officers than soldiers, more generals than tanks.

People I have met in my riding do not understand why the Minister of Finance is reducing tax exemptions for seniors while refusing to review the entire tax system. They do not admit that the federal government, which has often said it was responsible for defending minorities in this country, would close down the only French-language military college in America in spite of

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the advice given by all stakeholders, including those of the Department of National Defence. With this decision, the government is showing its real personality.

Now let us talk about assistance to developing countries. Given the present economic context and our financial state, it is fitting to analyze the budget and administrative decisions taken by the government regarding aid to developing countries.

Such an analysis is made all the more difficult as the government announced, a while ago, that it was going to review Canada's foreign policy as a whole. It is rather awkward to study the budget, public expenses and development assistance in relation to these new objectives, since they have not yet been set.

Another problem comes from the fact that CIDA only tabled its 1991-1992 annual report in January 1994. It has not yet been critically analyzed by the Standing Committee on Foreign Affairs and International Trade.

In this respect, we have every right to question the criteria used by the government to cut its development assistance budget.

The Bloc Québécois expected to see in this budget a substantial increase of non-governmental organization funding, even if it meant a reduction of bilateral assistance programs, often criticized by people in the field.

We believe that the NGOs' share should be much greater than it is now, since they work directly with the poorest people of the world, with one of the highest success rate in the area, and the lowest administration costs. Only 10 per cent of Canadian assistance to developing countries goes to NGOs.

It is too little and the Minister of Foreign Affairs agrees with you since he said in the House on February 9 that the government would do everything in its power to not only maintain but increase this percentage.

The minister did not keep his promise. Neither will the Minister of Finance be able to keep his promise to allocate to development assistance 0.7 per cent of GDP, an internationally recognized standard, given the measures announced in this budget. How can he increase this ratio, which now amounts to 0.4 per cent of GDP, with a 2 per cent reduction in international assistance funding and resources frozen at this level for the following year?

Can the government reveal its magic trick, unless its solution lies in reducing Canada's GDP in the next few years?

The Bloc Québécois feels that the government should look beyond the economic reasons to cut development assistance and reconsider the cuts made in recent years. Our position is based on several reasons.

The first reason has to do with Canada's international prestige and reputation with respect to its development assistance efforts. This is an essential element of the whole thrust of Canadian foreign policy. Cuts in development assistance funding will surely have a very negative impact on Canada's international image, as well as a potential ripple effect on other countries.

Another aspect, the most important in our opinion, that the government should have considered is the humanitarian dimension of international assistance.

In short, Mr. Speaker, the Bloc Québécois feels that the measures announced by the government in its budget regarding international assistance are not very consistent. We are now waiting for the review of our foreign policy, which hopefully will not be as disappointing as this budget.

We particularly hope that the new direction of Canada's international assistance policy will not be affected by the negative aspects of this budget, and that the federal government will set objectives which will take into account the needs of the poorest countries as well as the expectations of Canadian organizations and individuals involved in international co-operation.

[English]

**The Deputy Speaker:** It being 6.29 p.m., pursuant to Standing Order 84(6) it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means Motion No. 6.

Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to order made Tuesday, March 8, 1994, a recorded division stands deferred until 6.30 p.m. on Wednesday, March 16, 1994.

**The Deputy Speaker:** It being 6.30 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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