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(HANSARD)

Wednesday, February 19, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, February 19, 1997

The House met at 2 p.m.

Prayers

The Speaker: As is our practice on Wednesdays, we will now sing O Canada, and we will be led by the hon. member for Wellington—Grey—Dufferin—Simcoe.

[*Editor's Note: Whereupon members sang the national anthem.*]

STATEMENT BY MEMBERS

[*English*]

CANADIAN FORCES BASE NORTH BAY

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, I rise today to commend the work of the people in my riding of Nipissing for their efforts to save CFB North Bay. In recent weeks there has been a remarkable team effort made to inform the members of this government about the consequences of the NORAD facility leaving our city.

Our most powerful weapon has been the co-operation that has existed between all the stakeholders. So far we have received over 16,000 signatures on a petition to save our air base. This grassroots support is echoed across our community. It extends from the affected employees and their local unions to our city council and our business community.

This support has been essential in allowing Mayor Jack Burrows and I, along with the valuable assistance from North Bay MPP and Ontario Premier Mike Harris, to bring a strong and unified message to Ottawa.

This issue crosses political and ideological lines as we fight collectively to save hundreds of jobs in northeastern Ontario and northwestern Quebec.

* * *

THE BUDGET

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, this morning on CBC the finance minister said his government is

focusing spending on those things which are most important to them: health care, children and jobs. Let us look at the record.

The minister has slashed \$7 billion from health care, education and welfare. In fact health care has been cut 40 per cent. This is how the finance minister focuses on health care.

The minister has gouged the average family's after tax income by \$3,000. Parents are working longer and harder just to make ends meet. This is how the finance minister focuses on children.

And jobs? Our unemployment rate is hovering around 10 per cent compared to Japan at 3.4 per cent and the United States at 5.4 per cent. If the minister taxed less and left more in the hands of those who earn it, this would increase consumer spending and drive the economy and businesses to create jobs. Instead, through 36 tax increases this minister takes \$24 billion more every year, killing jobs in our communities. This is how the finance minister focuses on jobs.

The finance minister's words and his record conflict.

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[*Translation*]

NATIONAL BATTLEFIELDS COMMISSION OF CANADA

Mr. Gilles Bernier (Beauce, Ind.): Mr. Speaker, I would like to draw attention to the archaic method used by The National Battlefields Commission of Canada to collect fines for traffic violations on federal property, particularly in Quebec City.

The people ticketed for very minor violations cannot pay the fines even if they wanted to because these fines are not set in advance. They have to immediately sign a guilty plea, which is referred to the Court of the Sessions of the Peace for a judge to set the amount of the fine and additional court costs. Failing that, the documents will be served on them.

This is a costly procedure for all taxpayers. It is high time that The National Battlefields Commission of Canada updated its procedures. This is another good way of saving money.

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[*English*]

MEDICAL HALL OF FAME

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, the Canadian Medical Hall of Fame is a national organization which recognizes the outstanding achievement of Canadian medical

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scientists. The Medical Hall of Fame was founded in November 1993 and is located in my home city of London, Ontario which has earned an international reputation as a leading medical centre.

Inductees to the Medical Hall of Fame are all outstanding Canadians, both men and women, who have distinguished themselves with extraordinary careers to the benefit of mankind. Perhaps the best known example is Sir Frederick Banting, the discoverer of insulin, who started his work in London, Ontario.

Today I am pleased to welcome to Ottawa several distinguished laureates of the Medical Hall of Fame, accompanied by J. Allyn Taylor, honorary chair, Ted Eadinger, board director, Betsy Little, executive director and Barbara Tomlin, administrative assistant.

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MATTHIEU DA COSTA AWARD

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, a year ago on February 13, along with the Minister of Canadian Heritage and the Secretary of State for Multiculturalism, I announced the Matthieu Da Costa award. The award honours black history month by commemorating the life of Da Costa, the first recorded black person in Canada. Through literary essay and art competitions it encourages students to explore contributions made by individuals of cultural minority backgrounds to the development of Canada.

Today I am proud to announce that elementary and secondary schools all over Canada from coast to coast actively participated in the award contest. A special ceremony was held at the Canadian Museum of Civilization to honour the 1997 winners. We all congratulate Skye Smith, Caitlyn Doyle, Crystal David, Marie-France Pare, Kimahli Powell, Marie-Claude Latreille, Warren George Lefthand and Michael Lomenda.

Along with the Canadian Teachers' Federation, I invite all members to join me in celebrating this truly unique initiative which fosters a shared sense of Canadian identity.

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MEDICAL HALL OF FAME

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I am pleased to welcome today to our nation's capital six members of the Canadian Medical Hall of Fame. Although we are very pleased to have the physical presence of London as the hall of fame the talent comes from across our diverse land.

Dr. Henry Barnett from London has been recognized for his work in stroke and clinical trials.

Dr. Douglas Harold Copp from Vancouver discovered the hormone calcitonin which regulates calcium levels in the blood.

Dr. Jacques Genest from Montreal has been recognized for his research on hypertension.

Dr. Herbert Jasper from Montreal has been recognized for his work in electrophysiology and EEG.

• (1405)

Dr. Charles Leblond from Montreal has been recognized for his research in anatomy and cell biology.

Dr. Robert Salter from Toronto has been recognized for his work in orthopedic surgery.

These individuals are our best and brightest. It is a wonderful and fitting tribute that they are here today. We owe them an immense debt of gratitude. I encourage all members to show their gratitude.

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[*Translation*]

UNPARLIAMENTARY LANGUAGE

Mrs. Madeleine Daphond-Guiral (Laval Centre, BQ): Mr. Speaker, an election year is no doubt a time when things get a little hot in this place. That in itself comes as no surprise. What is regrettable however are the unacceptable attacks on our colleagues that we have witnessed on a number of occasions in the past few weeks.

Following the incident the hon. member for Beaver River was involved in yesterday, I would call upon each and every member of this House to behave like a mature adult.

The House of Commons is a forum for debating ideas. The fact that the two sides of this House hold diametrically opposed views is normal.

There is nothing wrong with heated debates per se, but I wish the respect we owe one another would always prevail. This way, unfortunate events that do nothing to improve the opinion the public has of parliamentarians could be prevented. This is another responsibility that rests with all of us.

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[*English*]

TAXATION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, hello Edmonton North. I look forward to campaigning on Reform's platform of more jobs through smaller government and lower taxes and against the Liberals' tax gouging, job killing record.

The Minister of Finance says that he has not raised taxes. Oh, really?

What about the tax increase on life insurance premiums, gasoline, air transportation, private corporation dividends and securities?

What about the elimination of the lifetime capital gains exemption, the income test for age credit, and the lowering of the withdrawal age for RRSPs?

What about the 70 per cent increase in CPP premiums that will deliver \$9,000 a year to Edmonton pensioners while the MP pension plan yields five to six times that amount?

Call it what you like but it is still a tax, T-A-X. By increasing overall taxes for Edmontonians 30 per cent and personal taxes 40 per cent, the Liberals have picked an extra billion dollars out of our pockets.

Let us set things right. Hello, Edmonton North.

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[Translation]

FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I want to applaud the joint decision made by the Fonds de solidarité des travailleurs du Québec and the Fonds régional du Bas-Saint-Laurent to invest \$1.5 million in Carrière Glendyne, located in Saint-Marc-du-Lac-Long. This investment will bring the slate mine back into production and preserve 60 direct jobs in this small village of 534 people.

Getting Carrière Glendyne back into operation will give new impetus to the economy in Saint-Marc-du-Lac-Long. The initial stages involving rock scaling activities have resumed, and it is expected that all of the company's 60 employees will be called back to work by March 17.

Quebec is among the world's ten largest mining countries, and the first one in the Francophonie. To be a master in one's own home is to have at one's disposal the means to make decisions and to fully benefit from them.

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[English]

THE BUDGET

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, this budget is yet another Liberal con job.

Instead of jobs, there is \$3.2 billion in further cuts to social programs scheduled this year. Instead of helping to reduce child poverty now, there is another red book promise to help children in need effective July 1998, only 18 months from now. And if it does materialize, it is only 20 per cent of the commitment the B.C. NDP government has made to help end child poverty now.

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The Liberals have taken \$14 billion out of the economy through cuts to social programs. Now they insult Canadians with a snow job pre-election budget. This budget offers nothing for struggling families who are looking for stable employment and no hope for their children's future.

The Liberals have achieved one thing. In 1993, the last year of the Mulroney government, 5,250 taxpayers earning over \$70,000 per year paid no taxes. Under the Liberals, there has been a 400 per cent increase: 21,270 Canadians earning over \$70,000 a year paid no taxes.

* * *

WOMEN'S INSTITUTE

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I appreciate this opportunity to celebrate the centennial of the Women's Institute with my colleagues in the House. Over the last 100 years the work of the Women's Institute has become well known and respected across Canada and around the world.

• (1410)

The movement began with one woman, Adelaide Hoodless, and her response to the death of her 18-month old son from drinking impure milk. Impelled by her personal loss, Mrs. Hoodless became an activist campaigning for clean milk. On February 19, 1897 at Stoney Creek, Ontario the Women's Institute began, creating a movement to educate women in the home sciences.

The local movement spread quickly to become the pre-eminent women's organization in Canada. At the turn of the century the concept spread to Britain and throughout Europe. In 1933 the organizations joined forces and the Association of Country Women of the World was formed.

Over the years, issues have changed and the WI continues to make a difference. I am honoured to acknowledge those who continue that important community based work which was started a century ago.

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NATIONAL CHILD BENEFIT SYSTEM

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I am pleased today to draw attention to the Liberal government's commitment toward building a strong future for all Canadians, especially Canadian children.

Yesterday we were presented with a workable budget, a budget that invests in jobs, health care, education and children.

The government has long recognized that children are our greatest resource, that they are our future and we must invest in them. The government has made the investment.

The national child benefit system is an innovative approach to reducing the number of Canadian children who live in poverty. The new system will provide a total of \$6 billion in assistance to low

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income families across Canada which will improve the living standards of hundreds of thousands of Canadian children. [English]

The national child benefit system is a step forward in the fight against child poverty. It is exactly the type of program that will give our children a fighting chance for a better future. It demonstrates our commitment to our future: Canada's children.

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[Translation]

THE BUDGET

Mr. Raymond Lavigne (Verdun—Saint-Paul, Lib.): Mr. Speaker, yesterday, the Minister of Finance confirmed that our deficit reduction objectives have not only been reached but exceeded. Indeed, the deficit is a little over \$5 billion less than expected.

Yesterday, the Minister of Finance announced that his budget does not include any tax increase or new tax affecting individuals or corporations.

Yesterday, the minister also showed that it is possible to manage public finances effectively, while also helping the poor in our society. And I do mean the poor in our society.

Our government has once again demonstrated that the solution to our country's economic and social problems does not lie with extremists, but is based on a good Liberal government establishing a balance between economic and social needs.

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INTERNATIONAL TRADE

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, from February 22 to 26, the Minister for International Trade and sixty or so business people will make an official visit to Israel and the Palestinian territories.

The Bloc Québécois expects the minister to raise the topics of democracy and human rights in his meeting with Prime Minister Netanyahu. A climate of peace and democracy is essential to prosperous trade between our countries.

We hope the minister will take advantage of this trip to obtain, from the Palestinian authorities, the letters promised during consideration of the bill to implement the Canada-Israel Free Trade Agreement. We are still waiting for these letters.

This Middle East visit is therefore important and the results of the minister's meetings during this trip must be made public and will be of the greatest interest for the future of the Canadian and Quebec economies in that part of the world.

THE BUDGET

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, yesterday's budget only proves that Reformers were right three years ago: the debt is the problem.

The finance minister has raised tax revenues by \$24 billion and has reduced spending by \$13 billion, a \$37 billion gain. But lo and behold, we will still have a \$17 billion deficit. Why? Where did the \$37 billion go? It has gone to pay big interest on Canada's ever growing debt.

The finance minister blew it by not making cuts in the first year. He blew it by not reducing the size of the government faster. He blew it by not including businesses and regional development grants in his spending cuts.

Under Reform with spending cuts in the first year we would have balanced the budget today. Under Reform we would be talking about budget surpluses to share with taxpayers, hospitals and universities.

Yes, yesterday's budget only proves that Reform's zero in three plan was after all the best vision for Canada versus this slow pain for no gain, two year roll over, let us hit you somewhere else targets of this Liberal government.

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• (1415)

[Translation]

THE BUDGET

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, there is good news for the provinces in the budget brought down yesterday by our Minister of Finance. Our government has announced that no additional reduction is planned in transfers to the provinces in 1997-98.

[English]

Let us not forget, as our colleagues from the opposition often do, that Quebec continues to receive 31 per cent of transfers when it only represents 25 per cent of the population. Moreover, Quebec receives over 45 per cent of all equalization payments.

[Translation]

Our government has therefore done its part to preserve social and health programs. Our recent budget is a clear indication of our intention to work with the provinces to ensure sustainability.

Now it is up to the Premier of Quebec and his Minister of Finance to show us that they in turn can reduce Quebec's deficit while maintaining our social programs, as several other provinces have already done.

*Oral Questions***ORAL QUESTION PERIOD***[Translation]***THE BUDGET**

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the budget tabled yesterday by the Minister of Finance is a most disappointing one. If there is one underlying theme, it is the Liberal vision of a highly centralist federal government, encroaching unrestrained onto areas of provincial jurisdiction every time it has the chance.

My question is for the Minister of Finance. Yesterday, the Minister of Finance had such a wonderful opportunity to demonstrate to us his government's real belief in a decentralized federalism which respects provincial areas of jurisdiction. Why, then, did he prefer to follow his usual pattern, the usual habit of the Liberals, and to announce still more overlap, still more duplication, still more waste?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, could the Leader of the Opposition tell us which measures in yesterday's budget did not please him? Does he believe that the federal government ought not to have used the taxation system to help the disabled? Does he believe that the federal government ought not to have used the taxation system to help those who give donations to small charities?

Does he believe that the federal government ought not to have created a new and greatly enhanced benefit for the poor children in Montreal and elsewhere in Quebec? Does he believe that the federal government ought not to have bowed to Quebec's demands for an infrastructure program?

Which programs does the Leader of the Opposition find unacceptable for helping Quebecers and Canadians?

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, I will tell him what I find unacceptable. It is that his government has, over the past two years, cut \$4.5 billion from transfers to the provinces for social services and education. Today he imagines that a few million dollars are going to make us forget the \$4 billion in past cuts.

As for the details, I will get to shortly, but just now I have three questions for him. Here is my question for the moment.

What we want to find out from the Minister of Finance is how he can justify, on the one hand, that he is short of money and therefore needs to cut transfer payments to the provinces, when these are mainly for health care and education services and, on the other hand, he can at the same time justify sprinkling a few million here, a few million there, in areas in which he has no jurisdiction at all?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, let us look at the facts. In 1997-98, Quebec will receive \$10.3 billion, 31 per cent of federal transfers, which is more than any other province. In equalization payments alone, Quebec will receive close to \$4 billion, 46 per cent of the total payments. From 1993 to 1998, transfers to Quebec have dropped about 11 per cent. Our own cuts exceeded 14 per cent.

• (1420)

Two weeks ago, the Bloc Québécois asked us to increase assistance to students who need student loans. They asked us to increase tax credits for parents who wanted to finance their children's education. This we did in yesterday's budget. I am waiting for the Bloc Québécois to congratulate us.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, if there is anything that characterizes the fundamental differences between us, this is it. For the Minister of Finance, for Liberals, it is incomprehensible for the federal government to play its true role of distributor of the wealth, as they often describe it, while at the same time minding its own business.

Can the government not respect the areas of jurisdiction set out in its own Constitution? That is where the problem lies. How can they imagine that they are better placed to look after prenatal nutrition? Ottawa will look after prenatal nutrition. Ottawa will look after literacy, the disabled, poor children, family policy. These are provincial areas of jurisdiction. Can they not grasp that, on the other side?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if Ottawa is involved, it is because Quebec asked for it. Where assistance to students is concerned, it is the Bloc Québécois who asked us to increase student aid. If we are involved in infrastructures, it is because the President of Treasury Board got a letter from Bernard Landry asking Ottawa to get involved in the infrastructure program in Quebec.

If we are in research and development, allow me to point out that, in 1993, the Government of Canada funded 22 per cent of Quebec R & D activity. Quebec's share was a mere 8 per cent. A good thing, then, that we are involved.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Fortunately, Mr. Speaker, because if they were not, Quebec's deficit would be down by 60 per cent.

The Liberals, who were elected three and a half years ago to the shouts of jobs, jobs, jobs, have nothing to offer one million and a half unemployed workers in Canada today. Yesterday's budget had nothing better to offer than a paltry \$25 million in new money for job creation measures for the coming year. This is an average of 90 cents per Canadian.

Oral Questions

My question is directed to the Prime Minister. Now that he has given up doing anything about high unemployment, does the Prime Minister have anything to offer 1.5 million Quebecers and Canadians who are looking for jobs, besides wishing them a cynical good luck?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, for three years we have worked very hard on job creation, and Canada has created more than 700,000 new jobs, which, I repeat, is more than Great Britain, France, Germany and Italy combined.

I agree the demand is enormous, but we managed to reduce unemployment from 11.4 per cent in January 1994 to 9.7 per cent. We want to do better, we always do.

Today, for instance, Canadians benefit from interest rates that have dropped by five percentage points in two years and are now two and a half percentage points lower than interest rates in the United States. When you look at the Canadian economy, you can see the results of this policy, because today, car sales, housing sales and construction, and industrial expansion are all benefiting from the lowest interest rates we have had in Canada for 35 years.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Prime Minister forgot to add that this year we had a record number of bankruptcies in Canada. He forgot to say that.

• (1425)

My question is this: Why will the Prime Minister not admit that he failed on job creation? Why will he not admit that his slogan “jobs, jobs, jobs” was just that, like the other slogan on abolishing the GST: “scrap, scrap, scrap”? He no longer has any credibility.

Hon. Paul Martin (Minister of Finance, Lib.): Once again, Mr. Speaker, I think the hon. member forgot to ask his question.

Let me tell you that in the past four months, we created 85,000 new jobs in this country in the private sector alone. The vast majority of these jobs are permanent. According to most economists, this year in Canada we will create between 300,000 and 350,000 new jobs, and the same number again next year. According to most economists, according to the OECD, Canada will create more jobs than any other country in the G-7, including the United States.

Now, about the budget. Let me just quote Gérald Ponton, president of the Alliance des manufacturiers et des exportateurs du Québec: “No new taxes: good news for business and the Canadian economy. Clearly, when the government uses its fiscal flexibility as it did with the infrastructure program and the innovation fund, it is setting an example Bernard Landry would do well to follow, which he can do without increasing taxes”. That is what this government has done.

[English]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in yesterday’s budget there were a lot of questionable statements, but the biggest whopper of them all was the finance minister’s claim of not raising taxes. Just days before the budget, the government raised compulsory Canada pension plan premiums, payroll taxes, by 70 per cent.

Since the Liberals came to power in 1993, income tax revenues have risen by over \$15 billion, corporate tax revenues are up by almost \$7 billion and the hated GST is bringing in almost \$2 billion more.

How can the finance minister possibly claim that he is not raising taxes when federal tax revenues have increased by over \$24 billion and the Canada pension payroll tax is being raised by 70 per cent?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fact that the Reform Party has a different set of values than most Canadians and the fact that the Reform Party does not believe in the Canada pension plan certainly does not give it licence to misconstrue what the Canada pension plan is all about and how important it is to Canadians.

The leader of the Reform Party knows full well that not one penny of Canada pension plan premiums comes to government, neither to the federal government nor to the provincial governments that joined with us. It is invested for the retirement savings of Canadians in exactly the same way as with other retirement schemes.

Just because the Reform Party does not believe in the basic institutions of the country, it is no reason to stand up in the House and deliberately misconstrue what the heck they are all about.

The Speaker: I wish the hon. Minister of Finance would withdraw the words “deliberately misconstrue”.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I withdraw the words.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the net impression of all that ranting was for the minister to be saying that he does not interpret the increase in CPP premiums as a payroll tax.

• (1430)

The economic analysis and forecasting division of his own department publishes papers—I can give him copies of them—in which it describes CPP premiums as a payroll tax. It has computer models for running that payroll tax and determining its negative impact on job creation when it is increased.

Last night, Judith Andrew of the Canadian Federation of Independent Business discussed the CPP premium increase as a payroll tax. If there is any group in the country that can recognize a payroll tax when it sees it, it is the CFIB.

Oral Questions

The only people that do not believe a 70 per cent hike in CPP premiums is not a payroll tax increase is the Minister of Finance and the gullible gang across the way.

I would appreciate a straight answer to my question. Given the views of his own department, why will the minister simply not admit that CPP premiums are a payroll tax and that he has raised them by 70 per cent?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the leader of the Reform Party, in his effort to destroy the Canada pension plan, consistently refers to the increase in premiums of the pension contribution that would be made.

The other day he said that these premiums would go at full maturity for a person at the maximum earnings from \$945 to \$1,635.

What the hon. member, the leader of the Reform Party, has not done is provide Canadians with a calculation of what his alternative would cost. Let me do it for him, in case it has slipped his mind.

In the agreement with the provinces that amount would go from \$945 to \$1,600. The Reform Party alternative would take it from \$945 based on the Chilean model, which they have adopted, to \$2,150.

Some hon. members: Oh, oh.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Reform Party has a plan for preserving both the CPP and increasing retirement income for Canadians at a lower cost than what the government proposes.

An hon. member: It is not like the MP pension plan either.

Mr. Manning: I want to come back, Mr. Speaker, to the ethics of this issue.

I am sure that the finance minister, as an aspiring Prime Minister, realizes the importance of being honest with the Canadian people. All I am doing is cautioning the government that it is heading down the same road on this CPP premium as it went down with the GST. The Liberals have almost convinced themselves that a tax is not a tax, just like they convinced themselves that the Prime Minister never said he would kill, scrap, abolish the GST.

Will the finance minister stop and pause before he gets too deeply into this and admit that he has raised payroll taxes by 70 per cent, the greatest single tax increase in Canadian history?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I am sure that the leader of the third party, as the aspiring leader of the fifth party, would like to put his own numbers before Canadians so they can make the same judgment.

We have stated that contributions to the Canada pension plan are not a tax. They are an investment in Canadians' retirement savings.

One thing is very clear. The agreement the federal government has come to with the Government of Alberta, and I notice that the hon. member has not got the courage—Mr. Speaker, I am sure he does—the hon. member will go to Alberta and will campaign against Ralph Klein because Ralph Klein signed the deal.

● (1435)

I am sure he will go into Ontario and will campaign against Mike Harris because Mike Harris signed the deal. I am also sure he will explain to Canadians why his alternative will cost \$500 more than the federal government's changes to the CPP.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is for the Minister of Finance.

Yesterday, the Minister of Finance told us in his budget that the deficit for the current fiscal year was \$5.3 billion less than his target last year, on the same date, in his previous budget. With this manoeuvring room, the minister could, among other things—because there are a lot of things to do—pay Quebec the \$2 billion it cost to harmonize its sales tax with the GST.

Will the Minister of Finance acknowledge that the McKenna formula, concocted in secret after the Government of Quebec made its requests known, serves simply to justify more unfair treatment of Quebec by the federal government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the member would look back at the speech I made with the announcement, he will see that I set out the formula for compensation to the Atlantic provinces, Manitoba and Saskatchewan.

At the same time, I explained why Quebec, Ontario, British Columbia and Alberta would not be receiving compensation. They did not lose over 5 per cent of sales tax revenues. The reason is quite clear.

We are prepared to compensate a province if losses are involved. The hon. member will understand that, if no losses are involved, there will be no compensation. Quebec has all the information. We gave them not only our figures, but the provinces' as well.

I am prepared to sit down with the hon. member, as we did with the officials of the Quebec ministry of finance, to explain exactly how the formula works.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, we have a minister of finance in Quebec too. And he says harmonization with the GST would have cost Quebec \$2 billion had the corporate tax burden not been increased accordingly to compensate. In Ottawa, on the other hand, the Minister of Finance says that is not so, that in fact Quebec made money in the process.

Oral Questions

If the Minister of Finance thinks Quebec minister Landry is lying to the public, would he rise and say so?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the information in my reply comes from Government of Quebec statistics. If the hon. member would care to look at sales tax revenues in 1990, 1991 and 1992, he will see that Quebec lost no more than 5 per cent of its revenues at the start.

He will also see that, in subsequent years, Quebec made money. These figures are public.

[English]

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, yesterday the finance minister did a pretty good impression of George Bush with his no new taxes line. Unfortunately here are the facts.

Since the Liberals came to power in 1993, federal tax revenues have increased 20 per cent while the average family income has decreased by 10 per cent. Liberal years have been good years for the finance minister but hard times for Canadian families.

• (1440)

Let me ask the finance minister this. How can he possibly claim that there have been no new taxes when the average income of Canadian families has dropped by 10 per cent?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is no doubt that over the course of this government's administration our revenues have gone up. Absolutely. They have gone up because we have had a stronger economy. Economic growth brings higher revenues.

If we want to fight the deficit surely to heaven it is better fight the deficit by having a stronger economy than by adopting the kind of scorched earth policies Reform would advocate which would absolutely destroy the economy.

The fact of the matter is that overwhelmingly the majority of increases in this government's revenues has come from increased economic activity primarily in the corporate sector because it is making more profits and as a result of those profits we are getting more revenue.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the argument here is not about growth, it is just who is going to get the benefit from the growth. This government is getting 20 per cent of the benefit while the Canadian public and taxpayers are losing 10 per cent of it.

Since the Liberals came to power in 1993 the average family income has dropped by \$3,000. I do not think families could be convinced that this is growth or that it has been really fun for them.

Let me ask the finance minister again how he can possibly claim no new taxes when the average family income has dropped by

\$3,000 per year and its Canadian pension plan payroll taxes have been hiked 70 per cent. How does it work?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there have been in certain areas increases in taxes, increases in tax revenues. The Reform Party has opposed these. The Reform Party has gone on the web and said "these are the tax increases brought in by the federal government that we oppose".

The Reform Party opposed the elimination of the tax advantages for family trusts. It opposed the elimination of the preferential rate for large corporations. It opposed the measures that were taken to combat the underground economy. It opposed the elimination of the \$100,000 lifetime capital gains tax exemption.

These are the tax increases Reformers opposed because they hurt their friends. Heaven help them if they had to help poor or middle income Canadians.

[Translation]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, my question is for the Minister of Finance.

Yesterday's budget epitomized this Liberal government's inaction in the area of taxation. Three and a half years after taking office, the Minister of Finance has made no major changes; he has no real tax reform to propose to the people of Canada. Taxation is a powerful tool available to the Minister of Finance to achieve social or economic objectives.

How can the Minister of Finance explain that, despite a golden opportunity to create jobs through taxation, nowhere in his budget did he use either personal or corporate taxes to do so?

Hon. Paul Martin (Minister of Finance, Lib.): Quite the contrary, Mr. Speaker. In yesterday's budget, we presented highly targeted tax breaks amounting to more than \$2 billion over a three year period specifically for persons with disabilities as well as substantial breaks for students or parents who want to save for their children's education. There is also the child tax benefit.

The vast majority of measures contained in yesterday's budget were precisely tax measures, tax breaks designed to help Canadians.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, last November, the Bloc Québécois released a corporate tax analysis, which clearly showed that up to \$3 billion could be recovered and recommended this amount be invested in job creation incentives.

How does the minister justify not having done his homework in that area, in spite of this recommendation?

• (1445)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it was done long before the Bloc's report was tabled. I could quote, for example, from previous budgets, measures like the abolition of the lifetime \$100,000 capital gains exemption, the broadening of

Oral Questions

the minimum replacement tax base or the elimination of the tax advantages offered by the use of trusts.

As I said the last time, the list goes on—

Mr. Gauthier: For three pages.

Mr. Martin (LaSalle-Énard): That is right, I tabled it myself. I submit that the hon. member should ask the Table for the three pages I mentioned.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, in the last election, the government campaigned on the issue of jobs, jobs, jobs.

In the budget yesterday there was not a word about jobs. There was nothing for jobless Canadians. There was just 80 minutes of self-congratulations.

The finance minister did not even mention the 9.7 per cent unemployment rate, the 1.5 million unemployed, the one in four people underemployed or who are worried about losing their jobs.

When will the finance minister come down from his mansion on the hill and realize that by relentlessly driving up taxes he is killing jobs in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what was done in yesterday's budget was to very clearly outline a comprehensive jobs program.

First of all, we started out with the absolute necessity of cleaning up the nation's finances. Our interest rates have gone from two and a quarter percentage points higher than the United States' to where they are now, two and a quarter to a half percentage points lower than the United States'.

This is as a result of the actions of this government. That is why people are now saying that Canada will have the strongest job creation record of any of the G-7 countries.

Second, we put in place a short term program, infrastructure, roads, sewer mains and highways in order to create instantaneous jobs. More money went into the tourism sector because it is a massive creator of jobs.

The Prime Minister's missions abroad have led to the highest level of exports in this country's history. We have put in place a long term job program, helping students finance their education, a very large research and development program for Canadian universities.

This government has put in place a comprehensive job program and it is paying off.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, if there is job creation in this country, that is news to the 1.5 million people

who are still unemployed, the same number as when the government came to power.

The last Tory government and the present Liberal government have left this country with a legacy of joblessness that has not been paralleled since the Great Depression. Seventy-six months in a row of unemployment over 9 per cent is a disgraceful record and the minister should be ashamed.

The Liberals have broken their promise to create jobs. When will the minister realize that high taxes are killing jobs in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it is expected that when an hon. member rises in this House the premise of their question will reflect the policies of their party.

The Reform Party seems to have forgotten this fundamental piece of legislative responsibility. Therefore let me simply say that since we have taken office, as the Prime Minister has said, there have been over 790,000 jobs created in the private sector.

Is that enough jobs? Of course it is not. Are we worried about job creation? Do we want to see more young Canadians go back to work? Absolutely.

However, let us understand what the alternative was. In 1993 in Penticton the leader of the Reform Party said that if they were elected and their economic plan, their scorch and burn policies, were put into effect, that at the end of three years there would be fewer jobs in Canada than there were in 1993.

We are 800,000 jobs ahead of the Reform Party.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Finance.

The minister announced that \$150 million would be provided over a three year period to support provinces that will implement new initiatives, such as home care and pharmacare programs. The fact is that such initiatives have already been taken in Quebec.

• (1450)

Is the minister going to do what he did with the GST and tell Quebec that, since it has already implemented such reforms, it will not get one penny? Is he going to do that again?

[*English*]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, I am surprised both at the tone and the substance of the hon. member's question, asking the Government of Canada not to provide moneys for citizens who reside in the province of Quebec who would be interested in participating in a national home care program or in a program for national pharmacare, thereby extending medicare.

Oral Questions

I am rather surprised that the hon. member would deny the citizens of the province of Quebec those kinds of economic opportunities.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I think the minister did not understand the question.

This is despicable. The minister is putting \$300 million into health, which does not even come under his jurisdiction, after reducing by \$2.3 billion, in the last two years, transfer payments to the provinces for health.

How can the minister expect to be taken seriously by the public when he is giving a measly \$300 million with one hand, after cutting billions with the other hand in the last three years?

[English]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member should know that the Minister of Finance, not in this budget but in the last budget, provided to the provinces something which they had been asking for for quite some time, the stabilization of transfer payments.

The Minister of Finance clearly did that and for this fiscal year we will be providing both cash and tax points totalling \$26.9 billion.

The hon. member should remember that as a result of this government's policies as they relate to interest rates they will save the provinces \$1.8 billion. Equally so, under the auspices of equalization, the provinces will now receive \$8.6 billion in this fiscal year. That is a hell of a lot of money for the purposes of health care and other social programs.

* * *

BILINGUALISM

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

Reformers and others have been complaining that bilingual labelling and packaging adds millions of dollars to the cost of doing business in Canada. Could the minister tell the House the real cost of doing business in the two official languages of this country and the benefits to Canadians?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the study that was done by the commissioner indicated quite clearly that the advantages are much larger than the cost. In fact, even the

enterprises themselves indicate that the cost is very small and is well worth the advantages.

In his study on the costs of bilingual packaging and labelling to small and medium size businesses, the Commissioner of Official Languages found that the average cost of compliance with federal laws and regulations is one-fifth of one cent per dollar of product revenue.

So those who scream against it are completely unjustified. The firms themselves find it is necessary because there are health, safety and security advantages to it and because the cost, once again, is one-fifth of one cent per dollar of revenue.

* * *

THE BUDGET

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, to use one of the finance minister's favourite phrases, let me simply say that this is the Liberal record that he is so proud of: 1.5 million Canadians unemployed, one in four Canadians worried about losing their jobs, \$7 billion slashed from health care and education, a \$28 billion federal tax grab, and Canadians have \$3,000 less to spend in disposable income.

Why does the finance minister not come clean and admit that Canadians today are far worse off than when the Liberals came to power in 1993 because of their tax, tax, tax policies?

• (1455)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, heaven forbid I should speak for the government. Simply let me quote David Crane, one of the more astute commentators on the political scene, referring to the budget. He said the budget can almost be called an investment budget that focuses almost entirely on people, making sure that children get early support to be good learners when they start school; providing more money for parents to raise healthy children; giving more deductions to post-secondary students and boosting innovation in the universities and industry.

That is what a non-partisan and objective commentator has to say about this budget.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, that commentator has a Liberal membership. There is no doubt about that.

The simple truth is, and the finance minister should know this, taxes, payroll taxes, kill jobs in this country. Unemployment is at a record level in this country and he has offered no tax relieve to take care of that. Only last Friday he imposed yet another \$10 billion tax grab on hard working Canadians.

Will the minister explain for the benefit of Canadians how this \$10 billion CPP tax grab is going to help Canadians keep their jobs,

Points of Order

help the 1.5 million Canadians who are out of work to get jobs? Does he not know the simple truth by now that taxes kill jobs in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, Tim O'Neil, chief economist, the Bank of Montreal, is forecasting well over 300,000 new jobs this year. Maureen Farrow from Loewen, Ondaatje, McCutcheon Limited international investors whom I talk to every day is looking at Canada as if it had sort of risen from the ashes. It is fascinating because it is the deficit, the debt and the current accounts, the contained inflation environment, the overall competitiveness, the restructuring of the export centre. We have gained enormous market shares across the board in export markets, particularly in the Asian markets, including Japan.

The hon. member talks about people who have Liberal cards. This from Deutsche Bank: "The Canadian economy has enjoyed massive monetary stimulus. We expect GDP growth to be more than doubled to 4.1 per cent this year, more than 1 per cent in excess of the United States, nearly two times greater than the average of the G-7. The longer term prospects beyond 1997 are favourable".

Mr. Speaker, it is a tragedy that you are going to cut me off.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is to the Minister of Finance who, we will all remember, four years ago stood in his place and said that jobs were a priority when 1.5 million Canadians were out of work. This afternoon 1.5 million Canadians are still out of work; youth employment is at 70 per cent; bankruptcies are at an historic high; 1.5 million children live in poverty because their parents live in poverty. I could go on.

Would the Minister of Finance admit that this budget gives no hope to those who are unemployed or underemployed and that the only jobs he is creating are con jobs and snow jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member, who sat in this House with a lot of us under the previous government, knows full well the economic situation in Canada when we took office in 1993. There was no hope. Taxes were going up. Interest rates were going up. Job creation was virtually a thing of the past.

I know he will understand, being a fair person, that looking at Canada today the fact is not only have we created over 700,000 jobs, not only are we being touted as doing better than any other OECD country, but our interest rates are down, our companies are exporting, consumer confidence is up. The foundation is there.

Now, are we satisfied? Absolutely not. Is there pain and suffering out there? Yes, there is. I know the hon. member, unlike those around him, understands and shares that feeling, as do we. We are going to continue to work on this because government is about people. It is about providing them with the sustenance they require and we will continue to do as we have done.

• (1500)

[Translation]

PRESENCE IN GALLERY

The Speaker: Dear colleagues, we are honoured today to welcome a group of eminent Canadians to this House. Their achievements have earned them a place in the Canadian Medical Hall of Fame.

[English]

These individuals have made outstanding contributions to medical science. Excellence in advanced research and scientific discovery have earned them a place in the Canadian Medical Hall of Fame located in London, Ontario. Their achievements are a source of pride for all of us.

I will ask them to stand as I call their names and I would ask you to withhold your applause until I have introduced all of them: Dr. Henry Barnett of London, Dr. Harold Copp of Vancouver, Dr. Herbert Jasper of Montreal and Dr. Robert Salter of Toronto.

Some hon. members: Hear, hear.

The Speaker: I invite you to join me in Room 216 after question period. I would like you to meet these distinguished Canadians at a small reception. If you have time you are cordially invited.

* * *

POINTS OF ORDER**BUDGET SECRECY**

The Speaker: I have notice of a point of order from the member for York South—Weston.

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, I rise on a point of order with respect to the practice of budget secrecy. The delivery of yesterday's budget represents a marked departure from the practice that has been followed in the House for many years, certainly since I was elected to Parliament.

Many of the provisions in the budget were announced by the government in advance of the minister's speech yesterday. Moreover, it has been the practice over the years that the budget documents themselves not be released until the minister rises to his feet in the House.

Yesterday the budget documents were available approximately 15 minutes before the minister rose to his feet. People had the opportunity to obtain the documents and to release them.

Mr. Speaker, I ask that you review this matter because it is an important principle. The reason we have budget secrecy is to ensure that no individual or groups of individuals are able to profit from advance information they might obtain concerning an upcoming budget.

Points of Order

In the past, finance ministers have been forced to resign where a budget leak has occurred because of the sanctity of the principle. I submit also it impinges on the privileges of members of the House when information is released prematurely. The reason why the budget was released at 4.30 p.m. yesterday is because the stock markets had closed.

• (1505)

Mr. Speaker, I would like you to review this matter. I would also like you to review the whole concept of the budget lock-up. I and a number of other people found it disconcerting that the media were reporting what was in the budget before the Minister of Finance had finished reading his speech.

Surely the lock-up should be extended until after the Minister of Finance has completed his speech to the House so that all Canadians have equal opportunity concerning the release of the information. It is patently unfair to the minister and to the House that the media should be reporting the contents of the budget before he is finished his speech.

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened with interest to what my hon. colleague suggests is a question of privilege. It would be my submission to you, Mr. Speaker, that it is not a question of privilege.

It is no secret that the government, since coming to office, has attempted to demystify budget making. Out of respect for the traditions of budget making, it is important to remember that we campaigned based on the fact that we felt this was important to Canadians and to all members of the House. The Standing Committee on Finance has travelled the country and continues to travel the country on prebudget consultations.

The principle behind budget secrecy is to ensure that no individual profits from information gained before the budget is read. I submit there has been no opportunity for private gain. In fact, to specifically deal with my hon. colleague's second point, the documents to which he alludes were on the desks of members of Parliament. No member of the public had those documents.

Since the Minister of Finance is coming into the House of Commons to speak to members of Parliament, I submit that it would be impossible for there to have been a breach of security, a release or disclosure of pertinent information, as my hon. colleague has suggested.

The stock markets were closed at the time of the deposit of these materials. There was no opportunity for any member of the public to take any advantage. We are honourable members. The materials were placed quite properly on our desks as the Minister of Finance was about to speak.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, we have listened to the arguments put forward by the member for York South—Weston and from the government side. I think that the arguments put forward by the government side were very weak. I am more inclined to listen to the first speech.

I have one point I would like to make. The government member said the stock markets were closed. That is a typical centrist Canadian attitude. The stock market in Alberta was wide open at the time the minister stood up. The stock market in British Columbia was wide open at the time the minister stood up.

• (1510)

It is time these people started to recognize that Canada does not end at the lakes. There are millions of people on the prairies and in B.C. who deserve the same courtesy and attention as the rest of Canada.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, there is just one small point I would draw to your attention. I think you would find that the members of Parliament who were in the lock-up that was allowed by the Department of Finance were not allowed out of the lock-up until the minister stood up.

In the converse, the members of Parliament who were not in the lock-up, who are all honourable people and I am sure all had honourable intentions, nonetheless had the details of the budget prior to the time the minister stood up. I cannot imagine that anyone would have abused that privilege but it is possible that telephone calls could have been made from the lobby.

If members of Parliament are in the lock-up and are not permitted out, there has to be a good reason for it. Why then were the members of Parliament in the House given copies of the budget prior to the minister standing up?

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, the first point I would make is that this is certainly not a matter of privilege.

The second point is that I would not question the behaviour of any member of the House. I recall being in the Chamber just before the minister rose to speak. All members on all sides of the House were receiving documents as the minister arrived. Some were flipping through those documents. All members of the House were treated alike. The documents were here within the safety and security, if you will, of this Chamber with no prospect whatsoever of any kind of opportunity for anyone to profit from it.

Mr. Nunziata: Mr. Speaker, the fact is the budget documents were available in the lobby. There were people in the lobby who are not members of Parliament. I had two people with me who were not

members of Parliament and who had the budget document 15 minutes before the minister started speaking.

The Speaker: I want to inform myself about the precedents. I understood this is being brought up as a point of order, not a point of privilege. Is that correct? I address myself to the hon. member for York South—Weston.

Mr. Nunziata: Mr. Speaker, I think it would be more appropriately phrased as a point of privilege than a point of order.

The Speaker: I will deal with everything that has been said in the context of a point of privilege.

I want to inform myself about the precedents. I want to inform myself about what went on yesterday. After I have informed myself, I will get back to the House and I will share with you what my findings are.

Mr. Williams: On a point of order, Mr. Speaker.

The Speaker: Is this a different point of order?

Mr. Williams: On the same point, Mr. Speaker.

The Speaker: As far as this point is concerned, I feel that I have heard enough. You are no doubt going to quote me something from the rules that we work by. I will familiarize myself with all of the rules that are involved.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

* * *

[English]

INTERPARLIAMENTARY DELEGATIONS

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the Canadian delegation to the fifth annual meeting of the Asia-Pacific Parliamentary Forum which was held in Vancouver, British Columbia from January 7 to January 10 of this year.

• (1515)

The meeting was hosted by the Parliament of Canada and I can proudly report that it was highly successful and productive.

Routine Proceedings

Parliamentarians from 21 Asia-Pacific nations met to discuss important regional and global issues. Twenty-one separate resolutions were adopted dealing with such matters as terrorism, drug trafficking, land mines and the environment. The Canadian delegation was most instrumental in proposing and having adopted important resolutions on education and literacy, on human rights, including the exploitation of children and women.

In conclusion, I want to draw the House's attention to the fact that the right hon. Prime Minister addressed the delegates at the opening plenary session. He spoke of the importance of the APPF and how parliamentarians are an essential part of the decision making process and should play an active role in international relations.

* * *

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table the 56th report of the Standing Committee on Procedure and House Affairs, which lists the members and the associate members of the Standing Committee on Industry.

With leave of the House, I intend to move for concurrence in this report later this day.

* * *

[English]

CRIMINAL CODE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved for leave to introduce Bill C-372, an act to amend the Criminal Code (protection of child before birth).

He said: Mr. Speaker, our nation today has an epidemic of children who are born with fetal alcohol syndrome which is the result of the mother consuming substances that are deliberately and permanently injurious to the fetus.

In response to that I am introducing a controversial private member's bill. It would enable the courts to impose controls on the mother who is knowingly consuming substances injurious to the growth of the fetus. The courts would be able to have the individual confined to a hospital or another suitable facility where her access to injurious substances could be controlled for as long as the court deemed fit. This would ensure the protection of fetuses for nobody is speaking for their protection today.

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

Routine Proceedings

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with the leave of the House I move that the 56th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

* * *

PETITIONS

GASOLINE TAX

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I have the honour to present a petition from a group of people on Montreal's south shore asking the government not to increase the federal excise tax on gasoline.

HIGHWAY SYSTEM

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I also have a second petition. This one too is from a group of people on Montreal's south shore asking Parliament to exert pressure on the federal government so that it will work with provincial governments in order to improve the national highway system.

[English]

PEDOPHILE REGISTRY

Mrs. Jan Brown (Calgary Southeast, Ind.): Mr. Speaker, I have a petition signed by Calgarians as well as people who live just outside of Calgary. They are opposed to the early release of sex offenders and pedophiles. They state that sexual abuse of our children or anyone in society is intolerable. They are concerned about making our streets safer for our children. The petitioners therefore pray that Parliament enact legislation to establish a pedophile registry.

• (1520)

GOODS AND SERVICES TAX

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have a number of petitions today. This petition with 320 signatures asks Parliament to zero rate books, magazines and newspapers under the GST.

LAND MINES

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have a petition with 350 signatures on it that asks Parliament to legislate the prohibition in Canada of the use, production, stockpiling, sale, trade and transfer of all anti-personnel land mines and to work toward an international convention banning those activities.

HIGHWAYS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have two petitions in which the petitioners call upon Parliament to urge the federal government to join with the provincial governments to upgrade the national highway system in 1997.

GASOLINE TAX

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have another petition where the petitioners request that Parliament not increase the federal excise tax on gasoline in the budget.

BOVINE GROWTH HORMONE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have another petition where the petitioners ask Parliament to take steps in keeping BGH out of Canada and to legislate a moratorium or stoppage on the use and sale of BGH until the year 2000, and to examine the outstanding health and economic questions through an independent and transparent review body.

THE JUDICIARY

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, this petition calls upon Parliament to conduct a full inquiry into the relationship between lending institutions and the judiciary, and to enact legislation restricting the appointment of judges with ties to credit granting institutions.

The Deputy Speaker: Hon. member, there is an unstated rule of three to a customer. Perhaps the hon. member would not mind doing it next time.

RIGHTS OF THE UNBORN

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I have quite a few petitions here but I will table only a few today. Pursuant to Standing Order 36, I have the privilege to present to the House petitions from my riding of Cambridge.

The concerned citizens pray that the Government of Canada act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, the next 370 petitioners have signed a petition praying and requesting the government to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced and that Parliament make no change in the law which would sanction or allow the aiding of a suicide or active or passive euthanasia.

HIGHWAYS

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, as well I would like to table petitions signed by citizens of Cambridge.

These citizens wish to draw to the attention of the House that 38 per cent of the national highway system is substandard. Our NAFTA partners are currently upgrading their national highway systems. Investment in Canada's national highway system would create jobs, spur economic growth, contribute to national unity and save lives.

For these reasons, the petitioners pray and request that the Parliament of Canada join with provincial governments to make the upgrading of our national highway system a priority.

GASOLINE TAX

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, these petitioners are asking the federal Parliament not to increase the federal excise tax on gasoline in the budget.

NATIONAL UNITY

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I have two petitions to present today. One of them is from citizens of Canada from Quebec to British Columbia.

The petitioners pray that the Prime Minister and the Parliament of Canada declare and confirm immediately that Canada is indivisible, that the boundaries of Canada, the provinces and territories and territorial waters may be modified only by a free vote of all Canadian citizens as guaranteed by the Canadian Charter of Rights and Freedoms or through the amending formula as stipulated in the Canadian Constitution.

GASOLINE TAX

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the second petition is regarding federal excise tax on gasoline.

• (1525)

The petitioners request that Parliament not increase the federal excise tax on gasoline and strongly consider reallocating its current revenues to rehabilitate Canada's crumbling national highways.

HIGHWAYS

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I would like to present a petition signed by a number of constituents from Capilano—Howe Sound.

The petitioners urge the federal government to join with provincial governments to make possible the upgrading of the national highway system.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, pursuant to Standing Order 36, I would like to table two petitions from constituents in Saskatchewan, including Mrs. Wilma Ritz.

The petitioners request that Parliament realize that 38 per cent of the national highway system is substandard. They call upon

Routine Proceedings

Parliament to urge the federal government to join with provincial governments to make national highway system upgrading possible.

GASOLINE TAX

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would also like to present two petitions which are signed by 50 petitioners.

The petitioners note that approximately 52 per cent of the cost of a litre of gasoline at the pumps is in the form of taxes. They ask that the gasoline tax not be increased in the budget.

I am very happy to present these petitions to the House.

GOODS AND SERVICES TAX

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I have a petition signed by quite a number of people primarily from the Calgary area.

The petitioners believe that the application of the GST on reading material is unfair and wrong. They call on the government and Parliament to zero rate books. Specifically, they ask the Prime Minister to carry out his party's repeated and unequivocal promise to remove the federal sales tax from books, magazines and newspapers.

PUBLIC SAFETY OFFICERS COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I wish to present three petitions today.

The first petition comes from Halifax, Nova Scotia. The petitioners would like to draw to the attention of the House that our police and firefighters place their lives at risk on a daily basis as they serve the emergency needs of all Canadians. They also state that in many cases the families of officers who are killed in the line of duty are often left without insufficient financial means to meet their obligations.

The petitioners therefore pray and call upon Parliament to establish a public safety officers compensation fund to receive gifts and bequests for the benefit of families of police officers and firefighters killed in the line of duty.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition comes from my riding of Mississauga South.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

The petitioners therefore pray and call upon Parliament to pursue initiatives to assist families who choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

The Budget

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the final petition comes from Vancouver, B.C.

The petitioners would like to draw to the attention of the House that the consumption of alcoholic beverages may cause health problems or impair one's ability and specifically that fetal alcohol syndrome or other alcohol related birth defects are 100 per cent preventable by avoiding alcohol consumption during pregnancy.

The petitioners therefore pray and call upon Parliament to enact legislation to require health warning labels to be placed on the containers of all alcoholic beverages to caution expectant mothers and others of the risks associated with alcohol consumption.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

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PRIVATE MEMBERS' BILL C-339

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, a bill standing in my name under Private Members' Business, Bill C-339, an act to permit descendants of United Empire Loyalists who fled the land that later became the United States of America, and I will not read the whole title but it is also known as the Godfrey-Milliken bill, is awaiting second reading on the Order Paper. It has not been drawn so it is not on the order of precedence.

The bill is standing in my name and I am no longer eligible to move bills in this House. Therefore, I am requesting that the bill be transferred to the name of the hon. member for Saint John and that it stand in her name for all purposes.

The Deputy Speaker: Do colleagues agree to the hon. member's request?

Some hon. members: Agreed.

(Motion agreed to.)

GOVERNMENT ORDERS

• (1530)

[Translation]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from February 18, 1997, consideration of the motion that this House approve in general the budgetary policy of the government.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to once again speak on behalf of my party regarding the fourth budget tabled by the Minister of Finance.

Yesterday, immediately after the presentation of this election minded and self-serving budget, I had an opportunity to give the official opposition's initial reaction.

We took a more thorough look at the budget last night. As you know, the official opposition works very hard. We are not lazy people.

However, when we look—and this will be the first part of my presentation—at the evolution of public finances over the last three years, and when we look at the track record of the Minister of Finance, we have no choice but to say that the minister is lazy. Why?

I now get to the first part of the presentation. Some may look at how public finances have evolved and think the Minister of Finance is an extraordinary manager. However, we can say, based on an assessment of his track record, that his reputation is overrated. Why? Because if we consider budgetary revenues from 1993 until today and what federal spending has been since the Liberals came to power, since the Minister of Finance has been the head of the Department of Finance, we see that if the minister had sat around twiddling his thumbs, the result would have been exactly the same as far as reducing the deficit is concerned. We could have put Youppi, the Expos' mascot, in his place, or Alcide, the mascot of the Granby Zoo, as suggested by the hon. member for Shefford, and the result would have been the same.

Why? Simply because the Minister of Finance was able to take advantage of an extraordinary rate of economic growth, that unfortunately is not reflected in job creation because of the minister's inertia, but that increased the federal government's tax revenues by \$22 billion. Where did our wonderful manager of public moneys, our national mascot get those \$22 billion? Not just anywhere. He got them from individual taxpayers, from middle income people whom he continued to bleed dry, exactly like the previous government, by maintaining high taxes, income tax and even premiums, including those for the unemployment insurance fund which generate a surplus of \$5 billion annually. He generated

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\$22 billion in new revenue. It is easy to reduce the deficit with this kind of increase in tax revenue.

There is another very important item on the books of the Minister of Finance. He never dwells on his past achievements. He only talks about the present and the hoopla around his budget, but we should look at what he did before: he cut government spending by \$14 billion. Where did he make those cuts? We should take those \$14 billion and find out exactly where he cut most vigorously and effectively as a good public administrator.

Well, we see that more than 50 per cent, or to be more exact, 52.1 per cent of those \$14 billion in spending cuts over the past three years, when we look at the revised figures the Minister of Finance gave us yesterday, is the result of cuts made in transfers to the provinces. It is easy to be in debt: if I have debts, I will let my neighbour pay. Now that is good management. And that is what the Minister of Finance did. Since he became head of the Department of Finance, 52.1 per cent of the \$14 billion that was cut was the result of cuts in transfer payments to the provinces. Meanwhile, he walks around saying: I am a good manager, but in Quebec, they are not, they cut all over the place and they downsize.

Of course, our Minister of Finance is too lazy to do the job himself and lets others do the work for him, while he goes around with a big smile, making theatrical gestures and exuding charm, as some people said, but he is the worst public administrator the federal government has ever known, because he lets others do the dirty work. Fifty-two per cent from downloading onto the provinces. It is easy to be a good manager.

• (1535)

The proportion of operating expenses in this \$14 billion is 20 per cent. Twenty per cent of \$14 billion comes under his control as manager and represents cuts in government operations. It is a small amount compared to the 52 per cent he left up to the provincial governments. And included in this figure is the despicable cut of \$4.5 billion in social programs and in transfers to the provinces to cover post-secondary education, health and social welfare.

Actually, in the past three and a half years, the Minister of Finance has managed to reduce government operating expenses by only 6 per cent. I think people understand now that the reputation of the Minister of Finance is overblown and that he sitting there like an overpaid manager. He is sitting there watching events saying: "I am not going to do anything, because if I do, I might make a mistake". Every time the government rose to propose things, it made mistakes too.

We need only think of the promises on the GST and the promises of \$720 million for the daycare system. We need only think of the bad decisions made in the implementation of employment insur-

ance, which will, and I will come back to this, marginalize a whole lot of workers, who will be so discouraged by the eligibility criteria that they will simply withdraw from the labour market and swell the ranks of welfare recipients and be in the pay of the provinces.

From this alone, we can see that the government had only one thing in mind: to keep the system, maintain the unwarranted advantages of wealthy Canadian families—and we will have an opportunity to return to this shortly when we talk about the revision of the tax system—and continue to bleed middle income earners and the unemployed, as it has done since the start of its mandate.

The Minister of Finance has wasted an excellent opportunity to leave his true mark, not the false image of a good administrator who has reduced the deficit, the only one in Canada's recent history to have kept his promises. In the kind of economic situation that this minister has enjoyed, Michael Wilson, Don Mazankowski and John Crosbie could have done much better than he did.

He has lost an excellent opportunity. Why? Because he could have taken advantage of the relatively good economic situation to do the things we are entitled to expect from a true administrator of public finances.

First of all, he could have brought in tax reform. Our tax system has not been changed in 30 years. We have said this many times. We even made it one of our campaign commitments, just as the Liberals did. That is another red book promise that has not been kept. They talked about making our tax system more efficient, more in line with the reality of the 1990s and the next decade and more fair and equitable for all taxpayers, but they have not done it.

In the three and a half years he has been at the helm of the finance department, the Minister of Finance has lost an excellent opportunity to reform our tax system.

Last year, we did the job our lazy minister should have done. We formed a small task force. We sought advice from experts across Quebec and across Canada; we even used the briefs that were submitted at numerous meetings of the finance committee where tax experts were invited to talk about corporate and personal taxes.

Last year, with our small team from the official opposition, and with the full support of my colleagues, who were good enough to make suggestions for the reform of corporate taxation, we tabled a substantial, almost exhaustive analysis of all major tax expenditures that applied to Canadian businesses.

For the benefit of taxpayers in Quebec and in Canada, tax expenditures are all the exemptions, everything in tax legislation that applies to corporations, as well as to individuals—in this case I am talking about corporations—everything that lowers the taxes paid by corporations.

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• (1540)

We reviewed twenty or so of these tax expenditures and found that things had changed in the last 30 years. Some small improvements, some cosmetic changes, had been made but, overall, things had been terribly neglected and a number of unfair advantages to large corporations for which there was no longer any justification had been left intact. And they continued on this course. Three and a half years of the Liberals in power, three and a half years of our super tough manager, our mascot, the Minister of Finance, and not a line written about the reform of corporate taxation.

The Bloc Quebecois' analysis showed how, through tightening the rules and abolishing outmoded tax expenditures, \$3 billion could be saved, and we suggested to the Minister of Finance that he take this \$3 billion and plow it back into the corporate tax system in order to support SMBs in their job creation efforts. People are looking for jobs, and the Liberals are telling us that jobs are their priority.

I recall that, when we tabled this report, the Minister of Finance rose to his feet and congratulated the Bloc Quebecois. Even the newspapers reported that the Minister of Finance had congratulated us on corporate taxation. But that was as far as it went. He congratulated us. We were very flattered, very pleased. My colleagues and I in the Bloc Quebecois were very pleased to be congratulated, but that was not why we did what we did. It was not so he could take this report and shelve it, like other reports by royal commissions of inquiry have been shelved by the federal government over the last 25 years.

We offered him these detailed, documented, very simple but highly logical suggestions so that he would do something, so that he would stop sitting back and watching the world go by, so that he would stop going with the flow and doing nothing to improve the tax system.

He did nothing. That would have been easy. We made a very simple suggestion in this report, which we repeated in our report on personal income tax published more than two weeks ago: we asked the minister to eliminate a tax provision that applies to corporations and wealthy Canadian families, and consists in taxing only 75 per cent of capital gains. For instance, only 75 per cent of the value of equity holdings owned by a corporation or an individual would be taxable.

When a worker earns \$300, the entire \$300 is taxable, not just 75 per cent. But the rich, wealthy Canadian families, the same ones who take advantage of almost perpetual tax referrals connected with family trusts and who transfer money abroad without paying income tax, the very same people who go around with powerful lobbyists, go to see the minister and say: "You must not touch

that". Once again, the lobby of wealthy Canadian families has won.

I must say that when we look at the government team and the Prime Minister's office as well, we can see that the lobby of wealthy Canadian families is very close to the government. I think that explains much of this government's inertia. They were elected to preserve all these advantages, because the minute the government does anything about these tax provisions and revises the system as we suggested, to be fair to businesses that do pay taxes, especially small businesses, these undue advantages that accrue to the friends of the Prime Minister and the Minister of Finance will disappear.

I get the impression that is largely why the Minister of Finance has been so slow to act and did not write a single word about corporate tax reform. For the past year, and actually I am proud of this, the Minister of Finance has been waving three pages at us: "Look, I have three pages of measures with which I eliminated tax loopholes, three whole pages".

A week and a half ago we wisely asked the Minister of Finance to table the document he had been waving around for a whole year in this House.

• (1545)

We were right to do so, because it allowed us to analyze each of the measures the Minister of Finance claimed eliminated tax loopholes. He would rise and list them endlessly. Sometimes we did not quite understand. From this document we can see why we did not quite understand. Of all the measures listed on these three pages, only one quarter actually serve to eliminate tax loopholes.

Three quarters of the measures he waved in our face every question period each time we asked him about corporate and individual tax loopholes are erroneous, do not make sense, were never carried out, have nothing to do with loopholes or are duplicates. The repetitions go on for three pages. As if we could not figure out that they repeated the same measures two or three times over the three pages so they would appear to look like more, rather than the meagre showing they were compared to the 400 pages we gave him on corporate and individual taxes.

Really, this takes the cake. This is not being a little partisan or election oriented; this is electioneering in spades, despite an important responsibility to Quebec and Canadian taxpayers.

Since he came to this House, the Minister of Finance has been and is still hiding behind a smoke screen. He claimed he had done great things to deal with tax loopholes, but judging by what he presented, it does not seem to amount to much.

With regard to personal income tax, it would have been so easy for the minister and his team—I suppose it must be impressive, at least in terms of numbers and volume; I believe its total weight

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must be around several million pounds. There are many brainy people at the finance department, they are all over the place, at the revenue department as well, experts who advise the Minister of Finance and who could have conducted in-depth analysis, far better than what we presented, with regard to the reform of the personal and corporate tax systems. Why was it not done? Why is it that in the last budget, as in the previous three, there was no measure to make personal taxes more equitable?

Another red book broken promise. In the red book, they talked about tax fairness, tax equity. You can go and see for yourself. They have been quoting it less often lately, perhaps because of the election, they know we are going to annotate it and rub their noses in it. Again, they said the tax system should be made fairer and more equitable, one more empty promise. Nothing, a big zero, is what they have done to change the personal income tax system.

Two weeks ago we presented a report suggesting a few possible measures. We were not asking the finance minister to implement them immediately in his budget. However, he could have announced that he was contemplating a reform of personal income tax for next year, or some mechanism to improve the equity and justice of the system. But no, this would have been too much to expect from the Minister of Finance. He is used to sitting back and letting things happen. So he did nothing in these areas.

For example, if he had wanted to reduce poverty for families, and particularly single parent families with children, he could have replaced the income tax deductions for child care expenses, as provided in the Income Tax Act, with a refundable child tax credit, just as we had suggested.

He could have implemented measures so that even the single parent families without any taxable income on their return would have benefited from the refundable part of the credit. We have estimated that families, depending on their income and the number of children, would have saved an additional \$600 to \$1,000. The minister could have done that. But no, he did nothing of the sort.

In order to focus taxation on job creation, he could have adopted our suggestion and implemented a job creating RRSP similar to the home ownership RRSP. Like the people participating in the home buyers' plan, people could have withdrawn \$25,000 out of their RRSP to start up a new business.

• (1550)

Last year, more than 60 per cent of new jobs were self-created, that is to say people created their own jobs. That is the way of the future. People are being told over and over again that it is the way of the future and that is the goal they should pursue. However, no government is willing to give them a hand. Yet, this is a new reality of the labour market that should be acknowledged, and the tax

system should be adjusted accordingly. But there is nothing in the finance minister's budget in this regard.

We are not creating enough jobs and he is sorry for it. Here is an official in charge of managing public finances, making sure that the economy is sound and the labour market more productive, and he apologizes, like the Prime Minister. No, the Prime Minister does not apologize, because he never admitted that he can make mistakes. The Minister of Finance apologizes by saying: "We could do better, but we did not". Yes, he could have done better, much better.

For example, he could have restored the \$5,000 ceiling on contributions to labour-sponsored investment funds, like the FTQ and CSN funds in Quebec and others in the rest of Canada, as we suggested. Last year, he reduced the ceiling to \$3,500. He says that he is working to create jobs, but he is cutting off funding for one of the best job-creating vehicles in Quebec and Canada.

There again, they are short of ideas, they are short of means. I have a feeling that they lost their drive. Instead, they would rather wait until they have won another election to play dirty tricks once again, as they have been doing for the last three and a half years, and they will be at it again. This is the Liberal establishment: they continue to maintain undue advantages for rich families and rich corporations. This is the Liberal Party of Canada.

I would like to remind the House of one thing that became obvious to me when the analysis of corporate taxation was done. It is always under Liberal governments, the previous ones and this one, that tax deferrals by big corporations have consistently increased. Every time the Liberals have been in office, all of a sudden, there has been an increase in the number of tax loopholes and tax deferrals by big businesses, for a total of \$36 billion until now.

The finance minister also did not think that this issue should be examined and that—for big corporations that will never pay a penny in taxes, because for them it is not a deferred tax but a scrapped tax—a mechanism should be put in place to get, like in the United States, at least a small minimum, *minimorum* as we say in Latin, the smallest minimum in taxes.

Once again, the finance minister has nothing to his credit. I find this is quite a bad way of completing a first mandate as finance minister. I think Canadians are starting to understand the game played by the finance minister and are starting—and we will see this during the election campaign—to question the ability and honesty of some of the people on the government side.

The finance minister, if he had been hard working, if he had been the kind of beaver that he says he represents, because it is Canada's emblem, could have taken advantage of exceptional circumstances

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in terms of tax revenues, as I was mentioning earlier, and in terms of people's expectations.

Yesterday, the finance minister in his budget speech painted quite a picture when he talked about deficit forecasts for this year and next year. Our initial analysis of his statements is as follows: in the past—since the past is the key to the future—the finance minister has always somewhat underestimated his performance, so that six months later, the first actual figures are spectacular, exceeding forecasts by 30 per cent, and have a major political impact. This is all he thinks about. He gets up in the morning and only thinks about the way of looking like the best manager of the government. In fact, the finance minister is a comedian, a real comedian.

• (1555)

He tells us: "I must be careful. I cannot put in too much. I can allocate no more than so many millions—a pittance, crumbs here and there—to the fight against poverty". The fact of the matter is that the Minister of Finance is hiding the truth from the public. The fiscal flexibility he will benefit from, not because of his managerial skills—as I said earlier, Youppi and Alcide would have done better—but simply because of the economic situation, could total between \$8 billion and \$10 billion this year and the next.

What is this flexibility? It is the difference between last year's deficit forecasts for this year and next year and the actual results achieved because of the economic circumstances.

Even if he took \$8 billion from his deficit reduction target, thanks to the economic situation, he could still achieve a zero deficit by the year 2000—achieving a zero deficit by the year 2000 is no small feat; the financial marketplace would be delighted to hear that—but he is not yet committed to a zero deficit by the year 2000. The Government of Quebec, on the other hand, made that commitment long before he did. Achieving a zero deficit by the year 2000 would be possible if he took the \$8 billion or more at his disposal, and applied it to something else than deficit reduction.

The federal deficit could be eliminated by the year 2000 by allocating \$8 billion to various other things, to alleviate the job crisis, to fight growing poverty, and so on. The Minister of Finance did not tell us that yesterday; he was silent on this issue. Do you know why? It will be very simple for him. Let me predict what will happen during the election campaign. Let me pretend I am Bernard Derome. I would say: At 3.55 p.m. this afternoon, I predict that, when the election campaign is in full swing, the Minister of Finance will release revised figures on deficit reduction. He will say: "This is wonderful. The Liberal Party of Canada and the Minister of Finance—because he really likes to be a star—managed to achieve results that greatly exceed all expectations, including the minister's own, when he tabled the budget".

We know that. One only has to make a simple calculation to see where the deficit reduction curve should be in the year 2000, based on the budget forecasts made last year by the minister, and to see that there is a margin of \$8 billion to \$10 billion for this year and next year.

So, there is some leeway with this \$8 billion margin. This is a great opportunity for a government interested in doing something about job creation, about poverty. But the government is passing up the opportunity. The government could have added an extra \$2.5 billion to this \$8 billion, by committing to reform the personal tax system this year. It would have had that extra \$2.5 billion by eliminating undue benefits for those who earn \$150,000 or more, while giving back some of the money to low income earners, who have been bled dry with a tax burden of \$22 billion over the last three and a half years. So, this additional \$2.5 billion could have been added to the \$8 billion margin, that is the money available to the minister to take some action.

To this amount, the minister could have added another \$500 million, and we were hoping to see this in the budget, as stated in the document that we tabled last week, by saying yesterday that, being the good manager that he claims to be, he was going to fight the underground economy. Had he done so, he could have got another \$500 million.

In 1994, Statistics Canada estimated the underground economy at \$6 billion, so \$500 million out of a total of \$6 billion is not all that much. By trying a little bit harder, the minister could have generated those revenues. All things considered, in the first budget he tabled in the province of Quebec, Mr. Campeau was able to generate a lot of money by using the necessary resources. This additional \$500 million would have given the minister more leeway.

In his last report, in the previous one and in the one before that, the auditor general kept pointing to \$2 billion to \$3 billion in inefficiencies and waste. Last time, besides that \$3 billion, he indicated that the federal government is spending \$1.2 billion more than needed to manage its inventory. That is \$1.2 billion too much. As a good manager of our public finances, the minister could have promised, each and every year, to fight all that waste and try to give himself more leeway.

• (1600)

All in all, this year, if he had been willing to, he could have given himself a lot more leeway, in fact between \$8 billion and \$14 billion more—that is a lot of money—and still maintain his objective of eliminating the deficit by the year 2000. It is very sad indeed. He could have told us: "Look, I can do these two things at the same time." Instead, he stuck to his fight against the deficit, the only thing that matters to him, his only real achievement. He wants to show the people that he can not only reach his goal and completely eliminate the deficit by the year 2000, but that he can

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also generate surpluses immediately and go for a third election campaign and maybe also run for the leadership of the Liberal Party of Canada, something he seems to be interested in.

He had a margin of \$8 billion to \$14 billion. What could he have done with that? He could have distributed it to his wealthy buddies. That would have been his natural reaction. He could have done things for all taxpayers in Quebec and Canada. He could have helped the real people, the people he claims to serve, the people the Bloc Quebecois actually does serve.

He could have said: "I will forget about the \$4.5 billion cut in the Canada social transfer, the transfer payments to the provinces for welfare, post-secondary education and health care. I will give back to the provinces the \$4.5 billion I took from them in my last budget".

Thus, with the established programs and resources in the provinces, especially in Quebec, we could have really fought poverty. Instead, the minister announced a program that was all show and only designed to get votes.

Thanks to the leeway he had, he could also have afforded to stop doing what he has been doing for the last two years, that is, using at least \$5 billion of the unemployment insurance fund a year to reduce his deficit.

I want to digress about the first measure, which is to put \$4.5 billion back into the Canada social transfer to the provinces. Yesterday, the minister announced that he would fight child poverty with determination. Over the past few months, he has made a show of being compassionate toward poor children. He wants us to forget that his \$4.5 billion cut in social programs is the very thing that increased poverty for families, for the parents of poor children.

He indicates today that there will be a supplementary child benefit of \$600 million. When you consider only that, it is fine. But do not forget that the cuts amounted to \$4.5 billion and that the \$600 million will only be implemented next year, after an election.

We must not forget the promises made during the 1993 election campaign. Everybody remembers the promises made by the Prime Minister and his ministers who were only candidates then: "We will create hundreds of thousands of jobs". Where are those jobs? "We will abolish GST". What happened to the GST? "We will invest \$720 million in the day care program". Where is the \$720 million?

And now they announce a new \$600 million child benefit for 1998. We do not believe them. They are not believable. Nobody believes them. We have our doubts about what will happen after the election. It seems that they suddenly forget their promises once they have been elected. They ignore them. They dismiss them and act as if they had never existed.

There is a real national emergency in terms of child poverty. The Minister of Finance said it was. According to our analysis, it is more than an emergency. In fact, we should have done something in the past three years. We should not have cut \$4.5 billion in social programs. On the contrary, we should have increased funding to help families, the most disadvantaged families, the parents of these children living in poverty.

• (1605)

Instead, this year, we will spend only \$50 million to fight child poverty. Have you thought about what \$50 million means? They cut \$4.5 billion from social programs, which will worsen the problem of poverty. They will spend \$600 million, but only next year, because this problem is not enough of an emergency for the government. They will spend \$50 million this year to fight child poverty. This amount shows how compassionate the Minister of Finance is. We do not believe him either. He is not believable when he says that he is greatly concerned about child poverty.

When he places his hand over his heart, I think what he really wants to do is dip into our pockets. Child poverty is the least of his concerns because, once again, if he did not have his mind set on merely partisan or crass electoral things, he would have put the money where it is needed, and at the levels that his margin of \$8 to \$14 billion a year allows. He would have put \$4.5 billion in social programs instead of literally robbing the provinces of that amount. That is where he should have put the money.

Concerning the unemployment insurance fund, once again, the Minister of Finance could have been more shrewd, more hard working, less lazy. He could have said: "I will use part of the \$5 billion surplus in the unemployment insurance fund to substantially reduce unemployment insurance, now called employment insurance, premiums". Not a reduction of a nickel or a dime, which is what he has accustomed us to. As a matter of fact, every analyst is saying today that, in this regard, the minister's budget is worthless, that it will not have any impact on corporate competitiveness and job creation.

He could have done three or four times better. And with the rest of the surplus, he could have given back the protection he took away from the unemployed with the introduction of the employment insurance program last January. He could have done that, but not this finance minister. We know him and we know how he is putting his fiscal house in order on the back of others, so we could not expect him to use this cushion that he is hiding from us to stimulate employment by reducing unemployment insurance premium rates, and especially by helping small and medium size businesses create jobs and by improving the situation of those who fall victim to unemployment. He has not done that. Absolutely not.

I remind the House also that he has not followed our suggestions on corporate income tax reform, which would have freed up \$3 billion that could have been used to support employment in the small and medium size business sector. He applauded these

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suggestions but he did not act on them. He applauded them just for show, for his image. Image is very important to our finance minister. He is paving the way to becoming the leader of the Liberal Party of Canada some day. He came to thank us. He was even quoted by a newspaper as congratulating the Bloc Quebecois, but he did not do anything in the area of employment. The same goes for our proposed employment RRSP. He applauded that suggestion but did not act on it.

Speaking about employment, do you know what new measures are contained in this budget to create jobs? I remind you that we are experiencing a shortage of jobs. There are 1.5 million people officially unemployed; there are another 1.5 million unofficially unemployed, people who are discouraged, marginalized, driven to welfare, who no longer show up as actively seeking work. This adds up to 3 million underemployed people in Canada. He has set aside \$25 million in new money for job creation. This represents 90 cents for each Canadian. Direct assistance during the Great Depression was more generous. It is terrible, 90 cents.

It is cynical, laughable, but sad at the same time, because 3 million people are waiting for help, while with great fanfare the Minister of Finance is presenting his empty, ridiculous measures. It is unacceptable.

The only new measures in the budget are measures that will lead to confusion.

• (1610)

In addition to being partisan and despicably election oriented, these measures, when presented by the Minister of Finance, suggest that the public will swallow anything. Apart from that, there is the confusion that will result. The Minister of Finance is proposing, and for three and a half years that is all his government has been proposing when there is any reform, a wholesale invasion of provincial jurisdiction. This is all this budget is.

It talks about health programs. Under the 1867 and the 1982 Constitutions it is clear that health comes under provincial jurisdiction. The same clearly goes for education. Income security and social assistance are areas of provincial jurisdiction.

The government tells us it has no more money for social programs. It is cutting \$4.5 billion, and all of a sudden we are seeing little programs with "Government of Canada" at the bottom and the Canadian flag at the top. It does not get much more partisan.

There is no longer any money for social programs provided jointly with the provinces. In particular, the government is cutting \$1.3 billion from the Government of Quebec's social programs. And with a fraction of the amount it has stolen, it is setting up a child benefit program to fight poverty. If that is not confusing and

inflammatory, I do not know what is. The Minister of Finance is playing with fire.

The same goes for the Foundation for Innovation. The purpose of the Foundation for Innovation, an \$800 million dollar undertaking, is to fund research and infrastructure in the areas of biomedical research, post-graduate research and so on. Once again, this is an intrusion into health and education.

What the Minister of Finance does not tell us is that his fund is just a band-aid solution for a huge gaping wound, one he himself has caused with the various measures he has put in place in the past three years. When he cut \$4.5 billion from social programs and health, part of that was going to biomedical infrastructure and research.

Moreover, people far smarter than those across the way came before us in the finance committee to say that the cuts imposed by Minister Martin in his first three budgets might compromise all biomedical research. We are talking about major cuts here. They slashed research budgets by 30 per cent, with the full knowledge that we are already trailing behind all other industrialized countries. A 30 per cent reduction is tantamount to a death sentence for biomedical research.

The Minister of Finance announces to us, with great fanfare: "We are going to create an \$800 million foundation to fund research". This budget is a total joke, a kind of vaudeville act. It is sad to see a minister of finance behaving in this way, when there are crying needs in the areas of poverty and job creation. He leaves the provinces scrambling to keep their heads above water. He cleans up his government's finances at their expense, and goes about patting himself on the back for being a good manager.

We need to know where the Minister of Finance is getting his \$800 million to start up the Foundation for Innovation. It might have been expected that he would get it from the \$8 billion available, plus all the items I have referred to, which could yield between \$8 billion to \$14 billion to work with. If he had been a good manager, if he had not had an exaggerated obsession with waging war on the deficit, with immediate, spectacular results, in order to bolster his image, to make him look like a Canadian leader in training for a leadership fight, one might well think that he would have taken the money from there. But no.

When we look at last year's budget, the 1996 budget—which I am not allowed to use as a prop, but I do have in my hand—when we look at his forecasts for overall transfers to the provinces, including the equalization payments, the Canada social transfer and so on, and when we compare them with the forecasts in yesterday's budget, we see that last year he projected \$800 million more in transfers to the provinces than in this year's budget. Fascinating coincidence.

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• (1615)

There is new spending totalling \$800 million for the Canada Foundation for Innovation, and there is \$800 million less available for transfers to provinces. What a coincidence: exactly \$800 million. So this is a big coincidence, but it is rather odd, because we do not know why the minister deliberately decided to take away another \$800 million from the provinces or it may be the economy or a combination of the two, but in any case, there is no new money here.

He did not take advantage of the flexibility he has to establish this kind of foundation. As I said before, this is just a band-aid on a gaping wound he opened in the course of the last three budgets by attacking provincial budgets for health care and education.

I would like to touch on one last point in this budget. I think this is a very important issue on which there is practically a consensus in Canada. I am referring to the harmonization of the GST with the Quebec sales tax.

As you know, in 1991, the Quebec government offered to harmonize its sales tax with the federal GST. It did so because it felt that with a harmonized system, the sales tax would be easier to manage by business and its administration would also be easier, since the Government of Quebec would administer both taxes on behalf of the federal government. It also wanted to improve Quebec's competitive position and trade balance. In fact, Quebec Finance Minister Bernard Landry made this clear when he started to demand compensation last April. He made it clear why the Government of Quebec decided to harmonize its sales tax with the GST.

We did so in good faith, and we did so with a view to improving the situation in 1991. What do we see six years later? That the federal government thought it was a such good idea that it suggested the same to the maritimes. However, to persuade the maritimes to go along with it, it offered them about \$1 billion. That is \$1 billion over the next three years to harmonize the sales taxes of the three small maritime provinces with the federal tax, the GST. One billion.

And now, the Minister of Finance says: "It is not the same thing, the harmonization is not being done the same way". Is that right? We harmonized in 1991, and they harmonized in 1997. They are entitled to \$1 billion and we do not get a red cent.

The Minister of Finance in rejecting the demand of minister Landry for some \$2 billion in compensation pushed arrogance to the point of saying: "We based our calculations on the formula we used in the maritimes. Unfortunately under the terms and the subtleties of the formula, you are not entitled to it". Oh, come on.

According to this logic, the government can exclude whomever it wants whenever it wants. This is exactly what the government wanted to do. In setting up the formula, it justified paying out \$1 billion in the maritimes and denying Quebec any compensation.

I heard the minister say in question period: "We did the calculations. The Government of Quebec made money with harmonization". My eye. In terms of tobacco and gasoline alone, we lost something like \$600 million in tax revenues, because we wanted to harmonize with the federal government and make things easier in terms of taxes on consumer goods. For these two items alone, \$600 million.

The claim for \$2 billion is justified. It is justified to such an extent that the government of Mike Harris, the Government of Ontario, I am pleased to say, as it does not happen often, is supporting Quebec's demand for \$2 billion.

• (1620)

Even the Government of Alberta is supporting Quebec's demand. The Government of Manitoba is supporting Quebec's demand. British Columbia is supporting the Quebec government's demand for \$2 billion. This is unheard of. The finance minister told us he owed us nothing. He gave \$1 billion of our own tax dollars to the maritimes and told Quebec: "No, you are entitled to nothing. You went ahead, you did it all on your own, you spend money for the others, but you are not entitled to anything, only the maritimes are."

We would have expected to see in this budget an indication of a possible first payment, a first instalment to pay off the \$2 billion debt the federal government owes the Government of Quebec, but nothing. A big fat zero.

There are many other things I could speak up against in this budget—my colleagues will have the opportunity to deal with specific elements of the budget over the three days set aside for the debate—but I would like to end on the following note. The finance minister wasted three and a half years he could have used to improve things. He could have used these three and a half years to make the tax system fairer and more equitable for everyone.

He could have taken steps to reduce the outrageous benefits for the richest Canadians, who are said to represent 2 or 3 per cent of the total population; I am not saying they should be eliminated, they could have been allowed to keep some of their benefits—one way or another we do have to keep them here—but at least they should have been reduced in scope and what is collected redistributed among middle and low income earners, who have borne the brunt of increased income tax and other tax hikes over the last 15 years, and who have been the victims, over the past three years, of a \$22 billion tax grab.

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With the manoeuvring room he had, thanks to the economic recovery, not thanks to him—because he, I have made up my mind on this, he is not the best manager I know—he could really have helped the poor and given back to the provinces the money he stole from them in the last two budgets, \$4.5 billion.

He also could have helped the unemployed. He could have helped to create jobs. My overall assessment of this budget is that it is good for the shredder, the waste basket. If it was meant to be a pre-election budget, the Prime Minister should call an election tomorrow morning with the budget as a platform. Let me tell you, as the Prime Minister himself said, they will get clobbered.

We are ready for the election. We are ready to compare our record to theirs, our reality to theirs. Our reality is more in line with that of the grassroots, closer to what real people experience, more attuned to the circumstances of the have-nots who were ignored by this government over the last three and a half years.

I would like to move an amendment to the government's motion. I move, seconded by my colleague, the member for Anjou—Rivière-des-Prairies:

That the motion be amended by replacing all the words after the word "That" with the following:

"the budget statement by the Minister of Finance be rejected by the House of Commons because it:

unilaterally maintains major reductions in transfer payments to the provinces in the fields of postsecondary education, health, and social assistance, while intruding in areas of exclusive provincial jurisdiction, particularly by creating the Canada Foundation for Innovation from money earmarked for the provinces, introducing a national child tax benefit system, and setting up pilot projects filled with national unity propaganda in the field of health and social programs;

proposes no tangible job creation measures, does not substantially reduce Unemployment Insurance contribution rates, or improve protection for unemployed persons, which has been greatly reduced by Employment Insurance;

conceals its lack of action in creating jobs and fighting poverty, knowingly reducing effectiveness in these areas and distributing electoral gifts around Canada and Quebec;

does not include an in-depth reform of the tax treatment of businesses or individuals, for example, by maintaining benefits for large corporations and rich Canadians; and

introduces no measures to compensate the Quebec government for the 1991 harmonization of its sales tax with the federal GST, although Quebec would be eligible for this compensation in light of the \$1 billion being paid to the maritime provinces."

• (1625)

The Deputy Speaker: I must tell the hon. member for Saint-Hyacinthe—Bagot that I can see nothing wrong with this amendment, but we will need some time to determine whether it is in order. We will let you know as soon as possible.

THE ROYAL ASSENT

[English]

The Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

February 19, 1997

Mr. Speaker,

I have the honour to inform you that the Right Hon. Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 19th day of February, 1997 at 5.00 p.m., for the purpose of giving royal assent to certain bills.

Yours sincerely,

Secretary to the Governor General
Judith LaRocque

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Waterloo—Canadian Securities Commission; the hon. member for Rosedale—Exports.

* * *

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government; and of the amendment.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we are here to discuss the federal budget. The Liberals say it is a good budget. What is more important is what Canadians will say about it. In our view Canadians will say: If this is such a good budget, why do I see the benefits. Where are the jobs? Where are the health care and pensions that I can count on? Where is the tax relief? Why is it that federal government revenues go up by 20 per cent and family incomes go down by 10 per cent?

The good news is that the majority of the provinces have already balanced their budgets and the benefits are starting to flow. It is Ottawa and the federal Liberals that are furthest behind and most off track. The big task facing Canadians in 1997, in a federal election year, is to get the federal government on track with respect to job creation and tax relief.

There are two options before Canadians. Reform offers its fresh start platform designed to balance the federal budget now, and then leave more dollars in the pockets of Canadians through broad based tax relief. Notice the order: balance first, tax relief second. The Liberals offer this tax and spend budget designed to get more tax dollars into the hands of the federal government and then further spending.

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The options are Reform's fresh start tax relief versus the Liberal tax and spend budget. These are the principal fiscal options facing Canadians in an election year at the federal level and should be the focus of both public debate and this budget debate.

If we are going to have any kind of debate, one of the prerequisites is to establish the facts and to separate myth from reality. I would like to spend a little time on that because the budget is loaded with myths. Budget myth number one is that federal finances are finally under control. What is the reality? The federal deficit is still at \$19 billion. The debt will pass the \$600 billion mark this spring. The federal government will spend \$46 billion per year on debt service, more by far than it spends on social programs. This is represented as prudent fiscal management. Only in Ottawa would that be believed.

Budget myth number two is that the federal government has reduced the deficit by controlling its spending. What is the reality? Almost the opposite. Eighty-four per cent of deficit reduction has been achieved by increasing tax revenues. Two-thirds of the remainder of deficit reduction has been accomplished by offloading on the provinces and through defence cuts. Only 6 per cent has been achieved by reducing the federal government's direct spending on other programs.

I noticed that at the beginning of the minister's budget speech, he thanked everyone and his dog for contributing to this speech. The people he did not thank were the Canadian taxpayers who are responsible for 84 per cent of the reduction of the deficit.

• (1630)

Budget myth number three, Liberals are the great defenders of medicare. The reality is that they have cut medicare by 40 per cent, closing hospitals across the country and increasing waiting lines in every province, but leaving others in local and provincial governments to take the blame. This pretence of defending medicare while gutting it is the ultimate hypocrisy.

Budget myth number four, Liberals are attacking child poverty. The reality is that their new \$600 million child benefit is completely negated by the \$7 billion federal cut in health, education and social spending since 1993.

If one thinks about it, Canadians are a kind, caring and compassionate people. If the average Canadians were willing to spend \$1,000 on helping a poor family or a poor child how would they do it? They might make a direct contribution to that family or that child, or they might make a contribution to a local agency or church that was in the business of helping those people. They might even be persuaded to pay \$1,000 in taxes to their local government or the provincial government which has services offered at the community level.

However, I doubt if there is one Canadian in 1,000 who honestly and sincerely wanted to help a poor family or a poor child who would think that the best way to do it was to write a \$1,000 cheque to Revenue Canada because they know what would happen.

The \$1,000 would go to the minister of revenue who would take a bite out of it for administration and then pass it over to the Treasury Board. The Treasury Board would take a bite out of it for allocation and then pass it on to the human resources minister. The human resources minister would take a bite out of it by having a conference with all of his provincial colleagues and a bunch of experts to decide what to do and then he would pass it on to his provincial colleague who would take a further bite out of it and then pass it on to some agency. Out of the \$1,000 that went in at one end of the pipe, we would be lucky if a loonie got out the other end.

Canadians know a better way. Canadians know that if Liberals and Tories were so concerned about the poor and the children of the poor then why are these people paying taxes in the first place? Why is a single mother with one child making \$2,000 a month paying federal income taxes at all, let alone \$1,300 a year? It is because government after government made them pay taxes and offered no tax relief.

Of course the greatest thing one can do for the working poor is to get more jobs, which brings me to budget myth number five, jobs, jobs, jobs. The reality is 1.5 million Canadians unemployed, 2 million to 3 million underemployed, 700,000 having two jobs to try to make ends meet, 17 per cent unemployment among young people, 1 out of 4 workers afraid of losing their jobs, and the worst string of unemployment numbers since the depression, 76 consecutive months with unemployment rates over 9 per cent.

Some day the finance minister's picture will hang in the hallowed halls of Parliament. At the rate he is going, I suspect they will hang it next to the picture of the finance minister in R.B. Bennett's government, the only other government that ran up unemployment numbers like we are experiencing today.

The Liberal budget is accompanied by a booklet called the government's job strategy, but it contains no reference to tax relief. A job strategy without tax relief is like a beaver without teeth. It is like a truck with no wheels. We can rev the engine, flick the lights and honk the horn but it is not going anywhere, which is precisely the Liberal record on jobs.

That brings me to the biggest myth of all. The finance minister would have Canadians believe that he has not raised taxes. That is a big whopper. The reality is that since the Liberals came to power in 1993, the GST revenues, the hated GST, are up by \$2 billion, corporate income taxes are up by \$6.8 billion, personal income taxes are up by \$15 billion, and other taxes are up \$500 million. That is a \$24 billion increase in tax revenues over what they were on the day the Liberals took office.

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Just last week, in the biggest tax grab of them all, there was a 70 per cent increase in Canada pension plan contributions. It is the government's Achilles' heel, the tax grab that will be to the Liberal's what the GST was to the Mulroney Conservatives. It is the tax increase that brings to 36 the total number of tax increases introduced by the Liberal government.

• (1635)

Enough of these myths. Enough of the fudge-it budget. There has to be a better way and there is a better way. It is described in the platform which Reform has put forward under the heading of a fresh start for Canada.

I suggest that the next election will be a contest between two very different visions of the country, and the vision that captures the hearts of Canadians will be the vision that shapes the Canada of the 21st century.

One vision held by the government and by the Conservatives before them revolves around big government and the high taxes that go with it. It is based on the belief that the Canadian economy, Canadian social services and Canadian unity all need aggressive intervention and management by a big spending federal government. It is the vision of Ottawa and the politicians who control it as the centre of the universe.

This is a vision which has Canadians working more than half a year just to pay taxes. It is a vision that promises job creation and social justice and has delivered chronic unemployment and chronic poverty. It is a vision which trivializes Canadians' sense of themselves by implying that only through government programs, government spending, government initiatives and government propaganda can the country be held together.

The other vision, the one offered by Reform, is of a Canada defined and built by its citizens rather than by the government. The citizen, not the government, is at its centre. It is a vision in which strong families and communities and local governments, not more federal programs, are the principal pillars of social security. It is a vision of a country where tax freedom day occurs in April instead of in July. It is a vision of a country in which the unemployment rate is 5 per cent or lower instead of 10 per cent, thanks to initiative and entrepreneurship, innovation and hard work. It is a vision of a smaller government and lower taxes. It is a vision based on the proposition that a dollar left in the pocket of a consumer or a taxpayer or a lender or an entrepreneur will create more jobs and economic and social security than that dollar in the hands of a federal bureaucrat or a politician.

We are talking about the budget, so I want to conclude with the fiscal plan that makes that vision of a new and better Canada a reality. Our fiscal plan calls for balancing the federal budget by 1998-99 at a level of expenditure lower than that proposed by the finance minister, and then running surpluses thereafter.

Note that what we are proposing is balancing the budget first and tax relief after. Many members opposite seem to think we are trying to do the two things at once. We have made this abundantly clear; balance first, tax relief after.

We then get to surpluses and these surpluses are the real light at the end of the tunnel, the beginning of the hope for the future. We propose to apply those surpluses as follows. A \$5 billion down payment on debt reduction by the year 2001, with a fixed proportion of future surpluses being dedicated to debt reduction. In other words, the federal debt would be set up like a mortgage and the first payment made every month is a payment on the mortgage.

Second, \$4 billion per year transfer for health and education purposes to the provinces to repair the damage done by the Minister of Finance.

Most important of all, broad based tax relief which follows, not precedes, balancing the budget. Seven tax relief measures to deliver \$1 billion per year in tax relief to the people of Atlantic Canada; \$3.2 billion per year in tax relief to the long suffering people of Quebec, the most highly taxed jurisdiction perhaps in North America; \$5.4 billion per year in tax relief to the people of Ontario; \$2.3 billion per year in tax relief to the people of the prairies and \$1.8 billion per year in tax relief to the people of British Columbia.

Put another way, it is \$2,000 in tax relief per average family by the year 2000 or tax relief that lifts 1.2 million lower and middle income Canadians off the federal tax rolls altogether.

• (1640)

To put this into perspective, Reform proposes a trimmer, more focused \$94 billion a year federal government. We can get a lot of government services for \$94 billion. This compares with a bloated, unfocused \$109 billion a year federal government from the federal Liberals and Tories. The difference between the two is about \$15 billion per year. The number one question to be decided in the next federal election is whether Canadians should allow that \$15 billion to be collected by the federal tax man and spent by Ottawa or whether that \$15 billion should be left in the hands of the Canadian consumer and business community.

Reform believes that a fresh start for Canadians lies in the direction of leaving that \$15 billion in the hands of the people to whom it belongs.

I therefore move:

That the amendment be amended by inserting after the words "health and social assistance" the following words: "a measure which is not the answer to stronger sustainable social programs";

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and by inserting after the words "proposes no tangible job creation measures" the following words: "such as lower taxes to create long term jobs";

and by inserting after the words "electoral gifts around Quebec and Canada" the following words: "which, among other things, hampers the government's ability to balance the budget".

The Deputy Speaker: The amendment made by the hon. member for Saint-Hyacinthe—Bagot is acceptable. The subamendment by the hon. leader of the Reform Party would appear to be acceptable, but again, as with the Bloc, I would ask permission to give it a formal ruling as quickly as can be done.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I have a question for the member for Calgary Southwest.

In the House today and over the last couple of days the Reform Party has criticized the government for its approach to the Canada pension plan. I think when an opposition party comes to Ottawa it has an obligation not just to criticize but also to offer an alternative.

I wonder if the member for Calgary Southwest, the leader of the Reform Party, would care to inform the House and Canadians what exactly is the plan of the Reform Party with respect to reforming the Canada pension plan.

Mr. Manning: Mr. Speaker, I thank the member for his question because a lot of confusion has been spread, mainly by the Minister of Finance, on what Reform's position is.

First of all, Reform's position is broader than that of the government. Our aim is to get more retirement income for seniors at lower cost through both pension reform and tax reform. That is a broader objective than just rescuing CPP. It includes rescuing CPP but it is a broader goal.

We propose three measures to accomplish this objective. First, we propose to guarantee existing seniors that they will receive all the benefits they are entitled to under CPP. We propose a modification to CPP designed to achieve that guarantee.

Second, we propose to shift middle aged and younger workers on to an expanded RRSP program. The RRSP program gives higher benefits per dollar spent than CPP. And so our modified CPP plus our expanded RRSP program give pensions at a lower cost than the Liberal approach which is focused mainly on rescuing CPP.

• (1645)

The third thing we add is Reform's tax relief program. By lifting 1.2 million Canadians off of the federal income tax rolls altogether, including many seniors, it helps seniors further, whereas the Liberals have been increasing the burden on seniors on every front by clawing back the seniors benefit, by gouging the contributors to

CPP and by restricting the use of RRSPs rather than expanding them.

Reform's aim is to get more retirement for seniors at lower cost through pension and tax reform. Our proposal rests on three pillars, not one: a modified CPP; an expanded RRSP; and tax relief including tax relief for seniors.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I would like the hon. member to provide some clarification on the Canada pension plan.

There have been numerous statements made that the Canada pension plan is a tax and not a pension. In my opinion when I pay my taxes I do not expect any funds back over x number of years. Presently as the CPP sits it is a pension and in due time whether it be through disability or retirement people expect to have a return for their funds invested.

Could the hon. member clarify his position that it is a tax and not a pension?

Mr. Manning: Mr. Speaker, what Reform has said is not that the pension is a tax but that the premium paid is a payroll tax. This is not just Reform's opinion.

The Minister of Finance has in his department the economic analysis and forecasting division which did a lot of work on this budget. Joe Italiano who is with that division put out a paper on April 25, 1995 called "Growth in CPP/QPP Contributions". In it he defines CPP contributions as a payroll tax. Incidentally he goes on to analyse the impact of increasing those payroll taxes from 1986 to 1993 and concludes that they killed 26,000 jobs. This is not me speaking; this is the finance minister's own department defining CPP premiums as a payroll tax.

The government gets a lot of statistics from Statistics Canada. A number of officials in Statistics Canada put out a paper in the *Canada Tax Journal* a short while ago. They identified payroll taxes and listed what they were and the list included CPP and QPP contributions.

Last night Judith Andrew of the Canadian Federation of Independent Business was discussing the minister's budget. She referred to the hike in the CPP premiums as a payroll tax. If there is any group in the country that would know a payroll tax when they see it, it would be the CFIB because of course these are the people who are actually paying it.

Reform says it would be very appropriate for the minister, since his department acknowledges it, Statistics Canada acknowledges it, economists acknowledge it and business people acknowledge it, to acknowledge that the CPP premium is a payroll tax. When it is increased by 70 per cent, that has extremely negative effects on employment.

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Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, it appears to me that the leader of the third party is engaging in a semantic exercise in using the term payroll tax.

The premiums deducted for the Canada pension plan at source are paired equally, one to one with an employer contribution and paid over into the Canada pension plan. The identical thing happens with the employer's pension plan. The employee is deducted an amount of money at source. It is paired with dollar for dollar by the employer; the identical sum the employee puts in, the employer puts in. It is the same as with the Canada pension plan. Those funds are turned over and paid into the employer's pension plan.

• (1650)

Does the leader of the third party agree that there is a pension plan in both cases? In both cases it is mandatory that the employees contribute. The contributions end up in pension plans and ultimately the party making the contribution, the pensioner, will draw the benefits from the plan.

Why does he insist on referring to one of those two options as a tax when it is not?

Mr. Manning: Mr. Speaker, first of all most employer pension plans work the way the member describes, except one, namely the one that the members in this House voted for themselves. In that one the public puts in six times what the member puts in. That is why it is unfair.

Second, one of the principal differences in what we are talking about here is that the CPP contributions are a legislated mandatory compulsory contribution whereas participation in employer-employee pension plans are usually voluntary.

The third point and the most important one is that the finance department itself defines CPP contributions as a payroll tax. This is not the Reform Party; it is a division of the minister's own department.

That is the explanation.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, whenever I present the arguments the leader just developed, audiences tend to react by saying: "You will never be able to deliver on this". I wonder what kind of an answer the leader would give to people who make this argument.

Mr. Manning: Mr. Speaker, the way to deliver on all of these commitments is first to get a mandate from the Canadian people to do so.

The public are aware that their retirement income is insecure under CPP. They are afraid that the minister is casting a lecherous and covetous eye on their RRSP payments.

The way to get this secured and the way to get a mandate from the public is the way we endeavour to get a mandate for virtually

everything that is done in this House, to go to the public with an explanation of the program. If the public supports it, then there is the authority to proceed with these types of reforms.

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I am pleased to participate in this debate and to speak about the benefits the 1997 budget will bring for the businesses and citizens of Etobicoke—Lakeshore. I will be sharing my time with my colleague from Kenora—Rainy River.

The measures outlined by the finance minister in his speech yesterday will improve the lives of young people, of families and of seniors. Our measures for small and medium size businesses will help Etobicoke businesses thrive, grow and create jobs.

In my speech today I will focus on the specific measures that will benefit the people of my riding and then explain why the path this government has chosen is the best one for Etobians.

First, the budget will invest in our most important asset, young Canadians. Our youth employment strategy is good news for the students of Lakeshore Collegiate, Father Redmond, Etobicoke School of the Arts, Bishop Allen Academy, Humber College Lakeshore Campus, as well as university students in my riding.

Our strategy will support Canadian students with 120,000 career summer job opportunities and over 19,000 internship placements in the research, private and non-profit sectors. These crucial first opportunities will give young Canadians the chance to break the no experience, no job and no job, no experience cycle.

We are also continuing the successful youth service program. In Etobicoke—Lakeshore the program was instrumental in developing a youth and crime prevention initiative in one of our most troubled communities.

In addition, this government will assist young Canadians by helping them and their families to afford training and education. We are doing this by raising the per month education tax credit from \$100 to \$200 in the next two years and enabling students to apply it to more expenses and apply unused portions to future tax credits. For example, a college or university student with tuition of \$2,800 and additional fees of \$300 would receive \$1,200 in combined federal and provincial tax assistance per year.

• (1655)

Moreover this government is extending the pay back period for student loans and offering an additional \$20 million a year for student assistance. That is more good news for young Etobians worried about the cost of education.

We are also enabling parents with young children to save early to help pay for their children's education or make up for a contribution missed when their children were younger. Families in Etobicoke will be happy to hear that annual contributions to registered education savings plans are being doubled from \$2,000 to \$4,000. We are also relaxing the requirement that in the event the

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child does not pursue post-secondary education, parents can transfer the RESP to their RRSP or receive the investment income directly.

Low income families in Etobicoke will be happy to hear that our government will enrich the Canada child tax credit by over \$600 million. This combined with a \$250 million working income supplement means an \$850 million increase in annual benefits.

Our government will continue to work with the provinces and territories to design the complementary changes that will reduce child poverty and barriers to work.

Our efforts for health care in Canada are solid. We remain committed to the values of the Canadian system and we will enforce them through the Canada Health Act.

Etobians of all ages will be happy to hear that we have stabilized the Canada health and social transfer to the provinces at \$25 billion annually and we anticipate growth in transfers at the turn of the century. We are committing \$300 million more over the next three years for new health initiatives. Every dollar of the new money will be devoted toward the delivery of better health services to Canadians.

Seniors in Etobicoke—Lakeshore will be pleased to hear that we are devoting \$150 million over the next three years to help the provinces put in place new projects, such as new approaches to home care, drug coverage and other innovations, that will enable us to test ways in which we can make our system more efficient.

There will also be \$100 million for the community action program for children and the Canada prenatal nutrition programs designed to prevent health problems in our children.

This is more good news for groups like the Stonegate Community Centre, the Association of Ontario Health Centres, the Stothers Centre for Children and Families and the Welcome Baby Support Network for Teenage Mothers. All of these organizations will benefit from these new initiatives.

There is no question that our publicly funded system is one of Canada's greatest achievements and there is no doubt that this government will fight to keep it.

Our government is investing in helping the disabled achieve the equality to which they are entitled. As a member of the human rights and the status of persons with disabilities committee, I am especially pleased by the announcement of \$100 million worth of additional support each year to disabled Canadians. Using tax credits, financial incentives, training and opportunities funds, the

government will put Canadians with disabilities in balance with other Canadians, allowing them to realize the same opportunities.

In a similar way we are giving the people of Etobicoke—Lakeshore the chance to give more to charitable causes. The charitable sector is playing an increasingly important role in meeting the needs of Canadians. The government recognizes the importance of giving charities the tools they need to accomplish their important work.

Although tax assistance for charitable giving entails a cost for governments, it is plainly a much lower cost than providing full support directly through public funds. The 1997 budget levels the playing field between the crown and other kinds of charities, making it easier for organizations to raise funds and donors to receive larger tax credits.

● (1700)

The budget contains \$95 million annually of new tax assistance to the charitable sector. This will give charities, like the Etobicoke Cancer Society, Goodwill, St. Vincent de Paul, Reach the Rainbow, the YM-YWCA, the Children's Aid Society and the Etobicoke chapter of the Heart and Stroke Foundation, the framework they need to accomplish their work and help Canadians whom these charities serve.

Now that I have mentioned some of the ways in which we are assisting individuals, I will speak about our strategy for a vibrant economy. The government has always maintained that good fiscal management is the route to investor confidence. In the time since we took office we have witnessed a monumental turn around in the fortunes of Canada. Remember, in the late 1980s, year after year of Conservative finance ministers preaching restraint, and then year after year of record deficits?

It was the Liberal government and the Minister of Finance that turned Canada from the worst debtor nation in the G7 to a deficit to GDP ratio of 2 per cent. In 1998, the government anticipates breaking its dependency on borrowing new money. This means that 1998 will mark the first time in 28 years that it will not have to go to the markets to borrow new money. It will put the Canadian government in an enviable position internationally. Canada will have the best financial record of any G7 government. In 1997, it is expected to be the growth and job creation leader of all G7 countries.

If the government were to offer the Canadian public, as the Reformers and the Ontario finance minister suggest, a broad based tax cut, not only will we lose the war on the deficit but we will surely lose the vital social programs we have been fighting to protect. This is not a fresh start for Canada but a full stop for Canada and a future for Canada.

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Members will be happy to know that we are not gambling all our chips on the tax cut number like our opponents would. Instead, we are building on the cornerstone of responsible fiscal management, a strong health care system, a prosperous export strategy and an innovative research and development program. This is the best approach for Canada and for Etobicoke.

[Translation]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I would like the hon. member to comment on the request made by the Government of Quebec to receive the same compensation as the maritimes for harmonizing the GST with the provincial sales tax. We all know that the maritimes received a gift of approximately \$1 billion in compensation from the federal government.

Since the share of federal expenditures borne by the Government and the people of Quebec amounts to about 27 per cent, this means that Quebec is giving approximately \$300 million to the maritimes, which I feel is totally unfair. To claim that the federal government did not reward them is inaccurate. Because in some of the maritime provinces the provincial sales tax was relatively high—9, 10, 11 or 12 per cent—the federal government said: “Set the harmonized sales tax at approximately 15 per cent and we will make up the difference”. If that is not a gift, what is?

It was said also that the maritimes did not have the funds required to make up the difference, while all they had to do was increase other sources of revenue, income tax for instance.

• (1705)

I would like the hon. government member to tell me if, in her opinion, it is fair and equitable to have the Government of Quebec pay, through the federal government, \$300,000 per year as a gift to the maritimes, when New Brunswick Premier McKenna is setting up an office in Montreal and using money Quebecers paid to Ottawa, which Ottawa in turn gave to the maritimes, to lure Quebec businesses to his province.

That is right, with our own money, Quebec's money, the Government of New Brunswick is stealing our businesses away. Does that seem fair and equitable to her?

[English]

Ms. Augustine: Mr. Speaker, it seems strange that I have to address the whole question of fairness. We in the House and the government have indicated in many ways that this federation works because we all co-operate. Many of us speak on a daily basis on the unity, harmony and co-operation that is needed to ensure that every part of the federation works.

In addressing the budget presented by the Minister of Finance yesterday, the question of fairness and of provincial responsibility and the question of who is taking jobs from whom, I am not sure was addressed.

On the question of co-operation and harmonization of the GST, the provinces have to work with us. The tax is an administratively bad tax. We are doing what is necessary to provide the best approach for the country. I am not going to address what provincial premier is doing what in any part of the country.

I would ask my colleague to co-operate with us to address the issue of Canadian unity.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the hon. member reiterated in her presentation what the finance minister said this morning in a CBC television interview.

He said that we are going to focus spending on things that really count to Canadians. Our values are health care, education, children and job creation. But when we look at the record, the government has cut \$7 billion a year from health and education funding. That is a 40 per cent reduction. So the actions are quite different from the words.

The government's record on jobs is not good. The unemployment rate is about the same as it was when it came into office.

I would like to ask the member to tell me how the words that the finance minister presents and those that the member presents are so much different from what the record really demonstrates in these areas?

Ms. Augustine: Mr. Speaker, we stand on our record. That is the short answer. We have created jobs. We have provided an environment in which jobs can be created. We have reaffirmed our commitment to the Canada Health Act. We have provided money for youth and youth programs. We have set a course for the future that will definitely take us to where we ought to be. The hon. member's fresh start myths will not get us where we want to be.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, it is my pleasure to enter the budget debate.

First, I would like to congratulate the Minister of Finance on a job well done. I would like to say to my constituents, welcome to the greatest nation on earth. It is easy for me to say that, simply because we have fulfilled the commitments we made in 1993. At that time we campaigned on restoring fiscal sanity and created a climate of opportunity. When I talk to people across the nation, to consumers, to people in the construction industry, to homeowners, to people who are buying their first car or their first home, they tell me that we have done just that.

*The Budget***GOVERNMENT ORDERS**

• (1710)

We have to continue through a number of other budgets to reduce the deficit to a point where, at least in the next millennium, we will not have to continue to deal with deficits even when there is a downturn in our economy. That is what the finance minister means when he talks about our values. Because of our values we have made tough decisions.

I was here a number of years ago when the Tory government was in power, when the finances of the nation and the government were in rough shape—

The Acting Speaker (Mr. Milliken): Order.

THE ROYAL ASSENT*[English]*

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker,

The Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1720)

[Translation]

And being returned:

The Acting Speaker (Mr. Milliken): I have the honour to inform the House that when the House did attend His Honour the Deputy to His Excellency the Governor General in the Senate chamber, His Honour was pleased to give in Her Majesty's name the royal assent to the following bills:

Bill C-41, an act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act, the Garnishment, Attachment and Pension Diversion Act and the Canada Shipping Act—Chapter 1.

Bill C-53, an act to amend the Prisons and Reformatories Act—Chapter 2.

Bill C-57, an act to amend the Bell Canada Act—Chapter 3.

Bill C-202, an act respecting a National Organ Donor Week in Canada—Chapter 4.

Bill C-270, an act to amend the Financial Administration Act (session of Parliament)—Chapter 5.

*[English]***THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, as I was saying, our efforts in the last almost four years clearly show that by 1998 and 1999 net borrowing requirements will be zero.

That is how most countries define a balanced budget. So what we can now say is that we have the deficit under control. As well, the debt is starting to fall as a portion of GDP. In only four years we have been able to clean up the mess left behind by nine years of Tory incompetence and mismanagement.

What are the results of all this hard work by this government and quite frankly by Canadians as it relates to some of the pain that Canadians have had to go through in order to deal with the Conservatives and their rule and of course some of the people on the right wing who have suggested that they have all the answers?

We have the lowest inflation in a very long time. We have interest rates at their lowest level in almost 40 years. We have massive savings for home owners and consumers and economic growth is strong. In fact, we have led the G-7.

Of particular interest, because of course this is an election year and everybody likes to make predictions, the private sector forecasters predict we will continue to have the strongest economy in the industrialized world.

Since our election more than 715,000 new jobs have been created. As has been said in this place by the Prime Minister on a number of occasions, that is more than Italy, France, Germany, Japan and Britain all put together. That may not seem like a lot to some members but in fact based on the mess that we inherited from the right wingers in this particular scenario that I mentioned, I think it is a job well done indeed. I suspect that some forecasters like John McCallum from the Royal Bank are predicting we will even better that this year with the creation of up to 350,000 more jobs.

That is on the fiscal side. Those of us who were here under the Mulroney rule have to remember that now we have the little brother of the Conservative Party called the Reform Party whose members were so embarrassed about their leader under the Conservative Party they decided to start their own.

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None of us is fooled by that. It is the same right wing Tory ideology. That is why we see the lack of interest by the voting public in supporting the Reform Party, which is no different than when it supported the Mulroney years because of the tax policies, the vision and the values it holds for Canadians and which the majority of Canadians do not support.

I want to talk a bit about those particular values. Before I do that, I want to lay a few issues on the table for the public watching today. The opposition and certain parties in the provincial jurisdictions are suggesting that we in the federal government have been able to clean up our finances by downloading to the provinces.

• (1725)

I want to talk a bit about Ontario because I am an MP from north western Ontario. What we are living through is almost identical to what I would envision under a Reform government if it were ever to occur in this land. We are seeing a slash and burn policy. We should look at the facts in Ontario to give us a sort of preview and a picture of the future if another right wing party like the ones in this House would form the government.

Because of Mike Harris' irresponsible tax cuts he has had to cut \$1.3 billion out of hospitals, \$.5 billion from roads, \$400 million from post-secondary education, \$2 billion from social assistance and I understand \$1.3 billion from municipalities, and that is just the tip of the iceberg.

I want to give people some information this afternoon that may bring to light just why it is difficult for federal members of Parliament to accept where Mike Harris is going and that he is in fact trying to blame the federal government for the slash and burn and all the different headaches that he is causing people from northwestern Ontario and Ontario as a whole.

Payments to Ontario's government will drop from \$10.3 billion in 1993-94 to \$9.1 billion in 1998-99, a decline of \$1.2 billion or 11.4 per cent. This represents at most 2.5 per cent of Ontario's revenues. We cannot, after the list I have just read, suggest that this cut made to transfer payments to the Ontario government and the Ontario people is the reason why Mike Harris and his Tories are cutting all the services in Ontario.

Let me give the real reason why. It relates to the opposition, especially the right wing opposition parties, both the Tories' and Reforms' interest in across the board personal income tax cut. In Ontario this particular government has suggested that it would cut 30 per cent out of our personal income tax. That works out to \$4.9 billion per year by 1999. That is the reason we are closing hospitals, why we are reducing payments to school boards and why we are increasing the size of our classrooms and why we have to reduce transfer payments to the municipalities.

Anyone who has spent any time looking at what is going on in Ontario would know that it is not the transfer payments from the federal government to the provincial government, but it is the silliness of having a tax cut across the board when there is still a major deficit to deal with and in fact you cannot afford to do without those revenues. For the life of me I cannot understand why this blind right wing ideology is even being considered by Canadians and Ontarians when in fact those of us in this place know that we cannot do without that revenue until we balance our books.

I am proud to be a Liberal for a number of reasons. Even though we have had to make some tough decisions on the deficit we continue to maintain our values of looking after our social programs, putting them on a good footing. The agreement that we signed with the provincial governments on CPP is a perfect example of that. Putting money toward health care, putting money toward youth, putting money toward innovation and technology, that is what Liberalism is all about. That is why this government is popular in the polls. It is not because some of the members opposite say that we have played some number game.

People are more intelligent than that. They know we have made tough decisions but we have been fair and equitable. That is the reason why when we go to the people with this particular budget and our record they will agree with us that we have gone a long way down the road to improving our chances in the next millennium.

• (1730)

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the member just described what Liberalism is all about. He said virtually the same thing as the finance minister said this morning on CBC television, which was that they are going to focus their spending on the things that really count to Canadians. He said that their values are health care, education, children and job creation. Those are the same things which the hon. member said.

Those are the words, but I want to ask the hon. member about the actions and contrast them to the words.

When we look at the action on health care, in fact federal spending has been reduced by 40 per cent. That is a fact. That is reality.

Unemployment has remained above 9 per cent for many months. The unemployment rate is almost as high as it was when the government took office in 1993. Not only are there 1.5 million people unemployed, there are another two million to three million who are underemployed, and fully a quarter of the workforce is afraid of losing their jobs. More important than the actual unemployment rates, bad as they are, is the fact that Canadians are having to work harder than ever just to make ends meet. That is

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making their lives very difficult. It is creating child poverty and problems within families.

Education funding has also been cut by the federal government by 40 per cent. That was the action. That is a fact.

The government shows its concern for children by reducing the average family income by \$3,000. I am talking about take home pay. That is the pay which families have available to look after their kids. That has been reduced by \$3,000 since the government took power. That is how the government shows care for children.

I would ask the hon. member to respond to the clear difference between the words that he and the finance minister speak and their actions over the last three years.

Mr. Nault: Mr. Speaker, I find it so humorous that I could almost laugh.

All of a sudden that right wing party is talking about jobs, health care and the plight of the poor. It is talking about those issues because it cannot deal with the only issue that it ran on in the last election, which was cleaning up the finances of the nation by slashing and cutting everything that was not nailed down. Now that the Liberal government has done what no government has been able to do for the last 20 years, all of a sudden that party has recognized that there is something else.

Let me deal with the issue of 42 per cent. When the finance minister for Ontario presented the Ontario budget, on page 9 he said that Ontario will experience federal cuts of some 42.4 per cent.

That is the reason I brought up these numbers and that is the spin the member opposite is putting on this debate.

Mr. Benoit: Mr. Speaker, I rise on a point of order. I believe there is some rule in the House about just how far a member can stretch the truth before it is no longer acceptable?

The Acting Speaker (Mr. Milliken): There is certainly a rule in the House about referring to members who stretch the truth.

I think the hon. member is giving an answer to the question of the hon. member for Vegreville. With respect, what he is suggesting is that he does not agree with the answer, which is entirely parliamentary, but the rest is not.

Mr. Nault: Mr. Speaker, as you know, I was in opposition between 1988 and 1993. I understand the opposition mentality. When I sat across from Brian Mulroney, who is the big brother of the Reform Party, I used to get these numbers as well.

However, it is important to get the facts on the record. The opposition party is stating that we have cut 42 per cent of the transfers to the provinces. The Ontario finance minister has selectively chosen a 1995-96 starting point, the high water mark for

transfers and he is looking at only the cash. That is what the opposition is doing today. It is very misleading to the public because part of the CHST is not just the cash but the tax transfers.

• (1735)

This is very important. I have a list of every single province in front of me. Ontario, when the tax points and transfers are included, will end up with only \$1.5 billion less which is 2.5 per cent of its total revenues.

For someone to stand up in this place and suggest otherwise is not being factual. It shows why those members are at less than 10 per cent in the polls. They cannot even get their facts straight.

The Acting Speaker (Mr. Milliken): Order. The time for questions and comments has expired. A subamendment was moved earlier in the day. It has been reviewed and has been found to be in order.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I too am pleased to speak on the budget. Yesterday afternoon, the people of Canada and Quebec were sorely disappointed with this federal budget, the purpose of which is to win votes. It is not only a do-nothing and meek budget, but also one that falls short of their expectations, given the considerable flexibility the government and its Minister of Finance had in preparing this budget.

Like the vast majority of people and pressure groups, the Bloc Québécois condemns this cheap election-minded budget designed to disguise this Liberal government's lack of action while purporting to provide assistance to children, families and the unemployed in Canada and Quebec.

Like in the cartoon published in *Le Devoir* this morning, the Minister of Finance of Canada is bragging, with cynicism to boot, in the face of all the people who were hit by the massive cuts of the past three years. This cartoon illustrates the attitude with which the finance minister tabled this budget. Such an attitude is an insult to the 1.5 million unemployed in Canada today. It is an insult also to the tens of thousands of children who have been forced to live in poverty by this government since it took office. In fact, the number of poor children has increased by 500,000 over the past three years.

This attitude is also an insult to provincial governments, which have had to pay the price for reduced transfer payments and to live with the consequences of this government's policies for the past three years. Finally, the most insulting aspect of this attitude is that, in addition to showing off, the Minister of Finance is displaying a terrible lack of initiative in his election minded budget.

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Two general conclusions can be drawn from yesterday's budget. The first one is that, since it was tabled last night, this budget has generated a unanimous reaction in Canada and in Quebec, as we saw this morning in most newspapers. There is an obvious lack of faith in the proposed measures, in light of the previous policies of this government over the last three years, since it took office.

This lack of faith affects Canadians and Quebecers, because the finance minister paints a misleading picture on the reduction of the deficit, which he says is the result of the government's cost cutting measures, but which is in fact largely due to a reduction in transfer payments to the provinces.

• (1740)

There is also a lack of faith when the finance minister proposes a timid reduction of employment insurance premiums, whose rate is well above the rate that the government and the minister could have set. Instead of granting a 10 cent reduction, the minister could easily have lowered the rate by 30 cents, as we will see later.

There is also a lack of faith when the finance minister announces that \$800 million will be earmarked for the creation of the Canada Foundation for Innovation. That money will come from the savings made through reduced transfer payments to the provinces. In fact, it is the provinces that will pay for this investment.

Let us look at the reduction of the deficit, which the finance minister is so proud of. The minister is very cynical when he boasts about the early success of his fight against the deficit.

Yesterday, he said, and I quote: "For 1998-99, the government's deficit target is \$9 billion". The minister is therefore talking about a partial deficit, without ever setting a deadline for a zero deficit in his budget, as several provinces did, including Quebec.

We all know that the finance minister refuses to give a date, at least for the time being. The minister, who is driven by fear, is probably waiting for the next election campaign, which is not too far away. He will then engage in grandstanding in setting a deadline for his zero deficit, because he will have given himself enough flexibility to set a date depending on the circumstances.

This timid attitude, to say the least, goes against the very idea of a long term budgetary plan, and illustrates the essentially demagogic nature of the budget tabled yesterday by the finance minister. However, this lack of rigour on the government's part is not the real issue. The real issue is the source of the funds used to fight the deficit, something which the minister is so proud of.

It was precisely this that the Minister of Finance touched on yesterday when he said, and I quote: "The fact is that by 1998-99,

government spending on everything but the debt will have been reduced from \$120 billion in 1993-94 to \$103.5 billion".

Once again, we must put these statements by the minister in context. Yes, spending has been reduced, but how? Now we know that it has been almost entirely by offloading the deficit onto the backs of the provinces. This reduced federal spending is largely an illusion.

Let us return to a major sticking point in yesterday's budget: the reduced EI premiums. As we have said repeatedly, these premiums are well beyond the objectives that could have been reached in order to demonstrate leadership in this area, and that could have been an effective job creation measure.

Let us also return to the creation of the Canadian Foundation for Innovation. Once again, this is a measure that owes its existence to money taken from savings generated through decreases in provincial transfer payments.

A second thing we notice in examining this budget is the sly interference of the federal government in matters of provincial jurisdiction. An examination of measures over the last three years reveals three areas where the government has shown a lack of good faith.

First, the piecemeal approach when it comes to the promises regarding benefits for children living in poverty: \$70 million seems completely ridiculous, if you consider the role of this government in contributing to child poverty, which has done nothing but get worse since this government came to power.

I would like to quote a brief passage from the Liberals' red book, which reads as follows, on page 15:

Today, after nine years of Conservative government, Canadians are facing hardship: 1.6 million unemployed, millions more on welfare, a million children living below the poverty line, record numbers of bankruptcies and bank closings.

• (1745)

Here is another quote taken from real life, straight from Statistics Canada: "After three years under the Liberals, the country is still in a sorry state: 1.5 million Canadians are unemployed, nearly 3 million are on welfare, 1.5 million children live in poverty, 500,000 more than three years ago, and the number of bankruptcies, 86,253 between January and November 1996, has also reached record levels". We understand perfectly why before he resigned from the Liberal Party, our colleague from York South—Weston said: "We accused Conservatives of every possible evil, and I am resigning because we are doing exactly the same thing they did". People had certain expectations with respect to child poverty.

How can we believe this government if we consider it failed to inject \$720 million in child care, a promise that was not kept, like the GST?

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Second, more band-aid solutions, when we consider promises in other areas that are strictly matters of provincial jurisdiction. This is an amazing attitude on the part of the Minister of Finance. He savagely cuts transfer payments to the provinces, which undermines provincial objectives to fight poverty and unemployment, and meanwhile he is interfering in provincial jurisdictions with his pre-electoral gestures. We know perfectly well the government cut \$4.5 billion in transfer payments to the provinces which are used for social programs. It also took \$5 billion out of the unemployment insurance fund, which in the end comes out of the pockets of Canadians.

What is going on? The problem is that the unemployed are receiving fewer benefits that are becoming increasingly difficult to obtain and are getting them for a shorter period of time. Thousands of people will never have unemployment insurance, even if they did work. So today, they tend to end up on welfare much faster. Transfers to the provinces for social assistance have been cut.

When the government says it is doing something about poverty, it is just putting a band-aid on a problem the government itself created and which has not changed from what it was three years ago, when the Conservatives were loudly condemned by this government.

Finally, as you saw earlier during question period, no commitment was made or will be made in this budget to compensate Quebec for the cost of harmonizing the GST, a demand that has been voiced repeatedly for a number of weeks, especially by the Quebec Minister of Finance.

We know the government has just transferred \$1 billion to the maritimes, and as my colleague from Longueuil explained earlier, when you transfer \$1 billion from the federal government to the governments of the maritimes, this is \$250 million which comes out of the pockets of Quebecers, since Quebecers provide Ottawa with one quarter of its revenue. So they took \$250 million out of the pockets of Quebecers to send it to the maritimes, because they were harmonizing their provincial sales taxes with the GST. Quebec has claimed compensation for nearly \$2 billion and will not get a penny. That is the story of the GST.

[English]

This budget is an electoral budget but it is also a lousy budget. The minister of finance did a lousy job on this budget. The minister had every opportunity to do something. He had a margin in which to manoeuvre; in fact \$8 billion under the targeted deficit if we include in the \$5 billion the \$3 billion that was set aside for bad eventualities.

• (1750)

The Bloc Quebecois produced three reports recently, trying to show the government through an analysis of the fiscality that it

would be perfectly possible through the fiscality, through the underground economy and by implementing some measures suggested by the auditor general to get \$6 billion more.

It is possible to get a \$14 billion margin. It is a real possibility. With this margin we should have expected the minister to do something. It would have been quite possible to still target zero deficit for the year 2000 but at the same time to give back to the provinces the \$4.5 billion taken for social programs and to put back into the unemployment insurance fund the \$5 billions taken from there to give more protection to the unemployed and maybe to use a 30 cent reduction on fees instead of 10 cents. But that is not what the minister has done.

Of course, this budget is an electoral budget, we all know it. We are going into an election, as everybody seems to understand. The election will be a very strange one in comparison with the one of 1993. In 1993, 54 members of the Bloc were elected from Quebec and, to the surprise of all Canadians and to our own surprise, we became the official opposition here.

This time there will not be any surprise. We will very easily elect 55 members of the Bloc back into the House of Commons. It is now possible for Canadians to replace the Bloc as the opposition, if they so wish, if they think we did not do a good job as opposition, by electing an opposition from another party. If they do not, we have to admit that we will be elected as the official opposition not only by Quebecers but by all Canadians.

[Translation]

In conclusion, this budget needs to be seen as what it is: a vote-seeking budget, a do-nothing budget which does not come up to expectations, and for what it is absolutely not: a tax-reforming budget.

We know, Canadians and Quebecers know, that the rich in this country do not pay as much tax as they should. The minister has been urged repeatedly to really reform the Canadian tax system, but there is nothing in this regard in the budget.

To give a precise example, the family trusts, we know that they all beat it for the U.S. not so long ago, and got out of paying an amount estimated at between \$500 and \$600 million in taxes. Six hundred million dollars is exactly what will be given to poor children over the next two, three or four years. Two companies belonging to the same group left without paying taxes, and the government did not react.

Nor are there any job creation measures. Jobs, jobs, jobs, if anyone can find any, let them tell us where. There will be no hope for Canadians or Quebecers with this budget as far as job creation is concerned. All that the minister and the Prime Minister say is that it is up to the market to create jobs, and we must set up the necessary conditions for jobs to be created.

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We need look no further than the banks, which have made record profits in the past two years, but are now responsible for record layoffs as well. Before telling us that private companies create jobs, maybe a thorough analysis ought to be done.

There is nothing about the GST and Quebec. Where is the fairness here? There is a double standard; the maritimes get money, Quebec does not. And they will go on cutting benefits to the unemployed and cutting social programs, while the minister is madly patting himself on the back, claiming he has managed to fight the deficit with his budget.

We are heading toward an election, and the Liberals will be judged accordingly.

• (1755)

[English]

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, it is budget time and with all the rhetoric around the tax and spending plans of the Liberals of our money, in other words the people's money, the money and the wealth created by Canadians, not the government, with all this talk people sometimes become fed up and rather cynical.

What flows from that is the notion of average Canadians that the government always paints a rather rosy picture. When was the last time we heard a federal Conservative or Liberal government admit that things were not very rosy? Canadians then just tune out. They tune out of the budget debate. They tune out of all the commentary about finances. They say "The government brags and so we really cannot listen to them. We have the Bloc and it seems to always resort to rather self-centred whining about how hard done by Quebec is. It is always the message from the separatists of wanting". Quite frequently they use the word demanding.

Opposition parties have an obligation to compliment the government when the government goes in the right direction. When it comes to being critical the opposition must go beyond just cynicism and criticism but offer practical, credible alternatives that can stand the test of public examination.

I put it to the member of the Bloc, and he is being very negative in his tone, what are his solutions to contribute to Canada? What is the Bloc prepared to do to make Canada work rather than opt out? What is the member prepared to offer as a fiscal alternative to help all of Canada, including Canadians in Quebec, rather than just complaining and offering to opt out?

Mr. Pomerleau: Mr. Speaker, my colleague said many citizens will tune out when we speak about the budget. They will not tune out when the time comes for the election.

What did we produce in a practical way to help the government to establish a good budget? Today we are giving our opinion on this budget and our opinion is that this budget is not very good at all. But we did a lot of work for the government. I am sure in certain fields the Reform Party also did some work in presenting some analysis to the government.

We produced three reports on fiscality, a study well done. We received congratulations from the Minister of Finance for having done so. These were reports on three studies that showed clearly point by point through an analysis that if we would review the fiscality in this country we would probably be able to save right now \$6 billion that could be used to put back into programs for employment.

We are not trying to opt out of the government. We are trying to help. If we want to help the government, the government has to help itself. With this budget, when we see that it has a full margin to act and it does not do anything, it is saying that it will help poor people, but it put \$600 million for the poor children. That is the same amount of money that it let go with the fiducies familiales to the United States. That is only one or two companies that did that.

We are trying to help. We offered some analysis but nobody listened.

[Translation]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I would like to quote remarks by Alain Dubuc, a journalist and economist, in *La Presse*. He said he was a federalist in the last referendum.

• (1800)

Just to give his remarks a little credibility, because there are people in the government and in my party who say that we behave this way because we are separatists, he himself said that the federal government has cut \$6.8 billion, including \$2.5 billion this year, in funding to the provinces over the past three years.

That means that the provinces have to face this cut and continue to pay the same percentage of taxes. If the government is cutting money to the provinces, it should also cut the taxes and revenues it takes out of the provinces. The provinces are getting it both coming and going. And, in return, they get what Alain Dubuc of *La Presse* describes as the big box of Smarties. In other words, they sprinkle little treats here and there just so they can say they are doing something for health, for poor children, and so forth.

I would ask my colleague to comment on this example. According to Alain Dubuc, and it is easy to calculate: In the case of poor children, the federal government and the Minister of Finance say they are helping poor children, but the figure works out to be \$28 a year per child. That is, 53 cents a week per child. It hardly pays for a litre of milk per child.

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So you can see how ridiculous it is to gloat that, as \$2 billion is being taken away from Quebec, poor children are being given 53 cents a week. My colleague made an excellent speech. I would like his comments, because I find this way of going about things totally ridiculous.

Mr. Pomerleau: Mr. Speaker, I thank my hon. colleague for his excellent question. As we can see from my hon. colleague's breakdown of figures, what this budget, tabled by a minister who claims he wants to seriously look after poor children, provides for is 53 cents per week per child in Canada. We can also see that, over the past three years, instead of improving, the situation of poor children in Canada has in fact deteriorated.

When the Liberals were criticizing the Conservatives in their red book, they indicated that there were 1 million children living in poverty in Canada. There are now 1.5 million poor children in Canada, which means that their number has increased by 500,000 in the last three years. Poor children do not appear out of thin air. If their numbers are growing, it is because the overall economic situation is deteriorating, because more and more people are unemployed and on welfare.

While it is content with giving 53 cents per week to poor children and brag about it, as my hon. colleague said, the government is letting family trusts move to the U.S. depriving the government of \$600 million in tax revenue. That is what this budget is all about and the kind of work that has been accomplished these past three years.

Mr. Paul DeVillers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Fundy—Royal.

The budget tabled by the Minister of Finance is good news as regards job creation. This budget is in line with the federal government's long term strategy to improve the state of public finances, so as to create conditions that will promote employment, as well as short and long term growth.

The government will also continue to invest in immediate and longer term initiatives to create jobs, which is a top priority for me and the federal government. Let us not forget that 715,000 new jobs were created since the Liberals took office, in 1993.

• (1805)

Extending the federal infrastructure works program is an excellent example. The government will spend \$425 million on that program, for a total of \$600 million this year.

I am also very pleased about job creation initiatives in rural areas, since my riding includes some large rural areas. In this regard, regional tourism will get increased support, through an amount of \$50 million allocated to the Business Development

Bank of Canada, as well as an additional \$45 million, over a three year period, to the Canadian Tourism Commission, and additional funding to the Farm Credit Corporation.

Over the next three years, the federal government will allocate \$1 billion for job creation initiatives for young people. The Minister of Human Resources Development recently announced that \$225 million would be earmarked for the creation of jobs for young Canadians. These initiatives will provide a more promising future to many young Canadians who wish to join the labour force.

I also want to mention the creation of the Canada Foundation for Innovation, an investment of \$800 million by the government, which will ensure that Canadians remain on the cutting edge of research and technology, areas which will help our industries to remain competitive and to create jobs in the future.

Given the Liberal government's sound economic management during the last three years, it is not surprising that private sector forecasters are expecting more than 300,000 jobs to be created this year and also next year. Having said that, I can assure the House that the Liberals will keep up their efforts to create jobs for all those Canadians who are still looking for work.

[English]

In the time remaining I would like to deal with some of the criticisms that the government has received with respect to job creation. I have already indicated that in the first three years of the Liberal government's mandate Statistics Canada confirms that approximately 715,000 net new jobs have been created by the Canadian economy. This compares to a net loss of 71,000 jobs during the last three years of the previous government's mandate. Under the previous Tory government the unemployment rate was at 11.4 per cent at the time that the Liberal government was elected in 1993.

The current rate of unemployment is 9.7 per cent. This is obviously much too high. One person in Canada unemployed, seeking work and unable to find it is a human tragedy. There will never be an acceptable unemployment rate until unemployment is eradicated.

I do not think it is a fair comment to indicate that because the official unemployment rate issued by Stats Canada is still at 9.7 per cent that the Liberal government's record on employment and setting the conditions that lead to employment creation is bad. Look at the 715,000 jobs that have been created by the Canadian economy in that time period.

We still have 1.5 million unemployed people which is certainly not acceptable and is certainly a cause for concern to everyone, particularly to those people who are unemployed, but 715,000 people have found jobs. The reason that the rate still remains as high as it does is because more people have come into the work force. This is something that the government cannot control. It can encourage people to obtain more training so that they will be in a

The Budget

position to seek employment, but it does not preclude people from coming into the workforce.

• (1810)

I do not believe the official unemployment rate is the proper indicator one should be looking at to measure the government's performance in job creation. It should be the total number of net jobs created.

The opposition parties are saying that the government should provide tax relief. By giving Canadians tax relief, more disposable funds would be available for them to make purchases and this would stimulate the economy.

I would like to draw the House's attention to the low interest rates which have the same effect. The government has managed the economy and has been able to reduce the deficit. It has shown responsible fiscal management and interest rates have dropped dramatically. They are at their lowest of the last several years.

I have two examples of the savings and benefits that people can obtain. I quote a Royal Bank report from October 1996 on home ownership indicating that a five-year \$100,000 mortgage has a payment of \$765 per month. The same mortgage for the same term except for the higher interest rate in 1990 required monthly payments of \$1,200. The Royal Bank indicates that this is the equivalent to receiving an \$8,000 raise in salary. This is as a consequence of the lower interest rates.

Similarly, on a new car loan of \$15,000 over a four-year period, the lower interest rates today are resulting in savings of almost \$500 per year. Again, that is an example of where money is being made available and is being freed up as a consequence of the fiscal management of the government and the lower interest rates.

It has been necessary to have certain cuts in spending in certain programs that have led to the reduction of the deficit. That leads to the more favourable interest rates. Now that the deficit is being reduced and is below the finance minister's targets, he is able to start paying the dividend for the suffering that all Canadians had to endure over the last few years to reach this point.

This budget shows Liberal vision. It shows Liberal values. The investments being made are in areas of child poverty, education, benefits for the disabled, research and development and also for the community action program for children.

CAPC is a program that is receiving increased funding when it was scheduled to receive a reduction in funding. The community groups and agencies in my riding with which I have met were very concerned about the scheduled reduction in funding. I am sure they will be very happy to see that the CAPC program is not going to be reduced but will be increased.

The Speaker: So you will know, there are only five minutes of questions and comments.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, in the hon. member's presentation, he talked about how the government is quite proud of its record on health care, education and jobs.

The finance minister, of course, expressed that this morning. On a CBC television program, he said: "We are going to focus our spending on things that really count to Canadians. That is what our values are: health care, education, children and job creation". I guess the two are giving the same message.

Those words are quite nice but when we look at reality and the record of this government on those issues, it is quite another story. When it comes to health care, we have seen a 40 per cent reduction in spending. There was a 40 per cent reduction in transfers to the provinces. Mr. Klein said 42 and that might be closer. I am not sure. That is the reality.

• (1815)

It is the same thing for education. There has been a 40 per cent reduction in transfers to the provinces.

With respect to job creation, unemployment rates are still at almost 10 per cent, compared to Japan at 3.4 per cent and the United States at 5.4 per cent. The record of this government on jobs is totally unacceptable.

Beyond that, the hon. member talked about how the unemployment rate has actually dropped somewhat since the government took office. That is true, but we are looking at a larger than ever portion that is underemployed. There are far more people underemployed than under the Conservative government and there are far more people who are afraid of losing their jobs. The record on jobs is nothing to be proud of.

I would like to ask the member to respond to the clear difference in the words, the actions and the record of this government.

Mr. DeVillers: Mr. Speaker, I would like to correct the statement made that this member is proud of the government's record on health care and education. My submission did not deal with those issues. My submission dealt with the jobs record. That is something which I dealt with at length. It is something which I stand by. It is not good enough. It is never good enough. Any rate of unemployment is too high. However, critics such as the Reformers neglect to look at the actual number of jobs which have been created.

The figure is there. The Statistics Canada figure indicates that 715,000 jobs have been created by the Canadian economy in the last three years, compared to 71,000 jobs that were lost in the last three years of the Tory reign.

The Budget

It is not an insignificant number. It is not good enough, but it is certainly something which I am prepared to stand by and be held accountable for during the next election campaign.

The member asked my colleague from Kenora—Rainy River the same question with respect to the 40 per cent cut to health care. All I will do is repeat the answer. That 40 per cent deals with the cash part only. It does not take into account tax points. We have to look at the entire picture; we cannot only look at the cash points in the transfers.

In the case of Ontario, the province with which I am most familiar, it amounts to 2.5 per cent of the total provincial budget. The provincial government is making draconian cuts to health care, education and to a lot of other areas. We know why. It is to fund the across the board tax cut of 30 per cent which that government, which is a friend of the Reform Party, promised the people of Ontario.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I would like to ask the hon. member where he gets his math from.

If in fact this government has created these 700,000 or 800,000 jobs, why has that not affected the unemployment rate in Canada? If these are new jobs which have been created by this government, then in order for the unemployment rate to remain as stable as it has in the upper limits of 9 per cent, there must be jobs being lost on the other side because there are still 1.5 million people unemployed.

Mr. DeVillers: Mr. Speaker, I dealt with that point in my speech. The number of people who are unemployed is still roughly the same because more people have come into the workforce. Some people have graduated from school. Other people have obtained training and are now in the workforce. Other people have realized that there is a possibility of getting a job now and that is why they have returned to the workforce.

The government cannot control the number of people who enter the workforce. It can encourage people to enter the workforce, but it certainly cannot control who wants to be in the StatsCan figure and who does not.

• (1820)

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am particularly pleased and honoured to rise today in the House of Commons to address the issue of the budget.

Our fourth budget continues the plan that is important for Atlantic Canadians. It is of particular importance to the people of New Brunswick in my riding of Fundy—Royal.

It is a plan that dwells on the competent fiscal and economic management that is reducing the deficit. It is a plan that is aimed at creating and continuing to create a climate for jobs and economic growth in both the short term and the long term. It is a plan that ensures the long term future for effective sustainable social programs and that invests in a stronger society through education, health and our children.

I will point out a few facts that have become very important especially to the people in my riding. Our fourth budget announces that this year's deficit is the lowest in 15 years. It represents the largest year over year decline in the federal deficit ever. By 1999 we will no longer need to borrow any new money from financial markets and we will have the lowest deficit in the G-7.

Our fourth budget is also the latest instalment in our efforts to clean up the unprecedented fiscal and economic mess that was left behind by previous governments. In January 1994 the deficit was at \$42 billion and our unemployment rate stood at 11.4 per cent. Our indebtedness was threatening our very future and the very future of the social programs that are of such vital importance to Canadians, especially Atlantic Canadians. No wonder so many Canadians had given up hope until 1993. What a difference four Liberal budgets have made.

One thing our budget does not do is to sacrifice sound economic management and wise economic investments for short term political expediency. Other parties are only too keen to play politics with questionable across the board tax schemes, but this is not what Canadians want. With this our fourth budget we are trying not to let Canadians down.

When we took office Canadians knew that we needed to take tough decisions and that fundamental reforms were required. When we took office in 1993 Canada's fiscal mess was jeopardizing the very future of our cherished social programs. With more money going to bankers each year than to social programs, their prospects were increasingly bleak.

Throughout our mandate our government has taken steps to save Canada's social safety net. In just three and a half years, we have reformed all aspects of our social safety net. All aspects of our social safety net have been reformed: a new employment insurance system; a new Canada health and social transfer which provides the flexibility and certainty that provinces need to deliver services in health, post-secondary education and social assistance; an \$11 billion cash floor in the CHST, not a cash ceiling; and a new seniors benefit which was created to better target those seniors in our society in the most need without affecting current seniors.

• (1825)

When we took office in 1993, Canadians had lost confidence but we knew that Canadians elected a Liberal government because they

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trusted us to make decisions with compassion. We are building the social safety net of the future.

The 1997 budget announces the Canada child tax benefit, targeting more assistance to over a million Canadian families and their children to help those families escape the welfare trap.

Our youth employment strategy was announced to provide job opportunities for 110,000 young Canadians and to give young Canadians improved access to the federal youth programs which are presently worth more than \$2 billion. We also believe it is important to ensure that all of our young people have access to good education. We have improved the system of student loans and education credits.

We have allocated \$800 million for a new Canada innovation foundation which will be particularly helpful to our hospitals and universities in the province of New Brunswick.

We know that governments working together can do a better job in labour market training. Recognizing this, the federal government has turned over administration of labour market training to the provinces. As everyone knows, Alberta and New Brunswick have already signed ground breaking agreements.

The National Forum on Health recently made a number of recommendations to improve health care. The 1997 budget provides for \$300 million over the next three years to implement key recommendations of the national forum. Social union discussions between the federal and provincial governments are setting out our principles of the safety net for the future and the management of our future.

Our commitment to the principles of the Canada Health Act is unequivocal. These principles will be enforced as they have been throughout our mandate. We will not only protect medicare, we will work in partnership with the provinces to improve it and to strengthen it.

We will take action to ensure that our health care dollars are spent more effectively and efficiently. We will bring the system up to date to respond to the changing health needs of Canadians and to respond to the advances which are being made to medical practices.

The National Forum on Health stated that the transition to a better system in the future requires some targeted investments today. That is why our fourth budget provides \$300 million over the next three years to implement key recommendations of the national forum. Every single dollar will go to the delivery of better health care for Canadians.

We are also providing \$150 million over the next three years for the health transition fund to help provinces launch pilot projects to investigate new and better approaches to health care. I believe the province of New Brunswick is already on the leading edge of

developing important new projects for this important transition fund.

As I conclude, it is important to remember that today while unemployment is at 9.7 per cent, we will not be satisfied until every Canadian and every New Brunswicker who wants to work can get a job. We need to build on what works. Despite the cutbacks in the public sector, we have created 700,000 jobs since 1994. This year alone we will create 300,000 new jobs. Our jobs strategy is working.

The Acting Speaker (Mr. Milliken): When the debate is resumed there will be five minutes of questions and comments on the hon. member's speech.

[*Translation*]

CANADIAN WHEAT BOARD ACT

The House resumed from February 18 consideration of the motion that Bill C-72, an act to amend the Canadian Wheat Board Act and to make consequential amendments to other acts, be immediately referred to the Standing Committee on Agriculture and Agri-Food.

The Acting Speaker (Mr. Milliken): It being 6.30 p.m., the House will now proceed to the taking of the deferred division on the motion to refer Bill C-72 to committee before second reading.

Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 226*)

YEAS

Members

Asselin	Augustine
Bachand	Bakopanos
Barnes	Bélanger
Bélisle	Bellehumeur
Bergeron	Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bevilacqua	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Canuel
Catterall	Chamberlain
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Collins	Comuzzi
Cowling	Crawford
Culbert	Cullen
de Savoye	Debien
DeVillers	Dhaliwal
Dion	Discepola
Dubé	Dumas
Dupuy	Easter
Eggleton	English
Fewchuk	Finlay
Fliis	Fontana
Fry	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Godfrey
Godin	Goodale
Graham	Grose

Guarnieri
Harb
Hopkins
Iftody
Jackson
Keyes
Kirkby
Kraft Sloan
Lastewka
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Leroux (Shefford)
Loubier
MacDonald
Malhi
Manley
Marchi
Massé
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Mercier
Mitchell
Murray
Nunez
Pagtakhan
Paré
Patry
Peterson
Phinney
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robillard
Sauvageau
Simmons
Stewart (Brant)
Telegdi
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Young

Guimond
Harvard
Hubbard
Irwin
Jacob
Kilger (Stormont—Dundas)
Knutson
Langlois
Laurin
Lebel
Lee
Loney
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McTeague
Ménard
Minna
Murphy
Nault
O'Brien (London—Middlesex)
Paradis
Parrish
Peric
Pettigrew
Picard (Drummond)
Plamondon
Reed
Richardson
Robichaud
Rocheleau
Scott (Fredericton—York—Sunbury)
Steckle
Szabo
Torsney
Tremblay (Rosemont)
Valeri
Verran
Wappel
Zed—148

NAYS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Cummins
Epp
Frazer
Grey (Beaver River)
Hanger
Harris
Hermanson
Kerpan
McClelland (Edmonton Southwest/Sud-Ouest)
Schmidt
Speaker
Taylor

Axworthy (Saskatoon—Clark's Crossing)
Bhaduria
Bridgman
de Jong
Forseth
Gouk
Grubel
Harper (Simcoe Centre)
Hart
Hill (Macleod)
Mayfield
Penson
Solberg
Stinson
Williams—30

PAIRED MEMBERS

Anderson
Assadourian
Bethel
Cullen
Daviault
Duceppe
Finestone

Arseneault
Axworthy (Winnipeg South Centre/Sud-Centre)
Crête
Dalphond-Guiral
Deshaies
Fillion
Gagliano

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Gauthier
Hanger
Landry
Lefebvre
Mifflin
Robillard
Tremblay (Lac-Saint-Jean)
Wells

Guay
Lalonde
Lavigne (Beauharnois—Salaberry)
Leroux (Richmond—Wolfe)
Peters
St. Denis
Venne
Whelan

• (1855)

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

Accordingly, the bill stands referred to the Standing Committee on Agriculture and Agri-Food.

(Motion agreed to, and bill referred to a committee.)

* * *

INDIAN ACT OPTIONAL MODIFICATION ACT

The House resumed from February 18, 1997 consideration of the motion that Bill C-79, an act to permit certain modifications in the application of the Indian Act to bands that desire them, be referred to a committee before second reading.

The Acting Speaker (Mr. Milliken): The House will now proceed to the taking of the deferred division on the motion to refer Bill C-79 to a committee before second reading.

Mr. Kilger: Mr. Speaker, if you were to seek it, you would find that the House will give its consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members recorded as having voted yes.

Mr. Laurin: Mr. Speaker, before announcing how the members of the Bloc Québécois intend to vote, I would like to point out that at least one member on the government side has left the House. I do not think we can count his vote.

Mr. Kilger: Mr. Speaker, I fully agree with the deputy whip of the official opposition. The name of the Minister of Agriculture will have to be withdrawn.

Mr. Laurin: Mr. Speaker, members of the Bloc Québécois will vote no.

[English]

Mr. Frazer: Mr. Speaker, Reform Party members present will oppose this motion.

Mr. Taylor: Mr. Speaker, New Democrats in the House tonight vote no.

[Translation]

Mr. Bernier (Beauce): Mr. Speaker, the member for Beauce will vote yes.

[English]

Mr. Bhaduria: Mr. Speaker, I will be voting against the motion.

Adjournment Debate

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 227)***YEAS**

Members

Augustine	Bakopanos
Barnes	Bélanger
Bernier (Beauce)	Bertrand
Bevilacqua	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Calder
Catterall	Chamberlain
Clancy	Cohen
Collenette	Collins
Comuzzi	Cowling
Crawford	Culbert
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Dupuy
Easter	Eggleton
English	Fewchuk
Finlay	Flis
Fontana	Fry
Gaffney	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Godfrey
Graham	Grose
Guarnieri	Harb
Harvard	Hopkins
Hubbard	Iftody
Irwin	Jackson
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lastewka
Lavigne (Verdun—Saint-Paul)	Lee
Loney	MacAulay
MacDonald	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Manley	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	McWhinney
Minna	Mitchell
Murphy	Murray
Nault	O'Brien (London—Middlesex)
Pagtakhan	Paradis
Parrish	Patry
Peric	Peterson
Pettigrew	Phinney
Pickard (Essex—Kent)	Proud
Reed	Regan
Richardson	Rideout
Robichaud	Robillard
Scott (Fredericton—York—Sunbury)	Simmons
Steckle	Stewart (Brant)
Szabo	Telegdi
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Wappel	Young
Zed—113	

NAYS

Members

Abbott	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Bachand
Bélisle	Bellehumeur
Benoit	Bergeron

Bernier (Mégantic—Compton—Stanstead)	Bhaduria
Breitkreuz (Yorkton—Melville)	Bridgman
Brien	Canuel
Chrétien (Frontenac)	Cummins
de Jong	de Savoye
Debien	Dubé
Dumas	Epp
Forseth	Frazer
Gagnon (Québec)	Godin
Gouk	Grey (Beaver River)
Grubel	Guimond
Hanger	Harper (Simcoe Centre)
Harris	Hart
Hermanson	Hill (MacLeod)
Jacob	Kerpan
Langlois	Laurin
Lebel	Leblanc (Longueuil)
Leroux (Shefford)	Loubier
Marchand	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	Ménard
Mercier	Nunez
Paré	Penson
Picard (Drummond)	Plamondon
Rocheleau	Sauvageau
Schmidt	Solberg
Speaker	Stinson
Taylor	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Williams—64

PAIRED MEMBERS

Anderson	Arseneault
Assadourian	Axworthy (Winnipeg South Centre/Sud-Centre)
Bethel	Crête
Cullen	Dalphond-Guiral
Daviault	Deshaies
Duceppe	Fillion
Finestone	Gagliano
Gauthier	Guay
Hanger	Laonde
Landry	Lavigne (Beauharnois—Salaberry)
Lefebvre	Leroux (Richmond—Wolfe)
Mifflin	Peters
Robillard	St. Denis
Tremblay (Lac-Saint-Jean)	Venne
Wells	Whelan

(Motion agreed to)

ADJOURNMENT PROCEEDINGS

• (1900)

[*English*]

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

CANADIAN SECURITIES COMMISSION

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, the establishment of a national securities commission is an idea that has been around for close to 30 years, but until recently there has been little progress.

The issue has become more prevalent in recent years because of the ever-changing nature of investment and trade. This is the era of the globalization of trade and Canada must remain competitive. To do so, Canada must facilitate market investment. If we cannot

Adjournment Debate

encourage investment we will lose our competitive edge in the broader global market.

In recent years, Canada has witnessed the creation of conglomerates in the financial industry. This has generated a dire need for regulation and, if this does not occur, Canadian investment will suffer severely.

Unlike most other countries, Canada has a securities commission in each province and territory. This requires a company to go through the same procedure numerous times. A company wanting to sell shares in several provinces must gain approval from the securities commission in each one. This requires the company to file both its prospectus and disclosure many times. It is tedious and expensive, creating a great deal of uncertainty and duplication.

Companies are also discouraged by the different standards of the various provincial commissions. This complicated situation has resulted in companies opting for the single filing system in the United States. Many Canadian companies are choosing to file on U.S. exchanges such as NASDAQ. This is precisely how the numerous provincial commissions hurt the Canadian investment market. Costly duplication and differing standards discourage Canadian companies from listing on Canadian exchanges. Canadian exchanges are losing high quality companies to other countries.

Because of the current situation, I have seen Canadian companies that were funded by Canadian research grants using Canadian graduates, Canadian expertise develop a new technology that become a commercial success by going to a U.S. exchange to raise capital. We have the ridiculous situation now where Canadian companies are encouraged to become foreign companies and to move their operations outside Canada, denying jobs to Canadians. This must be stopped.

Why is it that the management of Canadian exchanges generally favour a national commission and the provinces do not? This is not a political question but an economic one which must be addressed.

The solution to this problem is to create a centralized agency which can increase efficiency, standardize regulation and reduce the costs involved in investment. The current system is not good enough. Canada risks losing much of its high quality investments to the United States if it does not facilitate these companies.

As the member for Waterloo riding, I am particularly concerned with this issue because of its important impact on my community. Waterloo is a member of the Canadian technology triangle and is an important contributor to Canada's profile on the global market. Waterloo companies are extremely dependent on their investment potential throughout Canada.

We must encourage the Canadian economy through every means possible. This would entail a transition from the provincial

securities commissions to a centralized national commission which would be more efficient and less costly.

This is not a political question but an economic one. Our economic interests are at stake. If Canada is to remain a forerunner in the global market, we must facilitate investment interests in a national securities commission.

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I would like to thank the hon. member for Waterloo for his question on the Canadian securities commission initiative.

The federal government became involved with the Canadian securities commission initiative as a result of the request from provinces. The objective is to improve on the existing system of securities regulation in Canada whereby the capital market participants have to deal right now with up to 12 different regulators. We are prepared, at the federal level, to facilitate the process.

Regulatory duplication creates uncertainty and adds to the cost of raising capital in Canada. It may be motivating some Canadian companies to raise capital in other markets. It may also be deterring some global issuers from selling their securities in Canada.

• (1905)

For some months now, federal and provincial officials have been developing a memorandum of understanding which would set out the possible parameters of a Canadian securities commission. We have been talking about a voluntary arrangement whereby participating provinces would delegate the authority to regulate securities in their jurisdiction to the Canadian securities commission. Provinces who do not wish to participate will continue with their existing securities regulations.

We are talking about a regime with one set of rules applied across all participating provinces, a single agency with a number of regional offices capable of providing one-stop service yet at the same time maintaining the strengths of our regional capital markets.

Work on the memorandum of understanding has now been completed and it has been forwarded to the provinces for their response.

While we believe that a Canadian securities commission would make an important contribution to the efficiency of Canadian capital markets, the decision to proceed further with the establishment of a Canadian securities commission rests with the provinces.

The Minister of Finance has asked the provincial ministers responsible to respond in the very near future regarding their interest in proceeding. If there is sufficient interest, a process will be established to ensure the timely implementation of a Canadian securities commission.

I hope this responds to my hon. friend's question.

Adjournment Debate

EXPORTS

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I rise to speak on the matter of a question I asked the Minister for International Trade on October 23 about Canadian exports. In the minister's response to my question, he made two points that I thought were very important.

The first point was that our merchandise exports are sufficiently high in terms of the surplus over our imports to counteract what has previously been an unfavourable balance for us in invisible trade. That means our current accounts are now in a surplus position in Canada for the first time in something like 22 years. That is largely due to a lot of aggressive moves by the government which I would like to refer to later. However it is important that the Canadian public focus on the fact that it is not just our exports that are in surplus now, but it is our total current accounts which are in surplus. This is an extremely important development for the Canadian economy.

The second point the minister made was that much of the success in the export market that has been made recently has been due to efforts of small and medium size businesses. The committee on foreign affairs and international trade recently prepared a report on small and medium size businesses and the export trade.

In that report we found that small and medium size businesses are being much more aggressive in areas of export than they had been before. They are becoming familiar with the tools which government provides them with, such as the Export Development Corporation which in turn is working with the banks to enable better financing mechanisms for exports. They are better using our trade commissioner services. They are using team Canada and going on team Canada missions when team Canada goes abroad. They are participating also through their provinces and municipalities in a way to ensure that they have access to exports.

We found something else about small and medium size businesses and their access to exports that is very important for this country. We have a tremendously talented pool of people in the multicultural communities of our country who speak languages other than English and French and who have knowledge of other cultures, business cultures.

In my own riding of Rosedale in downtown Toronto, there are areas where over 50 languages are spoken. I speak to many of these people. Some of them are now forming small and medium size businesses. They are able to export their products to the communities where they came from because they have access to those communities. They know those markets. This is an enormously rich pool for us to develop. This government is to be congratulated on reaching out to that community and seeking to enable it to be effective in these markets.

Finally, the other thing we have to draw attention to in this area is the fact that many of our exports are now directed toward the service industry. Services now represent about 60 per cent of the GDP of modern economies. I am informed that in Toronto over 55 per cent of all services are traded services.

● (1910)

A report prepared by the Boston consulting group, sponsored by the Bank of Nova Scotia, shows the importance of the financial services to the Toronto economy.

This is key to the future because these are traded services and therefore require a marketplace within the domestic economy which will enable them to reach out into the international economy. We must be conscious of the fact that we have to make sure that in this country we have an appropriate domestic marketplace that will enable these companies to grow and develop in the service field, particularly in the financial field in modern cities like Toronto, Montreal, Vancouver and other important financial centres.

This means we must focus on ensuring that we have a free market within Canada. We have to perfect our national markets. We have to insure that we are not impeding but helping our financial services providers to be part of the international community as well as the domestic community.

The people from small and medium size businesses who came before us in the committee told us that they are now competing in the domestic economy as well as internationally. We must make sure we have both. In so doing, we must ensure that we have the multilateral as well as the bilateral mechanisms in place.

Finally, in that respect we should congratulate the government on signing the Canada-Chile free trade agreement, which is one more way to ensure that we will have access to those important developing Latin markets which will complement our exports outside of Canada.

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I am pleased to respond to the comments from my colleague, the hon. member for Rosedale.

I do not think there are many people in the House who are as articulate when it comes to dealing in the realm of foreign policy, both trade and others. There are many times that I seek his wise guidance, as does the minister.

The questions he raised and the comments he made are quite true. This year has been a record year for Canadian exports. Indeed, Canada is now exporting almost \$1 billion of goods and services every single working day. We have seen our trade surplus continue to mount over the last few years.

This year the trade surplus has increased by 20 per cent in excess of \$34 billion. In the last three years exports have increased by 47 per cent. Our GDP as it relates to trade is now at an all time high of almost 40 per cent. Some have put it over 40 per cent. So it is very clear that Canada's success in trade is driving the engine of

Adjournment Debate

recovery. It is the engine which is producing the jobs in the economy and wealth for Canadians.

The member spoke about the importance of the service sector. He is entirely correct. For the last number of years as our trade and our surplus in goods and products has grown, we have lagged behind in services.

I would like to say to the hon. member that according to the statistics that came out today, for the first time in 12 years Canada has posted a surplus not just on the goods side but on the service sector side. That is very positive news for the movement in that sector of the Canadian economy.

The member speaks about the importance of small and medium size enterprises. The government could not agree more. It knows

that the continued success of trade abroad will continue and will sometimes be led by large companies. But the success we are most proud of are in the small and medium size enterprises whose people

accompanied the Prime Minister, the minister of trade and other members of Parliament along with me around the globe. They are truly showing the entrepreneurial spirit in the Canadian economy. And this is what will continue to lead in the creation of jobs and growth both domestically and abroad.

The Acting Speaker (Mr. Milliken): It being 7.15 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to our standing orders.

(The House adjourned at 7.15 p.m.)

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