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OFFICIAL REPORT
(HANSARD)

Wednesday, December 10, 1997

Speaker: The Honourable Gilbert Parent

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OFFICIAL REPORT

At page 3009 of *Hansard* December 9, Mr. Bélair should have been recorded as voting yea under (*Division No. 67*). The new total should be: Yeas, 212; Nays, 52.

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HOUSE OF COMMONS

Wednesday, December 10, 1997

The House met at 2 p.m.

Prayers

• (1400)

The Speaker: As is our practice on Wednesday we will now sing *O Canada*, and we will be led by the hon. member for Vancouver Island North, with the help of students in Grades 1 to 6 from Good Shepherd School in Gloucester. Leading the choral will be Mrs. Michelle Hundertmark.

[*Editor's Note: Whereupon the national anthem was sung*]

STATEMENTS BY MEMBERS

[*English*]

BIG BOB

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it gives me great pleasure to congratulate a House of Commons security guard affectionately known as Big Bob for creating a sense of national unity around Christmastime.

Bob has requested the Christmas cards of members of Parliament of all political parties in order to decorate the Christmas tree located in the Confederation Building. The tree is a true joy and I applaud the efforts of Big Bob and the rest of the security guards for creating something truly unique during this time of year.

I welcome all to come to see the tree. Merry Christmas, Happy New Year, Joyeux Noël.

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THE ECONOMY

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, the Liberal government has made it clear that 50% of any future surplus will go into spending. There is a compelling reason to make debt reduction and tax relief a higher priority.

I appeal to the government's supposed social conscience. The negative impacts of exploding debt and excessive taxation are felt directly by the old, the young, the sick, the poor, the unemployed and families.

These are the people the Liberal government is turning its back on when it says new spending is its number one priority. The interest on the federal debt is eating the heart out of social programs. Health care, education, employment insurance and old age pensions combined receive less than what we spend on interest payments each year.

Reformers believe social responsibility and social conscience demand that the Liberal government reduce the debt and cut taxes in the name of the old, the young, the sick, the poor, the unemployed and families across the country.

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INTERNATIONAL HUMAN RIGHTS DAY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, today is International Human Rights Day. In 1948 the international community adopted the Universal Declaration on Human Rights and observed December 10 as Human Rights Day.

The respect for human rights is one of the cornerstones of a functional democratic nation. The world is rife with human rights abuses. Every day in one way or another we are informed about human rights violations in various parts of the globe. Individual rights are either violated by oppressive regimes or by the actions of others. In some instances others have lost their lives as they struggle for even the most basic human rights.

Canadians and the government must not take human rights for granted. As a nation we must continue to work at upholding and promoting human rights in Canada and around the world.

* * *

DRUNK DRIVING

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I rise today to pay tribute to the many organizations that wage a daily battle against drunk driving.

S. O. 31

Groups such as Mothers Against Drunk Driving have changed the attitudes of Canadians. People who may have considered driving drunk before probably do not now because of stiffer penalties and RIDE programs.

As the Christmas season approaches I encourage everyone to make this a safe and happy holiday. If you do drink, don't drive.

In our gallery today we have a group of students from Bishop Smith Catholic High School in my riding of Renfrew—Nipissing—Pembroke. One of those students is Miss Kathleen Forder.

Miss Forder is the Ontario provincial chair of Students Against Drunk Driving. It is the leadership shown by Kathleen and other young Canadians like her who will help keep the pressure on parliamentarians to ensure that people continue to realize that driving drunk is not socially acceptable. We must work together to make our highways safer for all Canadians.

Kathleen, keep up the good work.

* * *

BAFFIN REGIONAL YOUTH COUNCIL

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, last Thursday I was privileged to attend the Baffin Regional Youth Council meeting in Broughton Island. I met with youth representatives from each Baffin Island community to discuss several issues affecting young people in Nunavut.

These future leaders are great ambassadors for the north. Their determination, hard work and leadership skills are proof of their abilities as role models for Baffin youth.

I commend their work and look forward to working closely with them toward the common goal of creating our new territory.

[Editor's Note: the member spoke Inuktitut]

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[English]

CMHC

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, last spring a young couple purchased a lot in Tumbler Ridge, B.C., and then bought a trailer to put on it. After it had been installed on the property, Shirley and Don were notified that a mistake had been made and they did not qualify for a CMHC mortgage unless they put another 20% down. They simply did not have the money.

They are now out \$20,000, renting, and their dreams of owning their home are shattered. CMHC has designated Tumbler Ridge a special risk community, which means anyone working for the local

coal mine needs at least 25% down before CMHC will even look at a mortgage.

This is ludicrous. If the mine ever shut down they could move the trailer to a new location. Where is the risk for CMHC? You can work in a corner store and buy a house in Tumbler Ridge, but you cannot if you work in the mine.

This is discrimination at its worse. On behalf of all Canadians living in resource based towns, I call on the federal government to review and amend CMHC special risk policy.

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[Translation]

INTERNATIONAL HUMAN RIGHTS DAY

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, today I wish to join forces with the other Bloc Québécois members in drawing attention to International Human Rights Day. This event is even more meaningful this year since it coincides with the start of celebrations for the 50th anniversary of the Universal Declaration of Human Rights.

Every day, events remind us of the importance of these fundamental rights and freedoms. There is no doubt that they have contributed to legitimizing the principle of the constitutional state, to democratization, and to the broadening of civil, political, economic, social and cultural rights.

Despite these real advances, however, there is still much to be done. The tragedy of the Palestinian refugees in the Middle East, the scandal of the *loagai* in China, the denial of the rights of the aboriginal communities in Chiapas, are all examples which rightly trouble the international community.

• (1405)

For this reason, governments, the Government of Canada included, must loudly reaffirm the inalienable and universal character of human rights, the rights of women in particular, and must continue to remind—

The Speaker: The hon. member for Beauce.

* * *

CANADA FOUNDATION FOR INNOVATION

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, Quebec researchers are reacting strongly to the PQ government's threat to cut off research centres and universities which accept funding from the Canada Foundation for Innovation.

The PQ government, on the other hand, is demanding its share of the sums to be allocated to R and D.

The former leader of the Bloc, the man who believes his party is destined to disappear, the hon. member for Roberval, indicated on February 28, 1996 that they believed R and D investments were needed to create jobs.

Quebec Premier Lucien Bouchard said on October 3, 1995:

[English]

Quebec only gets 18.6% of federal funds compared to 50% for Ontario.

[Translation]

The federal government is taking action, but the PQ is complaining and protesting against the action of the Government of Canada with respect to Quebec institutions. By making the researchers pay the political price, the Parti Québécois is acting against the interests of Quebec. The Bloc ought to join with those who are speaking out against this action by the separatists.

Let us have protection of the public at heart.

* * *

QUEBEC GOVERNMENT

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, we heard sad news this morning: the Quebec minister of labour, Louise Harel, hit the wall with her cabinet yesterday when she presented her social assistance reform proposal.

It was somewhat reminiscent of the last Parti Québécois congress when those who were hoping for socio-economic improvements were disappointed by the PQ government.

The Parti Québécois needs social agencies when it comes time to promote Quebec's separation from the rest of Canada, but when it comes time to give people real help, they are told the Quebec government has no money.

This attitude is called disdain. So when the sovereignists try to give us a lesson in social politics, we can send them out to pasture, because they are doing worse to the people of Quebec.

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[English]

JOURNALISM

Mr. Cliff Breitzkreuz (Yellowhead, Ref.): Mr. Speaker, last week Diane Francis wrote about Quebec terrorist Ray Villeneuve. On Friday in her member's statement the separatist member for Laval Centre referred to patriotic Canadian editors and columnists as stalinizers.

To equate thoughtful journalism to Stalin the slaughterer is shameful. Stalin murdered millions of innocent people. My ancestors and other Canadians who fled Russia are disgusted and

insulted by the separatist's comments. How dare she minimize the memories of such a murderous madman.

Convicted killer Villeneuve and his guerrillas continue to threaten innocent people. Senior citizens, for heaven's sake, are being beaten in the streets of Quebec by separatist thugs while our justice system stands idly by.

Villeneuve brags about taking hammers and bombs to federalists. The separatists should be attacking the hammer and sickle techniques of Villeneuve, not the media that are merely reporting the facts.

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[Translation]

BILL C-14

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, at their latest national council, the members of the Parti Québécois unanimously passed a motion introduced by the riding of Argenteuil, the Conseil régional des Laurentides and the Conseil exécutif national, which reads as follows:

"It is moved that the national council reiterate Quebec's full rights to administer a general policy on Quebec waters and condemn the latest federal infringement in an area of provincial jurisdiction with the introduction of Bill C-14."

The people of Quebec will never agree to let the federal government appropriate this common wealth, which belongs to Quebec. It alone must have control and it intends to keep it.

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[English]

RIGHTS OF CHILDREN

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, on December 13, 1991 Canada ratified the UN Convention on the Rights of the Child, ensuring the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. However development cannot begin unless we provide the most fundamental necessities of housing, clothing and, above all, nutrition.

The government's commitment to children is very clearly demonstrated through our numerous initiatives such as the prenatal program, the Canada child tax benefit and our national children's agenda.

We all need to do our part in our communities to see that children do not go hungry, especially at this time of year.

[Translation]

When I held my open house for the holidays, I invited the people of the riding of Ahuntsic to help out those less fortunate by donating food to Magasin-Partage of the community help and

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nutrition service (SNAC). Thanks to these donations, some 350 families will have food for the holidays.

• (1410)

[English]

I congratulate my colleagues who have put forward such initiatives. We must all do our part, not only during this holiday season but year round.

* * *

AIR CRASH

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, yesterday afternoon in my riding tragedy hit Little Grand Rapids, a remote community some 260 kilometres northeast of Winnipeg.

A plane crashed killing the pilot and two others. A child also died later in the hospital. The remaining passengers, some of them critically injured, are being treated in a tiny nursing station near the crash site. Only now are the injured being air-lifted to a hospital in Winnipeg.

Residents travelled to the site by skidoo to assist the injured. Volunteers were up all night bringing needed supplies to the nursing station. For more than 20 hours, rescue planes were unable to land due to treacherous weather conditions. The airport at Little Grand Rapids, like many remote communities, has limited resources and equipment, increasing the potential for dangerous landings.

Today we extend our deepest sympathy to the families and friends of those who died in the crash. We also commend the community and the many volunteers who have offered their help to the victims of the crash.

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MARCIA ADAMS AND MARLENE McCUTCHEON

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I rise today to honour two people whose lives touched many in my community.

Last Friday a terrible car accident took the lives of two school teachers, Mrs. Marcia Adams and Mrs. Marlene McCutcheon. The entire community has suffered a tremendous loss.

Marcia Adams was an exceptional woman and an example to all young teachers entering the profession. Her devotion and her love for her job and the children she taught were only surpassed by the respect she gained in the community.

Marlene McCutcheon was just starting in her career, but already she was distinguishing herself as someone who cared about the young people she taught and the betterment of her school.

While we mourn our loss we also remember their lessons of determination, self-esteem, compassion and devotion. We will all miss them.

* * *

NATIONAL UNITY

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, Statistics Canada recently confirmed what Canadians have known for years: the face of Canada is rapidly changing.

According to StatsCan, 4.7 million people reported a mother tongue other than French or English. That is a 15% increase in just five years.

Canada is much more than francophone and anglophone. It is time for the government to scrap outdated policies such as official multiculturalism and bilingualism that fail to reflect the reality of Canada. Multiculturalism is a misplaced policy which does more to divide Canadians than to unite us. Bilingualism is costly, unfair and discriminatory.

It is time for a national debate on the true nature of our country. It is time to redefine what it means to be Canadian and to embrace the new reality. It is time to capture and foster a new national spirit.

* * *

[Translation]

HUMAN RIGHTS

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, today marks the 50th anniversary of the Universal Declaration of Human Rights. This milestone reminds us that human rights are the foundation of women's equality in Canada and around the world.

Internationally, Canada uses venues such as the United Nations, the Commonwealth and the Organization of American States to promote women's rights.

Here at home, the Canadian Charter of Rights and Freedoms guarantees equal protection and benefits under the law to Canadian men and women. Women have used the charter to challenge legislation which discriminates against them.

The Government of Canada will continue to fight discrimination against women and support their efforts to find solutions to the problems confronting them.

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[English]

HUMAN RIGHTS

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I am pleased to rise in the House today in commemoration of the 50th anniversary of the Universal Declaration of Human Rights. This

milestone gives us cause to recognize that human rights are the foundation of women's equality in Canada and around the world.

Internationally Canada continues to play a leadership role in support of human rights at the United Nations, the Commonwealth and the Organization of American States.

Here at home the Canadian Charter of Rights and Freedoms guarantees Canadians equal access and equal benefit under the law. Women have used the charter to challenge legislation which discriminates against them.

The government will continue to support women who face discrimination based not only on their gender but also on their race, their age and their disabilities. We will continue to support them in their efforts.

* * *

• (1415)

DEPUTY CLERK MARY ANNE GRIFFITH

The Speaker: My colleagues, I want to pay tribute before we start our question period today and you will understand why.

Today, for those of us who are House officers, is rather a bittersweet day because Mary Anne Griffith, Deputy Clerk of the House of Commons, is sitting for the last time as a table officer in this Chamber.

[Translation]

She is leaving us after 30 years in the public service, 27 of them here, in the House of Commons. During her long career in the House, Mary Anne achieved a lot.

[English]

In April 1883 she became a table officer—

Some hon. members: Hear, hear.

An hon. member: She looks so well.

The Speaker: Forgive me. And in 1983 she did it again. As the first principal clerk of the Table Research Branch and later the clerk assistant, Research, she contributed greatly to this House's current status as a Commonwealth leader in procedural research and information.

[Translation]

In 1987, she became the first person to be appointed Deputy Clerk. In 1994, she took over the responsibility for administrative services, the position she will be leaving next month.

[English]

I know, my colleagues, that you will join me in recognizing Mary Anne's distinguished career. I want to wish you, Mary Anne, your husband Greg and your family, good health and every happiness in the years to come. You have done a great service for us here in the House of Commons and we are deeply appreciative.

Some hon. members: Hear, hear.

Oral Questions

ORAL QUESTION PERIOD

[English]

SEARCH AND RESCUE

Mr. Preston Manning (Leader of the Opposition, Ref.): Best wishes, Mary Anne, from the new members as well as the old members.

Mr. Speaker, Canadians were shocked to hear of a tragic plane crash last night near Little Grand Rapids, Manitoba. Our hearts go out to the families of the four people who died.

An armed forces Hercules circled above the crash site but were unable to help the injured below. It could not land. It was the Winnipeg *Sun* that had to come to the rescue. It chartered a commercial helicopter, landed at the site and ferried three of the injured to safety.

It is our understanding that the government is supposed to be responsible for search and rescue. Therefore my question for the Prime Minister is why did a newspaper have to do what this Liberal government could not?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I am sure everyone in the House joins in offering our condolences to the families of all of those who have been injured, as well as to the families of the deceased.

The weather conditions have been particularly bad in the area but I was informed just before question period that the Hercules was able to get in and complete its mission.

Transport Safety Board representatives will be there as soon as possible with Transport Canada representatives to fully investigate this very unfortunate crash.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, our search and rescue teams are among the best in the world but they cannot do their job if we do not give them the right equipment.

Because this government has been dithering about helicopters for four years, it took the Winnipeg *Sun* to rescue injured Canadians. Why must Canadians continue to pay the price for a foolish campaign promise that this Liberal government made in 1993?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we did not proceed with the buying of helicopters in 1993 for one very obvious reason. The program required the government to spend \$6 billion and at that time the government could not afford to make such a large expenditure.

In the meantime, we still have search and rescue helicopters. Sometimes they are close to a site, sometimes they are not. Most of these helicopters are used near coastal areas. I do not know the

Oral Questions

exact situation in Manitoba for search and rescue, but I do not think he is referring to the same situation that we are debating with the—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, these weak excuses which we have heard time and time again will not meet the safety needs of Canadians. They were let down again by this government which seems to put political decision making ahead of public safety time and time again.

When will the Prime Minister end this cabinet squabble and buy the search and rescue helicopters he has been promising for four years?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am happy to note that the Leader of the Opposition was in favour of the \$6 billion project proposed by the previous government. At the same time he was asking us to cut expenditures. That is exactly what we have done. That is why today we have the interest rates we do and that is why the economy has turned around. At that time we could not spend \$6 billion on helicopters and at this time we cannot spend \$6 billion on helicopters.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Prime Minister will recall that in our budgets we at least allotted \$2 billion more for the military and it would have those helicopters now if we were sitting over on that side. This government has been playing partisan politics with the search and rescue helicopters for so long now that civilian organizations have to go and do the job.

We salute the initiative taken by the Winnipeg *Sun* and the brave pilot who flew that mission, but Canadians should be able to count on their military. I ask the Prime Minister when he will stop playing games with public safety and give our military the equipment it needs to do the job.

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the opposition should stop playing politics with a very tragic event.

Some hon. members: Hear, hear.

Hon. Arthur C. Eggleton: A crew of nine search and rescue technicians spent over 15 hours in aircraft. They had to wait to be in a position to land because of the terrible weather conditions that existed, weather conditions that contributed to that crash. They have finally been able to land.

First they put out medical supplies and now they have been able to land. They are on their way to the hospital in Winnipeg with the survivors.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I cannot believe this minister and his lack of knowledge of what happened there today and last night. One plane took off with three

injured yesterday and a *Sun* helicopter landed today. The military circled around. The minister said that they did not have the equipment to do the job properly. Nor did the military say that.

I ask this question of the Prime Minister. Were there any helicopters on the ground at CFB Winnipeg? If so, why were they not dispatched to go and do the job?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, my understanding about the private helicopter is that it was able to get underneath the ceiling. However, it did so at considerable risk. A risk assessment is something our people have to take at the time. It did not do it in that much of a different time from what it took our own Hercules to be able to land and to carry out the rescue mission for the vast majority of those people.

* * *

[Translation]

TRANSFER PAYMENTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the consensus of finance ministers from all provinces is clear. They have told the government it should begin by putting the money it took from the provinces back into social programs, health and education before spending right and left on new federal programs.

Now that the federal government is getting ready to free up surpluses, does the Minister of Finance, who reduced the deficit on the backs of the provinces, not find it indecent, even insulting, to now hand out gifts using a small part of the money it cut the provinces?

• (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, when the country's financial situation forced us to make cuts, we made them at the federal level first, and gave the provinces a period of notice.

That having been said, as the prime minister announced in June and the Minister of Health and I confirmed two days ago, we have put \$1.5 billion back into the Canada social transfer. This is one of the government's largest areas of spending. Furthermore, it shows the benefit of putting our fiscal house in order.

At the same time, my colleague in human resources development and I have invested over \$850 million to help the most disadvantaged in the provinces.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): The Minister of Finance is such a generous fellow, Mr. Speaker. He tells us that, instead of cutting \$48 billion, he is only cutting \$42 billion, and then he wants us to think he is giving us \$6 billion. Honestly,

The minister is the only one telling us that the surpluses belong to all Canadians. I therefore ask him why he does not come around to the consensus of all provincial finance ministers, who represent the people of Canada and of Quebec from coast to coast to coast, as they are so fond of saying. Should he not go along with this consensus rather than spending money in provincial areas of jurisdiction? That is what we are asking ourselves.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first, I would like to tell the leader of the Bloc Québécois that the cuts we were obliged to make in provincial transfer payments amount to half of the Province of Quebec's cuts in its municipalities' budgets and, second, that we gave a period of notice, a courtesy the Province of Quebec did not extend to its municipalities.

In addition, is the member saying that the provinces did not want us to help students with their debt load? He is mistaken. Is he saying that the provinces did not want us to help the children of disadvantaged families? He is mistaken.

We did exactly what Canadians from coast to coast to coast wanted us to do.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Finance should be a little more reasonable. All the provinces, all the provincial finance ministers—every single one of them, including the one from Quebec—were unanimous in asking him to give back a portion of the money he had taken from them instead of squandering it.

Does he not realize that his current position is terribly isolating for him and his government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the finance ministers of all the provinces agreed that the priorities set, that is to say children, poverty and health, are both their priorities and ours.

Similarly, all the provincial finance ministers agree that lowering interest rates to their lowest level in 20 years greatly helped them reduce their debt load.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, even though the Minister of Finance claims to have made poverty his priority, the truth is that he cut \$11 billion from education, health and social assistance.

Here is my question for the minister. If today his government wants to pour money left and right into all sorts of programs, it is only to increase the federal government's visibility. They want cheques with little maple leaves in the corner to be circulating all over the place. That is what they want.

The Speaker: The Hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what federal program does the hon. member object to? Does he

object to our helping the aeronautical industry in Montreal? Does he object to our helping children from broken families in Montreal? Does he object to our helping parents set money aside for their children's education? Does he object to our helping students with huge debt loads? Does he object to our investing in the future of Quebecers and Canadians alike?

* * *

SOCIAL PROGRAMS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the prime minister.

Yesterday, in an outburst of generosity, the Minister of Finance recognized that the budget surplus belonged to Canadians. Canadians have made sacrifices to create that surplus. Now they want what is owed to them.

● (1430)

Is the prime minister prepared to reinvest the people's money in health and education?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer is yes.

[English]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians need more than a fiscal dividend from government. Canadians need a country with vision, unified by common purpose, unified by health care, educational opportunities for our young people, and freedom from the fear of poverty. These are the real guts of national unity.

When the Prime Minister meets the premiers, will he work with them to reinvest in medicare and our other social programs that make Canada Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yes, this is exactly what we have done. We have reinvested \$1.5 billion into the program that gives transfers to the provinces for health, post-secondary education and social programs because we have done better than predicted. That is why we have invested in innovation. That is why we have a program to help the children in poverty. The statement the hon. member made is the statement we have been making since the election.

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FEDERALISM

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, my question is for the Prime Minister.

We are very concerned with the Prime Minister's paternalistic approach to co-operative federalism. The Prime Minister's approach to co-operative federalism is to tell the premiers what to do and how to do it. The premiers have not agreed with the federal

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government's position on Kyoto, fiscal dividend, youth unemployment and transfer payments.

Is the Prime Minister prepared to listen to the premiers for once and not dictate federal policies?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we had a meeting on child poverty a year and a half ago where we agreed to move on that together. They agreed that we were to put in \$850 million and they said that the money they might save was to stay in the same field. There was no difficulty there.

On Kyoto, we had discussions with them. We invited the provincial ministers to come to Kyoto with our ministers. We are in discussions at this moment. We have had discussions. We had an agreement with some flexibility because they know that Canada cannot—

The Speaker: The hon. member for Brandon—Souris.

* * *

SEARCH AND RESCUE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, my second question with some regret is for the Minister of National Defence.

The Minister of National Defence earlier in this House suggested that the Reform Party was playing politics with the helicopter acquisition. Well, the government has been playing politics since 1993. For the last 81 days, the minister has been saying "soon" to the purchase of the helicopters.

Will the Minister of National Defence tell us, are those helicopters, the EH-101s, to be purchased and when will they be purchased by this government?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, if the Conservative Party had not botched up the last arrangement, we might have been able to make a decision sooner.

Let me make it clear that there is no relationship between the question of purchasing helicopters and the tragic event that occurred in Manitoba. Helicopters were not used, private or any other kind of helicopters, with respect to that rescue mission because of the weather conditions that existed. What were used were fixed wing aircraft. Our Hercules aircraft in fact has carried out a magnificent rescue.

* * *

ENVIRONMENT

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Prime Minister just talked about flexibility. His government is so flexible that it changed its mind now and it has abandoned its negotiating position on the whole Kyoto deal.

Now the government says it is going to sign any deal whatever it is, and it is going to further drastically cut emissions. Workers in the steel, the oil and gas and the coal industries want to know from this Prime Minister, why is he signing a deal that could lead to such terrible job losses for real people here in Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the people of Canada know that Canada is always responsible. I would like to quote what Mr. George, the president and CEO of Suncor, said: "As an energy producer, we believe we can reduce our greenhouse gas emissions without sacrificing the economy. We can lead in our own small way, showing that positive action can take place and setting an example for others to follow".

• (1435)

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, what we see here is a Prime Minister who is nervous. He will resort to anything. What we have seen also about this Kyoto deal, and yesterday in the House he said a real whopper, it will cost exactly the same amount for every single country that signs this deal. Some comfort that is to Canadian families and those who work at Suncor in Fort McMurray.

Why is the finance minister letting his boss sign a deal that could lead to so many job losses in these industries?

The Speaker: The hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): I am too nervous, Mr. Speaker. It is the first time in 35 years that I have been so nervous. But I have to tell you, Mr. Speaker, that we have a very reasonable position.

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[Translation]

GOODS AND SERVICES TAX

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, my question is to the Minister of Finance.

Let us talk about the GST. The Bloc Québécois has submitted a proposal whereby arbitration would be used to resolve the deadlock that has arisen on the issue of the \$2 billion in compensation for harmonizing the GST in Quebec. Yesterday, Bernard Landry officially reiterated that proposal to the Minister of Finance, but the minister again rejected arbitration.

Since this arbitration proposal does not cost anything to the federal government, and if the Minister of Finance is in fact right in his claims, why is the minister not jumping on this unique opportunity to prove that his federalism is fair?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, quite simply because Quebec did not lose any money. Compensation cannot be offered if there was no loss of money, as shown by data not only from Statistics Canada but also from the Government of Quebec.

Oral Questions

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, the minister's attempt to avoid the issue is not fooling anyone. Why is he refusing a solution that would solve the matter once and for all without any cost to him? If it is true, who is right? What exactly is he afraid of? What does the Minister of Finance have to lose?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member asked "who is right?". I think it is Statistics Canada and the person who provided the data from Quebec. Quebec did not lose any money.

Moreover, Quebec did not harmonize in the same way and did not accept the same constraints as the other provinces.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, earlier this year I received a letter from Alice Straeleff of Abbotsford, B.C. Alice makes a little over \$16,000 a year. Despite taking out a small RRSP, she had to mortgage her mobile home to pay her \$800 income tax bill to the finance minister.

The minister likes to talk a lot about balance. I want to know where is the balance in forcing someone like Alice Straeleff to mortgage her mobile home to pay the taxman?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, this government has already made very clear its desire not only to reduce taxes but the fact that it has already begun to do so.

The position of the Reform Party has been, and I would ask the hon. member if he is prepared to confirm it, that it did not want to reduce taxes until such time as the deficit has been eliminated. The deficit has not been eliminated. Therefore I suggest that the member himself might want to answer that question.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the finance minister knows full well the Reform Party would reduce taxes by \$2,000 for the average family of four. That is the Reform Party platform. We do not know what the government wants to do.

Low income people in Canada are taxed at a higher rate than in any other country in the G-7. Low income people. That is the government's version of compassion.

I want to know again, and this is for Alice Straeleff who is watching today, where is the balance in forcing someone like Alice to pay \$800 and mortgage her mobile home to pay his taxman?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if Alice is indeed watching this, then what she is entitled to know is why the Reform Party opposed the tax reductions this government brought in in the last budget. Why has the Reform Party as part of

its program said it would not reduce taxes until the deficit was eliminated.

• (1440)

I also do not think that Alice or any other Canadian who watched the Reform Party during the first mandate try to eviscerate every social program in this country in the guise of deficit reduction believes the Reform Party cares a whit about low income Canadians.

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[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, through his reform, the Minister of Human Resources Development has made access to employment insurance more difficult and cut the number of weeks of benefits as well as the amount of benefits paid.

Will the minister admit that his reform has greatly increased poverty?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, no. I absolutely do not believe that our reform has increased poverty. On the contrary, I believe that our reform is contributing at present to the dynamism of the Canadian economy which is good news to everyone.

What I can say is that we are fully aware that this was a very important reform. That is why, within the employment insurance reform itself, we have included a follow-up process in order to gauge its impact and to ensure that, after one year of implementation, we will have a report we can discuss to see whether the reform meets the needs of Canadians.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, does the minister think he could sell that technocratic speech to the people lined up at the food bank because they have been denied unemployment insurance?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, last year those same members of the Bloc Québécois were telling us that employment insurance reform was going to add to the welfare rolls in Quebec to an incredible extent.

Mrs. Monique Guay: That is true.

Hon. Pierre S. Pettigrew: On the contrary, welfare in Quebec has been dropping for some time now.

Perhaps we need to see how Quebec is looking after these people through welfare, since many of the people in those bread lines need to be looked after by welfare. Everything is blamed on this reform,

Oral Questions

while we know very well where mistakes may have been made elsewhere and where other cuts have been made.

* * *

[English]

TAXATION

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, Bernice Lee runs a dry cleaning and mending shop in Edmonton while her husband Philip works on the side to help raise their four children.

Despite working from six in the morning until well into the night six days a week, she tells me that she is barely able to hang on. She told me that if it were not for the huge taxes that she has to pay, she could hire some extra help to take the pressure off her family.

Could the finance minister look Bernice Lee in the eyes and tell her why he believes that Ottawa knows better how to spend her money than she does?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Reform Party continues to come back to the same point despite the fact that it is in flagrant contradiction with its own party program.

The simple fact is that no matter how many examples the Reform Party wants to cite, we have already begun to reduce personal income taxes. The Reform Party opposed it when we did it for students and for poor families. The Reform Party's program is that it will not reduce taxes until such time as the deficit is eliminated. Why does it now stand up and pretend otherwise?

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, had we been in power, the budget would have been balanced two years ago and tax relief would have been delivered by now.

Government revenue has gone up by \$26 billion. The minister may call that a tax cut but I call it a tax hike. People like Bernice Lee are struggling today and still have not seen any tax relief. They are struggling to get by. That kind of political answer is not offering help.

When is this minister going to get off his moral high horse and tell people like Bernice Lee what real compassion is? Give her a break. Give her tax relief and give it to her today.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, let us understand what the Reform Party would have done if it had cut taxes two years ago.

Ask any one of those Canadians who are writing in if they wanted to see their health care cut by the \$3.5 billion the Reform Party said it would do. Ask Canadians who are over the age 65 if they are prepared to accept a \$3 billion cut in their old age pensions, because that is what the Reform Party would do. If these people live in Manitoba or Saskatchewan, ask them if they are prepared to see their basic services cut because the Reform Party would cut \$3 billion. That is how it would cut taxes.

[Translation]

SABLE ISLAND GAS PIPELINE

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, my question is for the Prime Minister.

The National Energy Board has just approved a proposal for a pipeline that will go directly from Sable Island to the United States. However, in June 1996, the prime minister wanted, and I quote "natural gas to first serve the needs of the people of New Brunswick and Quebec, before it goes to the United States".

• (1445)

Since cabinet must decide on the pipeline route, is the prime minister prepared to set the decision aside, as long as the second proposed pipeline, which passes by Quebec and New Brunswick, has not been—

[English]

The Speaker: The hon. Parliamentary Secretary to the Minister of Natural Resources.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, perhaps the best advice I could give the hon. member on this matter comes from the premier of Quebec in a letter he wrote to Premier Klein of Alberta in which he said we had agreed that the issues surrounding the transmission of natural gas are best left to the market and to the regulatory agencies to decide. The National Energy Board has provided advice. This government is reviewing the advice, but no decision has been made.

* * *

[Translation]

CANADIAN NATIONAL

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, we have just learned that the CN will soon announce the closure of the Victoria Bridge on December 19 to buses for safety reasons. This closure will directly affect my riding in Montérégie.

What measures has the Minister of Transport taken or will he take to resolve the dispute with CN in a manner that is satisfactory to everyone in my region?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I have learned that the CN intends to close the Victoria Bridge to buses for safety reasons.

Under an agreement with the CN, the Government of Canada has been paying a portion of maintenance costs for 35 years. However, because of the dispute with the CN over financial responsibility for repairs, we are prepared to go to commercial arbitration. In the meantime, we have offered over \$6 million and asked CN to begin work immediately.

Oral Questions

[English]

THE SENATE

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, in 1990 the prime minister promised to fix the Senate. He said "I want to work for a Senate that is elected".

In 1993 he said "as prime minister I can take steps to make it happen".

On Monday we asked the government what it was going to do about the Senate. The Deputy Prime Minister told us that it was not the Liberals' problem.

Is the Deputy Prime Minister right? Is reforming the Senate just another GST promise by this big talking, do nothing prime minister?

The Speaker: I do not know that the question deals with administrative responsibility, but the way it is framed I will permit it.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member has misstated what I said in the House. I did not say Senate reform is not the Liberals' problem. I said that dealing with Senator Andrew Thompson's pay and benefits was the problem of the internal management of the Senate, and that is a fact.

We are still interested in Senate reform, unlike the Reform Party which voted against it when it had a chance to do something about it.

Mr. Rob Anders (Calgary West, Ref.): So much for Liberal election promises, Mr. Speaker.

The Senate is less accountable than ever. Andrew Thompson is tanning his dog down in Mexico and Trevor Eyton is not paying his \$120 no-show penalty even though he is a no-show.

My question is very specific, so listen carefully. If Alberta holds a Senate election during the province-wide municipal elections of October 1998, will the prime minister listen to Albertans and place their democratically chosen candidate in the Senate when the next Alberta vacancy comes up?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, speaking of dogs, that term applies to the hon. member's question. That dog don't hunt.

Some hon. members: Hear, hear.

* * *

● (1450)

MILITARY SITES

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, my question is for the prime minister.

Last night Canadians had the opportunity to see on television the toxic mess left behind when Americans closed military sites in Canada. The CBC documentary clearly showed this government is letting the Americans walk away, leaving their toxic trash and a \$1 billion clean-up bill behind. Moreover, our Canadian ambassador in Washington defends this bad deal.

Why will the prime minister not fire the ambassador and put someone there to protect Canadians from this toxic nightmare?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, every effort is being made to carry out clean-up of these sites as quickly as possible. Given the American usage of many of these sites we have an agreement with them, an agreement which involves some hundred million dollars in U.S. funds.

We have had a bit of a hold-up in Congress on this matter, but the commitment from the United States administration is there. I believe we will get it to deliver on this. We will get these sites cleaned up.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, one of the abandoned sites is in Stephenville, Newfoundland where people are afraid to drink the water because they believe it is contaminated.

Stephenville is one of dozens of Canadian communities affected by this truly terrible deal with the Americans.

Why will the government not put Canadian health and safety as well as our economic health ahead of American interests and negotiate a deal whereby the polluters pay?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the matter of Stephenville and U.S. involvement goes back a long time. There have been many uses of that site since then.

The matter is still being examined to determine what kind of clean-up operation is needed. We are committed to carrying out clean-up on all our former military properties.

* * *

NAV CANADA

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, last week I asked the Minister of Transport about a reported shortage of air traffic controllers in NavCan's operation. Since then we all know of two tragic accidents.

One was in Mascouche, Quebec where only 24 months ago NavCan closed a temporary air traffic control tower, giving as the reason a shortage of staff.

Considering this very dangerous and critical situation, will the minister move today to instruct NavCan to restore that air traffic control tower at Mascouche, Quebec.

Oral Questions

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, we all regret these occurrences when they happen. Obviously an investigation is required to determine the facts.

I think it is misleading the Canadian public when we give the impression that all air strips Canada have or should have air traffic controllers and air traffic control facilities. Many airports are under visual flight rules. Obviously that means in certain types of weather accidents sometimes occur. All these—

The Speaker: The hon. member for Cumberland—Colchester.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, we understand that NavCan said it justifies an air traffic control tower but it did not have the staff.

Regarding the crash last night at Little Grand Rapids, we understand the pilot depended on private weather observers. Obviously the crash last night was weather related.

Could the minister tell us what these private weather observers have for qualifications and standards and did they meet those standards at Little Grand Rapids?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, this very tragic accident occurred only last night.

Transportation Safety Board officials are yet to be on the scene. They will be conducting a thorough review and Transport Canada will be participating and helping them along with others.

Once we get the facts on this case I am sure we can address some of the hon. member's questions.

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STATUS OF WOMEN

Ms. Carolyn Parrish (Mississauga Centre, Lib.): Mr. Speaker, Canada has been a staunch defender of women's rights as an integral part of human rights and has committed to do a gender analysis of all federal programs.

Since the budget is the principle policy document of any government, and as a good team player, what coaching is the Secretary of State for the Status of Women giving to the Minister of Finance on how do a gender analysis of this year's federal budget?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, that is a very appropriate question considering that today we recognize the 50th anniversary of human rights in the world.

Human rights are about women's rights, and human rights are the same as said in Beijing, and women's rights are not special interest rights.

The hon. finance minister has been doing a great deal of work to do some gender analysis. We have been assisting him. We will continue with gender based analysis to assist the Minister of Finance and all ministers in every department to ensure that women take their place economically, socially and politically in this country.

* * *

• (1455)

CANADIAN LABOUR RELATIONS BOARD

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, the report of the auditor general has prompted the Minister of Labour to initiate dismissal action against the chairman of the Canadian Labour Relations Board.

Given that members are routinely given severance packages at the end of their terms, will this minister tell Canadians how much the golden handshake to Ted Weatherill is expected to cost?

Hon. Lawrence MacAulay (Minister of Labour, Lib.): Mr. Speaker, as I indicated in the House previously, there are a number of legal steps required in this process and I will have no further comment.

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[Translation]

STATUS OF WOMEN

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the budgets allocated to the advancement of women by the Government of Canada have been drastically reduced and do not allow the kind of effective action required to make any significant progress.

Could the Secretary of State responsible for the Status of Women give us a real answer for the sake of all women? Will she accede to the request made to her by women's groups in Quebec and Canada, which are asking for increased funding?

[English]

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, that is a very important question. The finance minister has looked at the issue because we are doing gender based analysis across the board on finance issues and on social issues.

We recognize that as we move forward assistance for women does not come only from the program of the secretary of state but from every single department within the federal government.

*Oral Questions***IRAQ**

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Last month UNICEF reported that nearly one million Iraqi children are suffering from chronic malnutrition and thousands have died of hunger and shortage of medical supplies as a result of the impact of UN sanctions.

What action is our government taking to respond to this humanitarian crisis? Will the minister on this international human rights day urge the UN security council to lift sanctions and stop punishing innocent Iraqi children for the deeds of their leaders?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member knows that the security council has once again confirmed the activity of resolution 986 which allows the Iraqi government to trade oil for foodstuffs and other humanitarian services for women and children.

Frankly, the problem in Iraq is Saddam Hussein, who refuses to deal properly, who does not want to deal under that program of exchange. If he wanted to get money to women and children, he could do so rather than expanding on biological weapons or his military base.

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[Translation]

TRANSFER PAYMENTS

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, my question is for the Prime Minister.

In its report on children released yesterday, the Canadian Council on Social Development sends a serious warning to the government and clearly shows that cuts in provincial transfers have a detrimental effect on our children. This impact can be felt not only among poor children but also among middle-class children. I should remind him that one child out of every five lives in poverty.

Does this government intend to change the way provincial transfers for health and social services are made so that our children can have a chance to achieve their full potential?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the hon. member for Shefford for her question.

I must tell her that we have already raised by \$1.5 billion the cash floor of the provincial transfers. This means that, instead of going down to \$11 billion, cash transfers will remain at \$12.5 billion.

We also made a commitment to help low income families with children by spending an initial \$850 million starting July 1, 1998, and an additional \$850 million during that mandate.

In last year's budget, my colleague, the Hon. Minister of Finance, allocated \$100 million to the Minister of Health for the Community Action Plan for Children, which we are implementing in partnership with the provinces. I would say we are off to a good start—

The Speaker: The hon. member for Thunder Bay—Atikokan.

* * *

[English]

INFRASTRUCTURE

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, my question is for the Minister of Transport.

Recently a funding agreement for the improvement of the Trans-Canada highway was announced between the federal government and its counterpart in New Brunswick. Can the minister tell this House what progress is being made with the province of Ontario for the national Trans-Canada Highway agreement?

● (1500)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, there has been federal assistance for highways going back to 1919. In fact, we have about \$2.3 billion in programs now entrained which will last until 2003. In the case of Ontario, I believe about \$213 million is in the current program, which will expire next year.

The availability of funds is always a key question and obviously the hon. member knows that we have been trying to balance the financial books of the government. When the finances are in order, I hope that the government will be able to spend once again on highway construction beyond the present agreements.

The Speaker: My colleagues, that would bring to a close our question period.

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PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in our gallery of the Hon. Charles Furey, Minister of Mines and Energy for the province of Newfoundland and Labrador.

Some hon. members: Hear, hear.

The Speaker: My colleagues, I have notice of a question of privilege from the hon. member for Thunder Bay.

*Routine Proceedings***PRIVILEGE**

INTERPARLIAMENTARY DELEGATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, my question of privilege relates to the rights and privileges that are imposed on me as co-chair of an interparliamentary group and involves a change in the structure of that committee made by one of your officials.

Neither the co-chair nor I were informed or consulted until after the fact. In fact, the change came during the 38th annual meeting on which I subsequently reported to the House.

The executive committee met in October and unanimously agreed that the co-chairs should meet with you to discuss this issue. We proceeded to meet with you, Mr. Speaker, and we thought we had arrived at an arrangement which was satisfactory to the executive committee and satisfactory to you, Mr. Speaker, and your officials.

Unfortunately, the arrangements arrived at have not been implemented to this date. It only makes sense that committee chairs have the right to be consulted on these matters. It affects the performance of the duties and obligations of members of Parliament as they report through you, Mr. Speaker, to the House.

A similar situation arose in another committee and that situation was satisfactorily resolved between you and your officials. You know that we have proposed a satisfactory resolution to this situation.

The Speaker: My dear colleague, as you say in your preamble, we have had discussions about this particular matter. I am trying to find how this is attached to privilege of the House. I view this as an administrative matter.

I was under the impression that this had been resolved.

• (1505)

I invite my hon. colleague to have further discussions with me. I do not think this is a question of privilege but it is an administrative matter. I will do everything I can to accommodate the committee in question and the hon. member.

From the member's point of view, could he identify precisely which privilege is being infringed upon?

Mr. Joe Comuzzi: Mr. Speaker, I was just coming to that point. As early as this morning in an attempt to bring this matter to a satisfactory conclusion, we were advised by your official that it is not required to discuss these issues with the member of Parliament or the committee's co-chairs.

Mr. Speaker, you must agree with me that if a member of Parliament is to fulfil his duties to his electorate and to this House, there must be a smooth transition, there must be co-operation

between the member and the Speaker. We feel those privileges have been denied and as a result—

The Speaker: I thank the hon. member for his consent to further discussion on this. I will be happy to see you at any time you would like to see me. For the time being this would not be a question of privilege.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I would like to this opportunity, since the chairman of the Canada—United States committee has spoken and since I am the deputy chairman of that committee—

The Speaker: Dear colleague, as I said to the member sitting on the other side, this is an administrative issue. I will look into it and I hope we can discuss it, but it is not a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

TECHNOLOGY PARTNERSHIPS CANADA

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, in accordance with Standing Order 32(2), I have the honour to table, in both official languages, the Technology Partnerships Canada annual report for 1996-97 entitled "Investing in Jobs and Growth".

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GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul DeVillers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Inter-governmental Affairs, Lib.): Mr. Speaker, pursuant to Standing order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I have the honour to present the 16th report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92.

In addition, Mr. Speaker, I have the honour to present the 17th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the liaison committee.

[*Translation*]

With leave of the House, I intend to move later this day that the 17th report be concurred in.

Routine Proceedings

[English]

JUSTICE AND HUMAN RIGHTS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I have three reports to present. The first report which I have the honour to present, in both official languages, is the third report of the Standing Committee on Justice and Human Rights.

Pursuant to the order of reference of Tuesday, November 18, 1997, your committee has considered Bill C-18, an act to amend the Customs Act and the Criminal Code, and your committee has agreed to report it without amendment.

I also have the honour to present, in both official languages, the fourth report of the Standing Committee on Justice and Human Rights. Pursuant to the order of reference of Thursday, October 30, 1997, your committee has considered the draft regulations on firearms and your committee has agreed to report it with recommendations.

• (1510)

Finally, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Justice and Human Rights. Pursuant to the order of reference of Monday, November 3, 1997, your committee has considered Bill C-12, an act to amend the Royal Canadian Mounted Police Superannuation Act and your committee has agreed to report it without amendment.

I would like to say that the Standing Committee on Justice and Human Rights has worked very hard this term and I want to thank all members of the committee for their co-operation and their assistance in what was a very difficult workload.

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[Translation]

INCOME TAX AMENDMENTS ACT, 1997

Hon. Jim Peterson (for the Minister of Finance) moved for leave to introduce Bill C-28, an act to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain Acts related to the Income Tax Act.

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

CREDIT CARD INTEREST LIMITATION ACT

Mr. Pierre de Savoye (Portneuf, BQ) moved for leave to introduce Bill C-301, an act to provide for the limitation of interest rates in relation to credit cards issued by financial institutions, companies engaged in retail trade and petroleum companies.

—Mr. Speaker, it will be remembered that about a year ago, during the 35th Parliament, many members in this House had called upon the banks and large department stores to be reasonable with the interest rates they charge to people holding their credit cards.

We all know that this initiative by private members yielded results and that credit cards with reduced rates were made available. However, over 90% of credit card holders are still burdened with excessive interest rates.

As members, we must continue our initiatives, and I invite all members in this House—the Bloc Québécois members are already behind me on this—to take action in order to bring the banks to be reasonable with consumers.

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

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[English]

FISHERS' BILL OF RIGHTS

Mr. Greg Thompson (Charlotte, PC) moved for leave to introduce Bill C-302, an act to establish the rights of fishers including the right to be involved in the process of fisheries stock assessment, fish conservation, setting of fishing quotas, fishing licensing and the public right to fish and establish the right of fishers to be informed of decisions affecting fishing as a livelihood in advance and the right to compensation if other rights are abrogated unfairly.

• (1515)

He said: Mr. Speaker it is a pleasure to introduce this bill. It will be seconded by the member for West Nova.

This is an act which will be commonly referred to as a fishermen's bill of rights or to be more politically correct, a fisher's bill of rights. It is an act to establish the rights of fishers including the right to be involved in the process of fisheries stock assessment, fish conservation, setting of fishing quotas, fishing licensing and the public right to fish and establish the right of fishers to be informed of decisions affecting fishing as a livelihood in advance and the right to compensation if other rights are abrogated unfairly.

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

Routine Proceedings

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, if with the House's consent, I move that the 17th Report of the Standing Committee on Procedure and House Affairs, tabled earlier this day in the House, be concurred in.

The Deputy Speaker: Does the hon. member have unanimous consent to move the motion?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to)

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[English]

PETITIONS

ASSISTED SUICIDE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is an honour and a pleasure to stand pursuant to Standing Order 36 to present a petition on behalf of the residents of Vavenby, Clearwater, Birch Island, Avola, Blue River, Barriere, Little Fort, Heffley Creek and Louis Creek in the great province of British Columbia.

The petitioners point out that the majority of Canadians are law-abiding citizens. They say that the majority of Canadians respect the sanctity of human life. They say that the majority of Canadians believe that physicians in Canada should be working to save lives and not to end them.

The petitioners are calling upon Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no change in the law which would sanction or allow the aiding or abetting of suicide, or active or passive euthanasia.

TAXATION

Mr. Nelson Riis (Kamloops, NDP): This is another petition, Mr. Speaker. The petitioners reside throughout British Columbia. There is a very long preamble but they basically suggest that the tax system is messed up and urge the Government of Canada through Parliament to undertake a fair tax review to ensure that the tax system is both fair and equitable.

PUBLIC NUDITY

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, I would like to table these petitions before me signed by over 40,000 Canadians, including many from my riding of Essex and the city of Windsor.

These petitioners are concerned that due to the Ontario court of appeal ruling, incidents of topless women are occurring in our public parks, schools and streets. They ask that the Criminal Code of Canada be reviewed and amended to correct and clarify the sections pertaining to public nudity so as to restrict or abolish the exposure of female breasts in public.

The Coalition Against Toplessness is a national organization based in Windsor. It has co-ordinated over 800 groups from coast to coast and individuals from across Canada in an effort to reverse the decision which allows toplessness in public places. The petitioners would like this decision reversed as quickly as possible.

[Translation]

RAIL TRANSPORTATION

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I am pleased to table a petition, which concerns the train stations in Lévis and Charny and which has been signed by 551 people.

• (1520)

This petition reads as follows "We would like VIA Rail to continue to use the Lévis intermodal train station and also the Montmagny subdivision trunk line between Harlaka and Saint-Romuald for the operation of the *Chaleur* and *Ocean* trains".

[English]

JAPAN

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is a pleasure today to present a petition signed by 1,106 people from Toronto and surrounding area.

The individuals who are Korean Canadians do not want the Canadian government to support Japan in its effort to gain a seat on the UN Security Council and feel that it should be morally disqualified for such a position.

Therefore, the petitioners request that Japan should make an official apology about the grave violation of international human rights and pay official government compensation to the victims who were sent to the war zone as sex slaves.

NUCLEAR WEAPONS

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, I have a petition from British Columbians. They ask that Parliament support the immediate initiation and a conclusion by the year 2000 of an international convention which will set out a binding timetable for the abolition of all nuclear weapons. This petition has been signed by over 47 citizens.

TAXATION

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition on behalf of my constituents as well as residents living in Prince Albert, Spruce Home and the communities of Old Perlican, Sibleys Cove and Red Head Cove.

The petitioners are concerned about the trend of corporate taxes declining and individual taxes increasing in respect of the federal share. They are also very concerned about the harmonized sales tax proposals of the Liberal government.

They are asking Parliament not to proceed with the Liberal HST scheme or any other plan to further reduce the remaining corporate taxes at the expense of the middle class working individuals and families. They are also asking the government to undertake a fairer tax reform so that personal consumers do not suffer even more financial insecurity and unfair costs at this time.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Paul DeVillers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, today, we will be answering Question No. 30.

[Text]

Question No. 30—**Mr. René Laurin:**

What was the amount of federal spending on procurement of goods and services for each of the years from fiscal year 1980-81 to fiscal 1996-97, and what was the amount and the proportion of such expenditures in each of those years on single source or non-competitive contracts?

Mr. Ovid L. Jackson (Parliamentary Secretary to President of Treasury Board, Lib.): In March 1990, the Treasury Board approved a decision to institute a reporting requirement for contracts issued by department and agencies. The Treasury Board has no data prior to that year. In 1995 the Treasury Board approved a change in reporting from a fiscal year basis to a calendar year. The latest report available is the 1995 contracting report. The following is a breakdown of the value of the federal government's commitments to contracts for goods, services and construction:

FY 1991-92	\$8.9 billion
FY 1992-93	\$9.8 billion
FY 1993-94	\$9.1 billion
FY 1994-95	\$8.6 billion
CY 1995	\$9.4 billion

The amount and proportion of such expenditures in each of these years on non-competitive contracts was:

FY 1991-92	\$3.5 billion or 39% non-competitive
FY 1992-93	\$4.6 billion or 46% non-competitive
FY 1993-94	\$3.3 billion or 36% non-competitive
FY 1994-95	\$3 billion or 34% non-competitive
CY 1995	\$2.5 billion or 35% non-competitive

Routine Proceedings

[Translation]

Mr. Paul DeVillers: Mr. Speaker, I suggest that all the other questions be allowed to stand.

[English]

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, I rise in this House because it has been a number of weeks since I placed two questions concerning helicopters on the Order Paper. I would like to know when the government intends to answer them. I know the House will adjourn tomorrow. If I do not get an answer by tomorrow will the questions be brought back to Parliament after the Christmas break?

Mr. Paul DeVillers: Mr. Speaker, I would be happy to take that under advisement and review it with the House leadership and then respond to the hon. member.

The Deputy Speaker: I can advise the hon. member that his questions will remain on the Order Paper unless there is a prorogation of the House between now and when we next sit again.

Shall the questions stand, as suggested by the parliamentary secretary?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul DeVillers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, this is in relation to a Notice of Motion for the Production of Papers. The notice was given on September 23.

I just want to remind the government of documentation relating to the recent provincial ministers of health meetings, the health care transition fund and the Council of Deputy Ministers of Health and Ministers of Health. Specifically it is documentation pertaining to discussions on the national blood agency, discussions on a new national pharmacare program and discussions on the proposed new national home care program. I am extremely interested in having those papers produced.

• (1525)

Mr. Paul DeVillers: Mr. Speaker, similarly, I would be happy to take it under advisement and review it with the leadership of the House and respond to the hon. member.

The Deputy Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS**

[English]

COMMITTEES OF THE HOUSE

FINANCE

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

That this House take note of the second report of the Standing Committee on Finance presented on Monday, December 1, 1997.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, it is a pleasure to participate in this very important debate, a debate which speaks to the issues of Canadian values and priorities for today and for the future.

Canadians have spoken. Their message was quite clear. Canadians want balance, balance between the security offered through debt reduction and tax relief and the benefits of investing in people and indeed our future. They quite frankly told us that health care, education and pensions are not only line items on a budget sheet, but rather they represent our core values as a people. Indeed they are an expression of our values.

This fall as part of its annual prebudget consultation, the House of Commons Standing Committee on Finance travelled from coast to coast to coast engaging Canadians in a national dialogue about building a strong economy and a strong society. We asked our fellow citizens about their values, about their priorities and how the federal budget should reflect them.

I am pleased to announce that this year's consultation was the most extensive ever. In addition to regional consultations and round table discussions in which members of the committee participated, we called upon members of Parliament to hold town hall meetings to ensure that the people in their ridings were involved in the policy process. That is very important.

It is important because as the Standing Committee on Finance travelled to the major cities of this country, members of Parliament were reaching to the rural areas of this country, to the small towns. Many of the discussions took place not necessarily in hotel ballrooms but around the kitchen table, where many important decisions in this country take place.

People everywhere throughout this great nation accepted our challenge with a great deal of enthusiasm and a determination to make a difference. It was quite clear to me that they approached this consultation with an understanding that economic growth and fiscal success are not ends in themselves, but rather they are means to improving the quality of life of all Canadians.

In total, including round table discussions, witnesses, town hall participants, letters and e-mails, our committees received over 4,900 submissions. This national conversation was both rewarding

and enlightening. Not only did we as members of Parliament come away with a sense of what individual Canadians want in the next budget, but we learned a great deal about the new outlook that is shared by many Canadians.

• (1530)

It is one that is filled with a great deal of optimism and hope. People told us that change is not something they feared. Change is something that we embrace.

Throughout our meetings it became quite clear that the challenges we faced as a nation in the 1980s and 1990s have made us a more confident people. This in large part is possible because of our Canadian character which allows us to adapt to change and triumph in the face of adversity.

Adversity is the right word to describe the situation our country faced in the early 1990s. We were confronted with a vicious circle of high deficits, high interest rates, slow economic growth and high unemployment. This vicious circle wreaked havoc on our standard of living, on our position on the world stage and on our future.

Thanks to the hard work, the foresight and much sacrifice, Canada is about to enter a new era, one in which the government's bottom line will be written in black ink rather than red and one in which the Government of Canada will be able to tackle the challenges facing our nation more effectively than it could in the past.

We are moving forward, replacing the excesses of the past with the successes of today. Interest rates are at their lowest levels in three decades. Inflation remains firmly under control. Consumer and business confidence are up and continue to rise. The virtuous circle of lower deficit, lower interest rates, stronger economic growth and job creation is perpetuating a culture of success.

On October 15, 1997 the finance minister unveiled the results of four long years of sacrifice by the Canadian public. Clearly that sacrifice has paid off. The deficit four years ago stood at \$42 billion. We all remember that when the Liberal government took office after the Conservative government the deficit was at \$42 billion. Now it is at \$8.9 billion. Every target has been bettered. The \$8.9 billion is almost \$15.5 billion below the original target for this year and almost \$20 billion below the deficit of the previous year.

The minister went further, promising a balanced budget no later than the year 1998-99. Today Canadians face a brighter future. Let us for a second take a minute or so to look at some of the headlines that appeared in newspapers. In the *Globe and Mail*, October 1, 1993, "Economic outlook dim". In the *Globe and Mail*, July 1, 1997, "Economy Rockets Ahead". In the *Financial Post*, September 18, 1993, "Falling jobs, sales, exports turn 1993 into a disappointment". In the *Financial Post*, November 12, 1997, "Economy gets upbeat appraisal".

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• (1535)

The next headline speaks to another very important issue about Canada's position on the world stage. How sad it was back in the early 1990s when editorials, newspaper articles and opinions around the globe were stating that Canada was a basket case in economic and financial terms.

In the *Wall Street Journal*, March 24, "Canadian government disappointed with down grade". In the *Wall Street Journal*, February 20, 1997, "Canada's budget wins applause because of its restraint". In the *Ottawa Citizen*, July 23, 1993, "Recovery sputters through spring". In the *Toronto Star*, December 2, 1997, "Economy grows at 4.2%".

This must mean something. It means that through the hard work and sacrifice of Canadians, through the entrepreneurial spirit of the private sector in Canada and through the responsible management of the Canadian economy by the federal government, Canadians are now looking to the future with a great deal of optimism.

There is a great deal of pride in me and I am sure in Canadians from coast to coast to coast when we see that economic conditions have bettered to the point where now Canada is not being laughed at by other countries. Because of what we have been able to do in the House of Commons and throughout the country, Canada is referred to as the Canadian miracle.

Gone is the burden of the \$42 billion deficit. Gone are the crippling interest rates and rising inflation. Gone is double digit unemployment. Over one million jobs have been created since the government took office. Unemployment has been below 10% for 12 consecutive months.

I understand the pain the member for Markham is going through. He remembers as clearly as I do when the former prime minister stated that the unemployment rate could never fall below 10% until the next millennium. I understand and I feel his pain.

This enhanced confidence in our prospects and abilities will prove to be truly a valuable asset as we face new challenges in the future. Not only do we as Canadians believe that tomorrow will be better than today. We also have the capacity to make it so.

Canadians feel empowered in today's society. They have seen the impact they have on government policy. They are determined now more than ever to continue to steer our country in the right direction.

• (1540)

Throughout our consultations Canadians spoke clearly and decisively on many issues. They expressed serious concern about the national debt. Canadians want us to finish the fight with the deficit and to turn our attention to the debt.

At 73.1% our debt to GDP ratio continues to curb our economic potential. This is why the committee called for the government to

establish an interim debt to GDP ratio range between 50% to 60%, and we went further. We also said that it should be done within the life of this mandate.

There is no question about the fact that Canadians want to leave future generations a legacy of expanding opportunities rather than one of high taxes and escalating debt. Let me leave no doubt in the minds of my hon. friends across the way. Canadians recognize that across the board tax cuts are not affordable at this time. To implement them would be irresponsible and short sighted. I also want my friends in the House to know Canadians want targeted tax relief.

That is the reason the committee felt it was important to address a number of issues including raising the basic personal non-refundable tax credit amount, reviewing the impact deindexation has had on our tax system, addressing the issue when the fiscal situation permits, and reducing or eliminating surtax on personal income. These are all issues we heard about. As a responsible committee we brought them to the attention of the House of Commons and the Minister of Finance.

A message that was very clear from the people of Canada was that once tax cuts are feasible, the focus should be on the personal income tax. The committee continued to call for immediate measures that would help those in greatest need.

There has been a lot of talk about spending and investment, call it what we may. The reality is that Canadians are against old fashioned spending sprees. They want continued fiscal responsibility. They want continued prudent budgeting and prudent assumptions. They want the \$3 billion contingency fund to be used toward the debt, a very important point to be made.

They do not want to see the economic stability of the country undermined by an oppressive deficit ever again. They want to ensure that those who need it most receive support from our social safety net. They want to build an economy that is prepared for the challenges that lay ahead in the next century. They want responsible government. They want wise investments. They want results.

The spending patterns of previous governments demonstrated a lack of respect for Canadian taxpayers. As elected representatives we owe it to the families we represent to invest their resources wisely. New resources, whether invested through new programs or significant changes to existing programs, should be allocated within a framework of accountability like that introduced in the government's program review.

• (1545)

That means determining whether the program addresses an evident problem, whether it could be resolved more efficiently by the federal government, other levels of government or the private sector, whether the proposed program is the most effective way to approach the problem, whether the program is being delivered efficiently and whether we can afford it.

The Royal Assent

It makes sense to put checks and balances in place to ensure Canadian taxpayers are getting the best value for their tax dollars. Let me quite blunt. Having the money to spend is no justification for spending the money. Respect is a theme that runs throughout our report: respect for Canadians, taxpayers, those in need, innovators, respect for their right to a responsible government and a better tomorrow.

RRSPs are one of the three pillars of our retirement income system. The committee in its wisdom recommends that the schedule for contribution limits set out in the 1996 budget should be revised so as to allow contributions to increase before 2002. The committee also recommends that the 20% foreign property rule be increased in 2% increments to 30% over a five-year period. This diversification will allow Canadians to achieve higher returns on their retirement and reduce their exposure to risk, which will benefit all Canadians when they retire.

Canadians also told us that small and medium size businesses create roughly 85% of all new jobs and account for 45% of Canada's GDP. Their importance in our economy cannot be overstated. It is in everyone's interest to ensure our economic environment is one in which they can thrive. It is for this reason that the committee supported the government's move to lower EI premium rates. This measure, the latest measure taken by the government, will result in a \$1.4 billion saving for both employers and employees.

However, we went further than that. We also said when the fiscal situation permits, EI premiums should be further reduced. We call on the government to ensure that EI premiums not be increased during an economic downturn.

The committee also recommended that the government take steps to address imbalances in the way different sectors of our economy are treated by the tax system and to examine the appropriateness of the \$200,000 threshold of the small business deduction.

As we build a strong economy, the government should do its part as a partner and facilitator to modernize the economy and to do its part. That is the reason we supported programs such as Technology Partnership Canada, the industrial research assistance program, because it goes a long way in helping Canadian businesses compete in a global economy.

Our report also respects Canadian priorities when it comes to the social safety net. Both on the road and throughout the public hearings in Ottawa, Canadians told us that they are ready to reinvest in the social and economic needs of our society. That means improvements to Canada's health care system, which includes an increase in the CHST cash floor to \$12.4 billion, a recommendation that was acted upon earlier this week.

• (1550)

It also means continuing support for the youth employment strategy. If I can speak on this particular issue for a few minutes,

Mr. Speaker. I had the privilege to chair the Ministerial Task Force on Youth. From that Ministerial Task Force on Youth the government responded with the Youth Employment Strategy. Today, as a result of those measures, hundreds of thousands of young Canadians have benefited.

Youth Internship Canada, Youth Service Canada, the Summer Job Action Plan, these speak to a very important issue providing opportunities for young people to give them that very important first chance at a job, to get that very important first line on their resumé.

As a member who has dedicated the greater part of his political life to addressing the issue of youth unemployment and concerns related to young people, I can say that the most important barrier they face is the experience paradox: no job, no experience; no experience, no job. That is why the government as a partner in the development of the Canadian economy should play its role in making sure that that very first important chance is given to young people.

We live in changing times, more challenging times for our young people. Many of the new economy's jobs require a higher level of education which means that one of the roles of the government should be to provide opportunity and accessibility to post-secondary education so that young people, students, can be given the opportunity to acquire the educational level required to get those new economy jobs.

Investment in these areas are means to making the new—

The Deputy Speaker: Order please. I hesitate to interrupt the hon member but I have some messages to communicate to the House.

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

December 10, 1997

Mr. Speaker:

I have the honour to inform you that the Right Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 10th day of December, 1997, at 4:00 p.m. for the purpose of giving royal assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

[Translation]

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed the following bills, without amendments: Bill C-7, an act to establish the Saguenay-St. Lawrence Marine Park and to make a consequential amendment to another Act; Bill C-10, an act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and the amend the Canada-Netherlands Income Tax Convention Act, 1986 and the Canada-United States Tax Convention Act, 1984.

GOVERNMENT ORDERS

[English]

COMMITTEES OF THE HOUSE

FINANCE

The House resumed consideration of the motion.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, at the conclusion of my remarks I spoke about the issue of post-secondary education and also that the committee recognizes the initiatives of the federal government to date and recommends that additional resources be dedicated toward helping children living in poverty as the fiscal dividend grows.

Investments in these areas are means to making the new economy work for Canadians. By taking such steps we can ensure security and opportunity now and in the future.

• (1555)

On behalf of all committee members, I want to thank Canadians from coast to coast to coast for participating in our prebudget

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consultation. It has instilled a profound respect for our country, its citizens and their ideas in all members of the committee.

In “Keeping the Balance”, which is the title of the report, we have tried to respond with the substance our fellow citizens demand, as well as a budget plan they deserve. I am proud of what we have accomplished together.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I rise to participate with enthusiasm in this prebudget take note debate mainly because it deals with matters that touch on the lives and the livelihood of all Canadians.

Because it is the Christmas season, I thought I might begin by reading from the New Testament what is reputed to be the Minister of Finance’s favourite part of the Christmas story, from Luke’s gospel: “And it came to pass in those days that there went out a decree from Caesar Augustus that all the world should be taxed. All went to be taxed, everyone into his own city”, the classic case of a rich and powerful government imposing onerous taxes on the poor, a theme to which I would like to return in a moment.

The real issue before us is this. What should be the financial priorities of the federal government once the budget is balanced?

In response to that question, we have two fundamentally different views in this House. We have the government’s position that once the budget is balanced, 50% of any surplus will be directed toward new spending. The remaining 50% is to be divided between debt reduction and tax relief. In other words, the highest priority of the government once the budget is balanced is increased spending.

In the government’s Speech from the Throne, we saw this 50-50 promise. In the pages that followed there was not a single concrete proposal for debt reduction or tax relief, but there were 29 proposals for additional spending. In the Minister of Finance’s economic statement made in Vancouver earlier this year, we saw the same thing, a repeat of the 50-50 promise, followed by 10 pages of spending proposals.

We see virtually the same pattern repeated in the report of the Standing Committee on Finance, entitled “Keeping the Balance”. On page 32 we have a simplistic restatement of the 50-50 promise without any intellectual justification at all. This is then followed by 22 pages containing at least 17 specific proposals for increased spending, as well as the defence of a dozen more spending increases already provided for in the 1997-98 budget.

We then have another 30 pages of the report, and what do they contain or fail to contain? Not one word on how to achieve debt reduction targets, and we did not hear a single word on this from the chairman of the committee today. Not one word on either short term or long term debt management strategy. A recommendation opposing broad based tax relief. A recommendation that certain payroll taxes not be increased. Now, there is a public relations

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device. Half a dozen big unqualified recommendations that certain tax relief measures be examined or studied or considered, but only when circumstances allow or when the fiscal situation permits. Half a dozen very specific measures which amount to little more than administrative tinkering on such high priority items as a tax treatment of earthquake reserves. In fact, the only tax relief measures of any substance are the recommendations on pages 59 to 60 for increasing personal and spousal income tax exemptions and developing a schedule for removing the 3% and 5% surtaxes.

Lo and behold, these proposals are lifted virtually word for word from Reform's fresh start platform in the 1997 federal election.

We appreciate the inclusion of three of our tax reform measures in the committee's report, imitation being the sincerest form of flattery, but we find it ironic that when we proposed these measures during the election they were denounced by the Liberals as tax cuts for the rich. Now that they have been resuscitated by the Liberals, they are described in this report as measures essential to building a fair tax system.

• (1600)

The bottom line of all this is that when it comes to spending propositions, the government's plans and the committee's recommendations are specific and urgent, but when it comes to debt reduction and tax relief, the government's proposals are non-existent, stolen, vague or distant. This is what happens when you make increased spending your number one priority, which is this government's position.

The position of the official opposition is that debt reduction and tax relief should be the highest priority of the government. I had expected that the federal debt situation would be spelled out in detail in this report. However, since the government does not appear to take the debt seriously, the official opposition must fill the vacuum.

The net federal debt stood at \$583 billion at the end of the 1996-97 fiscal year. This amounts to \$19,400 per person or \$77,600 per family of four. If that debt were converted to \$5 bills and laid end to end, it would circle the earth 1,448 times.

I do not mind saying that this debt has even changed the way doctors deliver babies. I have this on good advice from the member for Macleod as well as the member for Esquimalt—Juan de Fuca, both of whom are physicians. In the old days when they delivered a baby they would hold the baby up and give it a pat on the bottom to get it to cry and fill its lungs. Today all they do is hold the baby up and whisper in its ear "you owe us \$19,400" and the baby starts to cry right away.

The federal debt currently stands at over 60% of the gross domestic product. The total public debt in Canada is almost 100% of GDP. In other words, if the total value of all the goods and

services produced in the entire year by every economic enterprise and government in the entire country were converted into cash that would hardly be enough to retire our public debt.

Canadians ask once we raise this subject to whom do we owe this money. About \$120 billion of this debt, or 25% of the government's market debt, is owed to non-residents, so that the interest payments flow out of the country. About one-third of the foreign held debt rests with U.S. investors, with the remainder divided mainly between European and Japanese investors.

The domestically held debt was held in roughly these proportions: by the Bank of Canada, 7%; by non-financial corporations, 4%; by all levels of government, 7%; by public and other financial institutions, 17%; by quasi-banks, 3%; by the chartered banks, 23%; by life insurance and pension funds, 26%; and by persons and unincorporated businesses, 14%.

The government also owes \$3.7 billion to the Canada pension plan and \$114 billion to public sector pension plans. Of total debt owed to outside parties 7% is in the form of Canada savings bonds, 28.4% is in the form of treasury bills, and 64.1% is in the form of marketable Canadian government bonds.

The annual interest payments on this massive pile of federal debt amounts to \$45 billion a year or \$3,210 a year for every working Canadian.

Need I say more or provide any more information as to why the official opposition wants to make debt reduction, not spending, a higher priority?

Let me turn to the tax situation. The Liberal government has increased taxes 37 times since 1993. Net personal income tax revenues were \$51 billion in 1993-94. They are now on track to increase to \$70 billion in 1998-99. Since 1961 the tax bill of the average Canadian family has increased by over 1,168%. After adjusting for inflation, the tax bill of the average family has still jumped by 125%.

The average Canadian family now spends more on taxes than on food, shelter and clothing combined. The personal income tax levels, both as a percentage of our gross domestic product and as a percentage of total taxation, are higher now than those of all our G-7 trading partners.

• (1605)

Canadian taxpayers have a heavier personal income tax burden than our taxpaying brethren in the U.S., in the United Kingdom, in Japan, in Germany, in France and in Italy.

The average Canadian family has therefore suffered a \$3,000 per year drop in real inflation adjusted income since 1993, the year the Liberals took office.

Need I say more or provide any more information?

THE ROYAL ASSENT

[English]

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

Mr. Speaker, it is the desire of the Honourable Deputy to His Excellency the Governor General that this honourable House attend him immediately in the Senate chamber.

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

• (1615)

And being returned:

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

Bill C-7, an act to establish the Saguenay-St. Lawrence Marine Park and to make a consequential amendment to another act—Chapter No. 37.

Bill C-10, an act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and to amend the Canada-Netherlands Income Tax Convention Act, 1986 and the Canada-United States Tax Convention Act, 1984—Chapter No. 38.

GOVERNMENT ORDERS

[English]

COMMITTEES OF THE HOUSE

FINANCE

The House resumed consideration of the motion.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, to conclude on the issue of taxation, the average Canadian family has suffered a \$3,000 drop in real income since 1993, the year the Liberals took office. I do not think I have to say anything more or provide any more information on why the official opposition wants to make tax relief a higher priority than increased government spending. Canadians are taxed to death.

The position of the official opposition is that governments in Canada in aggregate should not consume more than 30% of the

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GDP. Governments today consume about 43%. Our position is that Canada's intermediate debt reduction target should be to reduce the debt to GDP to 50% by the year 2004, and that our long range target should be to reduce debt to GDP to 20% of GDP by the year 2015.

With respect to fiscal priorities our position is to limit federal spending to a fixed percentage of gross national product and allocate any surplus roughly 50:50 between debt reduction and tax relief. While we acknowledge a need for greater investment in some areas, such as health, research, post-secondary education and research and development, it is our belief that these needs should be met through a reallocation of budgets within the existing envelopes rather than through increased spending.

With respect to tax relief, our tax relief proposals include a \$3 billion reduction in EI premiums paid by Canada's employers, and a \$12 billion reduction in personal income taxes through raising personal exemptions, adjusting the child care expense deduction and a 50% reduction in capital gains tax. The net effect of these tax relief measures is to remove about 1.3 million lower and middle income Canadians from the federal income tax rolls altogether, including about 300,000 seniors.

On any issue Reformers always want to look at what the people themselves think. In challenging the government's desire to make increased spending its number one priority and in advocating that the highest priority be given to debt reduction and tax relief, Reform is supported by larger and larger numbers of Canadians, as indicated by the recent Compas poll commissioned by the *Ottawa Citizen*.

The Compas poll found that 89% of Canadians want the largest proportion of the surplus to be used for debt reduction. On average Canadians want the government to put at least 40% of the surplus toward the debt; 72% want the government to hold more discussion before it spends any surplus. Almost half of all Canadians feel the government's status quo pace of debt reduction is too slow. Only 38% of Canadians believe the government has explained its position on debt and taxes well, while almost 60% believe Reform has done a good job.

Eighty-two per cent of Canadians say that taxes are just too high, with 52% of Canadians holding this position intensely. Fifty-nine per cent of Quebecers agree a lot that taxes are too high compared with 53% nationally. Perhaps the best thing the government could do to persuade Quebecers to remain in Canada is to simply stop taxing them to death. Eighty per cent of Canadians believe that the basic personal exemption should be raised and 82% of Canadians agree that tax cuts will create jobs.

When Reform advocates that debt retirement and tax relief be made the highest fiscal priorities of this government, we are not arguing some peripheral right wing extreme position. We are advancing a proposition that has massive and growing support from people of all persuasions and types across the entire country.

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• (1620)

I have referred to the principal deficiencies of the finance committee report, namely its inadequate attention to debt reduction and higher taxes. But there is one other serious flaw to which I would like to draw the attention of the House.

The cover of the finance committee report, as well as the structure of its table of contents, reflects what logicians refer to as a false dichotomy. A false dichotomy arises when one sets up categories for organizing data that lead to false or misleading conclusions, for example, when one treats as opposites things that are not opposites, or when one treats as complementary things that are not complementary.

The cover of the finance committee report shows a balance scale. On the balance scale pictured on the cover of that report, all the fiscal factors, debt and taxes, are shown on one side of the scale and all the social factors, like social security, education, health and the well-being of youth are shown on the other side, as if a greater increase in fiscal responsibility would result in a decrease in social security or vice versa.

Apparently this government thinks that helping people and cutting debt and taxes are opposites, when in fact the two measures are complementary. They ought to be on the same side of the scale, not on opposite sides of the scale. In a moment I hope to demonstrate this beyond any reasonable doubt to members of the House.

In the remainder of this take note debate, the official opposition will make the case for debt retirement and tax relief more strongly than it has ever been made in this House. My colleagues, such as the official opposition finance critic, the member for Medicine Hat, the official opposition critic for revenue, the member for Calgary Southeast, and other members will present as strongly as possible the facts, the arguments and the reasons for debt reduction and tax relief.

We will argue that high taxes hurt our trade competitiveness, that they kill jobs and reduce disposable income. We will argue that high debt is costly and renders us extremely vulnerable to interest rate and exchange rate fluctuations.

But members of the House will know that arguments based on fiscal rationality do not move this government. If they did, the government would have committed itself to balancing the budget through genuine spending reduction rather than tax increases and it would already be committed to debt reduction and tax relief.

I am going to take another tack. This government never ceases to tell us that it has a great and enlightened social conscience, that its real priority is helping people and caring for the disadvantaged. Therefore for the purposes of this debate at least, I am going to take that profession at face value. I will therefore present the argument

for debt retirement and tax relief from an entirely social perspective.

I want to present the House with the argument that high debt and high taxes are socially irresponsible, that they hurt millions of people, that they carry a heavy social cost. I want to argue that debt relief and tax relief are not only fiscally beneficial but they are socially beneficial, that they help millions of people, including the most vulnerable members of society. Then let the Canadian people see if the government is really as committed to social responsibility as it claims to be. Let us see if it can be moved by social arguments to give the highest priority to debt reduction and tax relief.

Let me start with the negative social impacts of pyramiding debt and interest payments. The pyramiding of the debt of the federal government to \$583 billion has led as I said to annual interest payments of \$45 billion or \$3,200 per year per person, for every working Canadian.

This annual debt service bill is enough to run the governments of Newfoundland, P.E.I., Nova Scotia, New Brunswick, Manitoba, Saskatchewan and Alberta for an entire year with enough left over to pay the entire public debts of Newfoundland, New Brunswick and P.E.I. This annual debt service bill is enough to pay the tuition for four million Canadian young people to finish a four year university course. Just the annual debt service bill is enough to pay for federal transfers to the provinces for health, education, welfare, equalization and old age security for a year. It is enough to pay for all Canadian hospitals, physicians and drug costs for an entire year. It is enough to provide every poor child in Canada with a \$30,000 a year endowment.

• (1625)

It is the interest on the federal debt that is eating the heart out of the social transfers. It is no accident that since 1993 debt service charges have increased by \$7.5 billion a year and that since 1994 government has reduced health and social transfers to the provinces by \$7 billion.

The excessive federal debt, like private debt, limits freedom. It limits the freedom of governments to pursue social as well as economic goals. The federal government would have at least the option of committing more resources to health, education, and pensions if this huge percentage of its annual budget was not consumed by interest payments.

If the federal debt were reduced and stabilized, funding for essential services would be stabilized and assured. The government and people of Canada would have more social and economic freedom and we would stop mortgaging the future of young Canadians.

Lower debt is the key to social security for both the current and future generations of Canadians. I would suggest to those members

of this House who profess to have enlightened social consciences, who profess to be moved by social arguments, that if they care for the poor, the sick, the old and the young, then they should be the most committed members in this House to the reduction of the federal debt.

Let me look at the negative social impacts of excessive taxation. We have made arguments in this House before that excessive taxes reduce disposable incomes of business and are the greatest factor in killing jobs. There is a connection between the fact that we have higher taxation levels than our principal trading partners and the fact that we have 1.4 million people unemployed, two to three million underemployed and one of the highest youth unemployment rates in the world. If a good job with a good income is the best guarantee of economic and social security, then it is excessive taxation in this country which is undermining the economic and social security for millions of Canadians.

I want to discuss a further dimension of excessive taxation. It has a particularly onerous and insidious impact on the most vulnerable among us, the young, the old and the poor. Under this federal government's tax policies a single mother with one child and an income of \$15,000 pays \$1,364 in income tax. I ask, what is the government doing taking one paycheque out of 12 from a single mother with one child making \$15,000 a year?

The federal government starts taxing people at lower income levels, \$6,500 a year, than either Britain where it starts at \$9,000 a year, or the United States where it starts at \$9,500 a year. Canada has one of the lowest first bite levels, the level at which personal income tax kicks in, in the industrial world. It is far lower than those in Hong Kong, Sweden, France, Switzerland, Japan, the U.S., Germany, Belgium, Italy and Spain. In fact taxpayers in most countries are permitted to earn upward of \$15,000 before they begin paying taxes. Not in Canada and we ask, why not?

This government rips \$1.8 billion out of the pockets of people making less than \$15,000 a year. The government takes \$11.2 billion out of the pockets of almost eight million taxpayers making less than \$30,000 a year.

The government, and we have heard this from the ministers, accepts Statistics Canada's low income cutoff figures as measures of the number of Canadians living in poverty. But here is the amount of revenue the federal government collects from these very people whom it claims to recognize as living in poverty or near poverty.

According to Statistics Canada, the low income cutoff for a single individual was around \$17,000 a year. Taxation statistics show us that in 1995, which is the year for the latest data, there

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were almost 3.4 million taxpayers earning less than \$17,000 a year, or that were in this low income position. What did the federal government do for them? It taxed them to the tune of \$2.3 billion. These are people the government itself says are living in poverty.

The low income cutoff for a family of four in the same city was about \$32,000. There were over 8.2 million taxpayers earning less than \$32,000. What did the federal government do? It taxed those people to the tune of \$12.5 billion. It took \$12.5 billion in taxes from people its own statistics define as living in poverty or near poverty.

• (1630)

My point is that the tax policies and practices of the federal government hurt lower income people as well as middle and higher income people. The greatest single thing this government can do to help the poor is not to develop another program for poverty and not to develop another program on child poverty but simply to get its hands out of the pockets of lower income people and leave them more money.

Enough statistics. To illustrate this point more effectively, I want to read to the House a letter I received from a New Brunswick mother of four in February 1997. Her name is Kim Hicks. She lives near Sackville, New Brunswick and she and her family are with us today in the gallery.

I receive some 2,000 letters a month on average, but her letter was one of the best I have ever received. I want to share it with the House. It is dated February 27, 1997:

Dear Mr. Manning:

Hello, first of all my name is Kim Hicks. I am married and we have four children aged 2-8 years. My husband is the breadwinner in our family and our income is \$29,000 to \$30,000 a year approximately. Last year, 1996, our income was a little over \$33,000 because we withdrew our RRSPs, my husband worked a lot of overtime and took his vacation pay without a vacation, which means that we now owe \$900 in income tax, and lose money on our GST and child tax benefit which we depend on to get by.

My concern is this. We feel as though we are drowning with no sign of relief in sight. I have talked to other families in the same situation and they feel the same way. It seems as though people like us are forgotten. We are not considered working poor, but we sure don't feel middle class.

I know you are probably thinking that I am a whining lazy stay at home mom, who was irresponsible in having four children, but we love them dearly and we want to do what we feel is best for them and that is why I stay at home. Truthfully sometimes we do feel that we were irresponsible but my husband works hard. Also we live in an area outside Sackville, New Brunswick and it would not be easy to get child care or transportation. I have no special skills and cannot afford to upgrade my working skills and quite frankly I feel that at this point in time my kids need me at home, not that by any means I look down on working women. I don't, I sometimes envy them. I'm sorry there is so much that I want to say but don't quite know how.

We feel resentment toward the politicians and afraid to be Canadians.

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My husband says maybe we should go on welfare, at least then we would have health care and dental benefits. We do manage to buy some health care, but for how long we don't know. It seems as though only people with incomes under \$26,000 a year and those on welfare need help, and that is not true. There are other families who need help. We want our kids to grow up feeling proud of their country and to feel secure, but it's not going to happen. For us who fall just above the \$26,000 mark less seems better, then maybe we wouldn't have to worry that because we make \$29,000 or \$30,000 we might lose our child tax benefit.

We need that benefit or else we would lose our home. Our kids won't be going to the dentist this year, but the child down the road, whose mom is on welfare, will. We have refinanced and refinanced and we just can't do it any more. We live on credit because we do not have enough clear money to use money. Pay the needed payment and then borrow it over. We are sick of it. People with four kids who make \$30,000 a year are poor too, but our kids don't count. By the time we pay our taxes our \$29,000 to \$30,000 is a joke. We are afraid that we are going down and there is nothing we can do.

Promises and empty talk—we are sick of it. We are trying to be a family in a time when family means squat. Also now with this new HST we will pay more for our kids' clothing, heat, power, telephone. We don't buy big ticket items. We pray our washer will wash one more load, and that it will be nice out so that we can put our clothes on the line to save on electricity and so that the squeaky drier will be there when we need it. We, again, are going to lose and so will our kids.

I'm sorry for this long letter. I really don't know what I expect. I wrote to Mr. Axworthy when he was human resources minister. I got an I'm sorry and an I understand and a lot of statistics that I don't care about. It won't help us feed or clothe our kids.

Please don't send me one of those short form letters saying that you're sorry. Also please don't tell me to contact my MLA or premier—they don't care.

Thank you for your time. Sincerely,

Kim Hicks

Are members moved by that letter? What do we say to Kim Hicks and others like her? What does the government have to say? What does the finance minister have to say? What does the finance committee report have to say? Would this create a great impression in that home if it were sent in a paper envelope to that family? Here is the answer to your problems. We know what kind of reaction it would get.

• (1635)

When I first read this I was at a loss for words. That is quite an admission from a politician. Let me tell the House what I finally did.

I wrote Kim back, thanking her, assuring her she was not alone. I wondered whether anything I could say would help. My letter was almost apologetic.

I then shared with her, briefly, the tax relief section of our fresh start election platform. We were working on it at that time. I pointed out that under those tax relief measures she and her husband would receive \$2,500 to \$3,000 in tax relief. In effect, a family like this would have been removed from the federal income tax rolls altogether.

I did not hear back from Kim, but I carried her letter around with me through the 1997 federal election campaign. I read it to public audiences in a number of places.

After it was over I wrote her again and I told Kim that we were not the government but we were now the official opposition. I asked her if she and her family would do a little research project for us. I would send her a research contract and a cheque from party funds for \$3,000 plus. What I asked her to do was to pretend that the cheque came from Revenue Canada as a tax refund. I asked her to pretend it was a \$3,000 tax refund from Revenue Canada, as if our tax relief measures had been implemented and applied to the 1996 tax year.

Incidentally, we had to send her \$3,000 plus. Why? To cover the income tax she would have to pay on the \$3,000 so that her net refund would be \$3,000.

Then I asked Kim to do two things. I asked her to write two more letters, one telling us how she and her husband Wayne spent the \$3,000. What would she do with it if she got it from Revenue Canada? I also asked her to tell me frankly what impact, if any, this had on her feelings of entrapment and despair.

I now want to read into the record the first of those two letters received from Kim. Before I do, let me give members a little quiz. If they have a pad in front of them they might just jot down a few notes.

How do they think a mother of four would spend that refund of \$3,000? Do they believe she would spend it all? Do they think she would save a portion? What do they think she would spend it on? What would be the allocation? Do they think she would spend it wisely or foolishly? Do they think she would spend it more wisely than the federal government could spend it on her behalf? We will let the members be the judge.

This is her first letter, dated July 23, 1997:

Dear Mr. Manning:

The following letter describes how my family spent the \$3,000 in tax relief that we received "from Revenue Canada".

She was willing to play the game.

My husband and I carefully looked at how to best use the money and we decided that the best plan for us was to divide the money into a spend category and a savings category. We divided the money \$2,000 and \$1,000.

The \$2,000 we spent as follows:

1. The first thing this money enabled us to do was to pay our two older boys' dentist bill and gave us the amount needed for our two younger sons' trip to the dentist.
2. The next thing we did was to set aside \$200 for one of our son's visits to the optometrist in October, and to have a new pair of glasses which are badly needed.

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3. We bought the extra wood that we will need for the winter.

4. We paid off one of our credit card balances thereby easing our monthly payment load, which in turn gives us a bit more money to use toward other bills.

5. The boys and I went shopping for back to school clothing and I set aside money for their school books.

6. I took a trip to the grocery store and bought the items that we needed but could not afford to buy with our weekly grocery money.

7. I paid my mother back the money that she has loaned us over the past few months when we have found ourselves in a bind owing over \$800 in income taxes.

8. Lastly we decided to take \$200 of the money and to spend it any way we wished. We bought Kentucky Fried Chicken and we went to see the movie "George of the Jungle". My husband, along with his regular hours, has had to start working Saturday mornings and also two to three evenings a week to help make ends meet. He only takes one week of his vacation and we use the other week's vacation pay to buy wood. What this means is that we have never taken a vacation trip with our children, but this year we are taking the \$125 left from the \$2000 and we are driving to Pictou, taking the ferry to P.E.I. and driving back across the bridge to N.B. It feels great.

With the other \$1,000 that we have left, we for now have put it into a savings account to use in the case of an emergency or to hopefully buy an RRSP, which would give us a start at some future savings

That in a nutshell is how we spent the \$3,000 sent to us by Revenue Canada. I am looking forward to writing my next letter.

Sincerely,

Kim Hicks.

• (1640)

I can look at that letter as a husband and parent or I can look at it as a former management consultant and economist, but notice that her savings rate is over 33%. If I asked some economist friends of mine what they thought the savings rate would be of a family in the \$30,000 a year category, they would never guess that it would be 33%.

Notice that her highest priority expenditure is meeting the medical and educational needs of her children. Notice the commitment to debt reduction. There is more commitment to debt reduction in this letter than there is from a government that receives \$150 billion a year. She pays down her loans and her credit card balances.

Note the spending on essentials, wood and groceries for the family. Note the desire to have an RRSP. There is a lot of criticism when we talk about expanding the RRSP about people at the lower and income level not wanting it or understanding it. Here is a family earning \$30,000 willing to save to put into an RRSP. Notice the \$200, 7%, for a little fun.

Is there any member in this House, any bureaucrat at human resources development or finance, who has the nerve to stand up and say they could have spent that money more wisely or more socially responsibly?

Some of the social engineers on the other side of the House or among the Bloc or the NDP might argue that some government could design a program complete with legislation, forms and armies of bureaucrats and social workers which would deliver \$1,000 to that family for debt relief, \$1,000 through another program for child, dental and optometrist care, and \$500 to \$1,000 through some other program for essentials. However, there would be one problem with that. It would probably cost us \$30,000 per family to administer.

In this case, we got exactly the same results, not with another program but simply by leaving—and this is so pathetically simple—\$3,000 of this family's own money in their own pockets instead of collecting it in taxes.

This reminds me of that famous quote from Adam Smith in his *Wealth of Nations*, which I think is applicable to social capital as well as industrial capital:

The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

How did this tax relief make this family feel? Frankly, I confess that when I wrote this letter to Kim and made this proposition I was pretty sceptical, given the feelings she expressed in that first letter, that the \$3,000 would make much of a difference. I thought it would just be a drop in the bucket and not enough to do anything. However, I want members to be the judge. This is her last letter in response to my request:

Dear Mr. Manning,

I would be happy to explain to you how receiving \$3,000 in tax relief "from Revenue Canada" has made my family feel both now and for the future.

I say to the officials of Revenue Canada if they did more of this they would get letters like this.

The first feeling my husband and I experienced was a sense of relief. It was as if a weight had been lifted from our shoulders and we could finally catch our breath.

It meant that we could have the money for those things that kept having to be overlooked such as trips to the dentist, borrowed money that couldn't be paid back, or a simple family trip.

It meant for the first time in a very long while that we could have some guilt-free fun. By this I mean we actually took our children to the movies and out for supper without sitting there worrying about "how are we going to get the money to replace what we just spent, when we didn't have it to spend in the first place?".

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But most importantly, after the initial feeling of relief, we felt less pressure and worry.

As a family struggling to get by there is a lot of guilt and insecurity associated with the pressure of just trying to make ends meet when there is a lack of money.

My husband feels guilty because, even though he works hard, he still feels that as a provider he lets his family down, not only financially but time wise also. I feel guilty because as a stay at home mom I sometimes feel I am robbing my family of income we could have if I held a job.

All this guilt affects our family life—the way we feel, the tension and stress. We do manage to keep our emotions and worry in check, most times, in hopes that we will not cause our children to feel as we do, although I know there are times when they feel as we do—receiving this money made my husband and me feel a lot less guilty. I actually saw a happier, more relaxed man, which in turn made our family more carefree and closer than we have been in a while. I'm not saying that money in itself solves problems, but it helps to relieve the pressures caused by a lack of it and that in turn helps to give us a brighter outlook and a happier family.

Mr. Manning, as I write this letter I feel really great because I know that we have provided some of the things that our children needed, which prior to receiving our tax relief cheque we simply could not do. I have gone to sleep at night with a feeling of being more secure because I know that our kids have been better taken care of and that if a problem should arise we do have money set aside in a savings account. It feels great to know that we have fewer bills and that because we do not have to borrow money or take from other needs, we will be able to hold on, and that the money won't be so tight, and in time we will be ahead. And that means, to us, a brighter future.

It makes my husband and me feel a sense of encouragement knowing that we have someone in government who understands our needs and our struggles as a family, and who realizes the heavy tax burden that a family like mine carries, and is trying to help, and that gives us a sense of hope for our future and our children's future. Our children can grow up knowing that Canada is wonderful and that they have a government who cares, not one that will squeeze every last cent out of their paycheques.

We feel that we have to have this tax relief. We really carry too much tax burden. Recently my husband asked his boss for a raise and, to us, he received a substantial raise of \$44/week, that is until he received his paycheque and realized he had lost \$27 of the \$44. Mr. Manning, \$24.18 went to Federal Taxes alone! Do you understand why I cannot say enough about why a \$3,000 tax relief is needed? Families like my own do not want the \$3,000 for frivolous spending; we need it to maintain a half-decent standard of life for our families, and \$3,000 is a substantial amount of money.

In closing, I just want to stress again that this \$3,000 meant relief and security and a bit more freedom for us. If my family and families like mine could look forward to this \$3,000 tax relief each year, it would, I am sure, restore some faith in our government and it would relieve a lot of guilt, pressure, and worry from our lives. We could provide more of the things our families need, both necessities and even leisure.

Extra income in our pocket would give us a sense of security. We could actually see some light at the end of the tunnel, so to speak. I know in my case it has helped to take away some of the desperation I feel. It has definitely made our lives easier and has made us feel happier and even encouraged. There is great pleasure in feeling that you have provided for your family a little bit better.

I am going to close now. I hope—that I have answered your question sufficiently. Thank you once again for the privilege of allowing my family to participate in this research project.

• (1645)

Note the references to feelings of relief, security and freedom: relief from worry, relief from guilt, security, better able to sleep at night, hope for the future and freedom. I wonder how many letters Revenue Canada gets like that. Is it not about time we started generating some letters like that for Revenue Canada?

On behalf of members of Parliament I thank Kim Hicks; her husband, Wayne; and her children, Matthew, Brandon, Nathan and Luke for sharing their hearts and their lives with us. It is not easy to do and we thank you for putting it down on paper.

There are hundreds of thousands of families in Canada like Kim's earning \$30,000 a year or less from whom the federal government is collecting \$11.2 billion a year. Is there any member of the House who still believes that tax relief, especially for lower and middle income families, is not a socially responsible thing to do?

I began my remarks with a reference to the Christmas story as told in the New Testament. The heart of my remarks has really been the Kim Hicks story which ought to move us to tears as well as to action.

• (1650)

I want to end this address with one more story that will perhaps reduce the Minister of Finance to tears or induce him to action. It is a modern adaptation of Dickens *Christmas Carol* with particular reference to the issue before the House.

Once upon a time there was a finance minister named Scrooge. To borrow a few adjectives from Dickens, he was a squeezing, wrenching, grasping, scraping, clutching, covetous old finance minister. His one great passion in life was taxes, and as the year drew to an end he would spend the last part of it, particularly the Christmas season, laying plans for new taxes he wanted to impose in the new year.

Scrooge had a humble clerk named Bob Hatchet. Hatchet assisted the minister in cutting spending but desperately wanted to apply his tools to cutting taxes. This particular year Hatchet came to Scrooge with the revelation that he, Scrooge, was collecting \$1.8 billion a year from the poorest families in the land. "Would it not" said Hatchet "be a great act of social and fiscal responsibility to cut taxes for these people and to announce it at Christmas, effective for the new year?"

What was the response of finance minister Scrooge to this proposal? He replied as he always did to requests for tax relief by saying "Bah, humbug" and by saying further "every idiot who goes about with tax relief on his lips, especially at Christmastime,

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should be boiled in his own pudding and buried with a stake of holly through his heart”.

To add force to his words, he told Hatchet and his other officials that not only would there be no tax relief this Christmas, but starting January 1 he would commence collecting the first instalment of a 76% hike in payroll taxes. “Tax relief, bah, humbug” said finance minister Scrooge, and with that he went home for Christmas.

Then it was Christmas Eve. Picture this. Scrooge had retired early. To induce sleep some people count sheep but not Scrooge. He counted the tax increases that he had been responsible for: the tax on life insurance premiums extended, the increased clawback on OAS, the excise tax on gasoline, et cetera, et cetera. He had just got up to tax increase number 37 when he fell into a fitful slumber.

Scrooge knew not how long he had slumbered but suddenly he was awakened by a strange clanking sound. To his horror, the door of his room flew open and there stood a ghostly apparition. The thing was dragging a huge chain behind it to which were bound immense volumes of the Canadian Income Tax Act and its regulations.

“Who are you” cried finance minister Scrooge, to which the apparition replied in a ghoulish voice “I am the ghost of taxes past. My name is Sir William Thomas White. I too was once finance minister of Canada. When I was alive I introduced the Income War Tax Act in 1917. It was only 12 pages long. It was temporary. It was a tiny tax. But I added to it and my successors added to it, until it became a monster. Now I am condemned to haunt the halls of parliament, forever dragging great volumes of the Income Tax Act and its regulations behind me”.

Scrooge was alarmed, for he too had forged many links in the chain of taxation. “Is this my fate too” he cried. “Not necessarily” said the spirit. “All will depend on what you learn from the visits of my fellow spirits, the ghost of taxes present and the ghost of taxes future”. With that, the apparition disappeared.

Finance minister Scrooge tried to pull himself together. Surely this was a bad dream, he told himself, a Reformish nightmare of some sort; perhaps the product of indigestion; perhaps a bad pickle at the parliamentary restaurant. He settled down to sleep but in a few moments he was jolted awake again by the loud honking of a horn.

At first he thought it was the sound of a Panamanian freighter and he smiled serenely, but suddenly the door to his bedroom flew open and there stood another ghostly figure. “I am here to take you for a ride” said the ghost of taxes present. “But I don’t want to go for a ride” said finance minister Scrooge. “That’s what they all say” said the apparition who hurried him down the stairs, out of the house and into a waiting cab, a taxicab.

As soon as they were in, the doors locked shut. The meter began to run. It ran wild as the ghost of taxes present directed the driver to their destination. The ghost of taxes present took finance minister Scrooge to visit businesses small and large where payroll taxes were cursed out loud day after day by both employers and employees. They visited shops where the hated GST was funnelling millions of dollars out of the pockets of shopkeepers.

The ghost of taxes present took finance minister Scrooge to home after home, homes where there were sick people, homes where there were poor people, homes where there were old people, homes of the middle class, all homes where Scrooge’s taxes were squeezing the life out of men, women, children and families. Scrooge tried to get out of the cab but the doors were locked. The meter kept spinning wildly, the taxi meter: \$50 billion, \$75 billion, \$100 billion, \$125 billion.

• (1655)

The taxi stopped once more outside a house which Scrooge recognized as the humble abode of his assistant Bob Hatchet. Inside he saw poor Bob talking earnestly to his son, Tiny Tim. He was trying to explain how the working income supplement component of Scrooge’s child tax benefit, when applied to Scrooge’s harmonized goods and services tax, would actually reduce the effective tax rate on crutches and candy canes to less than 10%.

But Tiny Tim would have none of it. Holding his head in his hands the little fellow ran round the room crying “God save us, everyone, from finance minister Scrooge”.

“Dread Spirit” cried finance minister Scrooge “where will all this end? What is the fate of these poor overtaxed businesses, these poor overtaxed families like Tiny Tim’s? What will happen to their lives and their dreams?” “You will soon see” said the ghost of taxes present.

Scrooge found himself once again in the taxicab, hurtling this time down a lonely country road. The night was dark and dreary, black clouds blotted out the moon and stars. The taxi slowly came to a halt. The door was slowly opened by yet another ghostly figure. Finance minister Scrooge shuddered, the ghost of taxes future. This apparition was faceless, dressed all in black. He said not a word but motioned toward the gate of what Scrooge perceived to be a vast cemetery.

Scrooge shivered as the faceless spirit led him past a long line of tombstones, announcing in a sepulchral voice “Here lie the businesses killed by taxation. Here lie the jobs killed by high taxes. Here lie the charities killed by high taxes, which shrivelled the spirit of charity”. “Oh, spare me” cried Scrooge, but the spirit led him on “In this vast plot lie all the dreams: the dreams of entrepreneurs, the dreams of homemakers, the dreams of business

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people, the dreams of youth, the dreams of Tiny Tim, all killed by the clammy hand of overtaxation”.

“Oh, show me no more ” cried finance minister Scrooge. “I see the light. I will re-examine my policies but tell me, dread spirit, how is it that even dreams can be killed by taxation?” “Even the loftiest of dreams can be killed by taxation” said the ghost of taxes future. “Look” and with this he pointed bony finger toward a huge marble monument, a tomb of some sort on which was inscribed a long list of names.

Scrooge strained to read the names: Sir William Thomas White, James Lorimer Ilesley, Douglas Charles Abbott, Donald Methuen Fleming, Walter Lockhart Gordon, Edgar John Benson, John C. Crosbie, Michael Holcombe Wilson. The list went on and on.

Scrooge gasped as he recognized the names, all former finance ministers of Canada. “But why, dread spirit, are their names inscribed on this tomb in this cemetery of dreams?” “Because” said the ghost of taxes future “their great dream was to become prime minister and their dream was killed by their high tax policies”.

Let us leave finance minister Scrooge standing before that great monument to broken dreams and let the government determine whether this story has a happy or a mournful ending.

Will finance minister Scrooge dismiss the warnings of the ghosts of taxes past, present and future and continue his high taxing ways? Or, will he listen to the voices of social and fiscal responsibility, the voices of Reform, the voices of mothers like Kim Hicks, the voices of millions of Canadians, and make debt and tax relief his new priorities?

It is the objective of the official opposition to persuade him to take the latter course.

• (1700)

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I rise on a point of order. We heard a speech from the leader of the official opposition that should serve as a guideline to government for decades to come, and it should—

The Acting Speaker (Mr. McClelland): With respect, is this a point of order?

Mr. Randy White: It is.

The Acting Speaker (Mr. McClelland): Will you get to it immediately.

Mr. Randy White: Mr. Speaker, I refer you to Beauchesne’s sixth edition, citations 280 and 281, and the Constitution Act, section 48. While this nation was listening to the leader of the official opposition we at best had two Liberal MPs in the House of Commons.

The Acting Speaker (Mr. McClelland): This would be a stretch to be a point of order. As the hon. member knows, it is not customary to refer to the presence or absence of members in the Chamber.

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 Bras d’Or, Devco; the hon. member for Red Deer, Foreign Affairs; the hon. member for St. Albert, Aboriginal Affairs; the hon. member for Charlotte, Summa Strategies; the hon. member for Frontenac—Mégantic, Dairy Industry.

[*Translation*]

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok.

On October 15 in Vancouver, the Minister of Finance presented his government’s economic policies to the Canadian public. The finance committee held fifty or so meetings with socioeconomic stakeholders and members of the public in order to find out what they thought, but the democratic process ends there.

Having being rushed along on a tight timetable and having seen large extracts of the finance committee’s report in the Toronto media, we realized that all that was missing from the committee’s document was the cover page from the Liberals’ last election campaign red book.

Once again the Liberals have shown that they have no respect for democracy and could not care less about the opposition parties, including the Bloc Québécois.

The Liberals used the prebudget consultations to try to show that the public was in favour of their economic policies. This Liberal report is just another step in the maple leaf marketing plan announced with great fanfare in the Speech from the Throne.

The Bloc Québécois is familiar with the Liberals’ partisan tactics and made sure to table a dissenting report so that our party’s opinion would be known and not drowned out in this vast federal operation.

As we all know, we are here solely to defend Quebec’s interests. We in the Bloc Québécois again call on the Minister of Finance to pay the provinces, particularly Quebec, what he owes them. Before going ahead with other measures involving national standards that would interfere with provincial areas of jurisdiction, this government must treat its provincial partners fairly and return to them the amounts it has relieved them of since 1993, significant amounts despite what the Minister of Finance says.

For Quebec, this means that, if the Minister of Finance wanted to be generous, he would write out a nice cheque for \$5 billion. Dream on. We no longer believe in Santa Claus or in the federal government’s little helpers. We know that, even though this

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government comes dressed in the traditional red of the jolly gentleman himself, it is a Santa without a heart.

Over the last few months, this scrooge in Santa's clothing has deprived dozens of Quebec parents of their fundamental rights by slashing EI benefits. Even as the holiday season approaches, the Minister of Finance and his side-kick in human resources development are all in favour of these decisions, which I still describe as inhumane. They still refuse to budge and admit that their wonderful employment insurance scheme is a failure and that they should start calling it poverty insurance.

Instead of having compassion for the least well off in our society, this government continues to listen to Toronto's Bay Street magates. The Minister of Finance keeps saying that his government is doing a good job and that, next year, it will have a surplus. What he does not say is that this accounting operation has been accomplished on the backs of the provinces and the most disadvantaged.

• (1705)

The federal government ought to stimulate job creation and to lead an all-out attack against poverty. The Bloc Québécois and the numerous stakeholders in Quebec are demanding an in-depth reform of personal and corporate income tax.

The last major review of corporate tax dates back to the 1960s. I hardly need tell you that the tax measures are out of date and unsuited to the present economic context. The Minister of Finance, however, is content with it. The same goes for personal income tax. The minister is operating with measures that no longer meet the needs of individuals.

The Bloc Québécois proposals, in a spirit of re-establishing social justice, would allow the majority of taxpayers to benefit from a tax reduction. For example, the creation of a reimbursable credit for child care expenses would allow a single parent with one child and an income of \$20,000 to save an additional \$600 plus. That is a concrete social measure.

The Reform Party is talking of decreasing income and other taxes. First of all, it should do as the Bloc Québécois has done, and demand a major reform of a federal tax system that is very ill suited to the current economic context.

Every time the auditor general tables a report, he points out to the federal government the shortcomings of its taxation system. We need only think about the scandal of the family trusts and the use of subsidiaries in tax havens, which the Minister of Finance in fact uses to reduce his taxes.

The prebudget consultations clearly show, once again, that there are two irreconcilable visions. The federal government wants to centralize everything, establish national standards and continue to

infringe on the exclusive rights of the provinces. Quebec wants to fight for its independence and speaks out increasingly in an effort to force the Liberal government to respect provincial jurisdictions.

The current situation is as follows, and I will recall it for you: Canada comprises two peoples, the Canadian people and the Quebec people. However, the people of Quebec are making themselves heard increasingly, and Quebecers are living in hope. They know that very soon they will no longer be part of this completely outmoded federal system, a Trudeauist government whose grand master never hid his disdain for the provinces. Trudeauism is personified in this House by the minister of provincial interference.

In conclusion, this government takes every opportunity to twist its own Constitution and meddle in fields under Quebec jurisdiction. It is obsessed with making its presence felt. In Quebec, however, the fleur de lys is engraved on the hearts of Quebecers and with this symbol of pride they will fend off the underhanded attacks of the federal government saying with one voice: "Yes to a sovereign Quebec; yes to all economic powers serving Quebec".

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I know I speak next, but I am most anxious to ask a question of my colleague, the member for Lotbinière.

My colleague has, as it were, travelled across Canada with the Standing Committee on Finance, even though he himself sits on the public accounts committee. He has therefore heard some horror stories this fall, particularly in the maritimes and eastern Quebec.

I am sure that, when he was there, my colleague heard the stories of fishermen and the problems they are having with EI. I will tell one of his stories.

• (1710)

People on TAGS have been saddled with a new two-tier system. When they reach an income level of \$26,000, they must pay back all the EI they have received.

This government wants to encourage people to get out and work. Imagine that you are a fisherman, that you have been on the program all year, but that, this fall, you have a chance to go back to catching herring, say, or to get involved in an experimental sea urchin fishery. All the money you make from the catch must go back to the government. This is no kind of incentive.

I am sure my colleague has heard other horror stories and I would like him to tell us—it must have been something when they wrote their report—about the mechanism for setting the provision. They say in the report that they will set a provision for expenses but, if the forecasts are not right, they will not be able to transfer amounts to programs. Does he know anything about how this

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mechanism? Can he tell us the Liberals' untold horror stories? I would like to hear what my hon. colleague has to say.

Mr. Odina Desrochers: Mr. Speaker, when I visited the maritime provinces, especially Newfoundland, despair and frustration were everywhere.

When we consider that there is only one official, we can see how serious the federal government is. There was only one official to plan this program, which is a real fiasco, a real nightmare for the people. The people were not consulted and were forced to undergo training for which they had no skills or abilities.

This is how the federal government is trying to tell Newfoundland that it wants to help. The premier of Newfoundland, who used to sit in this House, has difficulty promoting the cause of the federal government. His star is fading, like all the other federal stars across Canada.

As for that famous report, as I said, all that is missing is the cover of the Liberal red book. Everything else is the same. Everything that could help the communities, everything that could help the underprivileged was removed. The only thing on their mind is Bay Street in Toronto and the rich; they have forgotten their social conscience.

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I am pleased to speak on this subject today, but I am sad to see the lack of empathy from the Liberal government over there.

Allow me to explain. When I was young, I was told that the Liberal Party was the party that had created social programs, the party that thought about the most disadvantaged.

An hon. member: The NDP is the one.

Mr. Yvan Bernier: But we were not too familiar with the NDP in my neck of the woods. Now I have come to appreciate my NDP colleagues in this House. We were also told that the Conservatives were a bit more to the right.

But what it seems to me from reading the report from the finance committee is that the Liberals were voted in on the left but are governing on the right. I will not use any more semantics at their expense, but that is my impression.

What I would like to say today is about the real world of the Liberals. A few Liberal MPs are okay. I will tell the House of my experience in recent days. In the last ten days, over the end of November and the beginning of December, the Standing Committee on Fisheries and Oceans, of which I am a member, travelled the lower North Shore, the Magdalen Islands, New Brunswick, the Miramichi, Nova Scotia, and all around Newfoundland, including

Labrador. My goodness, a public servant or a minister is a rare sight for the people of Labrador, yet they often find their resources being drained away by them.

What I want to say is that there were five parties in on this tour, and I hope we will be able to table a unanimous report.

• (1715)

The purpose of our trip was to hear what people had to say about the Atlantic groundfish strategy. We wanted to find out what they had liked about it, what they did not, and what they would like to see follow it. If the hon. members here in the House do not already all know this, we were told last year before the elections that TAGS was to end in May 1998.

I told the committee members that we needed to hurry up, that we needed to go and see the people where they lived, and to get back to the House before Christmas. We did so, but tabling our report is taking a bit of time. That is why I am pleased to intervene today and to share the impressions I gathered, but in a rather unpremeditated way, as I have no written report.

People are afraid that TAGS will not be renewed. People are afraid that the government will not keep its word. This is a program that was designed to end in 1999. People are afraid it will end in 1998, because the situation has not changed. The cod, the cod moratorium, the fisheries have not revived.

At the beginning of this program, there were close to 40,000 or 45,000 people enrolled in the program. People have lost their eligibility along the way, but there must still be a good 22,000 or 25,000 today. What are we to tell those 22,000 people who will no longer have a cheque in May 1998, but no job either? I think the government must give them some directives. It must inform them as soon as possible. It would seem that the machinery of government grinds very slowly.

People who are on TAGS did not ask to be there. People on TAGS are anxious to get back to work, anxious to be able to do something. They were put on a program, and to make it worse, when the auditor general brought in his report this fall, they got the impression that they were the ones at fault, because the government had transformed TAGS into a passive program. It told them "Sit there and wait for your cheque, and don't say a word, not a word".

The people are really upset. Worse yet, not only do they not know what the government is going to do about renewing or maintaining the TAGS income security program, but we discover thanks to our NDP colleagues that the Minister of Human Resources Development has provided funding in the amount of \$350,000 to train Human Resources Development officials how to act in case of trouble, should fisheries workers ever get angry.

Does that make any sense? What sort of a country is this? What sort of a government is this?

I will summarize in three lines what I heard. I know the members opposite. More than three lines and they are lost.

The first line is what people told us when we toured with the fisheries committee. We heard a lot of people. We travelled for ten days and visited three cities a day, with an average of 300 to 400 people in the room, so close to 10,000 people came to deliver a message.

The people wanted three things: first, more income security. There was no other option. Take the example of the people of the Magdalen Islands. There used to be a redfish processing plant called Madelipêche. At one time it employed 600 people. However, when you live on an island and cannot fish any more and there are no trees to cut and no chance of a job in tourism, what do you do? There is nothing else to do. They said they needed income support. That is the first point.

• (1720)

Second, they told us “You MPs should tell the government to renegotiate in 1998 the distribution of resources. Negotiate with the provinces, which you did not include the first time. Negotiate with the plants. But we have to know who will continue to fish, if the stocks ever recover, because everyone agrees that there may not be enough fish for everyone. We want to know who will be redundant so that we who work in the processing plants can reorient ourselves. But no one is saying anything. They are saying “Now you have your little cheque, but pretty soon you will not have one any more”. And they won’t take that.

So the first thing is the bread and butter, maintaining the TAGS income support program. The second point is for all ministers of fisheries, both federal and provincial, to have a look at resource distribution in 1998. The third point demonstrates the pride of the people of the maritimes, be they from the Quebec coast, New Brunswick, Newfoundland or Nova Scotia. They say: “Give us the tools to work. We need funds. If you want us to diversify, give us money, not peanuts. It is impossible to start up new industries without money”.

I could go on at length. As members are paying attention, perhaps we could check whether there would be unanimous consent to allow me to continue for a few more minutes. I would like to make another point and I note the members seem willing to give their consent.

I would like to say something about what Human Resources Development officials demand from the people participating in the TAGS program and trying to get out of it. The limit is \$26,000, while the income ceiling for EI recipients is \$30,000 before they have to start paying the government back, but only at the rate of

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30% of what they earned over \$39,000. Fishers or processing plant workers with families and machinery to maintain lose their benefits as soon as they earn \$26,000.

During this trip, I met people who were trying to catch new species of fish. They had earned a supplementary income. What happened? They had to give it back to Human Resources Development Canada. I met a man who has not had a cent coming in since September. He is not entitled to welfare because he owns a home, poor soul, and a pickup to get to work. So he gets not one red cent.

Do you know what he told me, and I do not know how it will come across in English, but the cry from the heart was “Dear members of Parliament, I have had no money since September. I am not an animal, I cannot just graze in a field”.

I would like the Minister of Human Resources Development to come to my region and travel around to see the people, see what the real world is like. He will see that he will change his tune.

In conclusion, I am asking this today: if cabinet is not prepared to make a policy decision on maintaining TAGS, let the Minister of Finance establish in his provisions enough money so that, if a policy decision is reached in May, there will be enough money in his reserves to last all year.

[English]

The Acting Speaker (Mr. McClelland): With consent, we will take questions and comments right through to Private Members’ Business so that the hon. member for Halifax will not be interrupted. Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Questions and comments, the hon. member for Thornhill. We will keep them short and sweet and the responses short and sweet. Then we will go to the hon. member for Acadie—Bathurst.

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I did listen very carefully to the member opposite as he described the important work that the fisheries committee did.

I have spoken with members from my own caucus who were a significant number on that committee. They too were seriously moved by the stories that they heard from the people who made presentations before the committee.

• (1725)

I think we all know there is a serious problem. The question that faces the government is how to respond in a way that will not only

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be helpful to those people who want to work, although the member talked about income support which is certainly an important part. We know the people of the Atlantic region want their jobs and the ability to work in the fishery. We also know there are problems with the fishery.

In making my comment to the member, I would ask him if he has heard any suggestions from the people who made presentations to the committee that would help to resolve the issue of how people will be able to find work in order to sustain themselves rather than looking to income support as a long term situation for the Atlantic region. We all know what the real problem is.

[Translation]

Mr. Yvan Bernier: Mr. Speaker, in order to get as many questions in as possible, since I know that there are people to my left who also want to ask some, and in order not to show disrespect for the hon. member, I shall be brief.

The situation fisher communities are in cannot be fixed by the hon. member with a snap of her fingers. My colleague for Lotbinière pointed out a minute ago the old TAGS program was created by just one public servant. It took less than four months and has led to four years of horror stories.

What people are asking us is to give them a slice of bread and butter, because that is precisely all the government's income support represents to them, to continue it for at least a year, and to use that year to create a real program which, this time, will reflect the reality of coastal communities. That is the answer I can give the hon. member for the moment.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to ask my colleague a question, but first, I have a few comments to make.

When we look at what happened with TAGS, does it not resemble what happened with employment insurance? The governments changed direction and paid out a lot of money to companies for technological change. Once the technological changes were made, people were laid off. People got laid off, and then there was the fisheries problem.

What happened to the employment insurance of people who were laid off? They were told the government did not want to pay employment insurance benefits any more, that no one was working, that their assistance was being cut and that the problem was that they did not want to work and were lazy. That is what the Liberal government said.

Now there are not enough fish, perhaps as a result of overfishing. Today the government is changing direction and doing the same thing again. Now it says it has no money, that this is not the way to do things, that it will cut off families and children and that they will no longer be entitled to eat. It is rather irresponsible on the part of the federal government, as my colleague was saying earlier, for it

to sit for four years, rather than give the money immediately, and do nothing. At the end of the four years it then says it will be cutting off aid and has nothing for them. Is the government not being irresponsible? Is my colleague prepared to support me on this?

The hon. member said earlier, and I agree with him, that we have to keep giving money so these people can put food on the table, that we then have to find a solution to the problem instead of abandoning them. That is one of my questions.

I have another quick question. I would like him to be brief too in order to answer my two questions. He came to New Brunswick. What happened to the committee, which did not invite people—

The Acting Speaker (Mr. McClelland): I am very sorry, but time has run out. The hon. member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok.

Mr. Yvan Bernier: Mr. Speaker, it is too bad that we are coming to the end of the period set aside for debate. I think that, if we had the unanimous consent of the House, my NDP friend and I could debate this issue all evening.

To answer his question clearly and briefly, yes, he is right. No only did the Liberal government throw it together quickly, but it did an amateur job of it.

• (1730)

They thought about 20,000 to 25,000 people would be interested in this program when it was first created, but over 40,000 applied. That is why TAGS was turned into a passive program.

I think the NDP member is 100% right about this. I think the Bloc and the NDP will have to get together to shake some sense into the Liberals because, unless we do, there will never be any more Liberals in Quebec and in the maritimes.

[English]

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I am requesting unanimous consent to be able to speak as the mover for private member's Bill C-215. It is the bill of the member for Wild Rose, but he is caught in traffic.

He is trying to get to the House but cannot do so. The member for Wild Rose does not want this period of time to go to the bottom of the order, so I need the unanimous consent of the House to be able to speak on the bill as if it were my own.

The Acting Speaker (Mr. McClelland): The House has heard the request of the member for New Westminster—Coquitlam—Burnaby. Is there agreement?

Some hon. members: Agreed.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[English]***CRIMINAL CODE**

Mr. Paul Forseth (for Mr. Myron Thompson) moved that Bill C-215, an act to amend the Criminal Code (section 227), be read the second time and referred to a committee.

He said: Mr. Speaker, it is amazing and perhaps even sad that Bill C-215 is necessary. There remains a badly flawed section of the Criminal Code which is section 227. In response to that, the private member's bill drafted by the member for Wild Rose in specific content says this: "The enactment provides that a person commits culpable homicide or the offence of causing the death of another person by criminal negligence or by means of the commission of offence under subsection 249(4) or 255(3) of the Criminal Code, regardless of the time within which death occurs at the time of the occurrence of the last event by means of which the person caused or contributed to the cause of death."

That sounds like a convoluted phraseology but I will try to explain it.

The law says that an individual commits criminal negligence causing death, and if the individual then commits an assault, the person is in the hospital and dies after a period of time, the perpetrator is not culpable. The perpetrator cannot be charged because their victim took too long to die.

The ironic fact is that on September 4 the justice minister announced that she planned to introduce the exact same legislation as this bill. Why the Liberals would not support this proposed legislation is nothing short of political manoeuvring. Waiting for the government to draft new legislation has resulted in more time being wasted. It could have allowed another perpetrator to go free.

Bill C-215 called for the scrapping of section 227 of the Criminal Code because section 227 now states that no person can be convicted of a homicide if the death occurs more than a year and a day from the time of the offence. The private member's bill would have changed this in order to allow charges to be laid if the assault resulted in death, no matter how long the victim was able to hang on to life.

The reason for this bill stems from the death of Marvin Ward from Manitoba. This gentleman never regained consciousness

following a savage baseball attack in May 1995. It took Mr. Ward 14 months to pass away and the suspects then could not be charged.

It is apparent from the cases such as this that section 227 of the Criminal Code does not recognize modern medicine's ability to keep people alive for an extended period of time. The private member's bill would allow for those to face charges if the assault resulted in death, no matter how long the victim is alive. There would be no time limits. If the bill were passed, it would ultimately have meant that Mr. Ward's death would not have been in vain. It would have proved that we as legislators can effectively change a badly flawed section of the Criminal Code.

• (1735)

The member for Wild Rose has followed this issue since last October and had this private member's bill drafted in March of this year. It was fortunate that it was picked in the draw for Private Members' Business but this is where the good fortune ended because the committee that looks at private members' bills did not deem it to be votable.

On September 4 the justice minister announced that she too was scrapping section 227 of the Criminal Code as early as this fall, fulfilling a promise made by the former justice minister in March. On this premise alone the private member's bill should have been made votable but perhaps we can let the media decide or those who follow these issues can have a conversation about that.

So we present the private member's bill in different manners. First of all I would like to present it in a way that is based on the criteria that the standing committee for Private Members' Business sets for the selection of votable items. Perhaps we can let the people who are listening today be the judge to see if this bill meets the guidelines and should have been made votable today.

There are 11 criteria that must be met in the selection of votable items. The first criteria is the private member's bill must be of national, regional or local significance. It cannot be highly contentious, controversial, trivial or insignificant. Certainly this bill would be considered to have national significance since it affects the Criminal Code of Canada and in no way is this bill contentious, controversial, trivial or insignificant. It involves the death of individuals and the consequences thereof. It is essential then to change the section of the Criminal Code and not allow perpetrators to go free.

Criteria number two, the bill must not appear to discriminate or favour for or against a certain area or region of the country. In no way does this bill discriminate in favour of a certain region or area of the country. This bill would be applicable right across the country. This is federal legislation.

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Criteria number three, the bill cannot be with regard to electoral boundaries or constituency names. Obviously that category does not apply here.

Criteria number four, the bill should not require obvious amendment because it is substantially redundant with the law or is fundamentally ineffective to implement its own intent or is unclear in its meaning or is otherwise defective in its drafting. Bill C-215 is not redundant with the laws that already exist, nor is it ineffective in its intent and meaning. It is very clear. It is a very short bill. It has a simple concept and is not defective in its drafting.

Criteria number five, the subject of the bill should be different from specific matters already declared by the government to be on its legislative agenda. This bill does not affect the government's legislative agenda at all. That is the problem. This bill is here because the government is failing to act. It was drafted long before the government even talked about looking into the matter.

Criteria number six, depending on the context of political issues and events, the number of times a topic has appeared in the House may be of significance. This topic, as far as I know, has never appeared in the House of Commons before. However, it does not mean that it is not an issue of interest to Canadians and many of the victims' associations across the country.

Criteria number seven, all other factors being equal, lower priority should be given to motions which deal with matters which the House can address in some way other than through another procedure. All in all this bill should receive a high priority since this cannot be dealt with through another procedure. It is my opinion that it is essential that this bill be dealt with now as it already has let four killers go free and potentially more still exist because of the flaw in the Criminal Code.

Criteria number eight, motions couched in partisan terms should not be selected. There is really nothing partisan about this bill whatsoever.

Criteria number nine, bills will be set aside in this selection process if they are clearly unconstitutional in that they infringe upon provincial legislative authority, the Canadian Charter of Rights and Freedoms or other entrenched constitutional rules or if they impede or are contrary to normal federal, provincial or international relations. This is not the case either.

Criteria number ten, bills relating to a question that is substantially the same as a question already voted on by the House in the session should not be selected as votable items. This issue does not relate to any question that has been voted on by this House.

Criteria number eleven, items relating to a question that is substantially the same as a question contained in an item already selected as a votable item in the session should not be selected. Once again, no bills were selected as votable that appear the same as this one.

• (1740)

I hope that all can see how important this would have been in restoring the word justice to our justice system. Some say that we have merely a legal system in Canada rather than a justice system. We as legislators have the ability to change this flawed piece of legislation and Mr. Ward deserves to rest in peace knowing that the killers were paying their dues and not walking free due to a legislative loophole.

In researching this issue, we found that we were not the only ones who recognized the need for this legislation. Upon hearing of the subject of the private member's bill, we received a number of letters of support and I will highlight just two of these.

The Canadian Resource Centre for Victims of Crime is an organization dedicated to victims rights and public safety. They were pleased to support this bill and gave another example of how the Criminal Code has produced more victims.

Steve Sullivan, Executive Director, wrote:

I met a woman during the 1994 CAVEAT Safetynet conference whose brother was beaten so badly that he ended up in a coma. Almost two years later Rick Gall's family made the heartbreaking decision to remove his life support.

Kevin Fougere, the individual who beat Mr. Gall, could not be charged with the murder and was sentenced to 18 months for an assault related charge. Fougere was clearly responsible for Mr. Gall's death.

At that time, the justice minister said that he was not considering amending section 227. Earlier this year he made comments suggesting that he would amend it and those sentiments were recently repeated by the current justice minister.

They go on to say in writing:

Your bill would bring the law up to date with modern medical technology. It amends the section 227 so as to remove the requirement that the victim must die within one year and a day for homicide charges to be laid. It is simply a recognition that people must be held responsible for their actions and the consequences of them.

Please accept this letter of support for Bill 215. I hope that this bill is deemed votable and the government supports your initiative.

Victims of Violence also wrote to me, stating:

Please be advised that we strongly support your initiative with Bill C-215. For too long we have had to explain to families of homicide victims the stupidity of the law that allows killers to escape proper charges and sentencing even if the death of the victim occurs as a direct result of the criminal's act.

As you are no doubt aware, the Criminal Code has simply not kept up with modern medicine. Severely injured people are being kept alive for extended periods of time today with possible hopes of recovery. The families of these victims are sometimes faced with the dilemma of allowing life support to be continued at a cost of having the murderer walk free if their loved one lives beyond one year and a day but still dies as a direct result of the injury.

Bill C-215 is just a common sense bill to bring the Criminal Code in tune with the reality of modern medicine today. It will undoubtedly save the families of some murder victims additional grief and suffering. We commend you for this effort.

I think those are very clear sentiments. In view of the 11 criteria that I have laid out, I would like to move a motion to receive unanimous consent of the House that this bill be made votable.

The Acting Speaker (Mr. McClelland): The hon. member for New Westminster—Coquitlam—Burnaby has asked the House for unanimous consent that this bill be made votable. Is there unanimous consent?

An hon. member: No.

The Acting Speaker (Mr. McClelland): The hon. member has three minutes remaining. However, if he has completed we will then go to debate.

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, at the outset I would like to congratulate the hon. member from Wild Rose for bringing in Bill C-215, to abolish the year and a day rule from the Criminal Code, and forward for discussion to the House.

I fully agree with him that it is opportune for this rule to be the subject of law reform. This issue has been of great interest to the Minister of Justice in Manitoba, his immediate predecessor and Canadians such as Mark Ward, whose brother Marvin was the unfortunate victim of a vicious assault in 1995 which put him in a coma and ultimately resulted in his death, but outside the year and a day time limit. They too have been arguing for reform.

Section 227 of the Criminal Code provides that no person commits culpable homicide or the offence of causing the death of a person by criminal negligence or by means of the commission of an offence under subsection 249(4) or subsection 255(3) unless the death occurs within one year and one day from the time of the occurrence of the last event by means of which the person caused or contributed to the cause of death.

• (1745)

Bill C-215 seeks to remove the time limit from section 227. In seeking to do so, it proposes to put in place a new section 227 in the Criminal Code.

[*Translation*]

The historic origins of the year and a day rule go all the way back to the Middle Ages in England. In those days, two distinct prosecutions could be brought with respect to a homicide: a private prosecution and a public one.

For the purpose of simplifying private prosecutions, the Statute of Gloucester, passed in 1278, provided clearly that prosecution for a serious act causing death could stand, if members of the family began proceedings at the latest a year and a day after the act suspected of having caused the death.

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This simple statement of fact was subsequently interpreted, however, as limiting the right to prosecute.

Over time, prosecution for death was repealed and the year and a day rule became an irrefutable requirement in cases of homicide; if the Crown could not prove that death had taken place during this period, there could not be culpable homicide.

This ancient rule, an accident of history, survived the years, and was codified in Canada's first Criminal Code in 1892.

[*English*]

Over the years three arguments have been offered in support of the rule. One, a person should not remain almost indefinitely at risk of prosecution for murder or for another fatal offence. Two, if a person lives for a long time after the injury was sustained then it is more difficult to say that the injury caused the death. Three, even when the rule applies, the accused can usually be convicted of a serious offence.

There appears to be little current support for the continued existence of the year and a day rule, however. The following criticisms can and have been made. There is no statute of limitations for homicide in Canada and therefore a person can be subject to prosecution years after a killing has taken place.

Second, this is an arbitrary rule which prevents justice from being done in certain cases. Death may occur just outside the time limit and a causal link may be proven, yet in such a case there would be no culpable homicide.

Third, it can also prevent justice from being done in cases involving long term causes of death. Another argument is that with modern life supporting technology, persons can be kept alive longer, yet this ancient rule continues to operate. Modern science can also assist in the determination of the cause of death, even after the passage of a number of years, so the causation argument is not strong.

Experiences in jurisdictions which do not have this rule seem to indicate that criminal justice systems can operate fairly and effectively without the rule. Last but not least, juries can and do have to consider complex evidence as to the cause of death, and if the crown does not prove beyond a reasonable doubt that the accused caused the victim's death then the prosecution will fail.

[*Translation*]

In June 1987, in a document entitled *Recodifying Criminal Law*, the Law Reform Commission of Canada recommended that a new rule of causation be added to the Criminal Code to replace the specific provisions on causal link with respect to homicide, including the year and a day rule. In its working paper on homicide, the LRC took the following position:

Section 210—now section 227—which provides that no person commits culpable homicide unless the death occurs within a period of a year and a day seems highly anachronistic.

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The purpose of this rule was undoubtedly to spare a jury from having to rule on cases where the link between the reprehensible act and the victim's death was difficult to establish.

Nowadays, however, its usefulness is highly disputable, in so far as this matter can be satisfactorily resolved through existing medical and scientific knowledge.

[*English*]

In June 1991 the federal-provincial working group on homicide recommended a rule of causation to replace sections 224 and 227 of the Criminal Code to read:

Everyone causes death, when their conduct significantly contributes to death, notwithstanding that there may be other significant contributing factors and that such conduct may not alone have caused death.

As well, the Department of Justice consulted on a possible general rule of causation for the Criminal Code as part of the consultations on the general part in 1994 and 1995, but to date a reform effort to codify a general rule of causation has not proceeded. In other jurisdictions change has already taken place.

● (1750)

[*Translation*]

In July 1994, the law commission of England published a consultation paper on the year and a day rule with respect to murder and other related offences.

The paper outlines six options: one, maintain the rule; two, make it a rebuttable presumption; three, amend the rule and extend the limitation; four, abolish the rule with respect to certain offences, but keep it for others; five, abolish the rule and replace it with a limitation regarding the prosecution of homicide offences; and six, abolish the rule.

The Law Reform (Year and a Day Rule) Act passed by the U.K. in 1996 abolishes the year and a day rule, except in cases of acts or omissions that had taken place before the legislation took effect. The act provides that it is necessary to obtain the consent of the attorney general before instituting proceedings in respect of an offence when it is alleged that the injuries that caused death were sustained more than three years before death, or in cases where the accused has already been found guilty of an offence related to the death.

[*English*]

In June 1997 the Law Reform Commission of Hong Kong issued its report on the year and a day rule in homicide. The commission concluded that the rule is no longer necessary or appropriate, having regard to the present state of modern medical knowledge and the availability of life support machines.

The commission recommended that the rule ought to be abolished in relation to all offences involving death and suicide. It considered whether there ought to be safeguards to protect against unfair or late prosecutions but ultimately decided that it was unnecessary.

In summary, while there can be little doubt that change ought to occur, it may be premature to support this bill at this time. I think we should look to see if there is any need for safeguards to be put in place, as has been done in England, for example.

Bill C-215 provides an excellent legislative prototype for what it is we ought to achieve and will be extremely useful for the government in its examination of this important issue.

The Minister of Justice is committed to bringing reform to this area of the law and the work of the hon. member for Wild Rose and other members of this House who will be supporting Bill C-215 has been important in achieving this objective.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I too, as a representative of the Bloc Québécois, would like to congratulate the Reform Party member on this bill.

It reflects a concern in his riding and throughout Canada as well, even in Quebec. However, I think that examining section 227 from this angle is not perhaps the best approach.

I will not give the historical context, as those who spoke before me have done, particularly the Parliamentary Secretary to the Minister of Justice, but it should be pointed out that section 227, as it stands, makes it easier for the crown to establish the link of causality. I do not want to go into great detail and give a lecture on law, but there are three things the crown must establish beyond a reasonable doubt when faced with an offence of this type or in any other legal case.

There is mens rea, actus reus and causal link. In the first two instances, I think that the crown, through witnesses, through various means, through factual elements, can establish proof. But without section 227, the crown would sometimes have trouble establishing the causal link.

Section 227 is, therefore, not necessarily there to protect the accused at all times, as the Reform side has said so often. Sometimes, in Canada's legal history, since section 227 has been in existence, it has helped the Crown to demonstrate a causal link, when death did not occur at the precise moment the offence was committed, but days, weeks or months later.

The amendment presented by the Reform Party would remove this prescriptive period that prevents the Crown from using this causal link to prove its case.

The bill is very clear, it removes all time limits. It states:

—regardless of the time within which the death occurs after the time of the occurrence of the last event by means of which the person caused or contributed to the cause of death.

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• (1755)

With today's medical technology and everything else the health system has to offer, a person can last two, three, four or five years, hooked up to machines and all manner of other things.

If the Reform member's bill were passed, we would be left in a kind of legal vacuum with respect to the offence, because the individual can be charged with culpable homicide but also with other very serious offences under the Criminal Code.

This year and a half limit makes it possible for the Crown to take position and get its act together. If the person cannot be charged with culpable homicide, he will be charged with something else, as I said before, with very serious offences. But with this bill, we would be left hanging until the victim died or his condition stabilized, before we could institute legal proceedings. I do not think that is what the legal system wants.

I am not saying that there are not some very specific cases like those listed earlier, the revolting nature of which casts doubt on the entire system, but if one is going to question the system, the approach must be comprehensive. We must examine the system with experts and look at legal precedents. The approach must be one of comparative law, rather like what the parliamentary secretary has done.

We have a British tradition. What happens in Great Britain, for instance, with its far longer history in this connection? What about certain of the Commonwealth countries? What is happening in Europe? What is happening with the Americans, who are very much at the forefront in technological terms, perhaps more so than Canada? How do they operate?

Perhaps we will conclude that a longer period of time will have to be set. I would be surprised if we were to conclude that no time period need be set. We might even conclude that section 227 no longer serves a purpose. I do not know, but it is surely following an in-depth study that we could make our mark as legislators in this House.

In short, my conclusion is that we consider the rule provided in section 227 of the Criminal Code to serve a purpose at this time. In fact, establishing a time period enables us to determine whether there is indeed a causal link between the act of the accused and the death of the victim. This is why we oppose Bill C-215 as written, since it removes any time frame.

On the other hand, we must still take into account the social, economic and scientific realities in which the provisions of the Criminal Code must apply. It may be relevant, in the short or medium term, to look at the length of time currently provided, that is the period of one year and one day. Perhaps, in the not too distant future, we will consider new provisions to try to ensure greater fairness, and I am sure everyone is working toward the objective of making our system fair and just.

[English]

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, I listened with interest to the debate before the House today on private member's Bill C-215.

There was one occasion here today where unanimous consent was sought. I think it is important for the people who may be watching the House to see some co-operation and how well sometimes that can work.

There was unanimous consent to allow a different member to move the bill because of the importance of the bill. I think all members who have spoken today recognize that.

There was not unanimous consent to allow the bill to become votable and I am a little puzzled by that. I will just comment a little on the comments of the Parliamentary Secretary to the Minister of Justice.

What we have heard from the government is that this is an important piece of legislation, that this legislation has to be modified in some way to be brought up to modern realities.

We have also heard that there is a law reform commission study making recommendations and recommending changes to what was section 210 and what is now section 227 of the Criminal Code.

• (1800)

We have to ask with some real concern why the government has not brought forward changes, which Canadians appear to want and which I think form the subject of the hon. member's bill and why he has crafted it as a private members' bill. That being said, I do appreciate the parliamentary secretary's comments regarding the amount of study that has to go into this kind of a change.

My colleague from the Bloc Québécois talked a little about some of the things I wanted to mention. When a crime is committed, the law requires first of all that there is a presumption of innocence, that the individual who is charged with the crime is innocent until proven guilty.

In order to prove the guilt of the accused, the crown must establish two things. First is *actus reus*, which is the physical commission of the offence, the actual physical driving of the car in the case of negligence or impaired driving. The crown must also prove *mens rea*, which is the Latin phrase for the mental element for the commission of the crime.

As is indicated by the parliamentary secretary, one of the reasons we have a rule that derives from the English tradition that says one cannot be charged a year and a day later is precisely to ensure some security to the accused. How can the crown determine *mens rea*?

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How can an accused be expected to offer a defence after a prolonged period of time? • (1805)

I am not saying that with today's technology that remains the only defence for this type of section, but it is worthy of study and it is something we have to look at.

The mover of the bill and I think all members here today talked about the desire on the part of Canadians to see some change. The mover of the bill talked about victims and the fact that he had received correspondence from victims saying that they wanted this change to ensure that the perpetrators of the crime were brought to justice. I think the quote the hon. member used was that the killers pay their dues instead of not doing so.

I am not sure if we do not amend this section of the code today that we deny justice. We have to examine what we mean when we talk about justice, what we mean when we talk about punishment and what we mean when we talk about closure for victims.

Whether or not extending the time period for prosecution to allow for a charge of homicide to be laid is the only way to bring closure for victims and to bring justice to society has to be questioned. Given the limitations that this section now provides, we can look to some alternate and perhaps more creative ways to determine what is justice for a family and indeed in this situation for a victim who may remain alive on a life support system.

If we look at the restorative justice models which call for a different type of punishment, a type of punishment that makes the perpetrator of the crime accountable to the victim and to the victim's family, we may find that even if we do not amend this section of the code, there are still ways to ensure that the perpetrator of the crime has to pay some penalty.

In the absence of legislation coming from the government, where I think it has recognized and admitted the need for change, and in the absence of this bill being a votable item, perhaps we can indicate to the crown attorneys across the country that there may be creative ways for them to look at laying charges even though those charges may be lesser charges than homicide.

That being said, I too congratulate the member for bringing forward this piece of legislation. It has encouraged some debate. I hope the government will take some direction from this House and from the hon. member that the legislation has to be changed. The government is taking some direction in that regard but perhaps not as quickly as we would like.

I compliment and commend the hon. member for bringing forward the legislation. It is worthy of debate and serious study as to the consequences in terms of the justice system, as to the consequences for both the crown and the accused, the conduct of a trial, the gathering of evidence, the maintaining of evidence and those types of things.

Mr. Mark Muise (West Nova, PC): Mr. Speaker, it is a pleasure for me to rise in the House today to speak on Bill C-215, an act to amend section 227 of the Criminal Code. This bill has the objective of replacing section 227 in order to deal with a person who commits a culpable homicide or the offence of causing the death of another person regardless of the time at which the death occurs. Right now the code says that for a person to be found guilty, the death must have occurred within a year.

People in Quebec would remember the case of a taxi driver who was beaten to death by police officers. The taxi driver was in a vegetative coma for many months and finally died more than a year after the incident took place. The police officers could not be charged with the culpable homicide because of the time that had elapsed between the time of the commission of the crime and the resulting death.

We all understand that the amendment proposed by my colleague would cover such very sad cases, but does this House want to completely open section 227 of the Criminal Code? Do we really want to not have any time limit imposed? This House should not say yes to these questions before it reflects on the consequences of such an amendment.

By having no time limit it would become much more difficult to establish the link between the cause and the effect of the death. If a crime occurs today but the death of the victim occurs five years later, how can our police and prosecutors really establish that it was the last event that caused the death and not something else? It could become a technical battle in court, a battle between lawyers needless to say. Furthermore it is impossible in Canadian law to prosecute the same person twice for the same act. It would be impossible to charge someone with aggravated assault only to later change the charge to culpable homicide.

With section 227 written as proposed in Bill C-215, how long would a crown prosecutor be forced to wait before pressing charges? If there is no time limit, the jobs of the crown and the police are made much more difficult.

There is a further example of consequences to this amendment to section 227. What about cases where victims are comatose and the family decides to pull the plug on the life support machine? Would that be considered death following the last event? These are all only small but important examples of the consequences to our criminal justice system of the amendments proposed by my colleague.

The Progressive Conservative Party believes that the Criminal Code should be revised, but we also believe that it should not be changed piece by piece. It has been many years since there was a complete revision of the Criminal Code as a whole, and maybe it is

Private Members' Business

time to start thinking of doing it. Maybe this House through its standing committee on justice could begin such a revision.

It is our belief that Bill C-215 has touched on a good point and that the principle behind the amendment is a good one. But it is also our belief that while section 227 should be broadened, it should not be left wide open. We believe there should be a revision of the time limit between the moment an act has been committed and the time a death has occurred. We also believe there should be a reasonable cut off time in that limit.

For those reasons and the ones previously mentioned we cannot support Bill C-215.

The Acting Speaker (Mr. McClelland): Resuming debate. The Chair will recognize the member for Wild Rose but this will terminate the debate.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, thank you for giving me the opportunity to speak to this bill. I should apologize to you and the House for not being able to be here at 5.30 p.m. to present it myself. However, I am living proof that a country boy should not dare rent a car in a big city because he will get lost, and he did. I was a little late getting here and I do apologize for that.

• (1810)

I thank my colleague from British Columbia for presenting this bill on my behalf. I do appreciate the interest that was shown in what we are attempting to do.

However I am a little dismayed. Once again we see a bill presented that completely meets the criteria to be votable. I am really wondering why we have in our procedure a committee whose purpose is to make certain that a bill meets the criteria before it can be declared votable. Once again, even though it met the criteria, a handful of MPs decided on behalf of all Canadians that this bill was not worth being voted on. Whether the bill is good or bad is beside the point. The point is that it should be debated fully and everyone should have an opportunity to vote on it.

I am disappointed that the governing body, the Liberals, would not allow this bill to be votable because the justice minister herself has been quoted a number of times from her speeches about the extreme need to take care of this section of the Criminal Code. I was surprised to even have the opportunity to bring this bill forward because according to all the news reports, this was something that was going to be accomplished by the justice minister in the fall. It should not surprise me. Surprise is the wrong word. It is no surprise when the Liberals decide to promise that something will be done and it does not happen. That is old stuff.

I have heard a lot of people say that we need to make certain we do not put legislation in place that would cause the justice system to crumble here or there. I would like to remind the House that we

have to start listening to Canadians. We have to make changes to this legislation that reflect Canadians' description of a good justice system. That description today does not fit in the minds of a big majority of Canadians. They are an unhappy lot with the justice system. That is quite obvious and any members who would doubt that, I would challenge them to go to any street corner in their ridings and find out for themselves.

The system Canadians are looking for is one that would put a strong emphasis on meeting the needs of the victims and the victims' survivors. It is high time we had a system that said that the needs and rights of victims of crime are a little more important than the rights of the criminal and the perpetrators of the crime. That is what Canadians want to see. That is what I was attempting to do by introducing this bill. I want to see that the Canadian people, the ones who pay the bill for this justice system, get what they desire.

Even the governing body would have to admit that there is an unhappiness among Canadians. Otherwise we would not have CAVEAT, CRY and FACT and thousands of Canadians who belong to victims groups fighting for their rights to be recognized in a stronger way. That is what must begin to happen. Sooner or later it will have to start happening.

To deny this bill to be fully debated and voted on is wrong. To deny any bill that meets the criteria and tries to address the needs of victims is wrong.

The unfortunate part of this whole thing is that there are the Ward family and other families whose loved ones come under this section of the Criminal Code and therefore justice was never served. If there is one thing that victims deserve and survivors of victims deserve, it is the peace of mind that after the horrible tragedies that they have gone through that at least justice has been served. This government for many years now has failed to address that. It is time that we start doing it. It is long overdue.

• (1815)

Once again, I thank those who supported the idea that this should be discussed fully and debated. I for one will never ever forget the fact that there are two parties to every crime, the criminal and the victim. As for me, my support and my efforts will be to the benefit of the victim at every opportunity.

The Acting Speaker (Mr. McClelland): As hon. members know, we have the late show tonight that starts in another 15 minutes. We have 15 minutes to wait until the participants arrived. We have a choice. We can suspend to the call of the Chair, or may we have a motion to see the clock as 6.30?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): I so move.

The Acting Speaker (Mr. McClelland): Is there unanimous consent?

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Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): There being no further members rising for debate and the motion not being designated as a votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

DEVCO

Mrs. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, on November 5 I asked the Minister of Natural Resources to table the secret report by the auditor general of his examination of the Cape Breton Development Corporation.

This report would shed light on recent disturbing facts regarding Devco's management of billions of dollars of crown assets.

It is unlikely this House will see the report. The minister appears uninterested in making this agency under his responsibility accountable to the public. In the weeks following his decision to keep the murky dealings of the Devco board from public scrutiny, the special Senate committee investigating Devco found it nearly impossible to make heads or tails of the numbers in Devco's five year plan and other fundamental documents of record.

As a Cape Bretoner, it was embarrassing to see senior officers of one of Cape Breton's most visible institutions being given an accounting lesson by senators. Senators were shocked at how the board signed a letter of intent to hand over Donkin Mine, a crown asset worth billions, to a company with no assets. In what surely will be one of the largest transfers of public assets in years, board members seemingly had less than a day to learn of the chairman's quicksilver negotiations to lock up the deal before they rubber stamped the process as part of a routine Wednesday afternoon meeting.

Senators felt that the handling of this matter with little explanation and no accountability was highly inappropriate. Senator MacDonald, and this is directly from the minutes of the November 18 Senate hearing, said the board sealed this deal using "indecent haste".

Senator Murray said the letter of intent to dispose of the Donkin billions was based on and I quote, "quite incomplete and flimsy information". Senator Murray said the board's actions were incredible.

The chairman of Devco told senators he did not consult with anyone about the deal. The minister then told senators that Devco's board has no legal right to either develop the Donkin Mine or to sell it as it belongs to the federal government. But they went ahead and signed a deal to sell without even bothering to pick up the phone and let the minister know he would soon be a few billion dollars lighter.

It was the former Minister of Health who announced that \$300,000 in federal funds were being released into DRL bank accounts through a subsidiary of the Atlantic Canada Opportunities Agency. Until this federal gift arrived, DRL was unable to meet its responsibilities under the terms and conditions of the contract with Devco, namely, to prepare its plans to develop a mine through the study of data.

• (1820)

I implore the minister to table the auditor general's report on Devco to meet its mandate promoting accountability and best practices in government.

What are Devco and the minister afraid of? Senator Murray is afraid that Devco's letter of intent may have crippled the rights of the federal government to reject the deal or even to set terms and conditions. If so, the terms of this deal have been illegally established because, according to the minister, Devco has no such legal right to do so. I wonder if the deal would even stand up in court at this point without federal government approval.

Just this week, Nova Scotia Power announced it needs to import coal from the U.S. because Devco could not meet its requirements. Nova Scotians are appalled by this need to import coal given our expertise and resources.

There is an absolute mess brewing under the minister's nose. Before this all takes on a whiff of scandal or the stench of government rot, I urge the minister to clear the air by tabling in this House the auditor general's report on the Cape Breton Development Corporation in the name of accountability and for the sake of the integrity of his own department.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the hon. member has raised the matter of a special examination by the auditor general of the Cape Breton Development Corporation.

Let me begin by saying that I, and I believe all members, share a concern for the Cape Breton region. All of us want to see successes on the island. I believe that Devco can be a success and I have confidence in the management and employees of the corporation to achieve this.

To return to the audit, according to the Financial Administration Act, all crown corporations must undergo a special examination at least once every five years. The purpose of this examination is to

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determine if the corporation's financial and management controls, information systems and management practices are acceptable.

These systems and practices should provide reasonable assurance that the assets of the corporation are safeguarded and controlled; the financial, human and physical resources of the corporation are managed economically and efficiently; and the operations of the corporation are carried out effectively.

The auditor general's examiner has indicated to Devco that he expects to submit his report to Devco's board of directors soon.

As I understand the process, if the auditor general's office believes the report contains information that should be brought to the attention of Parliament, his office would prepare a report for inclusion in the next annual report of the corporation. Mr. Desautels, like every previous auditor general, will not be reluctant to bring forward any concerns he might have.

To repeat, Devco has not yet received the report of the special examination. Until this happens, I cannot speculate on next steps by the auditor general's office or possible reaction by the government.

Now I would like to mention some of the ways in which Devco has established public accountability. Like all crown corporations, Devco prepares an annual report that is tabled in Parliament. In addition, Devco produces quarterly performance reports which are made public. As well, Devco has established the practice of consulting at least twice annually with its various stakeholders. Finally—

The Acting Speaker (Mr. McClelland): The parliamentary secretary's time has expired.

The hon. member for Red Deer.

FOREIGN AFFAIRS

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, on November 18 I rose in the House to ask a question of the government about the \$1 billion deal which was being proposed with the Iraqi government. This deal was proposed by Mr. Zed, who had gone to Iraq and supposedly signed a deal at a time when we were at a very critical point in dealing with Iraq. It was refusing people access to various sites in the country. It was a time when the United Nations was proposing other action.

The timing could not have been worse. In my estimation, it greatly undermined Canadian foreign policy that this, in fact, was being pushed under the carpet by this government.

• (1825)

Basically this shows a real lack of foreign affairs initiative and policy by this government. It makes you wonder who is in charge of the foreign affairs department when a company, Summa Strate-

gies, directed by ex-Liberal MPs Doug Young and Paul Zed, can in fact put forward a deal like this at such a critical time.

Shortly after the 1997 election these two gentlemen set up Summa Strategies as an Ottawa lobbying group. Obviously they are now taking great advantage of their contacts within the government. Mr. Young is acting for Canadian National Railways, a crown corporation he helped to privatize when he was minister of transport. No wonder Canadians are so skeptical of government and ex-ministers when they are involved in this sort of lobbying activities.

We need to tighten up these arrangements dramatically. Just imagine proposing to deal with a government like that of Saddam Hussein. While all the time arguing that this was a humanitarian deal for trucks and a number of items which were not listed, they went further to invite the foreign affairs minister, Tariq Aziz, to visit Canada, to visit the Prime Minister of New Brunswick, for which he claimed he had an invitation.

We in this House get tired of the government standing up, beating its chest and saying how wonderful it is. It talks about standing up to Saddam Hussein, yet we let this billion dollar deal to go ahead. Maybe the UN will scuttle it. We talk about how great we are in saving the world with land mines, meanwhile we are selling nuclear plants to India, Romania, China, Turkey and Korea, to name a few.

We talk about how we have solved all the financial problems, when in reality we have a \$600 billion debt. We talk about a Zaire mission which we championed because the Prime Minister saw it on television. Then we found out that the day before the President of the United States called and suggested that that is what Canada should do.

We get tired of this sort of double standard and double talk. I question who is in charge over there? Doug Young, Paul Zed and Summa Strategies or the foreign affairs minister.

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the United Nations sanctions were imposed on Iraq to persuade the Iraqi government to comply with all UN Security Council resolutions which flowed from Iraq's invasion of Kuwait.

The Government of Canada has repeatedly expressed its full support to the UN Security Council resolutions and has called on Iraq to comply fully with the relevant security council resolutions.

Canada has also played an active role in the implementation of these resolutions through its presence in the United Nations special commission, UNSCOM, and the participation of its navy in the Maritime Interdiction Forces in the Gulf. During the most recent crisis Canada again demanded that the Government of Iraq comply fully with all the obligations imposed on it by the international community.

Adjournment Debate

We hold the Government of Iraq and its leader Saddam Hussein fully responsible for the continued suffering of the Iraqi people by their persistent refusal of full co-operation with the international inspections. However, it was not the intention of the UN Security Council to inflict suffering on the Iraqi people. That is why the security council passed resolution 986 to permit the sale of humanitarian goods to Iraq to help the Iraqi people while sanctions are in place.

Canada and its principle partners, including the United States and the United Kingdom, fully supported this resolution which was opposed for a long time by the Iraqi government. Under this resolution Canadian companies are free to pursue sales of humanitarian goods subject to approval by the UN Sanctions Committee and the Government of Canada.

It is a Canadian legal requirement that all Canadian companies seeking to export goods to Iraq under this resolution, whether in Canada or overseas, must submit their application to the Department of Foreign Affairs and International Trade for approval. The Department examines each application to ensure that all conditions for such exports laid down in Canadian regulations are met before a certificate permitting the export will be issued or can be issued. One of these conditions is that the UN Sanctions Committee approve the deal.

The Government of Canada is aware that a recent Canadian business delegation to Iraq, led by a Kanata company, concluded several deals with the Iraqi government—

• (1830)

[*Translation*]

DAIRY INDUSTRY

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, on November 19 last, I asked the Minister of Agriculture and Agri-Food a question on the future of the dairy industry.

To give you the appropriate background, I would like to quote part of that question. It said:

Does the minister intend to vigorously defend the dairy producers of Quebec and Canada by taking a clear and firm stand in the face of American claims?

Please note the answer.

Mr. Speaker, yes I will confirm that we will defend the Canadian dairy industry vigorously.

Each time I ask that minister a question, he invariably says “I defend very strongly, I defend vigorously.”

How can he explain that processors, and especially Unilever, are importing butter oil, the mix containing 49% butter oil and 51% sugar, at a very low tariff?

For a minister who keeps saying that he is vigorously defending the dairy industry, this is really great. Dairy producers have lost this fiscal year \$50 million, which represents about 3% of their quota. And since there are 25,000 dairy producers, this represents an average of \$2,000 that every dairy farm is losing today because of the import of butter oil. “I defend vigorously”, he says. How can we believe a minister who is so vigorously failing to act?

The problem is caused by the fact that the product is not under the proper tariff item. From 1995 to 1997, there has been more than a four-fold increase in imports. At the rate that these imports are going, there is every reason to fear that dairy producers will find themselves in a dire financial straits. Not only does the minister have to work vigorously, he also has to work quickly, because this is urgent.

This butter oil mix was obviously invented to avoid tariff regulations. Unfortunately, Revenue Canada is slow in reacting, and our Minister of Agriculture is sleeping on the job. Meanwhile, it is the agricultural community that is paying not for the lack of courage of this government but for its failure to act, especially as far as the Minister of Agriculture is concerned.

I hope there will be appropriate foresight on the part of officials during the next WTO negotiations. Proper management means proper foresight, and the Liberal government is showing neither when it comes to agriculture.

[*English*]

The Acting Speaker (Mr. McClelland): Before we go to the parliamentary secretary for a response, I want to say that the interpreters did a wonderful job in that discourse. I know it is difficult chore from time to time and I want to thank them.

Some hon. members: Hear, hear.

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, may I just in preface say, adding to my previous answer, that no application has been received for an export permit to Iraq by the Department of Foreign Affairs from the Kanata company's group.

Responding to the hon. member for Frontenac—Mégantic, I do apologize. I have just seen this text now and there is no French version. I can try to translate it, but I think it would probably speed up things if I give the version in a somewhat less eloquent English than his French.

• (1835)

[*Translation*]

Mr. Jean-Guy Chrétien: Mr. Speaker, I have a point of order.

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I would like to encourage and forgive right now the member for Vancouver Quadra, because at the Department of Agriculture, there is little concern for the French language, and this is not surprising.

[*English*]

The Acting Speaker (Mr. McClelland): That is not a point of order and there are no points of order in adjournment proceeding. The hon. parliamentary secretary has the right to respond in either language and was being courteous.

[*Translation*]

Mr. Ted McWhinney: Mr. Speaker, I accept the challenge.

Canada wants to vigorously defend the Canadian dairy industry against American claims that we are subsidizing dairy exports, in violation of our obligations under the World Trade Organization.

They also state that we did not respect our quota on milk. The United States asked Canada for formal consultations on these issues until October 8. These consultations were held at Geneva on November 19. Consultations are the first formal step in a complaint made to the World Trade Organization.

It will be up to the United States to request that a World Trade Organization panel be set up 60 days after the request for consultations, that is after December 7.

The special system for pricing in Canada and for quotas on dairy tariffs meets Canada's obligations under the rules of the World Trade Organization. We are ready to defend our system before a commission so that this conflict can be resolved.

Canada will insist that any action taken by the United States on this issue not be in compliance with the rules of the World Trade Organization.

[*English*]

ABORIGINAL AFFAIRS

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I appreciate the opportunity to follow up on the question I raised in the House approximately a week ago. I asked the minister of Indian affairs about the problems of accountability on reserves and the fact that unfortunately many of the people were extremely destitute. Yet, according to the department's own statement, although everything may not be nice and wonderful it is certainly well under control. I would beg to differ.

Unfortunately our aboriginal people who live on the reserves have living conditions that are absolutely intolerable and would not be tolerated elsewhere in the country. I wonder why the government would continue on that basis.

The minister held up the Alexander First Nation, which happens to be in my riding, as an example of good management that we should look at for other reserves.

In the St. Albert and Sturgeon *Gazette* on November 19, 1997 the chief executive officer of the band was quoted as saying:

Let me be the first to publicly admit to our membership, the only people we feel we have to answer to, that there are problems. There is need for change and greater accountability.

That was in relationship to an investigation that was being conducted by the St. Albert and Sturgeon *Gazette* into some people on the reserve who were living in absolutely abominable conditions.

In the St. Albert and Sturgeon *Gazette* of Wednesday, September 24, 1997 there was an article entitled "Rich man, poor man". It talked about one member of the reserve, Mr. Ernie Bruno, who was given \$1,800 to help build a 289 square foot home. Now a 289 square foot home is not a mansion.

• (1840)

I was actually taking a look at the financial statements which came my way too and I noticed that the auditor had qualified the statement because he had problems with the audit. He stated:

We were unable to obtain sufficient audit evidence to support our documentation.

The rest of the qualifications were contained in there. The statements were of significant length. I was amazed by the amount of money the first nations were paying out in salaries.

For example, under medical, transportation, alcohol and drug abuse, community health representative and van transportation, they paid out \$231,000 in salaries against \$473,000 in revenues. More than half went on salaries.

How about the social services department? This is the department they run to help people. It has revenues of \$672,000 but its salary bill was \$121,000. It goes on and on. Economic development salaries were \$65,000 against receipts of \$240,000. Land management salaries were \$65,000 against receipts of \$212,000.

If I were given the opportunity I could go on at length in a 20 minute speech about the lack of accountability on this reserve and others reserves across the country.

This is what we talked about in question period. We asked the minister to substantiate that the report was factual and that something needed to be done. I would still like to have a real response by the department to this lack of accountability.

I could go on at great length, but in view of the time I would like to hear the response from the department.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Develop-

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ment I am pleased to respond to the question of the hon. member for St. Albert regarding the Alexander First Nation.

The hon. member suggests that the Alexander First Nation is not an example of good management. I disagree. The remarkable turnaround this first nation has made in a few short years deserves credit.

Three years ago the auditor of the Alexander First Nation gave a denial of opinion on the 1994-95 financial statements. At that time the first nation, in open consultation with its community, took a number of steps toward rectifying the situation, including holding open community meetings with the band auditor. Over the past two years the first nation has made positive steps by showing an operating surplus each year and plans to have no deficit by March 1999.

Under the terms of its remedial management plan Alexander must make arrangements for professional accounting assistance and provide monthly financial statements to the department. Regional officials meet regularly with band representatives to review progress on the plan.

Aside from the department's reporting requirements, the chief and council hold general band meetings each year to provide information to community members on the band's financial picture, to inform members of achievements and new initiatives, and to seek clarification on any issue. Each year, members are provided with a copy of the annual report which includes the financial statements.

In addition, this community, under the direction of the chief and council, has been able to reduce the number of community members on social assistance from 100 to 12 persons as a result of innovative economic development projects. These results illustrate real progress within this first nation.

SUMMA STRATEGIES

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I asked a question of the prime minister on December 4, just about a week ago, in relation to Summa Strategies Inc., a lobbying company in Ottawa.

My question was with regard to the activities of this company because two former Liberal members of Parliament were acting on behalf of an American company to take possession of a Canadian port.

We had a vote in the House last night on the marine act, Bill C-9, which would see the privatization of ports in Canada.

What disturbs me about these two members of Parliament is that one of them is Doug Young, the former minister of transport who was the architect of the marine privatization act or Bill C-9. It is

identical to the original bill that he introduced to the House when he was the Minister of Transport in the previous Parliament.

● (1845)

There is something patently wrong when the government allows that type of activity to happen, because here we have it. The gentleman who knows the department intimately, the former minister who wrote the act, now works on behalf of an American company that wants to take ownership of a Canadian port.

It is bad enough that Mr. Paul Zed, a former member of Parliament, is also involved in that consulting company. In fact, he is one of the co-owners with Mr. Young of Summa Strategies. It is bad enough that a member of Parliament would be involved, but when you have a minister acting along with the member of Parliament doing that, the former member of Parliament and the former minister, there is something absolutely wrong.

When I raised that question in the House, I asked the Prime Minister, does this meet his definition of ethical behaviour. They just fudge on the answer. A lot of Canadians want to know whether or not that would meet the Prime Minister's definition of ethical behaviour. I think most people in this House on both sides would say no, it does not meet what would be an acceptable level of ethical behaviour.

What Mr. Young and Mr. Zed are doing in terms of the law, I am not going to stand up here and say they are breaking the law, because obviously they are both very smart men, they are intelligent men. But we are talking about ethical behaviour, and insider knowledge and information of departments, and the architect of the very act which we debated in this House this week which will be given royal assent very soon. There is something wrong when that happens.

On the provincial side of this equation, we have a former minister of economic development in the province of New Brunswick by the name of Al Lacey who owns the company Al Lacey and Associates. He is lobbying on behalf of the provincial government.

We have the consummate insiders both federally and provincially. There is something wrong when that is allowed to happen, especially when we are looking at giving ownership of a Canadian port to an American company.

It is absolutely bizarre that we would allow the Canadian government and the province of New Brunswick to allow a port like that to be sold and allow the highest paid lobbyists in the country to represent these companies, every one of these lobbyists being former members of the crown cabinet or members of Parliament.

On that I rest my case. I look forward to the response from the parliamentary secretary.

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Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we cannot comment on innuendoes or suggestions. We must deal with facts and we operate under the rule of law in Canada.

I thank the hon. member for Charlotte for his question concerning Summa Strategies and the divestiture of the port of Bayside, New Brunswick.

I must emphasize that the divestiture initiative under the national marine policy is going extremely well. In Atlantic Canada alone, 38 ports have been transferred, negotiations are concluded on a further six, and 10 additional letters of intent have been signed with negotiations presently under way. These ports are being transferred to provinces, community based groups and private companies.

Transport Canada is implementing this initiative under a set of guidelines and procedures developed by the department and approved by Treasury Board.

With regard to Bayside, New Brunswick, the officials from Transport Canada convened a public meeting on June 19, 1996 and provided a briefing on the national marine policy and the positive effect it could have for the stakeholders of a port like Bayside. Subsequent to that meeting, a local group of stakeholder representatives was formed and a letter of intent was signed with the group on July 29, 1996.

Charlotte County Ports Ltd. represented by Summa Strategies also came forward and expressed interest in the port. As with any other interested party, the process was explained to them and they were urged to make contact with the local negotiating committee. Charlotte County Ports Ltd. followed this advice and verbally withdrew their expression of interest in favour of working positively with the local port divestiture committee.

Specifically, the hon. member has questioned the involvement of Summa Strategies. Both of the individuals he has referred to are now private citizens and are free to carry out their business affairs as they see fit and in conformity to the rule of the law.

• (1850)

There exists legislation that addresses the lobby business in Canada. I am certain that both of these individuals are fully aware of the requirements surrounding their private business interests.

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

(The House adjourned at 6.50 p.m.)

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