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OFFICIAL REPORT
(HANSARD)

Thursday, March 4, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, March 4, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[*English*]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the 7th report of the Canadian NATO Parliamentary Association which represented Canada at the meeting of the NATO parliamentary assembly subcommittee on defence and security co-operation between Europe and North America held in Washington, D.C. and New York, U.S.A., January 31 to February 6, 1999.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 59th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

I move that the 59th report of the Standing Committee on Procedure and House Affairs be concurred in.

The Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

Some hon. members: No.

* * *

PETITIONS

FOOD LABELLING

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I have the pleasure to present a petition with 318 signatures on the subject of genetically engineered foods. The petitioners ask for parliament to legislate clear labelling on all genetically engineered foods as well as testing these products to ensure they are safe for human consumption.

HUMAN RIGHTS

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

The petitioners draw to the attention of the House that human rights abuses continue to be rampant around the world in countries such as Indonesia. The petitioners also point out that Canada continues to be recognized internationally as the champion of human rights.

The petitioners call on the Government of Canada to continue to speak out against human rights abuses and also to seek to bring to justice those responsible for such abuses.

* * *

• (1010)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Supply

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—TAX SYSTEM

Mr. Jason Kenney (Calgary Southeast, Ref.) moved:

That, in the opinion of this House, the federal tax system should be reformed to end discrimination against single income families with children.

Mr. Chuck Strahl: Mr. Speaker, I rise on a point of order. I would like the Speaker to know that during today's debate the members of the Reform Party will be dividing their time.

Mr. Jason Kenney: Mr. Speaker, I will be splitting my time with the hon. member for Calgary Centre, who has done yeoman's work in fighting for tax fairness for families and I think he deserves some considerable recognition for his efforts in this regard.

I am today moving that, in the opinion of this House, the federal tax system should be reformed to end discrimination against single income families with children.

It really is unfortunate that we need to put forward a motion like this in this place today. As the official opposition, we rise in the House to deal with the gross and inexcusable inequity, one that undermines the basic unit of any healthy society, the family. I speak of an inequity which creates perverse unfairness for struggling, hardworking parents who are doing the most important work of the nation, raising children, raising the next generation.

This inequity is a tax code which treats stay at home parents as though they are second class citizens and which, in the words of the C.D. Howe Institute, gives children the same level of economic importance as disposable consumer items.

We bring this motion forward today after years of advocating tax fairness for families not only as the official opposition giving voice to the concerns of millions of Canadians but in many other organizations across the ideological spectrum.

We come here in a particular context, in the context of comments made this week by the hon. secretary of state for finance who said, as we know, on Tuesday: "If two members of a particular family are both working, first of all they are putting in twice the working hours as stay at home parents". He furthermore said that they also have twice the expenses, including the expenses of not having someone at home doing the housework, that is, having to pay for maids and nannies, I suppose.

This reflected the views, not just a temporary slip of the tongue but the fundamental views, of this government when it comes to justifying the unjustifiable and inexcusable inequities in the tax code.

It is not an isolated comment. Yesterday I quoted from a memo that the Prime Minister's office distributed in October 1996 wherein it said of the Reform Party's proposal to increase tax deductions for children that the notion that this will encourage parents to quit their jobs and return to the kitchen is naive.

Why is it that the Prime Minister's office believes that parents who work at home raising their children are "in the kitchen"? What kind of negative, prejudicial stereotype is this enforcing about people who are making real economic sacrifices to do what they believe is best by their families?

Again, this was not an isolated comment. I was at a finance committee hearing in Calgary in October of last year when I heard the member for Vancouver—Kingsway say to advocates for tax fairness for families: "Most women can combine career and family life but a lot of women just take the easy way out". The hon. member for Vancouver—Kingsway, as reported in *Hansard*, said that stay at home mothers are taking the easy way out. I say shame on the member and anyone who would tolerate that kind of prejudicial remark to these stay at home parents making sacrifices.

The hon. member for St. Paul's in the same kind of fracas with these defenders of stay at home parents characterized them when she said they are perceived—presumably by her—as elite white women. She is talking to these individuals who have come before a finance committee to defend equity and disparaging them as elite white women?

• (1015)

The member for Essex—Windsor in the last parliament said that the Reform Party's notion of tax for stay at home parenting was a nostalgic notion. I ask, not rhetorically but really, what is nostalgic about the choice made today by a third of Canadian parents who choose to give up the second car, the bigger house, the vacation in order to stay at home and raise their kids, and spend as much time as they can bonding with their children and raising the future generation? I submit that there is nothing nostalgic about it. I submit that it is specious to suggest that these people do not work. They are doing the most important work there is to be done in our society.

We could dismiss these slips of the tongue in evidence of the fundamental Liberal philosophy, which is hostile to stay at home parenting, but these comments reflect the real discrimination that exists in the tax code. Rather than hearing empty apologies for these kinds of prejudicial remarks, we want to see this tax system corrected.

Routine Proceedings

What is wrong with this tax system that we are talking about? I will tell the House what is wrong. A family with one income earner who earns \$35,000 ends up paying \$2,281 more in taxes than a two income family with the same gross income. That is nearly a \$2,300 differential for a very modest income family. That is according to federal government budget documents. According to the C.D. Howe Institute, a single income earning family making \$50,000 pays about \$4,000 more than its double income equivalent or about two-thirds more.

This is not just an aberration. The government made policy changes in its last budget to increase the child care tax deduction, one of the principal offending elements of the tax code in this respect, by increasing it over the last and current fiscal years. It actually increased the disparity, the inequity, the unfairness between two income and single income families with children. That is inexcusable.

People may ask what is the basis for this inequity. First, there is the child care tax deduction which allows those parents who pay for third party day care to deduct a substantial portion, \$7,000 per child under the age of 12. That is a deduction which is not available to parents who raise their kids at home, who forgo the second income and do assume a cost, called opportunity cost, the cost of giving up income.

One of the other offensive things this government did was to raise the age under which parents can claim the child care tax deduction for minors. It brought in a \$4,000 deduction for children between the ages of 12 and 16. What does this mean? It means that some parents are claiming this deduction to send their kids to hockey school and summer camp, while those parents who are taking care of preschool kids at home get no coverage, no advantage from the tax system. It is just plain wrong.

One of the other offending elements is the basic exemption versus the spousal exemption. The spousal exemption is worth about 20% less than the basic personal exemption. What this says to fathers and mothers who decide to stay at home is that they are second class citizens. Their value to society is deemed to be only 80% of the value of somebody who works outside the home. We say enough of this kind of second class status for people who are staying at home to do what is best for their families.

Those are the principal offensive areas of the tax code. Single income families also end up in higher brackets. They do not get to claim as much RRSP room as the combined room of two income families and so forth. Families do not want it this way.

One of the interesting things we see, according to the Vanier Institute of the Family, is that over the past several years two income families have seen their after tax income stay relatively flat, while single income families have seen their incomes since 1989 go down by 10%. The single income families that tend to be at the lower end of the income scale and that need the help the most are falling further behind because of these inequities, while the double income families that tend to be higher up the income scale are staying at least even with the enormous tax take of the government.

• (1020)

Families do not want it this way. Eighty-two per cent of Canadians in a 1998 Compas poll said they wanted the tax code changed to make it easier for parents with young children to have a parent at home. Ninety per cent of Canadians feel that taxes are too high for parents with children and that this is placing a greater stress on them than it did a generation ago. Eighty-six per cent of Canadians favour a lot or some priority for families with a stay at home parent. Ninety per cent believe the family setting is preferable to day care when asked what is the best for an infant or preschool child.

In a 1991 Decima poll 70% of the women asked said that if they had the choice they would prefer to raise their children at home rather than work outside the home and use day care.

That is what Canadians are saying by overwhelming margins: 70%, 80% and 90%. We do not get that kind of consensus on virtually any other public policy issue. It is very clear that these people are falling behind even though they are working harder and playing by the rules.

What is the remedy? Very simply, we propose to convert the child care tax deduction into a refundable credit and increase the value of that credit to \$7,900, which would equalize the playing field. We would also convert the child care tax deduction into a credit. We would raise the spousal amount to be equivalent to the basic personal amount.

That is a starting point, but we need to start this national debate—

The Deputy Speaker: I am afraid the hon. member's time has expired.

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. I would be grateful if you would seek unanimous consent to return to motions under Routine Proceedings.

The Deputy Speaker: Does the House give its consent to return to motions under Routine Proceedings?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the 59th report of the

Supply

Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—TAX SYSTEM

The House resumed consideration of the motion.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am absolutely sure today that we are going to hear a great deal about the importance of raising our children and care giving, no matter what choice is made by parents.

This morning the hon. member raised a couple of issues that I would like to pose to him. The first issue is the differential between the basic amount, the non-refundable tax credit for individuals, which is \$6,452 I believe, and the spousal amount, which I believe is \$5,380. One of the recommendations is that we equalize those because they should not be different.

I wonder if the member would comment on why he did not take into account the fact that spouses who stay in the home can in fact earn \$538 of taxable income before any of the non-refundable credit would be eliminated. There is in fact another component that he has totally missed.

The primary question concerns a problem I have with the motion itself. The member consulted with me yesterday and I suggested to him a change which he did not accept. The motion states that the tax act discriminates against single earning families with children. One out of six families in Canada are lone-parent, one-income families. Why is the member excluding single income, single parent families from the motion?

Mr. Jason Kenney: Mr. Speaker, we are not. The motion speaks to single income families with children. Single parents with children fall under that category. Those single parents with children who have no income suffer no tax discrimination because they suffer no taxation. I therefore do not follow the member's reasoning.

With respect to the question on our proposal to raise the spousal amount to become equivalent to the basic personal exemption, this is simply a question of equity. We see no reason for the current arrangement whereby stay at home parents who do not generate their own income are told that their contribution to society is somehow less significant than those who are in the "paid" workforce. We ought to equalize that. It is not a convoluted,

technical issue. It is simply a question of principle and a question of fairness.

• (1025)

Mr. Jim Jones (Markham, PC): Mr. Speaker, I would like to congratulate the member for Calgary Southeast for bringing this motion forward.

Helping our families through tax relief is an admirable goal for any government. Certainly the Conservative government in Ontario has led the way in that regard.

I would ask a simple question of the Reform member. In 1993 Ron Mix, a Reform candidate in Edmonton North, said this about women in the workplace. "Women are being forced to work under the guise that they are being liberated and enjoying the freedoms of the workplace, when in fact it is bondage". Meanwhile, in a 100 page paper the Leader of the Opposition quoted from the Bible:

Wives, be subject to your husbands as the Lord, for the man is the head of the woman.

I ask the Reform member, as this motion deals with ending discrimination in the tax system, will that member also refute those discriminatory comments, or does the Reform member support those comments?

Mr. Jason Kenney: Mr. Speaker, what I rebuke are the gutter politics of the member for Markham. Shame on him for taking an issue like this, an issue of fairness and equity for families, which he ought to agree with in principle, and taking it down to the gutter.

That member may not have recognized that the members of my party have engaged in a form of unilateral rhetorical disarmament with respect to that party. But as far as that member is concerned, that ends right now. Let me remind him who started the inequities for families in the tax code and who tolerated them for nine years. It was the Mulroney government. It was the PC Party which he represents which allowed this discrimination to seep its way into the tax code. It was that government which de-indexed the tax rate which has cost \$11 billion to taxpayers since then. It has forced 1.2 million taxpayers on to the tax rolls since then.

Shame on this member for accusing the Leader of the Opposition of quoting from his scriptural book in a negative way. To bring a member's personal religious convictions into a policy debate like this is beneath contempt.

There are all sorts of ridiculous comments that have been made by members opposite in the last week which suggest a discriminatory attitude toward single income, stay at home parents. That is what we ought to be addressing our attention to, solving the problem which is creating enormous pressure on Canadian families, enormous economic pressure—

Mr. Jean Dubé: Mr. Speaker, I rise on a point of order. I was listening to the comments made by my colleague from the Reform

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Party. I believe I heard him say that our colleague on this side was using gutter politics. I believe that to be unparliamentary.

The Deputy Speaker: I am happy to look into the matter. I heard the expression. I did not immediately leap to the conclusion that it was unparliamentary. But at the request of the hon. member I will certainly have a look at the precedents to see if in fact such an expression has been ruled unparliamentary. It is borderline, but my inclination was to allow it. However, I will look into the matter.

Mr. Jason Kenney: What a jerk.

The Deputy Speaker: Resuming debate, the hon. member for Calgary Centre.

Mr. Jason Kenney: You guys are just a bunch of assholes.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, today we are debating an important motion that has been a long time in coming to the floor of the House. In fact, too long, I would suggest.

The motion is that in the opinion of this House the federal income—

The Deputy Speaker: Order, please. The hon. member for Markham on a point of order.

Mr. Jim Jones: Mr. Speaker, I would like to have the hon. member for Calgary Southeast retract the statements he just made.

The Deputy Speaker: Perhaps the hon. member could clarify which statements it is he is referring to. If it is the one I have taken under advisement, I am sure he will wait until I have had an opportunity to advise the House of the position of the Chair. But if there is something else that was said, I am not sure what it is he is referring to and I wish he would clarify the matter.

Mr. Jim Jones: Mr. Speaker, I cannot repeat what he said. It is unparliamentary.

The Deputy Speaker: We are on a point of order at the moment. The Chair has indicated that he will look at certain words to see if in fact they are unparliamentary. I did not hear other unparliamentary words.

If the hon. member for Markham feels there was something unparliamentary said, I will hear him out.

• (1030)

If he does not want to say the words I would suggest he approach the Chair and we will have a discussion about it; but I am not prepared to order someone to withdraw something I did not hear that was unparliamentary.

Mr. Jim Jones: Mr. Speaker, he called us a bunch of assholes.

The Deputy Speaker: That clearly would be out of order, but the Chair did not hear such an expression. Did the hon. member for Calgary Southeast use that kind of language? If he did, I am sure he will want to withdraw it at once.

Mr. Jason Kenney: Mr. Speaker, I did not articulate that word. I will withdraw any comments that I made that are unparliamentary and apologize to any members if they feel I may have uttered unparliamentary remarks, unequivocally.

The Deputy Speaker: I think that resolves the matter. The hon. member for Madawaska—Restigouche on a point of order.

Mr. Jean Dubé: Mr. Speaker, I heard you say my name quite clearly and I also heard the comments of the member from the Reform Party calling us a bunch of assholes, and that is unparliamentary.

The Deputy Speaker: The hon. member has said that he withdrew the remark, and that is the end of it.

An hon. member: He didn't withdraw.

The Deputy Speaker: He did withdraw, and that is the end of it.

Mr. Eric Lowther: Mr. Speaker, it seems what we thought might be a fairly calm debate could be a lively one.

We are debating an important motion which has been a long time coming to the floor of the House. The motion reads:

That, in the opinion of this House, the federal tax system should be reformed to end discrimination against single income families with children.

Single income families have long known that they are disadvantaged by the Liberal tax policies and it keeps getting worse. For example, a single income family earning \$60,000 will pay \$9,589 in taxes, but a two income family making the same \$60,000 pays only \$5,790 in tax.

The single income family pays 65% more taxes in this tax bracket. It is the same scenario at \$50,000. The result there though is actually worse with 91% more in tax paid by the single income family. The lower we go, the worse it gets. At \$45,000 the single income family pays 136% more, and so it continues.

In addition, the dual income earning family can deduct child care expenses if children are cared for in institutional day care programs which would serve to further reduce the tax paid by the dual income families compared to single income families.

Even after a decade of petitions and lobbying the Liberal government each year adds to the discrepancy between the tax paid by single income families and dual income families.

Single income families pay more in tax on the same income. They also miss out on the \$7,000 allowable child care expense deduction if children are put in institutional day care programs. To add insult to injury, a parent who is at home is treated as somewhat

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less of a person in that he or she receives a basic spousal deduction of almost \$1,100 lower than what every other working Canadian receives as their basic personal exemption.

A number of other voices are joining with Canadian families in the call for more equitable tax treatment. The Canadian Council on Social Development and the Vanier Institute in 1998 noted that average Canadian family after tax incomes have substantially fallen in recent years.

The C. D. Howe Institute, the National Foundation for Family Research and Education, and the *Fraser Forum* have all now reported that there currently exists unjustifiable inequities in the current tax treatment of families. For example, the C. D. Howe Institute, when referring to the child care exemption deduction, said:

—it is difficult to find a rationale for the CCED in the desire to achieve greater equity in the treatment of dual earner versus single earner couples, since families that care for their own children have lost all tax recognition for their children.

Reformers have long been aware of the need for fair family taxation in Canada, specifically in past budgets and again in this year's budget. Reform proposed an alternative budget. We detailed a fully costed out proposal that provides substantial tax relief to all families. In addition, we detailed a fully refundable tax credit for all parents regardless of how they choose to care for their children. It is not a tax deduction but a credit that would be equal in benefit to all parents whether or not they had taxable income.

• (1035)

We say let us leave the money and the child care choices with parents where they belong. Reform has long called for the basic spousal exemption to be equal to the basic exemption. Today the exemption for a stay at home parent is \$1,100 less than for a working parent.

The financial considerations are important but also important are the social messages current tax policies send. Let us examine some of that social messaging. We know that family situations are dynamic and changing in Canada today. Parents are doing the best they can. Sometimes parents provide child care at home. Sometimes an extended family member helps with the children. Others share their responsibilities with friends or with local community groups. These and a dynamic variety of other arrangements occur.

Why does the Liberal government give a \$7,000 tax expense deduction to institutional day care but there is no recognition of any other type of care? It sends the message that parental or extended family care has no value. This is wrong. A refundable child tax credit to all parents leaves the money and the child care choices with parents where they belong.

What about the message to stay at home parents when the basic spousal exemption is \$1,100 less than everyone else's basic

exemption? For many the message according to the Liberal tax code is that they are less than complete people, that they are second class people. This is a wrong message.

Often these same parents have chosen to devote the majority of their time to the nurturing of their children, Canada's next generation. Do members not think that is valuable work? Then why does the Liberal government continue the message to them through the tax code that what they are doing is less valuable than the work done by every other Canadian?

Reformers say that the basic exemption should be the same for all including parents at home. A recently formed national coalition called the Canadian family tax coalition called on the government to allow income splitting by families. This would allow both parents to pool their incomes and divide it equitably between spouses to reduce total taxes paid.

It would also increase the equity of dual income families. This is not a foreign or unique concept. This kind of thing has been done in many other countries including France, Germany and the United States. Reform supports the examination of joint filing or income splitting, perhaps through a parliamentary committee and some public input, to assess the impacts and to advance us toward more equitable tax treatment of single income families in line with today's motion.

The C. D. Howe Institute stated in a very recent review of the family taxation system that the take portion of Canada's tax system, the revenue raising part, assesses taxes on an individual basis but the give portion, the many spending programs, calculates benefits on a family basis. It asked the question whether this inconsistency was defensible. I suggest it is designed to raise the maximum amount of revenue and pay the minimum amount of benefit.

In the same report the C. D. Howe Institute stated that the Canadian Income Tax Act was no longer about tax policy and that social policy had become an increasingly integral part. The institute continued by indicating that, whatever the merits of that side of the act, social policy considerations had crowded out legitimate tax policy objectives.

That is our point today. We are calling on every member to use this opportunity to address the anti-family discriminatory social policies inherent in the current structure of the tax code.

• (1040)

With that in mind, I would like to move an amendment to strengthen the current motion on the floor:

That the motion be amended by inserting before the word "end" the word "permanently".

Supply

The Deputy Speaker: The Chair finds the motion to be in order. Accordingly the question is on the amendment.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have two questions for the member.

As the member knows, as a result of the tax changes in the last two or even three budgets a typical one earner family with two children and an income of \$30,000 or less now pays no net federal tax. He also knows that families with incomes of \$45,000 or less will have their taxes reduced as a result of changes in recent budgets by a minimum of 10% and, in some cases, by considerably more.

Also, in the 1998 budget 400,000 lower income Canadians were completely taken off the tax rolls. In the most recent budget, another 200,000 were taken off. Therefore 600,000 Canadians are off the tax rolls altogether.

First, did the member vote for those changes and support help for lower income families in that case?

Second, with respect to the child tax benefit, which I know the member opposed, does he support the policy implemented by the Government of Ontario, with which his party is trying to develop some sort of united alternative, to deduct from single income families, the families he is apparently speaking in favour of, and families on social assistance, an amount equal to the amount of the child tax credit the federal government has provided in previous budgets and has added to in this budget?

Does the member support the fact that these poor families which were expecting an increase through the child tax benefit had that increase taken away from them by the Government of Ontario, a government that his party is in bed with?

Mr. Eric Lowther: Mr. Speaker, there are a number of questions and I will go fairly quickly. Yes, we did vote against some of the initiatives which this member just raised. Our proposal detailed how a million low income Canadians would come off the tax roll. We are asking why those low income Canadians were ever on there in the first place.

The member has talked about the various budgets they brought forward to help low income Canadians. As far as dealing with the motion today, the inequity or the differential between single and dual income families has only been accentuated by the government opposite.

In its previous budget of 1998 it actually increased the amount of money that can be claimed for child care expenses in an institutional day care. Again it totally ignored the other arrangements of parents in the best interest of their families. It only increased the differential.

As far as the child tax benefit is concerned, one of the tragic points about it is that it is more of a bureaucracy benefit. The government takes money away from the same families it then pays the tax benefit to. They give \$1 to the bureaucracy and the bureaucracy burns up 40 cents of the dollar and gives 60 cents back to Canadians. Why does it not just leave the money with families in the first place?

A lot of improvements are needed over there. It is a fundamental rework of the way they approach the whole tax structure.

• (1045)

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I was looking at the level of incomes. I believe my riding has one of the lowest levels of average income at \$31,000. I have an interest in a statement the hon. member made in terms of 136% more being paid on an income salary of \$45,000.

Could the member give us the real numbers of what the comparisons were between single and double income figures? One hundred and thirty-six per cent more would mean quite a bit more. I was trying to understand what the actual numbers were in comparison.

Mr. Eric Lowther: Mr. Speaker, the member is exactly right. It is quite a bit more. It is more than double. In fact those numbers that I quoted in my speech and which I do not have committed to memory came from this Liberal government's budget book that was released to all of us in the House. Those tables chart out what single income and dual income families pay. If we compare the tax paid at the bracket the member talked about, \$45,000, it gets worse when the income is lower, as the hon. member has mentioned for his riding, and the differential between the two types of families gets even greater.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am very pleased to take this opportunity to respond to today's motion and reject the suggestion that the tax system is consciously and perversely unfair to one earner families with children. I recognize that the member for Calgary Southwest who moved this motion has sincere intentions but I submit that his logic does not stand up.

Simple comparisons like these do not tell the whole story or the true story. What causes the tax differentials between one earner and two earner couples is the application of two basic principles of our tax system: progressivity on the one hand and taxation that is consistently based on the income of the individual. Let us look at how the principles work.

Progressivity means that as individuals move up the income scale, they pay a larger share of their income in taxes. Is the Reform Party suggesting that we should tax someone who is earning \$50,000 at the same rate as someone earning just \$25,000?

Supply

Should someone who is earning \$1 million be taxed at the same rate as someone who is earning \$10,000? That is patently unfair.

Individual taxation means that someone who goes to work outside the home pays taxes based solely on their individual earnings, not on the income of their spouse. That is only fair. It also means that individuals do not face increases or tax reductions when they choose to marry. That too is only fair.

If the Reform Party wants to eliminate the tax differentials between one earner and two earner couples, it has to be prepared to do away with these basic principles of our tax system.

Today's motion is not an appeal for equity. I submit it is a Trojan horse hiding its real agenda under the guise of family values. Does the opposition party object to progressive taxation, to the idea that more affluence must be accompanied by more obligations or by certain obligations? Why does the Reform Party not tell us up front that it wants the tax burden on lower income Canadians to be the same as the tax burden on higher income Canadians? That is what this motion leads to.

Do members of the Reform Party want a family based tax system? Then why do they not make it clear that what they want is for many women to be taxed at the higher tax rates of their husbands or vice versa? That is what this motion really does.

Does the Reform Party really believe that a husband and wife earning \$20,000 and \$30,000 respectively should together pay the same amount of tax as someone who earns \$50,000? If this is what the Reform Party wants, it is essentially saying that every dollar that a spouse earns should be taxed at the 26% marginal rate.

On the other hand, Reform Party members stand up and pound on the table and say to cut taxes in half for everyone but not once do they mention that they would gut pensions, gut equalization or health care in order to achieve that sole objective of cutting taxes in half. How would the Reform Party do it? The hon. member opposite talked about proposing an alternate budget, an alternate way of running the country and doing the finances of the country. The member fails to mention that the Reform Party in its proposal is also predicting surpluses in the \$30 billion to \$35 billion range.

• (1050)

The Reform Party bases its optimistic growth rates at 5.5% over the next three years. It is almost two times what the private sector consensus is for growth in nominal GDP, which is the underlying tax base.

When we talk about these types of motions, in the end the bottom line is that someone needs to pay for them. In order to do that we have to be able to plan effectively and ensure that our

finances are in place in order to move forward on an effective and realistic plan.

The Reform members also assume in their plan that they want to reduce almost \$9 billion in expenditures to existing programs to provide resources for new initiatives. Perhaps that is how they are going to cut the tax rates in half, by gutting programs to the tune of \$9 billion or more.

Given the unrealistic surplus projection that they have put in their program, \$30 billion to \$35 billion over the next number of years, basing their revenue growth forecast on an average of 5.5% for the next three years, almost two times what the private sector consensus is, by gutting these other programs, cutting almost \$9 billion, or more, we see what this motion is all about. It is all about gutting the programs that we have in place and jumping on this hobby horse under the guise of family values.

At the same time, I have no trouble whatsoever making it clear where this government stands and where I stand, not just as a member of parliament, but as a husband and a father and as a citizen of this country. I appreciate and I commend the hard work and dedication of Canadians who choose to stay home to raise their children. I commend them. And while I do that, I also support the underlying principles which form the basis of the tax system.

I am not standing here talking about my political ambitions, like members of the party opposite who under the guise of family values pound on the table. But they have another agenda which I think is way below what this House really wants to get into.

We stand for a tax system that is progressive. It is only fair that individuals should pay a bigger share of their income in taxes as their income rises. I think that is an underlying principle. I think that if the Reform Party is putting forward this motion, then essentially it is saying that it does not believe in that principle. Reform Party members do not believe in the progressivity of the tax system.

We stand for a system based on individual taxation. I do not believe that anyone in this House wants to penalize women who decide to enter the workforce.

The opposition may choose to see someone earning \$50,000 as no different from a couple earning \$20,000 and \$30,000 a piece. But if we look at the situation fairly, rather than through this moral myopia, the fact is that the economic situations of these two families can often be very different. We have to recognize that. Recognizing that these differences exist is only fair and it is only what a responsible government should do and must do.

That takes me to the real bottom line for a responsible responsive government. It is finding genuine, effective and equitable ways to help those families and children in real jeopardy and need. The answer does not lie in the so-called discrimination against one

earner families vis-à-vis dual income families. It actually does more to obscure the broader debate about tax fairness than it does to advance it.

The fact remains that some one earner families are better off than some two earner families and vice versa. This means that focusing on one earner versus two earner issues misses the point completely. It certainly does not make for a productive debate on options for making the tax system fairer and reducing the burden on low income Canadians. That is why as the fiscal situation improved we have taken concrete and increasingly broad action to help reduce the tax burden for all Canadians. But we have also made it a priority to target what we can do, the largest share of that relief, to those with low incomes.

The child tax benefit, which the party opposite voted against and does not think is of any value, has been increased by \$2 billion in three successive budgets to provide increased financial assistance to families with children. Of the \$2 billion, \$1.7 billion was targeted to low income Canadians through the national child benefit supplement.

• (1055)

Our approach to taxation and to families is fair. It makes some sense. It is delivering relief to families that need it most, namely low income Canadians, especially those with children. The opposition may try to reduce difficult social issues to simplistic arguments of either/or, us against them, but I believe that the majority of Canadians see more clearly and more openly.

Some parents choose to both work; others have no choice. Some parents choose to have one spouse stay at home; again, others have no choice. Each have their special challenges and concerns. There is no tax system in the world that can give each and everyone of these individuals their own special treatment and privileges.

What a responsible government must do is identify basic fundamental principles and apply them universally, equitably and reasonably. That is what our national tax system tries to do. It applies the principles of progressivity and taxation of the individual. That is the fair way. It is the open way. I submit that it is the proper way.

It is in support of those values and in the sustaining of interests of all families and children that I have no hesitation whatsoever in urging the House to reject today's motion.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I do not know where to start. That was more of a diatribe on why he does not like the Reform Party than it was on anything substantive to do with the motion we are debating today.

There is so much I could dive into, but I want to bring us back to the actual motion. The motion is talking about the inequities

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between a single earner and a dual earner family. One of the key areas in which his government has continued to make the situation worse and worse is to continue to increase the tax expense deduction for parents who choose to put their children in an institutional receipt type day care situation. It does absolutely nothing for every other kind of parent out there. There are all kinds of scenarios. All parents incur costs in the rearing of their children and the government only respects one option.

Why will the government not at least look at the inequity that it builds into the system in ignoring every other kind of parental care and saying only one kind has value and that is institutional day care?

Mr. Tony Valeri: Mr. Speaker, I understand that the hon. member has a great interest in this particular issue. He is out there promoting his position.

I often take exception to the fact that the whole basis of the question and of today's motion is the belief that other members of other parties in this House do not support the work done by Canadians who choose to stay home to raise their families. That is fundamentally wrong. That is the basis I take exception to. To stand up in the House and point to another member, to a government, or to a party and say "You do not believe that the work that Canadians do in raising their children at home has any value", I take exception to that. We have taken initiative in trying to assist those Canadians who choose to stay home.

The hon. member talks about the child tax benefit and says that it does not in effect assist those Canadians who decide to stay home or the one earner versus the two earner family. Speaking directly to the motion today perhaps after I give the response, Reform members might look at the child tax benefit in a different light.

The Canadian child tax benefit is targeted on the basis of family income. A one earner family receives substantially more money on average from the child tax benefit than a two earner family when the 1999 budget measures are implemented. If hon. members would take the time to do the analysis, they would find that the 1998 and 1999 budget is enhancing the tax position of one earner families versus two earner families.

• (1100)

I am not sure whether the hon. member across the way has taken the time to do that.

In the haste to get into this us against them, one earner versus two earners, they completely ignored the measures the government has taken to try to provide fairness in the tax system.

Again, is he fundamentally opposed to the progressivity in the tax system? Underlying the member's motion here this morning is opposition to that very principle.

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The Reform Party, by putting forward this motion and the arguments I have heard so far, has never once mentioned or indicated to the House that it supports the progressivity in the tax system, that those who earn more money have certain obligations in terms of the tax system.

Could the hon. member across the way speak to that and say that his party supports the progressivity in the tax system?

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise on a point of order. I believe you will find consent for the following. I move:

That at the conclusion of the present debate on today's opposition motion, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred until Tuesday, March 9, 1999 at the expiry of the time provided for Government Orders.

(Motion agreed to)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am very pleased that the Reform Party is giving us an opportunity to deal with the important issue of tax equity and tax fairness for Quebec and Canadian taxpayers.

As you probably know, tax fairness has always been a concern for the Bloc Québécois. Since the 1993 election campaign, we have never stopped stressing the need for a personal and corporate tax system that is based on fairness and equity.

In November 1996, the Bloc Québécois released a study on corporate taxation which looked at tax expenditures for businesses, that is the provisions included in the Income Tax Act to allow businesses to pay less federal tax.

Less than a year later, we tabled an in-depth report that reviewed personal income tax and tax expenditures, and in which we showed the evolution of that tax component since the Carter report, at the end of the sixties, and the obvious injustices we found in the tax system, particularly for middle income taxpayers.

We also proposed corrective measures to the Minister of Finance, who was favourable to the report when it came out. These measures are aimed at making the federal taxation system fairer to middle income earners and a bit less generous for taxpayers earning \$250,000 and up, for instance, or for millionaires and billionaires.

At the time, we analysed the tax spending of individuals and concluded that there were \$4 billion dollars of tax resources spent on tax advantages for individuals that were outdated, exemptions that no longer served the purposes for which they had been designed.

We took these \$4 billion in tax exemptions and reallocated them within the system. We also generated over \$2 billion in savings that could be put towards tax relief for low and middle income families and correcting inequities in the system, such as those denounced by the Reform Party this week.

The Minister of Finance was quite impressed by our analysis and set up a task force that held closed door meetings for over one year but apparently looked only at corporate taxation, not individual taxation, because he did not want to spoil things for his rich millionaire friends.

• (1105)

This group, headed by Mr. Mintz, an Ontario academic, tabled its report last year. It has been on the back burner ever since. This may have been a good idea, because what it contained was not necessarily what was desired, at least as far as a good number of the recommendations were concerned.

In response to a very serious need for fair taxation, the Minister of Finance struck a bogus group that turned out a bogus report, which led to bogus decisions, for the latest budget contains no significant personal or corporate income tax measures aimed at correcting injustices.

There is flagrant injustice as far as the income categories are concerned. One need only look at the taxation rates by level of taxable income to see that there is a serious problem. That problem must be addressed, not ignored or studied by bogus task forces.

Let us take the example of a family with two taxable incomes of less than \$30,000. Both the man and the woman earn less than \$30,000, let us say \$29,500. Their tax rate will be 17%.

On the other hand, for a single earner family whose income is less than \$60,000, that is to say one person who earns under \$60,000, instead of two with a total income of under \$60,000, the tax rate will be 26%. This makes no sense, particularly since there has been no indexation since 1984. When I refer to indexation, I do not mean just indexed tax credits, personal exemptions and other deductions, I mean also indexation of the various taxation levels.

Since there is none, we find ourselves in a situation where the 17% tax rate this year ought to apply not only to taxable incomes of \$29,500 as it does at present, but to taxable incomes of \$36,918.

In other words, those with an annual single or family income of between \$25,590 and \$36,918 ought to have paid only 17% tax this year, but instead they pay 26%. Can members see the double injustice here? If we compare a family with two incomes totalling less than \$60,000 and a family with a single income of less than \$60,000, there is a difference in the tax rates, one being 17% and the other 26%, which is a blatant injustice.

Moreover, the 17% tax rate would not apply only to incomes of up to \$29,590, but also to incomes of up to \$36,918, had full indexation been in place.

Do members know how many taxpayers are affected by this situation? If we look at the tax brackets for Canadian taxpayers, we see that 70% of them are in the under \$35,000 category. This means that if the Minister of Finance had the political will to correct the gap between families with one income and families with two incomes, and if he decided to fully index the tax tables and tax brackets, 70% of all Canadian taxpayers would benefit from such a measure. This is a lot of people.

However, because the Minister of Finance does not have that political will, and because of the fact that he has been relying on economic growth since he took office, the government is maintaining injustices such as the ones condemned by the Reform Party and by the Bloc Quebecois since 1993. Furthermore, there is a lot to be done regarding the tax system.

• (1110)

As I said, we released two in-depth studies on corporate and personal income taxes, and we found that, in addition to the injustices being discussed today, the tax system is full of inconsistencies.

Let us take, for example, the child care expense deduction. Does it make sense that Canadian families earning over \$100,000 save a minimum of \$313 in taxes on each \$1,000 they spend on child care, while those earning in the neighbourhood of \$30,000 save only \$175 for the same \$1,000? This is not right.

If the Minister of Finance had done more than just pay lip service to the Bloc Quebecois' analysis of personal income tax, he would have corrected this a long time ago. The figures we provided in 1997 were very eloquent.

We pointed out that 25,000 Canadian couples earning over \$100,000 had reported child care expenses of almost \$25 million in 1993. Their tax savings were \$7.6 million. We are talking about \$7.6 million for 25,000 couples earning \$100,000 and over.

If these 25,000 couples had earned around \$30,000, their tax savings on child care expenses would have amounted to only \$4 billion, or almost half what those earning \$100,000 end up saving. There is something wrong here.

There are many similar injustices in the taxation system. I am sure there will be another opportunity later on, because we have to keep bringing these things up, to give other examples of unfair situations that must be urgently addressed. These injustices affect low and middle income families and prevent them from contributing fully to the economic activity of the country.

The government must wake up and take a look at what needs doing instead of taking advantage of the situation and congratulat-

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ing themselves on producing a surplus on the backs of employed and unemployed workers by dipping into the EI fund. It should be doing some serious work and not producing the likes of the Mintz report.

We will be supporting the Reform Party motion and will continue to work for fair taxes.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, this motion has come up in the House over the last couple of days. The opposition leader yesterday said: "A two income family and a one income family, each with children, each earning \$50,000 a year, are taxed differently by this government. The one income family is penalized up to \$4,000 more than the two income family".

I believe that is what the member was referring to in his speech when he compared two \$30,000 income earners to one \$60,000 earner, the comparative rates.

The member said, if I quote him correctly, that each of the two income earners earning \$30,000 apiece, or just below at \$29,950, the first bracket break, is at 17%. He went on to say, however, the one income earner making \$60,000 is taxed at 26%. I believe I heard the member correctly. He said \$60,000 is taxed at 26%.

Is the member not aware that in our income tax system the first \$29,950 is taxed at 17% and the next \$29,950 is taxed at 26% and anything over \$59,000 et cetera is taxed at 29%? Why did the member suggest to the House that a \$60,000 income earner was paying a federal tax rate at 26% when in fact it is only 21%?

[*Translation*]

Mr. Yvan Loubier: Mr. Speaker, I am keenly aware of the comments and thank my hon. colleague for the opportunity to offer some clarifications on what I have just said.

I know very well that what he has just said is a fact. However, what I said is that if there are two incomes in a family, both the man and the woman working, and the family is made up of two adults and two children, and if the two together earn less than \$60,000, the 17% tax rate applies up to the \$29,590 level.

• (1115)

If the income is \$59,180, the portion falling between \$29,000 and that \$59,180 will be taxed at 26%. This is where the injustice lies. In the first example I gave, a two income family, the overall tax rate for the two incomes, which together are under \$60,000, will be 17%. If this is one single income, the part between \$29,500 and \$59,180 will be taxed at 26%. This is the first injustice.

There is a second, that I mentioned earlier. Since there has been no indexation since 1984, not just of deductions and tax credits, but also of income levels, the 17% tax rate applies only to \$29,590. If there had been indexation, the amount between \$29,590 and \$36,918 would not be taxed at 26% but still at 17%. In other

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words, a person earning \$36,900 for example would be taxed at 17%, whereas at the present time he or she will be taxed at 26% on the amount between \$25,591 and \$36,900. This is where the injustice lies.

This situation does not affect just a few Canadian taxpayers. Most Canadian taxpayers earn \$35,000 or less. According to Statistics Canada, 70% of taxpayers earn \$35,000 or less. With just this adjustment to the indexation level, middle income families would benefit from tax measures. It would be only fair to them to provide full indexing, as well as correcting the injustice surrounding the difference between one family income of under \$60,000 and two family incomes totalling under \$60,000.

These two aspects of the tax system must be corrected. The hon. member should support this, being a member of the finance committee. With all his talk of fiscal justice, he ought to support such a measure.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I welcome the opportunity to speak to this motion today and to offer my party's support for it.

We in the NDP are committed to tax reform that is both fair and progressive. It certainly goes to the root of our party's philosophy and vision.

We have been long time advocates of tax policies designed to ease the stress on families and children just as we have been vocal opponents of policies which discriminate against middle and low income Canadians and which benefit corporate interests and the wealthy.

New Democrats have also been aggressive in our support of children, whether as leaders in the movement to end child poverty or fighting for a child tax benefit that does not discriminate against the poorest of the poor or erodes over time because of deindexation.

We also fully support, for example, the ideas that families where one parent chooses to work to raise their children should not be penalized financially for that choice.

That is why we advocate extending the child care expense tax deduction to all parents, not just those who work away from the home.

We support that measure because it acknowledges that family friendly policies, progressive and fair policies, are policies that focus on children and not necessarily on the working status of their parents. That is also why we support progress indicators that are not only focused on the fiscal bottom line.

Current measures of well-being focused solely on GDP ratios do not recognize the important value of unpaid work to society as a whole.

By measuring the value of unpaid household work, genuine progress indicators like the GPI index championed in Nova Scotia remedy this flaw. Measures like this one allow us more accurate estimates of our actual growth as a society and should have a direct impact on social policy and on assessments of our quality of life and our overall progress as a society.

While the Liberal and Reform parties debate in the House who has it better, parents who work in the home or parents who work outside the home, the truth of it is that we are really missing the point. The truth gets lost in the platitudes. Even this motion, which has good points, misses the bigger picture. The truth is that all Canadian families and kids are under stress. This government often with the support of the Reform Party has done more to increase the load than to ease the burden.

• (1120)

There are many reasons for this. For example, incomes are dropping while time spent on the job is increasing. According to the recent growing gap report the annual income of the least well off 90% of families fell in real terms between 1992 and 1997, most dramatically for the bottom 30% who depend heavily on social programs and suffer most because of unemployment, while only the top 10% of families saw a significant increase in income, up \$5,000 to \$138,000.

Billions of dollars have been cut from social spending since the Liberals came to power and increased targeting of programs has meant that some children are deemed more worthy than others. We only have to look at affordable day care and decent day care options to know that this is more and more difficult to find. Affordable quality child care would ensure that children of parents who work outside the home are given the necessary early education and care despite their parents' incomes. High quality care and early childhood education are critical components of an integrated strategy to meet the needs of families but unfortunately the government has chosen to renege on its promises and it is the children who feel the impact.

We also know that the tax burden for low and middle income families has also been on the rise. Instead of increasing tax credits in the last budget for lower and middle income Canadians who have been badly hit by cuts to social assistance and UI and the growth of insecure jobs, the finance minister chose to deliver significant tax relief to high income earners.

Most important, families are under stress and Canadian kids are suffering because too many government policies and policies the Reform Party advocate are too narrowly targeted to favour some families over others. Even Tom Kent, a former Lester Pearson

adviser and one of the architects of Canada's social infrastructure, blasted the finance minister last week for failing to better the situation for all Canadian families.

What has been the result of all this targeting and discrimination that has been designed by public policy into the system? What has been the result of reducing everything to the fiscal bottom line? The investment that parents make when they raise their kids seems to be treated like any other expense and kids become treated like any other commodity, like a company car or a business lunch. That was not always the case.

As a society we did not always favour one child over another because of how parents spend their days. We did not always say that kids on social assistance did not deserve the same consideration as kids whose parents were among the growing ranks of the working poor. We used to have a system tied to universality where there was a basic understanding within governments, within public policy, that the responsibility for raising children was seen as a collective and a community responsibility as well as a responsibility for parents.

We recognized that the well-being of children has a direct impact on the well-being of all of us. We used to have a family allowance for example that was universally accessible and was tied to support for children, not the working status of parents. Instead what we are left with in the nineties is a child tax benefit system that actually discriminates against the poorest in society because it was designed, not by accident, not to apply to families on welfare.

People on welfare do not qualify for the child tax benefit. While the funds will initially be distributed to every child below a specified income level, provincial governments will deduct that amount from current welfare payments. That means that most welfare poor children have gained absolutely nothing from this plan. It is a system like so many others that is structured more to reduce welfare rolls and subsidize low wage jobs than to combat poverty and help children.

Rather than alleviating the poverty of the working poor and the non-working poor, the benefit is designed to push poor women to leave welfare and it does not recognize the value of the work parents do in the home. Most jurisdictions now have rules forcing single parents on welfare to look for work once their youngest child has reached a certain age. Those ages can range anywhere from 6 months to 12 years. This age is actually going down as some provinces become harsher with people on welfare.

• (1125)

As a result, single parents on welfare are forced to take low paying jobs even when it is not in their best family interest and not in the interest of their children. The result is the percentage of children in low income families has increased from 15.3% in 1989, one in seven children, to a staggering 21% in 1995, one in five

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children. Since 1989 the number of low income children has increased by close to half a million or by 45%.

Like the policies this motion refers to, the child tax benefit is discriminatory. It discriminates against the poor and it discriminates against an increasing number of children who live in poverty in this country.

Women who have children are also subject to further discrimination with maternity benefits. They receive only a percentage of their salary for the time they take off with their children, making the economic liability of child rearing that much heavier to handle. Like any worker, if they do not meet the stringent demands for hours worked they get nothing.

My colleague for Acadie—Bathurst has advocated eliminating the new entrant requirement for workers who have left the labour force to care for children or family members as a first step in providing fairer coverage for women. Once again it is a policy that discriminates against some families while favouring others but in the process does a disservice to all children.

What we need is a much broader approach than the one advocated by this motion. We need to make children the centre of family friendly policies that benefit all families in all their derivatives, be they dual income, single income, lone parent or extended low income or middle class. We need a plan that recognizes the importance of all parents, all families, all children, not just some.

We support this motion because it does deal with one aspect of discrimination but we must go further. We in the NDP will continue to advocate for a broader approach hinged on equity and fairness in our tax structure. We will continue to fight for plans that do not discriminate some families over others because they are poor or on social assistance. We will continue to advocate an approach that recognizes that it is children who are important, not just the working status of their parents. We will continue to champion the fact that child rearing is a responsibility all society must share in.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, to the members of the opposition, specifically the Reform Party and the member of the NDP, I agree with many of the comments I have heard this morning. Members were talking about comprehensive tax reform and fixing the inequities in the tax system.

I find it strange that we are having this debate three weeks after the budget has been announced. This is like trying to debate something after it is a fait accompli. The time to talk about comprehensive tax reform and fixing these inequities was before the budget.

For three months all we heard from the opposition was gossip on airplanes, pepper spray, water bombs and other cheap political tactics. Never once in the three months leading up to the budget did

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we have any real solid comprehensive debate on the fact that our tax act needs serious reform.

Can we count on the New Democratic Party over the next few months to put a more specific and substantive focus on comprehensive tax reform, building fairness into the system, so that we can build toward this for the next budget? On some of the inequities members are pointing out I tend to share their views. I think our best hope now for reform is to build toward the next budget at this time next year.

• (1130)

Ms. Libby Davies: Mr. Speaker, I thank the member for his comments. I do not know how often the member has been in the House to listen to debate. I can say, having been here during the budget and prior to the budget through all of last year, that time and time again these issues of discrimination not just within the tax system but within public policy, policy that has been developed by the government, have come up in this House for debate on a continual basis. If the member is asking whether the NDP is going to continue to raise these issues, whether we are going to continue to advocate fair and progressive taxation and an end to discrimination, the answer is absolutely yes.

My question would be when is the government going to listen to those issues? When is the government going to respond to those issues by supporting this motion? Will it begin with this one basic issue that has been identified within the tax system and then in a progressive comprehensive way say that it believes there should be child centred policies that support the family and end discrimination, for example the child tax benefit I mentioned?

The question really goes back to the other side of the house. Is the government prepared to listen and take action in defence of Canadian families?

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I commend the NDP member for her comments. I appreciated her stating very clearly that we on this side of the House have talked about this problem over and over again. The first question was that we have spent too much time talking about APEC and all of these things. Was it this side of the House that provided the fuel for all that debate? Did we bring up the debate? Where did all the fuel for the debate come from?

Ms. Libby Davies: Mr. Speaker, I thank the hon. member for his comments. If we look at all these other issues, whether it is the scandal around APEC or the role of the Prime Minister's office, we have to look to the government's actions to know that members of the opposition from all four parties have had to raise these issues because Canadians are demanding answers. Whether it is the scandal to do with APEC and the role of the Prime Minister's office, or discrimination in our tax system, or discrimination against poor people, these are issues that demand to be raised in this House. It is unfortunate the government member says that we

can do either/or. These are all things that are before the Canadian people.

Today we are debating this motion. Today we are focusing on this issue and calling on the government to right a wrong. We are calling on the government to recognize an injustice that exists. We in the NDP are saying that this has to go much further. We need to have a comprehensive strategy that says we believe we need to have child centred policies to promote the well-being of children in Canada.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure that I rise to speak on the motion to eliminate the discriminatory tax treatment of single earner families.

There is no more important fundamental debate about the future of our country than the debate about the future of the children of Canada. If one takes the time to review the information that abounds on this topic, including the Mustard studies, it has been demonstrated unequivocally that the first three years and the first six years are the most important years in the development of a child's cognitive skills and socialization skills. During that period it is absolutely pivotal that a child have a stimulating environment in which to develop the type of creativity and socialization necessary to succeed in an increasingly complex knowledge based society.

The discriminatory policy against single earner families with children is one way the government is currently encouraging one type of behaviour over another. It is what I refer to as a Pavlovian tax policy which tries to encourage or push Canadians toward one type of activity and discourage another type.

• (1135)

Our party believes very strongly that Canadian families should have the opportunity to make their own choices on these types of matters and that the government does not have a role in trying to push Canadian families, for instance in this case to putting their children in day care when in fact many Canadian families would prefer one parent to be actively involved and stay at home to help raise the children.

The C. D. Howe Institute in its recent studies calculated that a single earner family making \$60,000 per year will pay a penalty of \$4,000 per year over what a double income family would pay. A single earner family at \$70,000 would actually pay a \$14,000 penalty over what a double earner income family would pay. This is clearly unfair.

The Liberals point to the child tax credit, and I have heard this repeatedly over the past few days, as a way to ameliorate the perverse effects of their tax policy. The fact is that the tax credit through means testing reduces any benefits to Canadian families beyond an income of \$65,000, actually \$67,000. There is no benefit beyond that. In fact the benefit begins to decline at the \$25,000

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level. For the Liberals to point to the child tax credit as a way to ameliorate or to soften the impact of their perverse tax policies is absolutely false. It is bogus and is not reflective of the realities here.

The fact is that on the lower income levels, eight of the 10 provinces are clawing back the child tax benefits from the social assistance recipients. While the child tax credit purports to benefit Canadian families and Canadian children directly, it does not because at the low income level, eight of the 10 provinces are clawing back the money. Money that was designed to directly impact the lives of Canadian children is being used to support provincial bureaucracies. At the middle income levels it is being clawed back by the federal government so as to not provide that benefit to families that need it.

Ottawa encourages new parents to put their children in day care. We believe that families should be able to make these choices. I think we all know of cases where having both parents working in professional situations particularly is actually advantageous to the children. The parents choose to work and they choose to be self-actualized in a work environment and they choose an appropriate positive day care environment for their children. Everyone wins. There is nothing wrong with that.

Some people argue that it is better for a child to have stay at home parenting. Some recent studies actually demonstrate that either can work, but it depends on the individual family. It is important that individual families and parents can make these choices.

Our party is not advocating a return to some 1950s model of a Ward and June Cleaver family. This is not what we are advocating. We are not purporting to know what is best for Canadian families. But we believe that Canadian families know what is best for them and what is best for their children and that they can make those types of decisions.

The tax system should not encourage, in our opinion, either stay at home parenting or the utilization of a day care system or an alternative system. We should not be encouraging either. We should give Canadians the choice. It would be equally pernicious and counterproductive to have a discriminatory policy against two income families, because in some cases that may be the best alternative.

Our position on this has remained consistent from as far back as August 1996 at our Winnipeg policy conference. I will quote from a document: "A Progressive Conservative government would introduce a joint tax return so that single earner households with dependent children stop paying more tax than dual earner households with equal incomes". That was in August 1996. "Beyond that, a Progressive Conservative government will introduce a child care tax credit available to parents working inside or outside of the home to replace the present system of day care credits". We have been consistent on that.

• (1140)

I know the hon. member for Mississauga South has worked assiduously on this issue. "Caring for children is an honourable profession. Parents who make the sacrifices and deliver quality care have earned the right to get support". That is a quote by the hon. member for Mississauga South who is an expert in this area and has written extensively on it.

Why does the Liberal government not listen to its own members who have devoted so much time, research and effort to this cause and eliminate this discriminatory tax policy that takes choices away from Canadian families and parents? Ultimately it may result in Canadian children not having the best possible start in their lives, particularly in this global knowledge based society where their cognitive skills and brain power are not only going to enrich their own lives but will reflect directly on the future standard of living of Canadians.

This issue currently, and it is argued disproportionately, affects women. Working women with children, for instance some argue, are actually paying an incredible cost because not only are they working hard in the workplace but when they return home, despite the fact that society has evolved somewhat, they are still faced with a disproportionate share of work in the home whether it is with child rearing or other domestic areas. This is fundamentally unfair but it is a fact that women continue to share a significant burden both in the homes and in the workplace.

We have evolved from an agrarian society where men had significant advantages because people made their livings with their hands and brute force, to an industrial society where to a certain extent that may have been reduced but still occurred, to a knowledge based society today. I would argue that in a knowledge based society, women will have significant advantages over men.

On the issue about it disproportionately affecting women, people should recognize that in an evolutionary sense, in the future this will not disproportionately affect either sex. Based on the graduation ceremonies I have been attending over the past several years for grade 12 and also university, women are winning the scholarships and the student council presidencies. They are earning top marks not just in history, arts and English but in maths and sciences. In the future this issue is going to affect all Canadians equally regardless of gender.

Some members opposite may say that this motion is some type of archaic movement by the opposition parties to return Canadian society to the Ward and June Cleaver family model. I would argue that from our party's perspective it is a way of effectively recognizing a societal trend that will benefit all Canadians of either gender. We also believe that we should start treating all Canadians fairly and equally and it should start with the Canadian family. Give Canadian families the opportunity to make the best choices for their children.

Supply

Some will choose for both parents to work and for the children to have appropriate care outside the home. Some will choose to stay at home. The best choices can be made closest to the people affected, the children. Those choices can clearly be made best by the families of those children.

Let us get away from this ridiculous Pavlovian tax policy of the government where it believes that it can make the best choices. Let us return the choices to the people who really should have had them from the beginning, the Canadian parents and families for the benefit of Canadian children.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for his kind remarks.

I do admit that I have been somewhat preoccupied in my parliamentary career with families and with children. I agree with the member that we should not be playing mathematics when we are talking about the physical, mental and social health outcomes of children and that parents are in the best position to determine this.

However, there is a contradiction here because the member does not like June and Ward Cleaver yet he is advocating choice. When I think of *Leave It To Beaver* and that family life, I am not so sure I have a problem with that choice about a caring and loving mother and father, about two well adjusted kids, some friends and a little bit of mischief. I am not sure there is a problem with that. But I do understand the member and I will not take him to task on it.

• (1145)

I want to raise with him an issue with regard to the motion itself to see if he agrees with me. I am personally having some difficulty with the motion. The motion is so very simple that it lends itself to having some problems because it cannot cover all cases.

If the member would consider the situation where two parents work in the paid labour force and grandma takes care of the kids, and no payment is made, there is no child care expense deduction. All of a sudden the mathematics that the Reform Party have thrown to us fall apart, except for the fact that a one earner family would pay a slightly higher marginal rate on the amount over \$30,000 versus the two \$25,000 of a low income family. If there are no child care expense deductions and the only other difference is progressivity, the only way to deal with it is to advocate a flat tax. The only way we could resolve Reform's position is by saying that it advocates a flat tax and it advocates eliminating the child care expense deduction or extending it to others.

Does the member not agree that the motion is maybe a little too simplistic and maybe it is a little difficult to suggest to anybody that it is a solution to anything?

Mr. Scott Brison: Mr. Speaker, I was not attacking Ward and June Cleaver. Who knows? Perhaps June wanted to work. Maybe

Ward drank a little too much. We do not know what he did outside of the house. I am not convinced that it was a totally functional situation. Perhaps it was. But that was television in the 1950s.

The bottom line is, if June wanted to work she should have had the opportunity. My point was that choice is fundamental. We are not advocating a return to the chauvinistic principles and ideals that may never have existed in the first place.

I believe that this motion is sufficiently vague to represent the general intent to reduce and eliminate the discriminatory policy that currently exists toward stay at home parenting.

The hon. member for Mississauga South is an accountant, so I forgive him for delving into the minutia of the details of implementation. Perhaps that is why many great ideas that start with a glistening generality never actually make it to fruition on the Liberal benches. They become so engulfed in the details that they never make it happen.

The intent of this motion is clear. The intent of this motion is sound. And we will be supporting this motion.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I was very pleased to hear the hon. member talk about choice. In my particular case, when our children came along, I was married to a professional teacher. She was a very professional mother. We are glad we made that choice.

Would the member not agree that the tax situation we have forces that parent not to become a professional parent and that they both have to go out and work simply because of the tax system?

I saw a cute little sign some time ago that I believe belongs on the other side of the House. I will see if my hon. colleague agrees: "A woman's place is in the home and she should go there right after work". That is the attitude of this government. I wonder if the hon. member would agree with that.

Mr. Scott Brison: Mr. Speaker, after work a woman should have the right to go wherever she wants to go. That is my opinion.

With respect to the other issue, the government has clearly created a tax policy that discriminates against stay at home parenting.

Further to my point that it should be a matter of choice, depending on the parents, in some cases it might be better for both parents to work if the children have appropriate care.

• (1150)

I will give one brief example. My mother and father raised four children. I am the youngest. Until 1968, for 23 years, they had a business, a store. My mother was an equal partner with my father in

that store and she worked day and night. The first three children did not really have a stay at home parent.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I will be splitting my time with the member for Nanaimo—Cowichan.

I thank the opposition parties for supporting our motion and also for the qualified support of some members on the government side. I know this is an important issue to many members.

I also want to salute the work of my colleague for Calgary Centre who has done an outstanding job in supporting families and bringing light to this issue. It is an extraordinarily important issue for people across the country. It has not had the light that it deserves.

In a quick rebuttal to my colleague from Broadview—Greenwood, many people who have come before the finance committee over the last several years have pointed to this issue. They have said it is a problem. The Reform Party has pointed that out in minority reports. Sadly, it is never reflected when budget time comes around.

The whole reason this debate is happening today is because the Reform Party made this an issue. We made it an issue, partly in response to comments that came from some government members in the last week, but really because we believe that this issue simply has not had the scrutiny over the last several years that it deserves.

We underline the tremendous value of parenting in Canada today. Reformers believe that the family really is the basic social unit in society and that we need to find ways to support that unit if we want to have a strong civil society in Canada. Whether it is a one parent family, a two parent family, a dual income family or a single income family, we have to find ways to support those families. In doing that we end up supporting children and ensuring that they have a healthy environment in which to grow.

Reformers believe that there is probably no more important job in the world than being a parent. I have done a lot of hard things in my life. I have had to get up at four in the morning to go to work. I have had to hire people and let people go and do a lot of tough things, but I can say, and I think a lot of parents would bear this out, that the hardest job in the world is being a parent. A parent has to know and try so many things. They have to be a teacher, a health care provider, a bit of an amateur philosopher, a psychologist, a social worker and the family historian. A parent has to do a million different things and there are no guidebooks. It is extraordinarily difficult and it has always been so.

Supply

Today I would argue that it is even more pronounced because people have to work so extraordinarily hard just to get by. There are all kinds of polls saying that families are completely stressed out. Both parents work today, oftentimes not because they want to but because they have to. One parent has to work just to pay the taxes because in Canada we punish our citizens through our tax system. Our taxes are extraordinarily high. They have to come down. That would help not only single income families, it would help dual income families as well as individuals.

I had a young woman phone me today at my office. She and her husband are both in the paid workforce. She said “Monte, please make the point that when we go to work we would like to have a better quality of family life as well, and the way to do that is to find some creative ways to allow us to spend a bit more time at home, maybe work from home”. She said that if they were not taxed so heavily maybe they could work at home. They would not have to put in as many hours, but they would still have roughly the same amount of money because the taxes would be lower.

She pointed out that some companies in Canada are doing things to help people because they recognize that in a lot of cases women with extraordinary skills are being forced out of the workforce because they want to spend more time with their families. In a lot of cases it is women, but not in all cases.

● (1155)

There was an article in *Maclean's* recently about the Royal Bank allowing flex time for its employees and Deloitte & Touche doing the same thing so that they could accommodate the needs of the people who want to stay at home with their families and at the same time keep their expertise.

I believe that the government has an obligation to do that. Maybe it could do that in its negotiations with the public service. Maybe there are ways to do that for its employees.

A way to help everyone in Canada would be to start cutting taxes of all kinds. The debate has been a little limited today, but we need to cut taxes for dual income families. We need to cut taxes for individuals and, of course, for single income families.

The way this debate arose today, the catalyst for it, were the remarks that came from the junior minister of finance earlier this week. Maybe unintentionally, he disparaged the work of parents who stay at home with their children. He somehow suggested that they really do not provide a great service. I would argue that they provide the most valuable service that can possibly be provided. To raise and nurture children is extraordinarily important. Any parent or anyone who has been raised in a family who reflects back on what it was like for their parents understands how difficult a job it really is.

Supply

What do we do about this? The first thing we have to do is change the attitude that we are seeing from the government. The minister apologized and I appreciate that, but the minister is not the only one.

We heard from members of the finance committee last fall in Calgary. The member for St. Paul's chastised groups who came forward to argue for fairer treatment in the tax system for families. She chastised them, saying they were a bunch of elite white women telling us what to do. She dressed them down.

The member for Vancouver Kingsway said "Being a single mother, I do not quite see. Most people can combine career and family life. We know it is very difficult. A lot of times people just take the easy way out".

Going home to be with family and to raise children is not the easy way out. It is the hard way. It is a tremendous sacrifice to forgo an income to spend time with sick children and to help children get through the difficult times in their lives. That is not the easy way out. It is extraordinarily difficult.

Anyone who is a parent will know that if there is something wrong at home nothing else in the world really matters. When someone is at work and the children are sick or they are struggling in school, whatever the problem, nothing else matters.

I say it is a great sacrifice to stay at home to be with the children. I honour those people who make that decision. Whether it is the male in the relationship or the female, it is a great sacrifice.

Let us first change the attitude on the other side. The second thing we have to change is the system. In last year's budget the government actually made worse the discrimination against single income families in the tax system. My friend opposite who has done a lot of work on the family issue must acknowledge that.

The government increased the child care deduction, but that only applies to people who make the choice to look after their children in day care. If they choose to do that, that is fine. But we are saying, let us give people the choice. If they choose to use someone else, maybe a relative to look after their children, or if they choose to look after their children themselves, they should be treated equitably.

Why is this government making an ideological value judgment that day care is the best way to go? Let parents make that choice. Parents know what is best for their families. Let us leave it in their hands. Let us give them that choice. I think that is extraordinarily important.

Too often we see the government, the nanny state, saying "We think it should be done this way, or that way". We reject that. Leave the money in the pockets of parents and they will make the best choices. No one cares more about their families than they do; not the government, not the heritage minister, the finance minister or anyone else in government.

• (1200)

We encourage the government to pay serious attention to the motion which simply asks for an end to discrimination in the tax system against single income parents with children. It is not a motion that covers all eventualities, as my friend across the way has pointed out, but it goes a long way to dealing with a bone of contention, something that is very important to many people in Canada today.

I encourage my friends across the way to consider this carefully and to do what is right for Canadian families.

Mr. Jason Kenney: Mr. Speaker, I rise on a point of order. I understand that the blues show me having made unparliamentary comments this morning. I just want for the record once again to clearly, unequivocally and sincerely retract any unparliamentary language that I used directed at any hon. member this morning.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened carefully to the member's speech. I thank him for his kind words. I am not as comfortable with his words which perhaps attribute or ascribe the views of a couple of people to all. It is the same kind of tolerance we should demonstrate with regard to the choices of parents. I will not pit one against the other. If I disagree with someone I will make my point, but I will make it affirmatively and not because they are wrong. I take exception to the yellow part of the speech.

I have presented over 200 petitions to the House since 1993 referring to managing the family home and caring for preschool children as an honourable profession which has not been recognized for its value to society and therefore requesting that the Income Tax Act be changed to reflect equity for those who choose to provide direct parental care.

I believe all members of this place fundamentally understand that we are talking about children and we are talking about the facility of parents to make choices in the best interest of their children.

I would ask the member a question, however. The aspect of single parent families or lone parent families is not covered. There are no child care expenses if both parents work and grandma is caring for the children. There are jillion other examples where it is not fair to say to the House that it can be done by fiddling with the child care expense deduction.

Would the member not agree that what is more important is that we are talking about looking at comprehensive tax reform and not just tinkering?

Supply

Mr. Monte Solberg: Madam Speaker, my friend across the way points out that many people today pay taxes which makes it difficult for them to get by. That is kind of what he is saying.

The Reform Party agrees with that. We believe there needs to be fundamental tax reform and deep tax relief. That is why we have advocated \$26 billion in tax relief over the next three years so that everyone is better off in the end. We want people, no matter what their family situation, to have more money and the ability to go out and carve out the types of lives they want to live. We want less stress on families and less stress on individuals. We agree with that completely.

We are not saying that the motion covers every eventuality. We are not saying that at all. We are saying that this is a specific matter the government can address. It has the fiscal wherewithal to do it right now. It has a large surplus. It is a bone of contention. It cries out for rectifying.

Groups have come before the finance committee year after year and the hon. member has called for the issue to be addressed. I say this is a specific thing we can do now. It is within our grasp.

I call on my friend across the way to embrace the motion and help make a change. This is his chance to make a change. I urge him to consider very carefully that now is the time, after all the petitions and the motions he has brought in, when he can actually make a change. I call on him to support the motion.

• (1205)

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, does the hon. member agree that while we should eliminate the current discriminatory policy, we should not create another discriminatory policy which actually favours single income families?

I was the youngest of four children. My mother was a great mom and was also a partner in a business for the first three children. She worked hard as a mother. She raised me as a full time homemaker after they sold their business. My three older siblings ended up being very successful and I ended up in politics. I am not certain we should necessarily be encouraging one or the other if it has that kind of effect.

Mr. Monte Solberg: Madam Speaker, that really is a tale of woe. I am sorry about the member's position. I agree we should treat all people equally in the tax system. That requires a lot of changes. We need to do a lot of work. We need to have a real fundamental discussion about how to do that.

The first step could be some of the things proposed today by my party, by the member's party and others. I encourage the government to open its mind. There is a huge majority of Canadians are onboard in this regard and the government would do itself an immense favour if it voted in support of the motion.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Madam Speaker, it is a real pleasure for me to rise in the House today to speak to the motion put forward by my hon. colleague from Calgary Southeast. I am sure all hon. members of the House would agree that the motion and the debate today are not just about taxation but also about the family.

I have a huge stake in the Canadian family. I have eight children, as I have said before in the House. There is hardly anything that goes on in the country that I do not have some kind of opinion on because those eight children usually involve me in all kinds of things.

In my family of eight children we have two who are now married and have their own families. One family is a single income earner family. Another family is a two income earner family. My wife has been a stay at home mom for a number of years. With eight children that was very important. I think I know a bit about the kinds of huge pressures on family life today.

If there is anything we can do as parliamentarians in this place, it should be to pass legislation that helps the family. The family is still the essential building block of society. If we take away the family or damage the family unit in some way, we damage the country, the nation, the society we all love very dearly. This is not just about taxation; this is very much about the family.

Over the past several days and even today a number of hon. members opposite have talked about the wonderful budget of 1999 that is good for all Canadians. However, there is a group of Canadians for which the budget is not so good: single income families.

We have to get the facts before the Canadian public. If single income families earn \$50,000, they will pay almost \$4,000 more in tax than if both parents brought in the same \$50,000. The common sense of the people ought to prevail. Surely we can see this is not right. It does not make sense.

The Liberals should not only take my calculations in this regard. They could listen to other authorities in the country who feel the same way: the C. D. Howe Institute, the Fraser Institute, the Vanier Institute or Statistics Canada. According to these authorities and numerous others, the family as a whole is paying more in taxes and the single income family is paying more than the dual income family earning the same amount.

• (1210)

What sparked the debate today were the remarks of the Secretary of State for International Financial Institutions. I do not want to go back over the words that he said. They have been replayed on every television channel across the country, but what he said sparked a huge debate.

Supply

Quite frankly I hear from people in my own riding, as I am sure other members in the House have also heard, that Canadian stay at home parents are outraged by this kind of statement. Whether or not the secretary of state meant it in the way he said, it was said and it has produced outrage.

Is this how little the government cares for Canadian families? Is it indicative of how little it cares for children? Children are very much a part of this debate. Is it how little it cares about changing the burdensome tax system it has created?

Actions always speak louder than words for any of us. If the government truly wants to change the public perception of the Income Tax Act in this regard, it has to change it. It has to produce action.

As I said before I understand these matters quite a bit. My wife has been a stay at home mom for a number of years. At a certain point in our lives she made the decision to quit her registered nursing career and stay at home with our children. We have fostered for many years and have many children in our home now because of that.

What did she do when she chose to give up her career, for which I salute her today? She chose to give up her career as a nurse in a hospital to be a full time nurse, chef, domestic engineer, entertainer, chauffeur, counsellor, comptroller and administrator with a host of other full time duties in order to raise our eight children. If that is not work, what is? That is work. When my wife heard the words of the parliamentary secretary we can imagine the deep groan that came from her.

Mr. Gar Knutson: The Secretary of State for International Financial Institutions.

Mr. Reed Elley: I know there are probably times when these families have questioned which is easier: to remain as a stay at home parent or to stay in the workforce. It is a decision that many Canadian families have to make. The real question, however, perhaps should be: Which is more worthwhile to them personally? How do they want to raise their families?

I acknowledge that many families do not have the option of having stay at home parents. There are many single parent families in Canada today, and for these families the parent must play the part of both mom and dad. They must be the breadwinner. They must attend to the multitude of needs of their children. In many other situations both parents need to work outside the house to make ends meet financially, and I salute these people.

It is interesting to note that if Canadian families had their way and the opportunity to do what they wanted in this situation, 70% of women have said that they would stay at home if they had the choice. In a 1994 Angus Reid poll 77% of Canadians said the individual or family should have the primary responsibility for child care.

Throughout the budget process we have heard about the need for equality among Canadians. What we are speaking about today is not equality; it is inequality. Simply stated, Canadian families that are able to make the choice of having one parent at home to raise their family will pay more tax than the family that earns the same total amount of money through the combination of both parents. The government penalizes them for wanting to raise their own families. It is as simple as that. Is that equality?

The government claims that it has balanced the books. The budget has been balanced at the expense of Canadians, not at the expense of the government. Let us look at how the budget has been balanced: 76.7% of the balancing came from higher tax revenues; 14% came from slashing health and social transfers; 7.2% came from cutting transfers to individuals; and a minuscule 2.1% came from cutting federal spending. This government should be ashamed for even bringing this budget forward with these kind of statistics. The hon. members opposite face some very serious questions not only here in the House but in their own ridings. They will have to answer to the Canadian public for this kind of juggling of the figures.

• (1215)

If we are to fully grapple with the question of applying tax equality to all families we need to look at the benefits to society offered by stay at home parents. We have seen from previously mentioned reports that this is not the choice of 77% of Canadian women. The question begs to be asked why they do return to the workforce. They have to go to work because they are taxed to death. That is the reason one of the members of our family circle has had to go back to work. The mother of that family has had to go back to work because her family has simply been taxed to death.

That is unacceptable. We must have comprehensive tax reform that brings equality to all families. The motion today is a small step along the way to achieving that. I ask all members to support it.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I listened with great interest as the member spoke on this issue. This motion talks about discrimination and it is founded on the concept of discrimination when in fact no discrimination exists.

The member gave the example of a \$50,000 single income family and then compared that to two people making \$25,000 each. The reality is a married couple with \$50,000 and only one earner would always have the potential to send the one at home out to work. So it is not \$50,000 to \$50,000, it is perhaps \$75,000 to \$50,000 which is the whole premise of his argument. It is idiotic and the motion is idiotic.

I did the same thing. My wife stayed home during a certain period of my career. That was a personal choice we made. We did not come to the Government of Canada and ask if it could subsidize us somehow. They are really saying that working men or women

Supply

are allowed to claim child tax credits and are also allowed caregiver credits, and they think this is improper.

If the discrimination argument were reversed they would be saying we should not give those people who are working the right to claim day care expenses of up to \$7,000 per child. This leads into the last part of his argument that 70% of women would gladly go back home. I do not buy that. The argument is that women do not choose to go to work but that they are forced and driven out of their homes by the taxation system to go to work. There are many women, and I know thousands, and many in my family, who choose to work. They want to work and they want to be part of the workforce. They want to contribute to society in that way. We all contribute in our own way. Some contribute by staying at home, others contribute by interfacing in the workforce.

Is the member not really asking if we can get all these women to go back into the kitchen? He is not talking about discrimination. He is talking about a way of life he would like to live that existed a hundred years ago. That is where he wants us to go. He is a revisionist. I would like the member to give an answer to that.

Mr. Reed Elley: Madam Speaker, I thank the hon. member for his comments but I do not think he is living in the real world. There are all kinds of families in this country that do want to see fairness in the tax system for the very reason we are sharing today.

• (1220)

A recent issue of *Maclean's* magazine, which he may or may not have read but should, indicates a sociological trend in our country where many women who have been in the workforce for a number of years are now coming to the realization that whether they want to be out there or whether they were forced to because of the economy, it is simply more fulfilling for them in many cases to stay at home with their young children, and it is a lot better for their children.

Therefore in order to make that choice of going from the workforce back to the home they are now faced with a discriminatory tax system that will penalize them for going back into the home. They have made the choice, and no one has forced them, to go back into the home and now this taxation system penalizes them.

The member across the way is not in touch with the reality of today. Times change, things change and what was good between 1960 and 1970 may not be good today. That is what we are asking these members to open their minds to and take a look at.

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Madam Speaker, I am delighted for many

reasons to respond to the motion put forward by the hon. member for Calgary Southeast.

It is really nice to know that the opposition party suddenly cares about women. This is a party that talked about women as a special interest group for so very long that I am delighted to hear that it has suddenly recognized that women exist and have complex issues to face in our society.

What is intriguing is that, as usual, the party takes what is an extremely complex issue and puts it into a very simplistic way. There is a danger in that because when we take complex issues and deal with them in a simplistic manner we quite often make worse the disparities that have occurred in a society as a result of those complex issues. We tend to bring the wrong measures to correcting things and make them far worse.

We have to look at the complexity of the issue. That is why I am glad to speak to this today. I would like to inform the members across the way about the complexity of the issue.

The issue is about valuing unpaid work done in our society. When hon. members talk about single income families, what they need to understand very clearly is that single income earning families come in many shapes and sizes. They are not only the single income family in which one parent stays at home and looks after the children and one parent goes to work.

There are single income families that have no choice about going to work. I would like to inform hon. members that these are called single parents. They have no choice about going to work. They go to work because there is no one else to do so. They cannot afford to stay at home. Eighty per cent of these families tend to be made up of women and about 60% of them tend to be in very low income jobs.

These single income families are the ones that are to benefit most by what this government has done to deal with the issue of single income families, i.e. the national child benefit. These single income families earning \$20,000 a year will be able to get \$1,800 for their first child and \$1,500 for the second child. That is \$3,300 a year, which I think is a fairly good way of assisting people in supporting their children.

This is not only about families and the complexity of the single income family. It is also about the issue of ensuring that children are taken care of. Whether a parent is forced to work because he or she is a single parent or whether a parent makes the choice to work in the paid workforce, these are the complexities of the issues.

I want to make sure members across the way understand the complexity of the issue before they try to apply the usual simplistic band-aid solution that they do to everything they discuss.

Supply

The issue therefore is how do we value the unpaid work that is done in our society mostly by women.

• (1225)

For members who do not know what the government has been doing about this because they have never cared about women and consider them to be a special interest group, this government has led the world, literally, in valuing unpaid work. We were the first country to put questions in the 1996 census about unpaid work, the amount of unpaid work in families looking after children, seniors and those who are ill.

The second thing we have done is a great deal of analysis with communities living in the real world. There is a group that has been doing a lot of work on unpaid work in partnership with the government. It is called Mothers are Women. It tends to want to look at the issue of unpaid work, which the people across the way should talk about. Unpaid work is not only done by women. There are some men who still do some of the unpaid work and stay at home and look after their children. I hope those gentlemen across the way would be pleased one day to stay at home and look after their children. I wonder if this would happen.

What is the government doing for that group? Right now if one chooses to drop out of the workforce to look after one's children there is something called the Canada pension plan. I bring that to members' attention. It is the only insurance that allows for a child rearing drop out. It allows for the person to get out of the workforce, stay at home and look after their children. They do not lose the benefits that accrue to give them a pensionable income at the end of their lives. This is an extremely progressive form of assistance.

The other one is when people drop out of the workforce to look after children they can have up to five years away from the workforce. Then they can go back and be retrained to get back into the workforce if they so choose.

This is all about choice. This is all about ensuring that Canadian families, the complexity of them, the multiplicity of them, have the choice for any parent to stay at home if they choose. We also have something called parental leave that addresses that issue. Either parent can take parental leave to look after their children.

We have the Canada pension plan that gives them the ability to stay at home and look after their children. Employment insurance gives up to five years of leave. We also have the national child benefit that values single, low income earner parents in the workforce to get up to \$3,300 for two children. Those are some things the government is doing.

The issue is how do we talk about the income tax system which the hon. members have been talking about. Let us look at what

happens when we have a two parent, one income family with two children making about \$60,000 and a two parent, dual income family making about \$60,000. Hon. members across the way are absolutely right. If all we do is look at how the income tax system treats these parents, the single income, dual parent family does a lot worse than the dual income, dual parent family.

We are back to choice. There are some families that cannot choose to have both parents stay at home because they need to work to bring up their children and do some of the things they want to do to give their children a better chance in life. In those families, other than the income tax, when we factor in payroll deductions, the cost of quality child care for those children, the dual income family is way behind the single income family by about \$3,500 to \$3,800. This is a complex issue. If we did the simplistic response hon. members across the way would have us do we would now have made that dual income family worse off than it is today.

• (1230)

The issue is complex. We need to look at the issue in its fullness so that we can talk about the complexity of the issue. The point is that the government has been looking at the issue in many ways.

In one of the first chances we had we looked at how we valued the unpaid work that persons do in society. That was when the Minister of Finance, in his budget of 1998, gave a \$400 tax credit to persons who looked after the seniors and the disabled in their families. That was a first step.

We are still looking at the issue because it is complex. We want to make sure when start valuing the unpaid work done by whomever that it is done in such a way that we do not make worse the situation of people who are suffering disparities right now.

I want to inform hon. members across the way about the issue in all its complexity and let them know what we have been doing so far on this issue and to make them understand that the single income family comes in many shapes and sizes. It is not only about one person staying at home while one person goes to work.

We want to talk about the new policy measures we can take as a government to encourage the connection between non-paid and paid work. Forty-five per cent of women today are in the paid workforce. We know that these same people have to go into the communities, do their paid work and come home and do the unpaid work as well. These are the kinds of things we want to look at. How do we value the unpaid work? We are talking about choices.

The statistics prove the incontrovertible evidence of one of the great achievements of the century now drawing to a close. Women know more now about freedom, flexibility and choice. They can decide to pursue a career in the paid workforce or to dedicate themselves to raising their children or to volunteer within the

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community. That is another area of unpaid work that is being done. In fact, some women in Canada do not just one but all these things.

Let me make very clear that the government recognizes the valuable work being done by women and men in the home. In today's debate I hope that both sides of the House will send a strong signal across Canada to all women that we respect and support the decisions they make, whether they choose to go into the paid workforce or whether they choose to stay at home. It is about respecting choices, not about forcing people to do one thing or the other.

The Government of Canada is measuring and valuing unpaid work. As we create public policy our role as government is to ensure that government is a force for good, that government makes good public policy, not just policy because we want to throw a band-aid at the issue or not simplistic policy as the hon. members across the way would have us make. We want to make good public policy that will eventually ensure that as time goes on, and very soon within the next century, men and women will be able to make the choices they want about going into the workforce or not.

The reality remains that we do not have the resources to do everything we can to provide Canadians with the kinds of initiatives which would help families to ease their burdens whether they are engaged in paid or unpaid work. The government knows that this is a challenge and that more has to be done.

We are committed to doing it as resources permit. We are not committed to doing what hon. members across the way would have us do. They would have us increase the disparity which now exists within families that go into the workforce and between dual income earning families and single income earning families in spite of their complexities.

Let us look at the real cost of providing for one's family. Have hon. members taken into consideration how much money a dual income earning family or a lone parent earning family has at the end of the week for day care needs? When other factors such as that are taken into consideration, dual income earning families as we know have very much less after tax disposable income than single income earning families with two parents. I want to make a distinction between single income earning families with two parents and single income earning families with only one parent, the worker in the paid workforce and the unpaid worker, at the same time.

• (1235)

If we treated the single income earning two parent families equally, it would not achieve equity. I repeat that we can treat people equally and not achieve equity because it is a very difficult idea for hon. members across the way to get their heads around. It is very complex.

There is a difference between treating people equally and achieving equity. The government is committed to equity. In spite of the different barriers that people face, we are committed to achieving equity regardless of whether barriers exist because it is a single income earning one parent family, because it is a dual income earning two parent family or a single income earning two parent family, or whether they are disabled or their race, culture or language are problems in the workplace. We are talking about equity. That is something I want that group to understand. One size does not fit all.

Perhaps the hon. member's solution would be to eliminate paid child care as a cost of employment in the tax system. Are hon. members across the way talking about eliminating paid child care as a tax deduction? That would surely equalize things. It would create equality as they see it. It would, however, increase the disparity to no end between parents who must go out into the workforce, single income earning or not.

That would be another way to apply the illusion of equality in the system. It is all about illusion; it is all about smoke and mirrors across the way. It is all about pretending to care. It is all about talking about complex issues in a very simplistic manner that will make it worse for families with children.

The Canada pension plan recognizes non-financial contributions to families, as do the child rearing dropout benefits, the maternity and parental benefits, and the divorce law. I suppose hon. members did not even factor them in. They were just looking at one small component of transfers and how families have net incomes. It is not just the income tax system that deals with the income of families. It has to do with benefits, with pension plans and with transfers to individuals. It is very complex.

The divorce laws should be brought into this debate. I want to talk about when a family breaks up and how the children are cared for in the family. In that family there may be still be only one income earning parent who is no longer living in the home. How does that parent ensure there is income in the home for the children. The divorce law looks at that and divides the pensions equally so that the spouses who do not go out to work and look after the children have something in the end when they retire.

It is complex. It has to work in the progression of the life cycles of Canadians. We cannot simplistically look at one spot in the life cycle of Canadians. Any policy affecting unpaid work must be guided by the principles of equity and fairness. It must recognize the different situations of women and men who may be full time homemakers and women and men who work for pay and at the same time provide care to dependants.

I reiterate that in spite of what we hear today from opposition members, Canada is a recognized leader in how we measure and how we value unpaid work. Everyone talks about how Scandinavia has been doing very well, and it has. The Scandinavian countries have done a great deal to look at the issue, but they are not world

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leaders in looking at the issue of valuing unpaid work. We are. They are getting their information and analytical stuff from us so that they can start looking at how to make good public policy.

Our efforts are ground breaking. They are varied and they will continue. Hon. members across the way may scoff, but they scoff because they are ignorant of the issue. Because they believe women are a special interest group they have never bothered to look at the issue, never even bothered to consider it or analyse it in the great policy analysis they do. Women do not figure in their policy analyses. Let us not forget they do not know so they can scoff: ignorance is bliss and 'tis folly to be wise. I can never accuse hon. members opposite of being too wise.

• (1240)

This is the first time in Canada that we have been looking with the provinces at economic gender indicators. We measured the time spent doing unpaid work whether or not one was in the paid workforce. It was the time spent and the value received. The provinces worked together very closely in that regard. Canada hosted an international symposium on the issue last year. We attended and conducted workshops.

I do not think hon. members opposite have anything new to teach the government. In fact they might learn from us. I would be pleased to give hon. members a briefing any time they wish.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, I am one of the hon. gentlemen across the way. I hardly know what to say about such a shameful diatribe from the secretary of state.

I would like to say something in defence of my brother who is at home right now looking after an infant and a toddler while his wife works as an occupational therapist. I noticed the minister has a stereotype that it is only women who choose the option of household arrangements to look after their children. I remind her that is not the case. There are families that make choices for their children and for themselves in a variety of ways.

I was a single income parent after the death of my husband. Somehow for the last speaker to suggest that anyone who talks about single income families as being exclusive of single parent families certainly does not respect the life experience I have had.

I would like to ask the secretary of state a question. She talked about parents who choose to stay at home as though somehow they were opting out of life by spending a period of time giving care, guidance and training to their children, as my brother is doing. In the same breath she said that we should not force people to do one thing or another.

If low income families with one or two parents pay \$3,000 or \$4,000 more in tax because of child care choice *a* or save \$3,000 or \$4,000 because of child care choice *b*, how is that supporting and allowing proper choices and equality of choices in the country?

Hon. Hedy Fry: Mr. Speaker, I sometimes think I speak in a vacuum and that it must echo across the way very hollowly. What is interesting is that I reminded hon. members opposite that some men stay at home, look after their families and do the unpaid work. I clearly said that. Maybe the hon. member was asleep at the time.

If the hon. member understands so well that some stay at home parents or some single income parents happen also to be single parent families, she should explain that to her members because they have been mixing up the words single income family and stay at home mom in their speeches all morning. As far as those members are concerned, those words can be substituted for each other. Maybe the hon. member might want to tell members opposite the truths of life.

I also think the hon. member talked about making judgments. It is the opposition members who make judgments. I think families should be able to make choices, whatever their choices.

• (1245)

Staying at home and looking after the family is a valid choice. It is a good one to make. That is why this government has been doing the groundbreaking international work on unpaid work in this country. We do understand there is a lot of unpaid work done by men and women. The reality is that the majority of it is done by women, but men do it too. We are interested in doing the right thing.

The hon. member talks about paying \$4,000 for child care versus not paying \$4,000. I do not know where she is because people cannot pay \$4,000 a year for child care any more if they want to have someone look after their child properly. It costs about \$1,000 a month. It costs about \$800 a month minimum for a child in this country. Let the member do her math: 12 times \$800 equals \$9,600 a year. That is a lot of money. That is not \$3,000. That certainly is not all deducted within the income tax system.

That is what it costs a dual income earning family when they go out to work. That is, in terms of treatment, what puts them behind the single income earning two parent family. That is what I took pains to repeat. I thought I was repeating myself too much, but it is obvious I did not say it over and over enough times. I do not know the number of times it would take to get the information across.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I very much appreciate the comments of the Secretary of State for the Status of Women.

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An important point which stuck with me is the complex family structures we have these days. There is no single tax burden or initiative that is going to make everything equal and equitable for everyone. We have to look at it in the context of tax measures and non tax measures as well as other social policy and economic initiatives. I congratulate the Secretary of State for the Status of Women.

The secretary of state is responsible for the status of women. This morning in the *Globe and Mail* I read a piece that concerned me a bit and I hope she will be able to help. I am sure mothers have read this and I am sure that Mothers Are Women, Kids First and other groups have read it. It quotes a report from the status of women. I do not know who wrote it. It says that any new measure targeted only at parents who stay at home to provide care to children would only further reinforce barriers to employment by reducing the incentive to engage in paid work.

This says to me that what we have now represents incentives to go to paid work and if we do anything for those who choose to stay at home, that incentive would be a negative.

I need some help from the Secretary of State on the Status of Women on this issue.

Hon. Hedy Fry: Mr. Speaker, that was a very good question the hon. member asked.

First and foremost, the sentence is taken out of context. It was the Government of Canada's response to the United Nations on the issue.

There are many people who have never been attached to the workforce who have stayed at home to look after their children. When they want to go into the workforce they would like the ability to have incentives to get the training they need. We also must be careful as we balance the incentive and the disincentive that we do not go so far as to create a disincentive.

That is simply what that means, that we must be very careful that we make sure choices are equitable and do not counterbalance it in one way or another. There is a risk of doing that if we only look at the income tax system as the way to deal with transfers to individuals in our country. That is what it means.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to follow up on this last exchange. There is a point I need clarification on.

It is quite clear that the secretary of state indicated that the incentive was to encourage people to enter the workforce. That of necessity says if we are going to give an incentive, we are going to put money, presumably with a tax break, a direct credit or whatever, toward helping people leave their families so they can go to work.

• (1250)

To me, it looks as if the government, if not forcing people to go to work because of economic constraints, is directing economic benefits to those who do in order to somehow achieve this goal. I have a problem with that. I would like her to clarify exactly what she means by this.

Hon. Hedy Fry: Mr. Speaker, I thought I just did. I thought I answered the hon. member's question.

It is not about incentives, it is about disincentives as well. We must be careful in very complex situations to make sure that we balance incentives and disincentives so that there is not a higher focus on one. We do not want to create disincentives for people to enter the workforce if they choose. Why would any thinking group want to do that? Nor would we want to create disincentives for people to stay at home if they choose. It is about making sure that we have disincentives and incentives which do not counterbalance each other. If someone wants to go back into the workforce, and we know there are lots of single parents who stay at home or parents who say they do not want to go into the workforce afterward, we need to give them incentives to do so when they choose to do so.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, certainly there seems to be a great deal of defensiveness on the part of the government about a very simple concept of ending discrimination. I always thought that we would have a great deal of support on the Liberal benches for any attempt to end discrimination. Apparently not. Apparently this has generated all sorts of resistance.

The motion today is very simple. It is not simplistic, but simple. The tax system should be reformed to end discrimination against single income families with children. I am at a loss to understand why there would be such resistance and such anxiety on the other side.

I notice that on the other side when the position is indefensible, members opposite will misrepresent the position of their opponents and then attack that rather than try to defend their own position or even put forward, God forbid, a constructive alternative. No, what they do is misrepresent and then they attack the misrepresentation and they are the heroes again.

It is an old tired tactic. It is not going to work in this case because there are thousands and thousands of families in this country who at one point or another decide that the best household arrangement they can make is to have one of the parents care for the children of the family. They want some value attached to that choice. What they do not want is for that choice to be penalized, to be discriminated against.

Members of the government can protest all they like, but this is precisely what they are doing and have done for years and are

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refusing to stop doing, in spite of the fact that parties like our own have spent a great deal of time bringing this discrimination to the attention of government, to the attention of those who structure our tax system. We are simply asking for fairness, for an end to discrimination for people in our society who choose to spend a period of time for whatever reason caring full time for the children of a family.

It seems to me to be a concept that should be readily supported by the members opposite, but instead we hear some very, very strange language over there. We just heard a member talking about the workplace. Excuse me, but how many parents do not think that the place where they care for their children is a workplace? One works when one is caring for children. It is a workplace. It is time we recognized that it is a workplace and that that choice of work, if not being paid, should at least not be penalized.

• (1255)

The secretary of state went on at some length about all of the international work that Canada is doing to give value to unpaid work, which is very nice. What puzzles me is why we would put so much effort in that direction but fail to do the simple ordinary things that can be done through our own tax system at least not to penalize the people who are engaged in very important choices in our society.

The parliamentary secretary said that treating people equally does not mean equity. Is that not an interesting concept? How much discrimination in our society in the past has been justified by just such a specious argument as that?

If we are going to end discrimination against choices, if we are truly going to allow and validate free choice in our society about the best way to spend one's work time, particularly if that involves our own children, then surely ending discriminatory tax arrangements would be our number one priority. However, here we see the Liberal government members tying themselves in absolute knots trying to avoid the issue that we are laying on the table today.

I would like to mention that this has been an issue for Canadians for a long period of time. In 1994 a group of Canadians very close to this House, in the riding of Lanark—Carleton, raised an issue through the political process of my own party, the Reform Party. The issue concerned a young family in that riding.

The family had made the decision that one of the parents would work in the home full time giving care and guidance to the children in the family. Because of that work choice, the family felt very naturally that it should be given the same value as a choice of work would be given to any other Canadian. They made an arrangement whereby the parent caring for the children would be paid a salary from the other parent and the tax deductions and arrangements were claimed on that basis.

To the intense chagrin, disappointment and sorrow of this young family, Revenue Canada denied this arrangement and won the court case, a case which cost the family money it could ill afford but brought to make the point. The family then sought to redress the situation through the political process. They went to their local constituency association, explained the discrimination they had experienced and asked that policy making be put in place that would redress the situation.

The constituency association drafted a resolution and submitted it to the policy making process of the Reform Party assembly. The resolution was very simple. Often there is nothing complex about these issues, in spite of the protestations of government which seems to find complexities wherever it does not want to find solutions. The resolution stated, "The Reform Party supports a revision of the federal income tax regulations to end discrimination against parents who provide child care at home".

This resolution went forward from the Lanark—Carleton constituency association. It was one of mine that was put forward. This went to all the other constituencies taking part in the assembly. The constituencies then ranked the resolutions that came forward. Three of the Lanark—Carleton resolutions made it to be debated, discussed and voted on at the assembly. One of those three resolutions from Lanark—Carleton was the one I just read.

From 600 resolutions that started at the constituency level, 40 reached the floor of the assembly by having levels of support suggesting that members of our party decided that they were important enough to debate. This resolution was passed at our assembly and is now part of Reform Party policy and has been since 1994. I will read it again. The Reform Party supports a revision of the federal income tax regulations to end discrimination against parents who provide child care at home. This has been part of our policy and part of our election platform. Through the tireless efforts of people like the hon. member for Calgary Centre this issue continues to be raised and will not go away. There can be all kinds of rhetorical evasions on the other side. There can be all kinds of misrepresentations and purple prose and trying to invoke the ghosts of old stereotypes but the fact is our party lives, as all Canadians do, in the society we have today where there are, as the hon. member for Mississauga South just mentioned, a variety of family arrangements. What we are proposing today is that these arrangements should not suffer any undue discrimination.

• (1300)

What kind of discrimination do they suffer? Perhaps hon. members will listen again to this. Federal tax, prebudget, paid by one earner families of four with a total income of \$50,000 was \$7,116. Post-1999 budget it was \$6,464. The bottom line is one earner families paid 91% more tax after this budget than a two income family. It is unfair. It is discriminatory. We ask members to support us in putting an end to it today.

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Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, when I first spoke today I suggested we would hear some unanimity or some consensus in the House on how important it was to provide quality care for our children regardless of how parents chose to provide that care.

I am working out some numbers. For someone who makes \$25,000 a year, after doing the full tax return here I find that they pay \$4,469 in income tax. They have also paid CPP and EI. Their net cash in pocket from a \$25,000 a year job I calculate to be \$19,168. It is a lot of money. It is insulting to suggest with a child care tax deduction which for a \$25,000 a year person would give them a benefit of about \$1,700, federal and provincial about 25%, that their decision to provide direct parental care is driven by \$1,750. I cannot in my heart believe it.

I believe that parents who choose to provide direct parental care do it because it is their family value. They believe it is their choice in the best interest of their children that they provide direct parent care because they believe it has a direct impact on physical, mental and social health outcomes of children and what we are really talking about are the outcomes of children here, not about taxes.

I ask the member whether she would not agree that the tax consequences we are talking about here are really minor when we consider the net income a \$25,000 a year job would generate, that the economic sacrifice being made is far greater than the impact of a tax deduction.

Mrs. Diane Ablonczy: Mr. Speaker, I find it a little sad that the member would suggest that if parents really believe in this it does not really matter if there are financial penalties applied because they are doing what they believe so that is a lot better than money in the bank.

I am sorry, that certainly is not good enough. Parents also value being able to put a roof over their children's heads, feed them milk, clothe them and make sure they have opportunities to develop their skills and abilities through training, through recreation, through the kinds of things we do in society.

• (1305)

If the member is on the track that discrimination in the tax system is fine because they have the intrinsic emotional reward of doing what they think is best, surely he is joking.

We have a government that unfortunately does take this attitude. For example, the government starts clawing back the child tax benefit when income exceeds as little as under \$26,000. The CCTB supplement is phased right out when the family income exceeds just under \$21,000. Imagine trying to raise a family on \$21,000, but this government seems to feel we do not need this child tax benefit supplement, which it is so proud of, if we earn over \$21,000.

The member who just asked the silly question about the reward of looking after children being far bigger than something financial said on July 22, 1998: "The bold reality is that our Income Tax Act does discriminate against families that choose to provide direct parental care". This same member proposed that Ottawa pay parents who make this choice \$50 a week. Clearly he does not believe his own rhetoric that somehow there is no financial dimension to this choice. I suggest he abandon that nonsense right away.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I want to first respond to an assertion made by the member for Mississauga South. I sort of agree with his line of thinking. He said that families choose to have a parent stay at home for reasons other than tax benefits, in particular family values and decisions they have made about the worth of having a parent stay at home. I absolutely agree with the member if that is what he believes. I am sure the member for Calgary—Nose Hill agrees with that. It is not a tax driven decision when parents make that decision. We can agree on that.

I want the member to also agree with me given the clear evidence in his tax policies that once a family has made the decision to have a stay at home parent in a single income family that the tax system of this Liberal government, the member's government, then penalizes it for that decision. That is what it is about. It is about the penalty the Liberal tax regime imposes on two parent families that choose to have one parent working in the workplace at home raising the kids because of values and decisions and one parent out working in the general workplace outside the home. The government penalizes them for that decision.

Let us agree on that. We can agree that it is a decision made by the family in the best interest of the family. We can all agree on that. If we can agree on that then we have to agree, given the evidence in the Liberal tax policies, that a family of four that chooses to have one parent stay at home with a single earner income of \$55,000 a year is penalized to the tune of some \$4,000. That is the whole point of this.

Let us not be confused by all the rhetoric we heard from the Secretary of State for Multiculturalism and the Status of Women who I believe is completely out of touch with the ambitions, the goals and the dreams of the average Canadian family. She verifies that statement every time she stands to speak in the House.

• (1310)

My personal opinion, although I know it is shared by many Canadians, is this tax discrimination, this tax penalty does not stand alone as sort of a single thought. I believe it is part of an overall scheme of social engineering that began back in the mid 1960s with the hero of these Liberals, Pierre Elliott Trudeau. No

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other person in this country set out to purposely destroy the family as we know it as Pierre Elliott Trudeau did. He alone was the driving force that has fuelled the Liberal government's scheme to initially drive the second parent out of the household, to separate that second parent from the responsibilities and the ability to nurture and guide their children in the values that made this country strong in the first place.

It is far more than this penalty. This is a continuation of a social engineering plan put in place by the Liberal government under Trudeau back in the mid 1960s. This government is carrying on that social engineering plan very well.

Why does it not want a parent at home? If there is not a parent at home, if both parents are working, it takes away from the time the children have with their parents to look to them for guidance. It takes away from the strength of the family. It takes away the togetherness of the family unit, the strongest building block we have in our society. At one time we had far more building blocks, far more family units than we have now.

The member from Mississauga South agrees with us. He knows families with a stay at home parent on a single income are discriminated against by the government. I will tell the House how he knows it. He said it. He agreed with us. He said on July 22, 1998, and he will remember this: "The bold reality is that our Income Tax Act does discriminate against families that choose to provide direct parental care". His Liberal colleagues are all shaking their heads saying how could he make such an outlandish statement. I believe that if the member from Mississauga South looks into his heart he knows about the value of the whole part of our argument. He knows we are right.

The problem is with the majority of his colleagues. I say majority because there are some members who do not because of their beliefs hold positions of any great authority in that government. If there are free thinkers in the Liberal caucus, if there are members who cling to some traditional values, they do not get very far in that government. I congratulate the member for Mississauga South, even though his talk is a little confusing today, and probably a half dozen or more in that government who have had the courage to stand up for their deepest held convictions. Mr. Speaker, you know the value of standing up for your deepest held convictions. I know you appreciate those few members in that party who do as well.

The real nut and bolt in this thing is the tax penalty, the fine, the levy, the increased tax burden placed on two parent, single income families. That is the whole point of it.

• (1315)

There is a severe penalty to pay if any Canadian family makes the decision to have one parent in the workplace and one parent at home. There is a single income. There is a severe penalty to pay.

It seems to every logical, common sense, grassroots, ordinary Canadian to be a travesty, to be an injustice in this country that this government would lay that upon a family which makes the decision to have a parent stay at home to raise the kids while the other parent is out earning a living.

Just think of the sacrifice that parents make when they make that choice. There could be two parents who are capable of earning, say, \$50,000 a year each because they have gone to school. They have an education. They have training. That is \$100,000 in gross income they could be bringing into the household. But they say no because the nurturing, the guidance, the care of their children is more important. One of them will stay at home. That is a tremendous sacrifice they make from a financial point of view.

Then they find, after they have made that decision, that the Liberal government imposes a penalty on them on top of what they have already given up. I cannot believe the insanity of whatever weird logic the government used in that decision.

I cannot and I will not, when this motion of ours comes to a vote, understand any government member who votes against it. I will not understand the logic of any member of parliament in this House who votes against this motion.

Our party and this member for Prince George—Bulkley Valley will stand up for Canadian families in this House now and forever.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, first I would like to thank the member for Prince George—Bulkley Valley for his comments. Being from B.C. at one time, I have travelled through his riding quite extensively. It is a beautiful spot in Canada.

One thing he keeps mentioning, and I have heard it on several occasions, is that a person who stays at home has made a terrific sacrifice. On an economic level, he is correct. When my wife and I made the decision to have children and to have one of us stay at home, we never considered that a sacrifice in terms of the economy, we considered it an investment in the raising of our children.

I thank the Reform Party for bringing the motion forward today. I can stand here quite proudly and say that I wholeheartedly support it.

We know the Liberals discriminate when it comes to pay equity for their own workers. We know they discriminate when it comes to regional rates of pay. Why does he think it is any different to discriminate on a tax basis?

Mr. Dick Harris: Mr. Speaker, first I want to thank the hon. member for Sackville—Eastern Shore for reminding me—and I certainly agree with him—that it is not only a sacrifice, but there is

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real value and reward in having one parent stay at home if a family can make that sacrifice.

I agree with the other points that he made as well. The fact is, today we are talking about the Liberal government and the penalty which it has imposed, the levy it has heaped upon families who choose to have one parent stay at home and a single income. That is the motion today.

The other comments that he made I am sure we will deal with as this parliament goes along. I thank him for his support of the motion.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I think the member was right in his assessment on where my heart is on parents who choose to provide direct parental care.

However, one of the things I have learned is that one does not pit one group against another. We should not make judgmental calls on people's choices. We should be promoting flexible options and letting parents make the choice.

When I started in this place I pushed on the discrimination side. I continue to deliver on behalf of my constituents and Canadians from all provinces who want me to table petitions on discrimination against stay at home moms.

• (1320)

But the member will know that one of the major changes made in the last couple of federal budgets was the increased investment in the Canada child tax benefit of \$1.7 billion. It is fully available to those making under some \$25,000, and in fact people earning up to over \$60,000 are still getting some benefit. It was primarily directed at those families who had lower and middle incomes. The value of that, as the secretary of state laid out, is very significant. In fact it is greater than the value of the child care expense deduction.

I believe the member should look more carefully at not just what happened in the tax act, but what has happened since to other non-taxable benefits. He will find that the attitude of the government has been to put the interests of children first because, according to our commitment to the UN on the rights of the children, children have the first call on the resources of the nation.

I ask the member to be very judicious in suggesting that somehow I do not agree with one item. I put it in the whole context and say that kids are being treated fairly.

Mr. Dick Harris: Mr. Speaker, I appreciate the values of the member for Mississauga South, but unfortunately he has chosen to do what every single Liberal who has spoken today has done. They have not been prepared to address the direct thrust of this motion. They have talked all around the whole system as it pertains to families, but they have carefully avoided the very particular part of the tax system that our motion refers to.

The hon. member for Mississauga South knows very well that in no part of my presentation did I attempt to pit families against each other because of their choices to have both parents in the workplace or one at home.

The Liberals themselves since 1965, since Mr. Trudeau, have deliberately pitted themselves against Canadian families, particularly against single income, two parent families. The Liberals have done the pitting.

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Mississauga West.

I am delighted to speak to this issue as a mother who works outside the home and as a very proud mother of three wonderful, talented, brilliant, charming and intelligent children, ages 17, 14 and 9.

The diverse and changing nature of working family life in Canada poses ongoing challenges to policy makers. With limited resources, government priorities have placed an emphasis on assisting families in greatest need.

The government has taken direct action to help low income families with children through the Canada child tax benefit which provides a special supplement of \$213 per child under the age of seven for families that do not claim child care expenses.

Thanks to the 1999 budget, by July 2000 a typical one income family will be receiving better than twice the amount of a typical two income family for the Canada child tax benefit. The figures show \$2,610 per year versus \$1,270 per year. Indeed with the measures announced in the last three budgets the Canada child tax benefit will be enriched by \$2 billion by the year 2000.

Canada provides a range of income tax in children's benefits, but our tax system is based on individual taxation and a progressive tax rate. Moreover, when the real cost of child care in dual earner and lone parent families is taken into account, these families have relatively less after tax disposable income than single earner couples.

If paid child care was not recognized as a cost of employment to the tax system it would constitute a serious barrier to women's employment.

With regard to pensions and retirement, parents who stay at home to care for children are recognized in several ways. Parts of the retirement system provide a basic benefit for all residents and an income tested guaranteed minimum income.

• (1325)

There are also provisions for an income-earning spouse to contribute to a private registered retirement savings plan for a stay at home spouse.

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The Canada pension plan also has specific provisions for parents who care for children at home. The child-rearing dropout provision, for example, ensures that parents who are able to contribute little or nothing to the plan while caring for a child under seven are not penalized when future benefits are calculated.

Employment insurance benefits in Canada provide temporary income replacement to individuals who qualify. To qualify for benefits a parent must have been engaged in insurable employment prior to the birth or adoption of their child. Maternity, parental and adoption benefits do, however, provide income replacement for mothers and fathers who temporarily withdraw from paid work, including part time work, to care for their infants.

In addition, parents who stay at home after their benefit period has ended are eligible for up to five years to access a range of measures to help them return to employment if they should so desire.

Our government also continues to assist Canadian children and youth through a variety of programs. I am very proud to speak about the community action program for children and the Canada prenatal nutrition program which are jointly managed by the federal, provincial and territorial governments and which provide the kind of support that families need to help their children have a good start in life.

The 1997 budget announced increased funding for these programs of \$100 million for the next three years. In the 1999 budget the Canada prenatal nutrition program was further enhanced. It received an additional \$75 million over the next three years to reach many more high risk pregnant women. This is a program of which many constituents in my riding of Parkdale—High Park are beneficiaries. The community action program for children and the Canada prenatal nutrition program benefits the women's health centre and the Parkdale Parents Primary Prevention Program, which is known affectionately as the "five Ps", and which works out of St. Joseph's Health Centre in my riding. It is a wonderful program and has assisted many, many young children and pregnant women at high risk.

We should also remember that we have Canada student grants of up to \$3,000 a year which are available to both full time and part time students in financial need who have children or other dependants.

Let us look at the Liberal government's tax principles. The Liberal government's tax is based on three fundamental principles. First, our tax system must be fair. Tax reductions must benefit first those who need them the most, low and middle income Canadians.

Second, broad based tax relief should focus initially on personal income taxes. That is where the burden is the greatest. Canadians should pay taxes consistent with their capacity to pay. We have a progressive tax system in Canada.

Third, because of our debt burden, broad based tax relief should not be financed with borrowed money. The elimination of the deficit in 1997-98 allowed the government to introduce measures providing for broad based tax relief. Targeted tax reductions into critical social and economic concerns are our first priority. Our government has put in place a responsible fiscal policy that has allowed us to preserve the valued programs that matter most to Canadians. Targeted tax relief has been provided for students, for charities, for persons with disabilities and for the children of parents with low incomes.

The Liberal approach has been based on results. With an improved fiscal situation over recent years, the Liberal government has been able to offer targeted tax relief where the need was the greatest. With the budget balanced, the government is in a position to do even more, and not on borrowed money.

The 1998 and 1999 Liberal government budgets will provide tax relief of \$3.9 billion in 1999-2000, \$6 billion in 2000-2001 and \$6.6 billion in 2001-2002, for a total of \$16.5 billion over three years so that all Canadian parents, those who stay at home and those who work outside the home, have more money in their pockets.

As the financial resources permit, general tax relief will continue to be provided, the priority being personal income taxes for middle and low income Canadians. Families with incomes of \$45,000 or less will have their taxes reduced by a minimum of 10% and in some cases more.

Typical one-earner families with two children and incomes of \$30,000 or less will pay no net federal tax. Families with incomes of \$45,000 or less will have their taxes reduced by a minimum of 10% and in some cases even more.

• (1330)

As a result of the 1998 budget, 400,000 lower income Canadians no longer pay any federal income taxes. The 1999 measures will ensure that an additional 200,000 lower income Canadians will no longer pay federal income taxes. That brings to 600,000 the total number of taxpayers removed from the tax rolls due to both budgets.

We welcome a debate but we will not exploit it as a way to divide Canadian parents and Canadian women whose top priority, be it at home or outside the home, is giving their children the best future they possibly can. Let us start on that debate now.

Let us look at the disadvantages of dual earner families, people who have to pay for child care, people who do not have the ability to stay at home. We have talked many times about looking at having the whole child care benefit totally tax deductible. As we want to encourage women to export abroad they will be away from

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home more. We need to make sure that we have in place the good care givers and that those expenses can be deductible and have the same position as the cost of a secretary or the cost of janitorial staff.

Let us open the debate on what else we can do. Let us look at what we can do to make sure that we have in place all the things that are needed to provide the best for our children.

I would say one thing to the members of the Reform Party. I welcome this opportunity to look at all the ways we can best assist our society in making sure that our children are taken care of.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, certainly family issues have been a big concern of mine since I was elected in 1997. They are a big concern for my riding.

My riding is not particularly wealthy. There are many people with average or lower incomes. Child poverty has been brought to my attention many times over and over, both through the school system and by individual parents. People have also brought forward the unfairness of the tax system that is in favour of the two income families and discriminates against one income families. Does the member not appreciate and agree that if this discrimination was removed, child poverty would be lessened in Canada?

Ms. Sarmite Bulte: Mr. Speaker, I thank the hon. member for his question about child poverty.

As a mother who works outside of the home, I have always felt that as legislators, as policy makers, when we look at questions of child poverty or abuse against women and children, we have the duty to do everything we possibly can to ensure that we foster an environment to promote the economic independence of women. When we can foster the environment where women can walk away from abusive situations, it will be the children who will benefit. It will be those children of single, dual or whatever parent who will benefit. I again would welcome how we do that as a government through our tax policies.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, one of my favourite backbenchers of the Liberal Party is speaking again today. I do appreciate the fact that being a mother of three she has a great concern for this particular subject.

My question is very simple. She admitted that we have to work more. We have to find new solutions to help not only dual income earners but also the single income earner with a family. Why then did her government break its 1993 promise for day care facilities across this country to help those people who are in poverty and in tight situations? Why did her government break the day care promise which was the red book platform?

Ms. Sarmite Bulte: Mr. Speaker, I thank the hon. member for his question.

When we talk about child poverty and our promises, we promised that we would put in the Canada child tax benefit. The Minister of Human Resources Development yesterday in the House spoke about how consultations were made on how to best deal with child poverty. The answer was \$850 million in the child tax benefit. In the following budget there was another \$850 million, totalling \$1.7 billion. In the 1999 budget we have another \$300 million.

• (1335)

I would say to the hon. member not only are we honouring our promises to combat child poverty but we have done it in every single budget we have looked at in the last three years.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I think the member missed the question so I would like to rephrase it. The question was, why did the Liberal government promise day care spaces in the 1993 election campaign and then break that promise? That was the specific question. I would like to know the answer.

Ms. Sarmite Bulte: Mr. Speaker, I thought I had answered the question.

We were talking about dealing with child poverty. We have put in place many things to assist parents who want to go back to work. We have Canada student grants as I indicated. I do not understand why the opposition does not acknowledge the tremendous benefits of the Canada child tax benefit. Perhaps it is because the Reform Party voted against it time and time again, but now the Reform Party is coming out as a saviour of children.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, it appears that we have another day in la-la land with the Reform Party motion. Somehow it has arrived on the road to Damascus to some great revelation that it has compassion.

The Reform Party will recall that yesterday the Minister of Health announced a new policy to allow for the medicinal use of marijuana on a pilot project basis. I am curious if the Reform Party caucus might not be one of the first pilot projects.

Mr. Grant McNally: Mr. Speaker, I rise on a point of order. I am listening very carefully to the comments of the member for Mississauga West and I am trying to see how marijuana has any relevance to the topic before the House. The member is not addressing the—

The Deputy Speaker: I know that there is always some latitude allowed in debate. The hon. member for Mississauga West has only had the floor for 40 seconds. I think it is understandable that perhaps he has not quite reached the topic he is going to address which is the motion before the House. I know he will.

Mr. Steve Mahoney: Mr. Speaker, their strategy to rise on some nonsensical point of order in an attempt to disrupt the flow of my

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speech will not work. I know that you, Mr. Speaker, will rule them out of order as they continue with this frivolity.

The point is what this motion is about. The member for Calgary Southeast is trying to put forward a softening image. Perhaps he is trying to launch his campaign for leadership of the Reform Party. He is trying to show that he is a compassionate man. For the member for Calgary Southeast to be giving advice on whether or not people should stay home with their children is not unlike a Catholic priest giving marital counselling. I would suggest the member should talk to people who have actually walked the walk and talked the talk. Any attempt to try to define the Reform Party as compassionate will be seen as nothing more than an oxymoron which is exactly what it is.

An hon. member: Moron is a great word.

Mr. Steve Mahoney: Moron, or maybe we should delete oxy, I am not sure.

We know for a fact that the Reform Party's policies would hurt children in this country. The Reform Party has consistently voted against measures announced and taken by this government that benefit children. And Reform Party members chirp on.

Normally what we see on opposition day from the Reform Party are motions to cut this or cut that, to spend this or spend that. I do not know how Reform Party members would pay for the tax cuts they talk about when in fact their tax position would benefit a family earning \$215,000 in exactly the same way that it would affect a family earning \$15,000.

The Reform Party's tax policies would benefit the rich. Reform members know it. It is flat line. Of course that is fitting with their flat earth mentality.

• (1340)

We understand that they do not understand a progressive tax policy that benefits people who need it. Child care, day care, child tax credits; they vote against all of them; they talk against all of them. For them to all of a sudden arrive in this place and try to tell us and Canadians that they indeed are kinder, gentler, more caring and softer does not add up.

Members opposite have proposed in the past that 50% of what they refer to as a surplus should be used to reduce debt. Another 50% should be used to reduce taxes. A third 50% should be used toward health care. Another 50% should be used to cut defence spending, to cut the heritage ministry, things that they get on as their hobby horses. Now they are trying to perpetrate what amounts to a fraud that they somehow care about children.

And here we go with a point of order.

Mr. Dick Harris: Mr. Speaker, I rise on a point of order. I could handle the hon. member's lack of knowledge of mathematics, but I cannot accept the word fraud to be used in reference to my party.

The Deputy Speaker: I am afraid that word has been used quite a lot and I have real difficulty ruling that one out of order. I think that perhaps we have to be a little tougher in our thinking, but I have heard it used in relation to many parties in the House, including that of the hon. member for Prince George—Bulkley Valley and the government party and some of the others. I do not think the point of order is well taken.

Mr. Dick Harris: Mr. Speaker, in that case do I have your approval to use the term stable waste when referring to the items in his speech?

The Deputy Speaker: I know the hon. member will not want to get into that discussion.

Mr. Steve Mahoney: Mr. Speaker, whatever it is, it is probably on the hon. member's boots. I would have a look. In any event we know where they spend most of their time and what certainly clouds their thinking.

Let me share if I can some of the other so-called progressive tax policies the Reform Party would try to sell to people during an election campaign. The Reform Party opposed all positive initiatives by the government, everything that we have introduced to enhance the lives of children.

Reform Party members voted against the child tax credit. Why would they do that? They voted against funding a community action program for children. Unbelievably they voted against funding for prenatal nutrition care. Yet today, as I say, they somehow miraculously have arrived at this wonderful position that they are the saviours for stay at home parents and their kids.

Who do hon. members think might have faced the brunt of a \$3.5 billion cut to the social assistance program? Might it just be children in need? I suspect it might. That was a policy of the Reform Party. Maybe the Reform Party has cancelled that policy. It is one of those "we have got principles and if you do not like them we have got others". Maybe Reform has done that. Maybe the Reform members have made that shift, but I have not heard it in terms of anything they have said in here.

How would Reform Party members propose to cut \$1 billion in equalization payments to the have not provinces and another \$1 billion to aboriginal programs? Does it occur to them that cutting \$1 billion out of aboriginal programs might have a trickle down impact on aboriginal children, some of whom are the most needy children in this country?

One of the Reform Party's basic principles, as I said before, would give the same benefits to a family earning \$215,000 as one

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earning \$15,000. How can Reform members possibly justify that and then stand here as if somehow they have a plan that will help families and it will save taxpayers?

The Reform Party in putting this motion forward is calling for \$26 billion in tax cuts, \$19 billion to pay down the national debt and an additional \$2 billion for health care, yet it wants to eliminate government revenues. If Reform members had it their way, as those of us who had the wonderful privilege of being at the united alternative conference saw—and I see the member for Markham who was with us—they would simply turn everything over to the provincial governments. The opening keynote speaker for their wonderful conference was the Premier of Alberta. Guess what. He thinks Alberta should run the country. It is quite clear this is a provincial parochial minded group of politicians who only want power for the provinces. They think that the federal government should be eliminated.

• (1345)

Who do they think would be harmed by user fees and two tier health care? If families with three kids have to go to emergency they pay user fees. Alberta tried to bring in user fees and this government said it could not do that. It was this government that said it was violating the Canada Health Act and that Canadians would not stand for it. It was this government that made Alberta retract that decision.

Who would be hurt? Might families with three kids, with or without stay home mothers, be under some duress if they had to go to hospital and fork out money for user fees?

They want to take a balanced, progressive tax system and turn it on its ear because they have come across an idea they think is politically sexy and politically attractive. It is not based on party principles. They did not hear it discussed at the united alternative conference which clearly failed because they could not take two rights and create a wrong. That will not work, but that is what they tried to do.

They did not hear this kind of moderate social policy at the conference. They did hear Premier Klein try to convince members in the united—

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. Would you clarify for the House whether this member is hopefully sharing his time?

The Deputy Speaker: He has a 10 minute speech and has a minute left in his time.

Mr. Steve Mahoney: Mr. Speaker, I have only one minute left. I know they will be disappointed.

I am attempting to point out what I think most Canadians understand. They cannot say cut, slash and burn on one side of the

coin and then somehow try to pretend that they are a new image, that they are softer, kinder and gentler. We know better.

Some 30 years ago my wife and I made a very difficult decision that she would stay home with our kids. It was a good decision. I have three young men of whom I am very proud. I believe that by my wife's staying home for many years in their formative years, with great assistance from me, actually helped raise what I consider to be a pretty darn good family.

Some hon. members: Hear, hear.

The Deputy Speaker: In view of the enthusiasm we will go with one minute questions and one minute answers.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I am our party's social policy critic. The last speaker chose to parrot the misrepresentation put forward yesterday that the Reform Party was not supportive of the national child benefit and other programs and voted against them.

I have two question for the member. When did we vote against programs that we agree with? That never happened. He also said something about the Reform Party cutting social assistance programs. What happened to the cuts his government made to the health and social transfer which supports welfare programs in the provinces?

How can he accuse other parties of doing something which they have not done and defend the cuts that his government has made to social assistance?

Mr. Steve Mahoney: Mr. Speaker, I did something really radical. I read the blue book, the policy book. Some of them should. I hate it when people actually read the stuff we put out and expect us to stand behind it! It is really difficult.

In their policy program in the last election campaign were \$3.5 billion in cuts to social assistance. The member can deny that her party voted against the child tax credit, the prenatal program or any of this. The facts speak for themselves. Members of that party simply vote negatively the minute they get out bed every morning without any thought of the consequences and the impact on children and families.

• (1350)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I am quite taken aback by the fact that the hon. member said it was a difficult decision to raise his own children. My wife and I decided to raise our own children and it was not difficult to make that decision. It was an honour and a privilege we had raising our own children.

I did some reading as well. I read the 1993 red book of the Liberal Party. My question was not answered before by the member from Parkdale so I would like this member to answer it now. Why did the Liberal government break its promise on day care facilities for Canadian families?

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Mr. Steve Mahoney: Mr. Speaker, talk about misrepresentation. Let us be clear. The difficult decision that my wife should stay home with our children was a financial one. It simply meant that we had to make sacrifices financially. I say that it was the right thing to do and a good thing to do.

The member should not try to pretend, as NDP members often do, that they sanctimoniously have that particular market cornered. Many of us on this side have made decisions like that to raise our families. There is no question they are tough decisions. It is easier to just stick to the income side of it.

On the issue of what the government has done, the government has realized that we cannot function with a \$42 billion deficit. The government came into office and realized that we owed it to Canadian families and Canadian children to be able to afford to provide day care programs, to be able to afford to provide social assistance, to be able to put money back into health care as we did in the last budget to which members opposite are opposed.

We have to make tough decisions in government, unlike members opposite who will never find themselves in those difficult decision making positions.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I sat here and listened to the hon. member's speech. He talked eloquently about the caring, sharing aspect of the Liberal government when it comes to families.

Let us look at their tax situation right now. Let us look at what it has created. It has created child prostitution. It has created children being out on the streets. They are called latchkey kids.

Let us talk about the caring, sharing member over there who turned down help for hepatitis C victims and who turned down our motion to stop child pornography. It is dead against families; that is all the government has ever been since I have been in the House.

Mr. Steve Mahoney: Mr. Speaker, I am delighted to see that at least I am raising a bit of passion although it might be somewhat misplaced. The government has put the ship of state in the right direction. We have built a financial foundation that will serve Canadian families for years and years to come.

When the member attempts to do what others have suggested, that is misrepresent the position of the government, he knows it is nothing more than hyperbole and nonsense. The government is committed to families, to children and to this great country.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is time to educate the member across the way. It is the Reform Party that stood for fiscal responsibility because fiscal responsibility is social responsibility. We ended the decades of Liberal fiscal overspending that compromised social programs.

The Reform Party prefers the national head start program which will have one of the biggest positive effects on children that we have ever seen. The Reform Party is defending aboriginal women by voting against Bill C-49. The Reform Party wants to scrap the Indian Act because it is racist. The Reform Party wants to decrease taxes for the poorest in the country because they are the most compromised.

Those are the facts. The member should put that in his pipe and smoke it.

Mr. Steve Mahoney: Mr. Speaker, I did not hear a question, but I am delighted the member used the word racist because I would not want to use it. The member failed to point out that, if given a chance, his party would have cut a billion dollars out of the aboriginal budget. It would have slashed those programs.

• (1355)

Many of those members represent communities with many aboriginal Canadians living in them. They stand here unashamedly and try to perpetrate a fraud, as I said before, on Canadian people that somehow they are responsible and compassionate. I do not buy that and neither do Canadians.

The Deputy Speaker: I think we can call the debate concluded at this point.

Mr. Grant McNally: Mr. Speaker, I rise on a very brief point of order. I think the words "perpetrating a fraud" crossed the boundary of parliamentary language.

The Deputy Speaker: I heard the hon. member very directly say "try to perpetrate a fraud". I see quite a difference there. We have heard this word several times in the House over the years and I do not think I will rule it out of order today.

We will call the debate to a conclusion and move to the other proceedings that normally take place at this time of day.

STATEMENTS BY MEMBERS

[English]

NORTHEAST COMMUNITY HEALTH CENTRE

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Northeast Community Health Centre in Edmonton North opened on January 27, 1999. It is an example of the great things that can be done when people work together to provide better health care services for the 21st century.

This centre is unique because it provides many services in one location. These services presently include doctors for pediatric, child, adolescent and family care; nurses and other health professionals for immunization and well child clinics; preschool speech and language services; pre and post-natal care; mental health therapists; laboratory collection sites; and a dietitian, social worker and addictions counsellor. Soon a 24-hour emergency room will open as well with more specialized clinics for women and seniors.

Congratulations to the volunteers and staff who had the vision and who worked for over 15 years to plan and build this modern and innovative Northeast Community Health Centre. Once again Edmonton leads the way in providing a new generation of health care services for a new millennium.

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HEALTH CARE

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, following our government's commitment to health care funding in the budget, the health minister was recently in Vancouver to announce two innovative projects in health care.

The Minister of Health supported the establishment of a centre of excellency for prostate cancer research in Vancouver. In total, \$15 million has been committed to this research in Canada.

Minister Rock also announced the government's support of \$2 million for Rick Hansen's neuro-trauma research which will benefit Canadians with spinal cord injuries.

The Speaker: I remind hon. members that we do not use each other's names in the House; just our titles.

* * *

INTERNATIONAL WOMEN'S DAY

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, Canadians will join the world next Monday, March 8, in celebrating International Women's Day which grew out of women's struggle for better working conditions in the mid-19th century.

Women organized protests over low wages, long working days, lack of equal pay and inhuman work environments. Along with protest came progress and the realization that the battle for equality must continue.

In 1977 the United Nations passed a resolution calling for countries to celebrate a day for women's rights and international peace. Since that time women all over the world have come together to celebrate International Women's Day.

This day is a celebration of ordinary women as makers of history and is rooted in the centuries old struggle to participate in society on an equal footing with men.

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As we celebrate international women's week in our workplaces, communities and homes, let us reflect on the challenges that we face before women reach full equality in our society.

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CULTURE

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, the United States is the most influential exporter of culture and attitudes in the world.

● (1400)

Historically, culture and commerce are linked. When Washington exalts free enterprise, the rights of the individual to do business can override government authority.

While this ethos is central to American culture and lifestyle, the widespread availability and eager incorporation of American values by other cultures can be destabilizing. Reaction against American cultural imperialism is building. UN sponsored conferences on preserving national cultures are proliferating.

Canada is not alone in standing its ground to protect our definition of cultural industries. France and Mexico are examples of nations initiating measures as well.

Amid the disorientation that can come with globalization, countries need cohesive national communities grounded in history and tradition. It is a recognition of this necessity—

The Speaker: The hon. member for Egmont.

* * *

LIBERAL PARTY OF NOVA SCOTIA

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, this weekend in Halifax hundreds of Nova Scotia Liberals will come together to hold the annual general meeting of the Liberal Party of Nova Scotia.

Run by Premier Russell MacLellan, grassroots Liberals from across the province will engage not only in mundane organizational business, but in a program designed to provide input into the programs and policies of the Liberal Government of Nova Scotia.

This democratic exercise will allow the party to renew and re-energize itself before the upcoming session of the legislature. A jam-packed agenda will provide a forum for everyone in attendance to not only make their personal contributions, but to avail themselves of the experience and expertise of their fellow Liberals.

This will be especially true for young Liberals since a major focus of the convention is directed toward youth.

On behalf of my colleagues in the House of Commons and the Senate, I want to congratulate Premier MacLellan, party president Lloyd Campbell and co-chairs Eleanor Norrie and Claude O'Hara

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on their initiative and wish them and their fellow Nova Scotians a very successful convention. [English]

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HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, there is a crisis taking place in health care that nobody is talking about and that is the critical shortage of medical specialists that we are going to have in the very near future.

Take nephrology, for example. We are losing twice as many nephrologists each year than we are actually training. The majority of these kidney specialists are over the age of 50. Against this backdrop is a massively increasing demand. In fact the demand is increasing at a whopping 12% per year.

The situation is only going to worsen as our population ages and the incidence of diabetes increases. This critical shortage of specialists affects not only nephrology, but also orthopedic surgery, neurosurgery, general surgery and other medical specialists, including the nursing profession.

The failure to invest in medical specialist training today will cause the suffering and death of many Canadians tomorrow. I implore the federal government to work with the provinces to deal with this situation today for all Canadians.

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[Translation]

ELECTORAL RULES AND PRACTICES

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, allegations of practices that are questionable to say the least have cast serious doubts on the result of the November 30 election in the riding of Anjou.

According to information recently made public by the media, Liberal organizers engaged in the fraudulent practice of buying votes, by paying imposters to cast ballots in the stead of duly listed voters.

Such actions are unworthy of our democratic values and hark back to an era we thought was well behind us, raising concerns about the methods used by certain apparently unscrupulous organizers to achieve their ends. Such revelations call out for a crackdown on electoral practices.

Only a public inquiry into this shocking affair will eliminate the shadow now cast over the election results in certain ridings and alleviate our concern about similar goings-on during the last referendum, when a mere 25,000 votes separated the two sides.

THE LATE JACK WEBSTER

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, Jack Webster, who died on March 2 of heart disease at the age of 80, immigrated to Canada from Scotland in 1949.

He first worked as a reporter for the Vancouver *Sun*, but it was later as a radio and television broadcaster that he really left his mark, pioneering the open line show format and inspiring a generation of broadcasters.

Ferociously combative but with a colourful imagination and robust sense of humour, he liked to tilt at windmills and challenge the status quo. In a real sense he anticipated the new people's power, the late 20th century emphasis on direct public participation in community decision making.

* * *

DRUNK DRIVING

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I want to introduce two very influential Canadians sitting in the opposition gallery. They are different in many ways.

• (1405)

Ken Roffel is a gentleman with his fair share of life's experiences. Sharleen Verhulst is a young lady who has many years to yet experience life. They have one thing in common. Ken's son Mark was murdered by a drunk driver. Sharleen's sister Cindy was also murdered by a drunk driver. Both Sharleen and Ken are here in Ottawa today to save lives. They are presenting recommendations to parliament's justice committee to change our drunk driving laws.

Canadians will gain from Sharleen's and Ken's dreadful experiences. They are speaking for Mark and Cindy and tens of thousands of Canadians who cannot be with us because of drunk drivers. Sharleen and Ken are important. They are dedicated. They are what we are here for. They are an inspiration to us all.

* * *

STATUS OF WOMEN

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, next Monday in this House we will see a sure sign that spring is coming to Ottawa. The Prime Minister will celebrate International Women's Day by having every woman Liberal MP he can find stand to sing the praises of the government.

Instead of stage managing the chorus line, this government should be acting to support women in their right for equality; acting to ensure fair treatment for older women by abandoning its plan to raid public service pension funds; acting to keep its endlessly

delayed promise to women in the public service and deliver pay equity; acting to give women working in the home the respect they deserve for doing the most important job anyone can do, raising the next generation; and acting to end employment insurance rules which discriminate against women.

Canadian women are tired of words. What women want and demand is action; action that helps them feed themselves and, most importantly, their children.

* * *

[Translation]

THE BUDGET

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, in his last budget, the Minister of Finance announced an important measure to help Canadian families.

The child tax benefit means that taxpayers with dependent children pay lower taxes than those whose income is the same but who do not have dependent children.

I remind the House that the Canadian government set aside \$850 million in assistance in 1997 and that it announced an additional \$850 million in the 1998 budget.

The 1999 budget sets aside another \$300 million for the child tax benefit, which will help two million low- and middle-income families.

These are some of the things our government is doing to improve the quality of life of Canadians.

* * *

[English]

THE REGION OF PEEL

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, the region of Peel and the Peel regional police are celebrating their 25th anniversary.

The population has grown from 275,000 in 1974 to over 900,000 in 1999. The diverse ethnic groups represented at every level of government is clear proof of the community's tremendous tolerance and compassion.

Year long activities include Brampton Canada Day celebrations and other community events, such as the publication of a book highlighting local success stories.

Finally, I would ask my colleagues to join me in congratulating Peel's professional, financial, religious, educational and municipal sectors, including the Peel police, for their valuable contribution toward making Peel's first quarter century a huge success.

S. O. 31

[Translation]

PREMIER OF QUEBEC

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the inaugural speech by the Premier of Quebec was far from impressive. In it, he announced that he would step up efforts to attack the federal government and to sell the concept of separation.

This sounds more like a speech to a partisan sovereigntist group than a speech by a government.

One would have liked the Premier of Quebec to state his intention to work in good faith with the federal government in order to settle some major issues.

One would have liked to hear his proposals for at least attempting to improve Canadian federalism.

One would have liked to hear Lucien Bouchard telling us whether he would respect the decision taken by Quebecers in the last referendum, as well as telling us that he had properly understood the meaning of the results of the last election in Quebec.

Instead, we were treated to the prospect in the months to come of nothing but disdain and confrontation from the sovereigntist government. A pleasant prospect indeed.

* * *

● (1410)

[English]

THE ECONOMY

Mr. Jim Jones (Markham, PC): Mr. Speaker, the Minister of Industry likes to portray himself as a champion of productivity. Sadly, his government is the champion of high taxes and user fees on the private sector.

Since the Liberals took office in 1993 corporate income tax revenue has more than doubled. Canada's combined federal-provincial general corporate income tax rate averages 43%, 4 percentage points higher than comparable rates in the United States, our number one competitor.

Canada's corporate tax is also 9% higher than the average G-7 country.

The Liberals also did nothing to address their unfair, competitive and non-productive cost recovery program. In 1996-97 alone the program cost 23,000 Canadian jobs and cut \$1.3 billion from our GDP.

If the Minister of Industry was serious about productivity he should have fought for a budget that provides tax and regulatory relief for the private sector. Let us hope the minister's battle to save the NHL is more successful than his battle to improve productivity.

S. O. 31

THE UNITED ALTERNATIVE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, last week the Reform Party tried to disguise a party the voters have rejected in the last three elections. Despite the United Alternative's best efforts to appear more moderate, from what I saw the convention reeked of the same old rubbish.

Delegates voted to support refugees and immigrants only where they were a positive source of economic growth.

They voted down resolutions calling for national standards in health and education.

They threw out resolutions calling for government to play an effective role in job training and retraining.

They rejected a role for government fostering an economic climate that recognizes the need of Canadian youth.

A pollster who made Mike Harris blush asked if they would vote for a Jew.

It is the same leader, the same discredited policies, the same extremists. I predict that Canadians will reject—

The Speaker: I remind my colleagues that words we should not use outside the House we also should not use in here as a quotation from someone else. I ask you to respect that rule.

* * *

TAXATION

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, by taxing single income families unfairly the Liberal government has placed its ravenous appetite for tax revenues above the well-being of society.

In some countries governments permit children to be abused through child labour. Instead of ensuring that children receive an education, those governments look the other way, forcing children to punch the clock every day.

However, Canadians believe that a basic education is important enough to justify staying out of the paid workforce for a certain period of time.

Likewise, the majority of Canadians believe that the task of caring for our children, the next generation of Canadians, is important enough to justify a parent's decision to stay out of the paid workforce for a certain period of time.

The Liberal government seems to hold the view that if a person is not taxable, their contribution to society is less valuable. A vast majority of Canadians reject that view.

CANADIAN MILITARY

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, the Progressive Conservative Party and I are very concerned about the lack of defence spending in the recent federal budget.

An additional \$175 million for Canadian forces is next to nothing when they needed \$700 million this year, and that is just to implement the quality of life study.

This is especially troubling after suggestions in the press that the Government of Canada is planning on cutting 5,000 people from Canadian troops.

When SCONDVA made its report on the quality of life in the Canadian forces, or lack thereof, we made it clear that it was our first priority. All parties agreed that the additional funds for the quality of life study should not come from force reduction.

The 1994 white paper received considerable support. Any troop cuts below 60,000 personnel would call the white paper into serious question.

Lastly, the Canadian forces need new equipment, particularly maritime helicopters.

Does the Liberal government have an interest in the Canadian military or are they just cannon fodder for the Prime Minister when he travels abroad?

* * *

PHARMACY AWARENESS WEEK

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, on the occasion of the seventh annual Pharmacy Awareness Week I congratulate all Canadian pharmacists for the valuable contribution they make every week to the health of Canadians.

Pharmacy Awareness Week provides Canadians with an opportunity to learn how their pharmacists can help them to maintain and improve their health.

• (1415)

Pharmacists will be very busy this week highlighting many of the key aspects of pharmaceutical care that they provide to Canadians. The theme for this year's campaign is taking your medicine well. Pharmacists are experts on medication and its proper use.

[Translation]

I applaud your efforts and wish you a most successful campaign.

*Oral Questions***ORAL QUESTION PERIOD***[English]***FAMILIES**

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the comments just float to the top. Now we have proof again that the Liberal member for Vancouver Kingsway in committee last fall told stay at home parents in Calgary that they “take the easy way out”. The Liberal member for St. Paul’s told stay at home women that they were just a bunch of elite white women. These are not slips of the tongue.

Is it not true that this is the real family policy of the government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if we look at the measures this government has brought in, whether it be the child tax benefit, whether it be the action program for children, whether it be the prenatal nutrition program, whether it be the wide range of programs involving aboriginal head start, it is very clear that this government values enormously not only the work done at home but the raising of children, family policy. That is an essential part of our values. More important, we do not simply talk about it, we have put it into legislation.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, if this government really loved children I dare say it would not have allowed child pornography to go through. Is that proof of loving children? I hardly think so.

We have Liberal backbenchers who are appearing in public with these attitudes and they are not simply a slip of the tongue. I quote again. A Liberal member said a lot of times people just take the easy way out to look after their kids at home. The member for St. Paul’s said it is just your perception as elite white women. The member for Essex—Windsor said that this is just for stay at home parents a nostalgic notion.

This is fiction. There are people right across the country who are sacrificing to stay home with their kids. Why does the government discriminate against them?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, the government does not discriminate against persons who stay at home to look after their children.

We only have to look at the child rearing drop out in the Canada pension plan to know that. We only have to look at the EI provisions that allow someone to stay at home for up to five years and then be able to get back with training into the workforce. We only have to look at the credit splitting and at the Divorce Act and the money we have put into the child tax benefit to know that we

do not discriminate against stay at home persons. We recognize it is a very complex issue.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, it is one thing to try to defend the indefensible. It is not going to fly. Right across these government benches we have seen people stick their foot in their mouth for days now and they are not defending the indefensible because there is no way they can do it.

When we talk about discrimination, is \$4,000 more to pay in taxes not discrimination? What about this government which continues to discriminate against parents who stay at home with their kids? When will the Prime Minister make this right and tell these people they are not just taking the easy way out?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, I am really glad to see that the hon. members opposite have suddenly become interested in women’s issues. It is typical of the opportunistic attitude of the hon. members across the floor. They are the ones who have called women a special interest group for a long time.

• (1420)

These are the hon. members who have not supported the concept of equity, understanding that equity is not about sameness. That is why they continue to deal with complex issues in a simplistic way.

These are the members who today and earlier on talked about single income families as if they are only made up of a mother, a father and a house. There is a group of single income earners called single parents—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, maybe the minister should step into the 1990s. Maybe she should know that many men stay at home with children too. Maybe she should know that this member was raised by a single mother with five children. Maybe she should wake up over there and understand that people in this party have many unique experiences, not just unique to the Liberal Party.

I want to know why this government continues to discriminate against single income families. Why do backbenchers in that party take every opportunity to disparage single income families?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, it is extremely surprising that with all that experience the hon. members still do not understand the issues.

If they want to talk about single income families, let us talk about single income family working people, 80% of whom are women and 60% of whom are in low income communities. When they earn \$20,000 the child benefit will assist that single income earning family. The hon. member’s mother would have been helped by that initiative we put in two years ago.

Oral Questions

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, here is what the government says about stay at home parents. They are taking the easy way out, they are not working, they are elite white women. That is the government's attitude.

We see systemic discrimination every year in the finance minister's budgets, six budgets in a row increasing the discrimination against stay at home parents. Why does he allow that to happen?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if anybody wants any example of the kind of nonsense that is being spouted by the Reform Party, let us simply respond by facts.

As a result of the 1999 budget, by the year 2000 through the child tax benefit a typical one income family will be receiving better than twice the amount of a typical two income family, \$2,600 per year versus \$1,200 per year. That is the truth.

* * *

[Translation]

EMPLOYMENT INSURANCE FUND

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Minister of Human Resources Development told us that the Minister of Finance pays annual interest on the money he takes out of the EI fund. In real life, when one pays interest, it is because one owes money.

Will the Minister of Finance tell us why he does not take the money he owes unemployed workers into account when he is congratulating himself on his balanced budgets?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is precisely what we are doing.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in other words, he is saying that he is paying interest on a debt, but he keeps the debt a secret.

This is the era of the Internet; we have a virtual fund, virtual surpluses. The Minister of Human Resources Development tells us there is no longer a surplus. The Minister of Finance tells us he is borrowing on the surplus. It is Alice in Wonderland.

What will the Minister of Finance do if there is a recession? Will he increase premiums? Will he cut benefits? Will he go back to a deficit situation? There is no longer a fund. Where will he get his money if there is no longer a surplus?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the opposition leader should ask his virtual researchers to go back to their drawing boards.

When this government took office, the deficit was \$6 billion; it appeared in the books. Today, there is a surplus; it too appears in the books. And fortunately, there is a surplus.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in his budget, the Minister of Finance forecasts a marked decrease in unemployment in Canada, yet at the same time he informs us that there will be an 11% increase in benefits.

Yesterday he tried to explain to us that the justification for this was higher salaries. That makes no sense. The rise in salaries will be only 2.5%.

• (1425)

Is the minister not using these figures as an excuse to artificially inflate premiums so as to reduce the surplus, without looking as if this is being done at the expense of the unemployed?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, unfortunately, the hon. member for Roberval does not grasp how this works.

The problem is that average salaries are on the rise. The average salary is \$34,000 and the ceiling \$39,000. This raises the average salary and thus raises benefits. It is a sign of a healthy economy.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it seems to me that there is something wrong here.

The Minister of Finance has just explained that salaries are going up, so premiums are as well, and therefore more money is going into the employment insurance fund. There being less unemployment, less will be paid out in benefits.

I would like him to try to explain to me how this adds 11% to the benefits paid out. It makes no sense. Salaries are higher, people pay in more, and employment insurance pays out less. How does this leave him 11% in the hole?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we will go back over Math. 101. This will help the hon. member for Roberval, perhaps.

Some hon. members: Oh, oh.

Hon. Pierre S. Pettigrew: Might one reply, Mr. Speaker?

I realize it is a bit complicated—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Minister of Human Resources Development.

Hon. Pierre S. Pettigrew: Mr. Speaker, when salaries increase and a worker becomes unemployed, his benefits are higher.

Oral Questions

When 1.5 million more people are working in the Canadian economy, and no longer unemployed, but then they run into a problem and lose their jobs, then that makes 1.5 million more people drawing benefits.

When there is a healthy economy, when people are working more hours, then more of them will become eligible for employment insurance because the economy—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Halifax.

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[English]

FAMILIES

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, we have heard a lot of we love families more than you love families from Liberals and Reformers.

Supporting families with children requires a lot more than just tax policy. Take unemployment insurance. The government's changes make it harder for parents to stay home with their babies and in many cases impossible.

Will the government now correct this injustice? Will the government eliminate these Reform inspired anti-family UI policies?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the system has been geared to help these people, especially women, to go back into the labour force. We made it on an hourly basis so they could have more flexibility and more opportunity to contribute and to be able to receive UI more rapidly than before.

Changes were created to help women work and to receive the benefits faster if they were unfortunately unable to find work.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the truth is the government's changes have made it harder for mothers to get maternity benefits. Even if they do qualify, the benefits are so low that they cannot stay home with their babies.

Reformers are even more anti-family. If they had their way they would get rid of maternity benefits and unemployment insurance.

If the government really cares about families, why will it not provide better—

Some hon. members: Oh, oh.

The Speaker: The hon. Minister of Human Resources Development.

• (1430)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, let me draw attention to two elements of our EI reform that help families.

We have introduced the family income supplement specifically to help women in low income families with children. With that family income supplement, we have also made measures retroactive for women who have stayed at home with their children, so they can go back a lot further, to help them re-enter the labour market. These are measures—

The Speaker: The hon. member for Pictou—Antigonish—Guysborough.

* * *

PRISONS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, Canadians are shocked to learn that federal prison wardens have been instructed to boost inmate release by 69% by the end of this year.

CSC commissioner Ole Ingstrup has urged officials to ignore technical parole breaches such as alcohol use and association with criminals and reduce refusals for detention. In a June 1998 memo, Ingstrup calls for a 50:50 quota split for convicts in prison and those on parole by the year 2000. This has become a virus in the justice system.

Will the solicitor general confirm that the Liberal government is promoting a get out of jail free quota system for the release of Canadian prisoners?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I am surprised that my hon. colleague would want to try to scare Canadians that we are going to open the prison doors. That is absolutely incorrect. There are no quotas, there never were any quotas and there will never be any quotas.

Public safety is the number one issue of the parole system in this country and it always will be.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): They are nice platitudes, Mr. Speaker, but Canadians need to know who is running the show. The CSC is bullying the National Parole Board and individual wardens into meeting this quota and implementing a 12-step reintegration program.

The government has a duty to protect Canadians first and foremost. By releasing more prisoners and ignoring the legislative safeguards and early warning mechanisms, Canadians are being put at risk.

The solicitor general must demonstrate accountability and responsibility for this dangerous cost cutting measure. How will the minister explain this outrageous quota system to Canadians who are falling victim to crimes of repeat offenders?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I indicated before, public safety is the number one issue. The National Parole Board is an independent

Oral Questions

administrative tribunal. It makes its decisions with public safety as the number one issue. It always has and it always will.

* * *

TAXATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, it is very clear that there is a problem in our tax system involving single income families. In fact one of the government's own members, the member for Mississauga South, said less than a year ago, "The bold reality is that our income tax system does discriminate against families who choose to provide direct parental care".

I ask the finance minister not to evade and not to disparage but to simply answer the question. Is he prepared to end this tax discrimination against single income families with children, yes or no?

The Speaker: Order. I am going to ask the Minister of Finance to respond, but my colleagues, we cannot even hear the questions up close. I would ask you please to lower your voices.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, our income tax system works on the basis of progressivity. That means someone earning \$25,000 a year will pay less tax, at a lesser rate than someone who is earning \$50,000. It also operates on the basis of individual taxation.

Having said that, by what the government has done over the last number of years and certainly now that the budget has been balanced, we have made it clear that we are prepared to have a complete examination of the way in which the government can help Canadians raise their families. We have made that very clear. We would ask the finance committee to work on that very closely.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, the finance minister is very fortunate because the Reform Party has done that work for him. Today we have proposed a very sensible way to change the tax system to end the discrimination against single income families. Is the finance minister prepared to stand in his place on the vote on today's motion and support the measures that he says need to be put into place?

• (1435)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would simply ask the hon. member, a person for whom I have a lot of respect, how she jibes her so-called interest in children and families with her statement which I am quoting from the *Toronto Sun*. The member for Calgary—Nose Hill said that young pregnant

mothers without enough to eat should not count on government help but instead should go to food banks or other charities.

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[Translation]

EMPLOYMENT INSURANCE FUND

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, last week, the Minister of Human Resources Development said there should be a public debate on the use the government is making of the EI fund.

Is it not true that the minister is calling for such a debate now because he is beginning to think his colleague, the Minister of Finance, has helped himself to far too much of unemployed workers' money in order to pay down the deficit?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is because we live in a democratic society and always want to make the soundest possible decisions.

Canadians should have a say in the finances of the country. I think they have indicated how satisfied they are with the overall direction in which the government and the Minister of Finance have taken those finances so far.

We will make the most judicious use possible of the money with which we have been entrusted and are taking a very balanced approach that clearly meets with Canadians' approval.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, should the proposed debate not be about ways of improving the system or reducing premiums, rather than the sort of debate probably held in cabinet on ways to make unemployed workers think the government was looking out for them while dipping into their fund?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is unfortunate that the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques seems to be against the Canada jobs fund, the very purpose of which is to create jobs in regions or zones of higher unemployment. He is against the youth employment strategy, which helps young Canadians get back into the workforce.

This is what the government is doing with the money entrusted to it, and I would point out that the EI reform, which sometimes has unfortunate repercussions in some areas, is made very necessary by the realities of today's job market.

[English]

TAXATION

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, yesterday we heard the finance minister and the Prime Minister distance themselves from the outrageous comments of the secretary of state but we have not yet heard them distance themselves from the remarks of the hon. Liberal member for Vancouver Kingsway who said that most women can combine career and family life but that a lot of times people, that is, stay at home parents, just take the easy way out.

I have a very simple question that could have a very direct response. Does the Minister of Finance believe that stay at home parents are taking the easy way out?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, it has not yet sunk in with hon. members across the way that this is about valuing the unpaid work so many families do to bring up their children. That is what it is about.

When we talk about valuing the unpaid work, I would like to know why that group has voted against every single initiative in this House. When we talk about looking after children and taking time off to do that, they have called for the dismantling of the CPP, the most important thing for allowing parents to drop out and look after their kids—

The Speaker: The hon. member for Calgary Southeast.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I will tell the minister why we voted against every single tax raising, health care cutting Liberal budget. It is because the Liberals have been reducing the disposable income of Canadian families. Every tax increase, like the \$10 billion CPP tax increase, has had a particularly negative effect on single income families. Those are the families that have seen the biggest shrinkage in their disposable income.

My question is very simple. Will this government allow a free vote on this motion for family tax fairness when it comes up next week? Will it allow its members to vote their conscience, yes or no, or will the whip come down—

The Speaker: The hon. Secretary of State for Multiculturalism.

• (1440)

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, the hon. member talks a lot about why those members voted against things. The single most important thing that single income poor families have in this country is the child tax benefit and they voted against it. They voted against making child support payments tax exempt for recipients. That is important for single income families.

Oral Questions

Let us talk about discrimination. I want to quote a most discriminatory line from the member for Yorkton—Melville when he said, “We should try to keep our mothers in the home”. That is where the whole Reform Party platform hangs together.

Some hon. members: Oh, oh.

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

* * *

[Translation]

SHIPBUILDING

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, Quebec gives tax deductions as a stimulus for shipbuilding, while at the same time Ottawa taxes these benefits, thus cancelling out the positive effect of these measures.

My question is for the Minister of Finance. Is it not absurd for the federal government to cancel out the effect of measures that have been put into place in order to support shipbuilding in Quebec?

Hon. John Manley (Minister of Industry, Lib.): This is not true, Mr. Speaker.

We have a taxation system that is highly favourable to shipbuilding. We have the capacity for an accelerated write-off for ships built in Canada. We have very high tariffs for ships built elsewhere and a government purchasing system that favours Canadian production.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I understand that the question may have taken the minister unawares, but other responses are needed.

How can we explain to Quebec shipbuilders and shipyard workers that federal government decisions cancel out provincial ones?

Hon. John Manley (Minister of Industry, Lib): Quite simply, it is not true, Mr. Speaker.

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[English]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, DND documents received today show that the statement of requirement for the Sea King replacement was actually completed over a year ago. However, the contract has yet to be put out to tender by this government.

The government is sitting on its hands while Sea Kings are falling out of the sky. This is the worst case of political interference Canadians have ever seen. Why is the government delaying?

Oral Questions

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the government is not delaying. We are moving along expeditiously on the matter. All of the details have not yet been finalized. As soon as they are, the procurement strategy will be brought forward. It is recognized that we have to get on with the replacement of the Sea Kings.

I can assure the House that there is no political interference. The matter is being dealt with at a staff level to make sure that we get the right kind of helicopter with the right kind of equipment to do the operational job that needs to be done.

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, there is political interference and I will tell the minister why. It is because the minister does not want to embarrass the Prime Minister when the fact comes out that the best helicopter for the job is the one that he cancelled in 1993. This helicopter fiasco has cost Canadian taxpayers hundreds of millions of dollars.

Will the government stop the political interference today and put those contracts out to tender?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are going to want to get on with the procurement as quickly as possible. This procurement will save us money over that contract which was quite rightly cancelled.

* * *

[Translation]

HEALTH

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, yesterday, the Minister of Health told the House that he had asked his officials to develop a plan with a view to legalizing the medical use of marijuana.

My question is for the Prime Minister. Does the government intend, in the meantime, to support my parliamentary motion and take immediate action to have the police stop harassing gravely ill individuals using marijuana to alleviate their suffering?

[English]

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, yesterday in this House the minister said that the policy of this government and his policy as Minister of Health was to try to help those who believe that the medical use of marijuana can help relieve their symptoms.

• (1445)

He has asked his officials to develop a plan that would include the establishment of appropriate clinical guidelines, clinical trials, and deal with the issue of securing safe access. That is the policy of the government.

NATIONAL REVENUE

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, the Minister of National Revenue has introduced a revised travellers declaration form for Canadians and travellers to Canada.

Would the minister please tell Canadians the benefits that will result from the introduction of this form?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member. I have to report to the House on a matter very important to all members of parliament.

I have made some changes to the travellers declaration form. In the past when coming into Canada each individual was required to fill in the declaration, including young children. Now I have made a change so that one form will suffice for a whole family thereby reducing the cost to Canadians by half a million dollars and the paperwork by 37%.

* * *

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the Liberals have earmarked millions more in next year's budget to implement new gun control laws. Taxpayers can add these millions to the \$200 million already spent on the government's gun registration scheme.

The government said that it would only cost \$85 million over five years. Would the Minister of Justice please explain how her department could have bungled things so badly?

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, no one has bungled anything. In fact the gun registration system is working very effectively.

Canadians are respecting the law. It is only the opposition that does not want to respect the law of the land.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Talk about being misled, Mr. Speaker. While the minister wastes hundreds of millions on this totally useless project, Statistics Canada recently reported that the number of police officers per capita had dropped for seven consecutive years.

In 1998 there were fewer police officers per capita than in 1970. Meanwhile, the number of criminal incidents has more than doubled since 1970.

Why did the Liberals blow hundreds of millions on a gun registration scheme when millions are needed to put adequate numbers of police officers on our streets and highways to fight this dramatic increase in crime?

Oral Questions

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I will repeat what I said earlier. Gun registration is working very effectively. We have had thousands of requests for registration across the country. The only people working against the law of the land is the Reform Party.

* * *

THE SENATE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Prime Minister. It is a follow up to my question about the Senate a couple of days ago.

Some of the senators, who of course are unelected, are now threatening to delay or even to block some of the work of parliament because of a dispute over the request for an extra 6% in their budget on top of 10% last year. Such an action would thwart the will of the elected member of parliament.

Will the Prime Minister now consult with the premiers in the provinces and, after that consultation, come before the House and put the appropriate resolution before the Parliament of Canada to abolish the Senate?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to answer the question of the hon. member with regard to the Senate's expenses, which he appears to be against.

May I remind him that a good portion of those increases are for the salaries of the employees of the Senate. We know the member is against many things; I hope he is favour of labour.

The second component of it is the increase in compensation for members of parliament and members of the Senate, and he voted for it.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question for the Prime Minister was about the abolition of the Senate. No wonder we have cynicism when questions are not answered.

Fourteen years ago the Prime Minister, speaking in the House, said "I am appalled by the attitude of the prime minister", meaning Brian Mulroney. "He is the prime minister and he wants to abolish the Senate. He has enough members to do it. He does not have to play games with anyone in this House and cop out like that".

In light of those statements by this Prime Minister in those days, why does he not now consult with the premiers in the provinces and put a motion before the House to start the process of the abolition of the Senate?

• (1450)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I never proposed the abolition of the Senate. I have proposed

some reforms to the Senate and we voted for some reforms to the Senate.

I met the premiers many times and none of them have asked me to make a motion to abolish the Senate. We need to reform it. We tried to reform it. We tried to make it elected, and of course the Reform Party was opposed.

He wants to abolish it. When there is a very large consensus we might act, but at this moment what is important is that the Senate is doing its job and doing it well.

* * *

TAXATION

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, "parents who make the sacrifices and deliver quality care have earned the right to get support". These are the words of the Liberal member for Mississauga South.

He went further to say that our tax system discriminates against families that choose to provide parental care. Why does the Liberal government not listen to a member of its own party and end its discriminatory tax treatment against single income families?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I congratulate the member from Mississauga for having raised this issue long before any one of the opposition parties thought about it.

In fact I congratulate our entire caucus that has been working on this matter. As we look ahead toward the possibility of tax relief as a result of the elimination of the deficit, it will be the pioneering work by this caucus that will lead the way.

* * *

[Translation]

THE BUDGET

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, the budget brought down with such fanfare by the Liberal government penalizes single income families.

Parents who decide to raise their children themselves are being treated like second class citizens by this government.

Will the government undertake today to do something about the tax inequalities their budget creates for single income families?

Hon. Paul Martin (Minister of Finance, Lib.): Once again, Mr. Speaker, the member is a bit behind the times. I will merely refer to the 1999 budget.

It provides that by July 2000 a typical single income family will receive \$2,600 a year, more than double the \$1,200 received by a typical two income family. So the government has already done something.

Oral Questions

[English]

● (1455)

NATIONAL REVENUE

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

Revenue Canada made a preliminary decision yesterday that France, Romania, the Russian Federation and the Slovak Republic were dumping steel products into Canada.

Why was this decision made, and what does it mean to Algoma Steel and other Canadian steel producers?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I would like to report to the House that on December 3, 1998, the department started a dumping investigation in response to a complaint of unfair trade filed by Stelco Incorporated of Hamilton, Ontario.

The investigation reveals significant dumping of the subject goods from France, Romania, the Russian Federation and the Slovak Republic. As a result, temporary duties will be levied where warranted. The investigation is continuing and a final decision will be made by June 1 of this year.

* * *

IMMIGRATION

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, most people know today that Canada is a haven for drug dealers and organized crime.

Mark Applejohn, an RCMP officer, trying to crack the drug epidemic in British Columbia, is being threatened by immigration officials for pointing out that the immigration laws are lax and cumbersome.

Why does the immigration department focus its attack on an honest, hard working RCMP officer rather than on its own problems?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, in fact, we are working in very close co-operation with local and regional police forces, including the RCMP, precisely in order to eradicate certain problems in the Vancouver area.

This productive relationship means that we are able to take very concrete action against individuals who abuse our system and who have committed crimes in Canada, and deport them.

It is therefore very clear that we are continuing to work with the RCMP to improve the existing system.

PROSTATE CANCER

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, last week the Minister of Health announced the creation in Vancouver of a centre of excellence for prostate cancer.

How can the minister explain spending \$15 million in British Columbia to create a prostate cancer research centre from scratch when there is already such a centre in existence in Quebec with an internationally reputed research team?

[English]

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, what is important is that the announcement of the minister about the centre of excellence will build on the expertise at the Vancouver General and B.C. Cancer Agency in the area of prostate cancer.

The prostate clinic at the Vancouver General Hospital is considered to be a leader in prostate cancer research, prevention, diagnosis, treatment and education. It will benefit all Canadians.

Rather than quibbling about where the centre of excellence should be located, I would have thought the member opposite would have applauded the government's decision to establish a centre of excellence in prostate cancer.

* * *

EMPLOYMENT INSURANCE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, first the government makes it next to impossible to collect EI benefits. Now those who are lucky enough to collect are facing unprecedented delays in filing their claims or having their claims processed.

In Manitoba alone there is a backlog of 4,000 cases. Even the most—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Winnipeg Centre.

Mr. Pat Martin: Mr. Speaker, first the government has made it next to impossible to collect EI benefits. Now they are facing unprecedented delays in having their claims processed.

In Manitoba there is a backlog of over 4,000 cases. Even the most straightforward claims are taking eight to twelve weeks to process. Workers cannot wait for two months or more for their first paycheque. They have rent to pay. They have families to feed.

Business of the House

What is the minister doing to relieve this backlog and to break the log jam of this unjustifiable delay in having claims processed?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, first allow me to correct the premise of the question that we made it next to impossible to collect EI. Seventy-eight per cent of Canadians workers who have lost their jobs or left them with just cause are covered by the EI system. Let us stop the fearmongering from the opposition backbenches.

In terms of the backlog, I will look into it. I will make sure that we continue to give the best possible service and that we have as little backlog as possible.

* * *

EMPLOYMENT

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, the New Brunswick job corps program was a program designed to employ older workers. In fact there are about 1,000 older workers employed in the program and there is some concern that the program will be cancelled.

I point out to the House and to the minister that in all quarters and by any measurement, political measurement included, this program was a great success. We are concerned that it may not be renewed.

Could the minister give use some assurances that he is considering renewing the program for those older workers who otherwise would not have jobs?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am glad to have the point of view of the hon. member who thinks this is a very good program that our government put in place.

I am well aware of the situation. I know the financing of the program was to end at the end of March. However, this is a pilot project that we have found extremely useful. We have learned a lot of things about how we can best help older workers with that particular program. We are right now, with the provincial government, looking at how we can possibly use this program to help the older workers who participate in the program.

* * *

• (1500)

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is addressed to the Secretary of State for Multiculturalism and the Status of Women.

Today the opposition has suggested that income tax alone can solve all of the problems having to do with all family conditions for

all the different choices they can make with regard to care for their children.

Does the secretary of state agree with that statement? If not, can she please clarify?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, again this points to the complexity of an issue for which hon. members opposite only see a simplistic answer.

There are many incentives which this party across the way voted against, such as the child tax benefit, the EI parental leave benefit, child support payments for children of divorce, the Canada pension plan and its child-rearing dropout, prenatal nutrition programs for children in low income families, and I could go on and on. It is too complex for hon. members across the way to understand.

The Speaker: Colleagues, there is a question of privilege and three points of order that I am going to deal with.

* * *

PRIVILEGE

QUESTION PERIOD

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, during question period the finance minister attributed a quote to me which in fact is something I never said. It was one of those unfortunate misrepresentations from the media and, that being so, I would ask the finance minister if he is prepared to withdraw his statement.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I mentioned in my preamble the respect that I have for the member for Calgary—Nose Hill. I certainly accept what the member says. If in fact the quote is not an accurate quote or out of context in any way, shape or form, I certainly withdraw my statement.

* * *

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, this being Thursday, I would ask the government House leader the nature of the business for the remainder of this week and for next week.

I would also ask him, given that we have some victims of drunk drivers in the gallery, if there will be legislation eventually in the House, how soon and when, regarding drunk drivers.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, obviously I am going to give the business statement for the next week, not the projection of introduction of bills for the next while beyond that.

The agenda for the following week will be as follows.

Points of Order

[Translation]

Tomorrow we shall conclude third reading debate on Bill C-49, the native land claims bill.

On Monday, we shall resume consideration of the report stage of Bill C-55, the foreign publications legislation.

• (1505)

[English]

Likely on Tuesday we will commence report stage of Bill C-65, the equalization bill to transfer moneys to the provinces. It is our hope to complete all remaining stages of both of these bills next week.

It is also our intention to call, probably next Thursday, the following legislation: Bill C-67, the foreign banks bill; Bill C-61, third reading of the veterans bill; and Bill C-66, the housing bill.

This is the legislation until the end of the following week.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I thought my point of order was a point of privilege as well. The member for Calgary—Nose Hill actually attributed a quote to me during question period that I did not make at any time.

The member said that about a year ago the member for Mississauga West made a statement with regard to this government's tax policy. I did not and I would ask the member to correct the record.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I do not know how I could have mixed up the member for Mississauga West with the member for Mississauga South, but I did and I regret that. I was referring to the member for Mississauga South.

STANDING COMMITTEE ON NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, I rise on a point of order with respect to an incident that happened today at the Standing Committee on National Defence and Veterans Affairs.

The standing committee adopted a procedure restricting me from tabling a document because of the official language that I chose to use.

Moving motions and tabling documents in either official language is a right granted to members by the authority of the House and by law. Yet I was denied these rights today at the Standing Committee on National Defence and Veterans Affairs.

Subsection 4(1) of the Official Languages Act reads as follows:

English and French are the official languages of Parliament, and everyone has the right to use either of those languages in any debates and any other proceedings of Parliament.

This subsection defines the right of members of parliament to speak and submit documents in the language of their choice in parliamentary proceedings.

The standing orders state:

All motions shall be in writing . . . before being debated or put from the Chair . . . it shall be read in English and in French by the Speaker, if he or she be familiar with both languages; if not, the Speaker shall read the motion in one language and direct the Clerk of the Table to read it in the other—

Standing Order 116 states that “in a standing committee the Standing Orders shall apply”. Standing Order 116 lists some exceptions, such as the election of the Speaker, seconding of motions and times of speaking.

I would like to remind you, Mr. Speaker, of two important rulings in regards to committees on standing orders of the House. On June 20, 1994 and November 7, 1996 the Speaker ruled that while it is a tradition of this House that committees are masters of their own proceedings, they cannot establish procedures which go beyond the powers conferred upon them by the House.

The committee, by adopting a procedure restricting members from introducing documents in the official language of their choice, has established a procedure which goes beyond the powers conferred upon it by the House. This committee is in breach of our standing orders and the law.

On May 5, 1998 the member for Esquimalt—Juan de Fuca raised a similar case regarding the Standing Committee on Health. In his presentation he used similar arguments that I am putting forth today. Unfortunately this matter was not dealt with. The Speaker has not yet ruled on that point of order and the matter of our rights as members of parliament to operate in the language of our choice, as provided for in the rules of the House and in common law, still remains unresolved today.

The House should be aware that the Speaker on May 5, 1998 made the following statement:

It goes without saying that members of this House are free to operate in either of the official languages.

• (1510)

In conclusion, I remind the Speaker of the recommendation of the commissioner of official languages in his 1996 report to parliament:

The Commissioner recommended that the Speaker of the House advise committee chairs, referring particularly to Subsection 4(1) of the Official Languages Act, that language should not be an obstacle to Members of Parliament in the performance of their duties.

It is obvious that this warning from the Chair is overdue.

Points of Order

Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, for your information, at that particular committee it was voted unanimously by all five parties represented that any document or any motion be brought forward in both official languages. I find it strange that this is brought up today. As I said, it was voted unanimously that this be done.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, I too am astonished that such a question should be raised.

The gentleman has been a member of this House for six years. I have always heard it said that committees worked in both official languages and that documents were tabled in both, unless there were outside witnesses. When that is the case, we accept tabling in one language, with a committee commitment to have it translated into the other, so that all committee members may have a document in both official languages.

If, however, the document is from an official government agency, such as CBC or the Canada Council, or from a committee member, we require them to be in both official languages.

In addition, the committees are totally autonomous in their rules of procedure, and to my knowledge—and I have a certain degree of overview of the procedures in all committees because of the position I hold within our party—it would appear that it is a universal rule that all documents be tabled in both official languages, unless they come from outside.

I do not, therefore, see any reason for raising this question today.

[*English*]

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I was the acting chair of the Standing Committee on National Defence and Veterans Affairs today when this issue was raised. This is what occurred at the committee: The member for Okanagan—Coquihalla was attempting to deal with a document obtained through access to information that was only in one of the official languages.

The member for Joliette had some difficulty with that because it was the first time he had seen the document in English. He had no previous knowledge that it was coming forward. As a courtesy to the member for Joliette, as the parliamentary secretary has indicated, in terms of the previous practice of the committee which has been dealt with by motion in the committee, we agreed as a committee that this matter would be deferred until the document could be translated.

The member indicated that he tried to table the document and that the chair refused to table the document. That is not the case. The document was tabled with the committee and will be dealt with presumably at a later date.

As I indicated, it was solely a matter of courtesy to the member for Joliette, who is not as functional in English as are the other members of the committee. It was done as a courtesy.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there are two issues. First, a request has been made by an hon. member that the Speaker should rule on an issue. I do not want to get into that one. Mr. Speaker will rule on any previous issue whenever Mr. Speaker feels it is appropriate for him to do so, if he decides it is appropriate for him to do so. None of us should question that.

On the matter of the procedure before committee, we went through this a number of years ago, as the Chair will recall. I believe some work was done.

• (1515)

If it is necessary to fine tune the procedures we had set before, so be it. Perhaps the Standing Committee on Procedure and House Affairs should look at that.

However, our general principle would make immanent sense to most of us. If a government document is to be tabled in committee, the same rules as would apply to the House should apply. A government document in the House has to be tabled in two official languages and I think it should be the same in committee. That is only logical.

If the speech of a witness comes to the committee obviously the witness appears with his document and it appears in the way that it appears. I think that is equally normal.

If a member walks in with a document and would like it made available to all committee members surely that document can be given to the clerk to have it translated and then given to the members. That seems equally logical.

Those are all principles which I do not think are very hard for any of us to understand. They only refer to what is practical and what respects the official languages so that all members of parliament can read what is given to us. I feel that should be the guiding principle.

If that needs to be refined in any way we have very excellent staff in the clerk's office that can prepare a document for us to be fine tuned for the committee on procedure and House affairs and then used by all committees.

The Speaker: I would prefer that the members of the committee settle whatever differences they have.

The hon. member can correct me, but did he say he was not allowed to table the document?

Supply

Mr. Jim Hart: Mr. Speaker, the document was not officially tabled. It was handed to the members of the committee and the member for Joliette objected to the document.

The Speaker: My understanding, from what the acting chairman of the committee told me, is that the document was tabled with the understanding or agreement that this document would be translated and discussed at the next meeting.

If that is the case then the document was tabled, according to the chairman, and will be discussed at the next meeting.

However, if hon. members bring committee problems to the Chair, I would prefer to deal with them when I get a report from the committee. That is how we usually work it here in the House.

What I am asking the hon. member is that if the information we heard today is indeed accurate on all sides, if it could be settled by the members of the committee I would much prefer it, but I invite hon. members to bring back a report to me. At that time I will take it under consideration.

MEMBER FOR VANCOUVER KINGSWAY

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, I wish to clarify the statements by the hon. members for Calgary Southeast and Edmonton North by misrepresenting my statement.

I actually tried to encourage Canadian women to combine their careers and family life if they wished or if they were able to manage both.

The Speaker: I understand the hon. member but I think we are coming into debate as to what I meant and what I said. Many times we use words in here which we attribute to a quote from a member that appeared in some newspaper or some publication and sometimes, not always, they are not accurate.

What we have here, I believe, is a dispute of the facts. I am sure this can be clarified in another way. I am thinking in a statement.

GOVERNMENT ORDERS

• (1520)

[*English*]

SUPPLY

ALLOTTED DAY—TAX SYSTEM

The House resumed consideration of the motion and the amendment.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Madam Speaker, it is a pleasure to join this debate today on such a positive motion being brought forward by members of the official opposition. It is such a pleasure to speak on this topic because it is a topic that is so dear to my heart.

I am the father of four young children, ages eight, six, four and two. My wife is working at home raising those kids as am I when I get a chance to be there. It is hard sometimes with this job. We know there are some major commitments here as members of parliament. There are lots of Canadian families making major commitments to their families. They have made a number of different decisions. Some families have decided to have one of the parents stay home to look after their children. Some families have decided that they need both parents working. There are all sorts of other arrangements with others giving care to children in the home.

What is becoming very evident in this debate today is this government's approach, this government's real attitude toward families and to parents who choose to look after their children at home.

This issue was brought to light by the junior finance minister. We are all well aware of his comments made earlier this week and his apology for those comments, which is an honourable thing to do. I think that is a good thing to do but also we must take a look at what government members are saying and, more important, what they are doing, what the Liberal government is doing.

The government is purposely discriminating against families, against individuals who choose to stay at home and raise their children. It is saying is that there is not real value in that very hard job of raising families, at least not the same value as if those individuals, those parents, were outside the home working.

We have heard numerous statements. We heard the member for Vancouver Kingsway try to enter in on a point of debate not happy about what she said. She said most women can combine career and family life. We know it is very difficult. A lot of times people just take the easy way out.

What is that member saying? What is the government saying to families that choose to have one parent stay home to look after their children? I think it is an amazing admission of what the government's real agenda is. It is unbelievable and it does not stop there.

We heard in question period today and throughout debate as well another member of the government, the member for St. Paul's, talking to members who appeared before the finance committee, saying that your perception as elite white women is not helping colleagues stay at home, individuals, mothers in this case, called elite white women. That is reprehensible.

It shows there are members of the government who are bringing a voice to what the real belief of the government is. It is becoming evident through debate today what the real agenda of the government is as it relates to families. That is discrimination. The government does not have a problem with that.

Supply

It does not have a problem about discriminating against families that choose to have one parent stay home to raise children. In fact, if government members put action to their empty words about what they believe they would do something in their budgets about this discrimination that continues. Year after year the government has been in the House and it has not addressed this.

Government members will throw out some straw dog arguments about the child tax deduction and benefit which helps certain individuals but not all individuals. They neglect to mention the clawback factor.

• (1525)

The millionaire finance minister believes that individuals who are making between \$30,000 and \$60,000 do not deserve the same amount of benefit as other individuals. He must think those individuals are rich and that \$50,000 is a lot of money to raise a family.

I can tell the millionaire finance minister that is not a lot of money. There are a lot of families in this country working really hard to try to raise their families.

I never intended to get involved in politics. One of the things that motivated me to get involved was that very fact, the outrageous amount of taxes the government was taking out of my family's pocket to subsidize its spending habits that seem to know no end at all.

My wife is a professional. She is an early childhood educator. She was a supervisor of a day care. I was a teacher. We made the decision to have her stay home and raise the children. She has also worked outside the home. She has worked sometimes during the summer and I have stayed home to look after the children.

The minister of multiculturalism made some fairly outrageous statements earlier about members here, about why we do not just look after our own children. I will tell that minister that is exactly what our family is doing. That is exactly what we are working on and that is what families are working on across the country.

The agenda of the government is very clear, discrimination against families that choose to have an individual stay at home to look after the children. What we are asking for is a choice and equality for all individuals, for all families, for the different arrangements people choose to make regarding looking after children.

Sometimes people choose to stay home to raise children. Sometimes they need to work outside the home. Why is the government so against choice? I cannot believe it. It is just unbelievable.

Members of the government seem to be talking out of both sides of their mouths. Some of the members say yes, we are discriminating.

I want to read a question that was asked to the finance minister by an individual in British Columbia earlier this week. This mother had chosen to stay home to raise her children. She was phoning a talk show and these are her exact words to the Minister of Finance on March 1: "We were hoping to see in this budget some form of help for families with stay at home moms. We are under an incredible amount of stress because we have decided for me to stay home to raise the children. My husband is the single income earner. We are bringing home less. We are actually being penalized. The mothers or the care givers going to work and getting better tax breaks than those of us who are deciding to stay home and deciding to send one of us out to work. What is the finance minister going to do about that? Why has he not done something this year?"

The finance minister did not give the normal rhetoric and spin he gives in the House of Commons, which was refreshing. He said: "The fact is that you are right".

What was the caller right about? The caller was saying that we are being penalized because we choose to send one of our members of the family out to work outside the home. The finance minister admitted that.

He went on to say: "There are anomalies that have been allowed to build up in the Income Tax Act over the years". He has been the finance minister for five years and he has allowed those inequities to go on and on.

There is discrimination against families, discrimination against Canadians who choose to have one of the members of their family stay home and look after their children.

This motion is a positive motion that seeks to end the ongoing discrimination of the government.

• (1530)

We hope we have unanimity on the opposition benches and that this positive motion will go forward. We hope that government members will have an opportunity in a free vote to turn this around and put an end to this Liberal government discrimination against families.

The Acting Speaker (Ms. Thibeault): I think that we should limit our questions and comments to one minute in order that more members can participate in the debate this afternoon.

Mr. Joe Jordan (Leeds—Grenville, Lib.): Madam Speaker, I want the hon. member to recognize that I think this is a very serious issue. He has expressed it very eloquently.

To characterize the anomaly, in the finance minister's words, when we have a tax system and we are implementing policy changes and regulation changes simultaneously, anomalies happen. To characterize this as discrimination are we also, with the

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progressivity of the income tax act, discriminating against people who have the skills and knowledge that the marketplace is going to pay more for? Is that following that argument to its logical conclusion?

I have a specific question. The Reform Party, rightly sometimes and wrongly other times, accuses us of not answering but I want to ask a very direct question.

I spent last week on a very informative tour of eastern Canada with the heritage committee. The reason I was not at home with my son is that the committees cannot travel when the House is sitting because the Reform Party will not sign the pairing sheet. So the rubber is hitting the road here, guys. If they were concerned about all families, not just their families, is the Reform Party willing to agree to sign the pairing sheet so that we can manage our job and spend more time with our families too?

Mr. Grant McNally: Madam Speaker, I know the hon. member is working hard to raise his young family as well. We are very much in the same situation in that regard. We all have families we need to attend to.

I know as a member of parliament he will understand that committees make decisions about what it is they are going to do. I do not think it is fair to lay the blame on one individual or one particular party. This is something which all committees have to come to an agreement on.

I see the immigration minister who yesterday witnessed the great disharmony in the committee in the fact that the government would not allow members of the official opposition to ask the minister simple questions on whatever topic they wanted. As a result of that, they have shown their inability to work together. It is that frustration which leads to having to take other measures, to even plead with the government to listen to members of the official opposition on other important issues.

I hope we can all work together. I hope the member will join us in working together in a harmonious manner.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, again I thank the hon. member and his party for bringing forward this very important debate. I have a couple of questions for him.

One is on the national standards for all families, especially for those who are low income or single parent. Would he and his party not agree that the Canada pension plan, although we have difficulties with some aspects of it in terms of the premium payments, is a good idea for those people with low income so that they will have some kind of pension in their later years? Many low income families cannot participate in the RRSP program.

Would he agree that that program as well as national day care for low income families are good to have on a national basis?

Mr. Grant McNally: Madam Speaker, I appreciate my colleague's questions.

In terms of national standards and the pension issue, one of the best ways to solve that problem is to leave more dollars in the pockets of families across Canada. That would allow individuals the opportunity to do what they see fit with those dollars, including investing in pensions in any way they see fit. That would allow choice in that particular area.

He asked about a national day care program. This is something the Liberal government promised in 1993. It was in the red book. I think I heard the member refer to that earlier in debate. This is another promise the Liberal government broke.

● (1535)

What is it that Canadians need? What more proof do they need that when the government says something and does not deliver on it, they should perhaps look at absolutely everything it says to see whether or not it will deliver.

My mother taught me that actions speak louder than words, and my father did as well in various ways, but we will not get into that. I must say that the actions of the government clearly indicate that it is not willing to make a commitment on many programs and it is not willing to end the discrimination against families who choose to have an individual raise the children at home.

Mr. John Cummins (Delta—South Richmond, Ref.): Madam Speaker, it is a pleasure to speak to this most important motion. The objective of the motion is to encourage the government to try to understand the difficulties that families are facing in today's society.

It seems obvious to me from listening to the debate that the government just does not understand the difficult choices families have to make. We do not have to go too far back to observe some of the actions of the government and reflect on the result of those actions to see that that is the case.

For example, the government refused recently to take realistic action to discourage children from smoking. That is important. It is a health issue. It is important to try to bring that issue forward to children yet the government seems to ignore that concern. Recently it refused to protect children from sexual predators by not invoking the notwithstanding clause after a recent unfortunate court decision in British Columbia.

Today the type of issue we are talking about is that the government refuses to ensure that families are treated fairly under the tax system. In fact, it denigrates the role that has been played by stay at home parents.

Much mention has been made today about the comments of the junior minister of finance. The most unfortunate comments that he

made reflected a real lack of understanding of the important role that homemakers play. Those comments of the junior minister are not to be unexpected.

As an example, the Prime Minister's office produced talking points recently which said that Reform does not understand the modern family, that parents work for a variety of reasons and finances is only one of them, and that the Reform platform assumes that increased tax deductions will encourage parents to quit their jobs and return to the kitchen. That is a shameful comment. It comes right out of the Prime Minister's office and shows a complete lack of understanding of the important job parents do when they decide to stay home to provide care for their children.

That disregard for that important role was expressed very clearly by the member for Vancouver Kingsway who talks about the low esteem that may keep parents at home. It is low esteem if one desires to stay at home and look after children. She refers in that same statement to parents who decide to stay at home as being looked down upon as misfits. I find it outrageous that anyone could think those things and then try to suggest they were misunderstood. The words speak for themselves. Parents, she says, who stay at home are simply taking the easy way out.

I have a real concern about that because that is simply not the case. It is not the easy way out. It is the difficult way out in many respects.

I have a friend. Both he and his wife are well educated people, both capable of providing an income for the family. It would be a modest income because we know how the tax penalizes single family earners. A few years ago this friend of mine, who as a matter of fact ran for parliament in 1988, decided that he would stay home and look after the home front while his wife went out to work. He stayed home to look after their two young children until they were well into their elementary school years. It was difficult for him. Not that many years ago many people did not understand why he would choose to stay home, because as I said, he certainly was capable of earning a living. But that was a choice that he made.

● (1540)

My friend is going to be penalized all the way down the line for that in a financial way. Maybe I will talk a little bit more about that, about the financial sacrifices that were made by that family and the sacrifices that will be felt in the years to come when both parents elect to retire.

Again the sacrifice that people make is ignored. The member from Essex—Windsor talks about stay at home parents as a nostalgic notion promoted by the Reform Party. It is an absolute outrage to refer to a stay at home parent and those who wish to do that as a nostalgic notion. I am disturbed by that. I am disturbed by the notion that somehow people who stay at home are misfits.

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My wife was a well-qualified teacher. She chose to stay home and look after our son many years ago. I think he appreciates that to this day.

C. D. Howe Institute researcher Kenneth Boessenkool calculated that a dual earner family with two preschool children and an income of \$70,000 gets more than \$14,000 in child related tax breaks that are not available to the single earner family. That is absolutely astounding, \$14,000. That is over \$1,000 a month in benefits that accrue to a dual earner family, benefits that are denied to a single earner family.

In fact in the C. D. Howe Institute document, Boessenkool traces the federal government's tax treatment of families with children since World War II. He notes that in earlier decades income tax provided reasonable tax deductions for children to both single and dual earner families. In recent years however, he notes, tax benefits have been targeted toward very poor families and dual earner families. Middle income, single earner families with children are taxed as heavily as families without children. Let me repeat that. Middle income, single earner families with children are taxed as heavily as families without children.

How are we going to prepare ourselves for the future? How are we going to prepare our children for the future if we are taxing their parents to death? How are they to pay the high tuition fees that are required today if they are facing a tax regime which is that stringent and unmerciful?

Boessenkool notes that it is unfair. The tax system should accommodate the cost of child rearing whether or not both parents are working outside the home. He argues further and makes three points that I want to raise here as well.

First, he says that the tax system no longer recognizes the cost of raising children in all families. That is true. The facts are there and are very, very clear.

Second, he notes that to the extent that the tax system has relieved the burden for middle and upper income families with children, it has done so disproportionately for dual earner families through generous child care exemptions. Again, the discrimination there is built into the tax system and has been ignored by the finance minister who acknowledges that the problem exists yet for five years has done nothing to rectify it.

Finally, Boessenkool notes that the combination of clawed back social policy transfers plus income and other taxes has created unacceptably high effective marginal tax rates for families earning between \$20,000 and \$30,000. I do not think one can live on \$20,000 or \$30,000 in the area where I live. I do not know whether there are many areas in Canada where one is going to be able to survive on between \$20,000 and \$30,000.

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• (1545)

It is also important to recognize that we are not whistling in the dark over here or singing a tune alone on this issue. There is a loud chorus behind us.

An October 1998 Compas poll showed that 92% of Canadians felt that families with children today were under more stress than 50 years ago, 90% felt that parents were working too hard and too many hours and 78% felt that not enough respect was given for the effort parents put into raising children. That is a serious condemnation of this government's policies. They are out of line with what the public is saying.

The Vanier Institute pointed out that single income families with children are 3.8 times more likely to have a low income than a dual income family.

It is a serious problem and I appreciate the opportunity to address it today.

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I listened very attentively to what the hon. member has just had to say, and I find it totally logical and rational.

My congratulations to the hon. member for Calgary Southeast, who introduced this motion, for we can never do too much to honour those who stay at home to rear their children, whether fathers or mothers. I would describe child-rearing as the finest job in the world, in fact I would call it more than a job, it is the greatest profession in the world.

I think it is too bad that the father or mother—for it could very well be a father—who decided to stay at home is penalized for so doing. I would even go so far as to say that stay at home parents ought to have a guaranteed income.

I therefore ask my colleague from the Reform Party whether he thinks they ought to be guaranteed an income of \$14,000 per year?

[English]

Mr. John Cummins: Madam Speaker, the member's noting that a stay at home parent is the greatest profession in the world is something I think everybody in the House should appreciate and agree with. I know that goes for across the aisle with many people.

As far as guaranteed annual salaries, it is an interesting option. However, the issue before us today is the unfair treatment by the tax system. I think that is the issue we have to address first.

I know that many people who forego economic opportunity to stay at home with their children do not mind that. What does bother them is the unfair treatment by the tax system. They are prepared to accept a lower standard of living so that they can enjoy their

children more and have total responsibility for the upbringing of the children.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member referred to people earning between \$20,000 and \$30,000. I have just done the calculation and wanted to put on the record the calculation of an employee who had earned an income of \$25,000. This person would pay \$4,469 in tax, \$675 in EI and \$688 in CPP which would mean a net take home pay of \$19,168. The effective tax rate is 17.8%.

Since an income earner making \$25,000 a year is paying a 17.8% tax rate, does the member believe that it should be lower based on his comments and, if so, how much lower?

Mr. John Cummins: Madam Speaker, to be quite honest, I find it rather difficult to expect someone making \$25,000, the total family income, to be paying any income tax at all.

• (1550)

In my neck of the woods rent for a modest home is well over \$1,000 a month. Put some food on the table and there is nothing left. I find it amazing and absolutely incredible that families earning \$25,000 a year are paying taxes. I find that an absolute outrage.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, we are talking today about an issue that is very important to not only me but I think to all members in this place. I know that many members have had initiatives to try to bring focus to this issue and we should not divide ourselves on whether the spirit and the intent of what is being discussed here is at all in dispute.

When I became a member of parliament I wanted to be involved and the first thing I did was draft a private member's bill, Bill C-256, to split income between spouses so one could stay at home and care for preschool children. I was not exactly sure how the mechanics of all that would work out but members will know that private members' bills necessarily have to be somewhat simplistic to have an opportunity to pass.

I was disappointed that it was not votable. I do not want to isolate anyone for it not being votable but we had an opportunity to debate it and I knew that there was support in the House.

I also had a bill to amend the Canada pension plan act so that we could have Canada pension plan benefit entitlements for a stay at home mom. I thought that would be great. I am not sure exactly how it would work but I think it makes great sense because we forgo economic gain but unpaid work is still work and deserves to be compensated.

I also had a bill to convert the child care expense deduction to a credit and extend it to all families. I agree with the intent. I am not

exactly sure again about the mechanics but I support the intent and I wanted to raise it in the House so that we could discuss the issue.

I also had Motion No. 30, a care giver tax credit for those who provide care in the home to preschool children, the chronically ill, the aged and the disabled. Members will know that we passed that motion in this place 129 to 63. As a result of the intent of the House and the signal that was given there were improvements in the disability credits that are transferable to those who care for them. There was also the introduction of the care giver credit for an aged parent which is now in place.

We did not quite get that care giver benefit for those who provide care in the home to preschool children and we are working on it.

There is a real cost. There is no question. I will not dispute. I presented a petition over 200 times in the House that managing the family home, caring for preschool children is an honourable profession which has not been recognized for its value to our society. In my view that is one of the most important outcomes that should be from this debate today, that we are able to give true recognition to the important contribution to our society to raising healthy children and families.

Members agree on that. I know they do. I have seen them debate here. I have seen them vote on issues related to the family. I know family and healthy children are an important priority for this place.

There is a real cost. We know where parents choose to have both working in the paid labour force and they pay for third party care there is a cost to that care. It includes food, toys, books, music and infrastructure in a salary, and \$7,000 is the maximum that can be claimed as a deduction. A stay at home parent also has costs. Child care expenses exist not because parents work but because children exist. Parents who care for their children in the home have the books, the toys, the music, the food, the infrastructure, the place to raise a healthy child.

We have the unpaid work situation and I am not sure if we will easily be able to resolve that. But a starting point will be to recognize in this place that there is a value to that unpaid work and in my view it is the most important job in the world.

• (1555)

I believe no family should have to choose between the job it needs and the child it loves. It is a very difficult decision for many families to make. I believe that parents and not governments should be making decisions as to what is the best possible care for their children. I agree with the sentiment expressed by somebody that we should not have significant incentives or disincentives. We are talking about choice and I support options, flexibility and choices for parents to choose the best possible care for their children. We need to value the contribution of those care givers through economic supports, which I will deal with at the end of my speech.

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We obviously want to give that recognition to those who choose to provide direct parental care to their children. It is their family value, it is their social value. They believe that is the best arrangement for their children. But for some there is no option because affordable child care may not be available. It may not even be accessible. We do not all live in urban centres. It will not always be available. We have so many different circumstances across this great land that there is no single solution to solve everybody's problems. That is an important point for all members to remember.

It is my principle and my view that parents providing direct parental care provide the best quality of care possible in the vast majority of cases. I appreciate that many families have forgone the opportunity to have both parents working, to earn economic gain, to buy RRSPs, to have those vacations, and they do it because they love their children and because they want to raise healthy children and strong families. It is a very significant contribution being made.

If we have high quality care, we have better physical, mental and social health outcomes in children. That means we have lower health care costs, criminal justice costs and social program costs. All Canadians benefit when we have healthy outcomes for children. That is the contribution and that is why everyone here is saying very clearly that we value stay at home parents for their contribution.

Madam Speaker, I understand I am splitting my time with the member from Vancouver, which we talked about earlier.

I will not support this motion today and I will present to members the reason why. I have about seven points to make. First, the child care expense deduction is only available to the lowest income earning of the two spouses. As a result it may not be equitable to treat everybody the same. I do not believe the child care expense deduction is that.

The child care expense deduction has a problem with it. Members including the member for Calgary Southeast will know that the deduction is worth more to higher income earners versus low income earners which is also discriminatory. I have a problem with the child care expense deduction, period.

The motion does not address the fact of lone parent families which are growing dramatically. The family breakdown rate in Canada is rising to a level above 50%. In 1994 when I came here lone parent families represented 12% of all families. Stats Canada now reports that one out of every six families is a lone parent family and this motion would do nothing to help them. I want to help lone parent families.

Comparing \$50,000 to two incomes of \$25,000 is a specious argument. We really have to start with here is a couple working, one making \$50,000, one making \$25,000, and then they have a child. Now we have to make the decision of should I withdraw from the workforce and provide direct parental care or should I

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engage care and have a child care expense deduction. That is the debate and that is what has not been put on the table by the Reform Party. I am sorry, but it is inappropriate for discussion to have a \$50,000 income compared with two \$25,000 incomes.

If we were to do that we would have the same situation as in the United States with a different tax table. We cannot calculate it on individual tax tables. If they were straightforward and forthright on this issue they would say that we would adopt the same situation of joint filing that the U.S. has and also have a separate tax table for joint filers.

This issue cannot be looked at simplistically and have the Income Tax Act solve all problems for all family configurations for all care giver choices.

• (1600)

Other things have to be taken into account such as non-tax items and the child tax benefit. The government introduced a change of \$1.7 billion which will significantly enhance the position of stay at home moms.

I want members to know what I want. I cannot just be against something. I want to eliminate totally the child care expense deduction. I want to replace it with a caregiver benefit available to all caregivers so that they can choose how they will provide it.

I also want to increase the paid parental leave under the EI program by an additional 27 weeks so that parents can choose to provide one full year of care for their children during those first important formative years.

Finally, I want to amend the Canada pension plan so that stay at home moms can finally have some benefit from our Canada pension plan.

Mr. Jason Kenney (Calgary Southeast, Ref.): Madam Speaker, at the outset let me say that I have enormous respect for this member who has done as much or more than any member in the House to promote the principles of tax equity for families.

He has done far more work than I have in this regard. I think we all owe him a debt of gratitude as do the advocates of tax fairness for single income families, but—and it is a very big and unfortunate but—I was really disappointed to hear the rationale of the member for voting against the motion before us today.

I could understand the member voting against it on some sound principle but he did not articulate that. I really am embarrassed with the rationale the member provided.

Let me read the motion:

That, in the opinion of this House, the federal tax system should be reformed to end discrimination against single income families with children.

It is as general as can be, framed that way specifically so that members such as the member for Mississauga South could feel comfortable to support the principle he has just advocated. None of the specifics about deductions or the basic personal exemption are included in the motion. This is a very general motion. What specifically does he object to in the motion?

Mr. Paul Szabo: Madam Speaker, let me repeat. First, the child care expense deduction is only available to the lowest income earning spouse so that parents with part time incomes of a very small amount cannot make full use of the benefit. It is not equitable.

Second, the motion does not take into account the case of lone parents. Lone parents represent one out of every six parents in the country. They would get no benefit from the motion. I want to help them.

I do not disagree with the intent of the motion. I think I said I agree with the intent. I just do not agree with the approach and because of that I will not leave it there. I explicitly articulated three ways in which we could improve not only the fairness but also the equity between incomes and tax benefits for all families.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I was not planning to rise but the member mentioned EI and now I want to say a couple of points.

In 1989 one of my predecessors, Mr. Broadbent, put a motion to the House to eliminate child poverty by the year 2000. We have had four years of Conservative government. We have had six years of Liberal government, and now child poverty is fourfold in the country. Also the use of food banks is on a rise. It is absolutely astounding that the government can stand by and this member can try to defend Liberal action in any way.

The member mentioned EI. Under the government \$21 billion has been ripped away from the workers and employers, some \$7 billion this year alone. As has already been admitted by the Minister of Human Resources Development, that money has been spent on other programs. This money belongs to the employees and employers, especially working mothers who could stay at home. The rules were changed. If a woman decided to stay at home and have maternity leave it was very difficult to achieve that.

Those are the facts of the matter. Would the hon. member respond to that, please?

Mr. Paul Szabo: Madam Speaker, I thank the member for his question. The motion that was dealt with by the House in 1989 was to seek to achieve the goal of eliminating and not to eliminate. I just wanted to point that out for the member.

The issue of poverty is related to this issue because of the growing number of lone parent families in Canada. They represent about one out of six families, but they also account for 46% of all

children living in poverty. The member raised a very important point and we have to do something about it.

• (1605)

The single largest cause of poverty is family breakdown. Family breakdown has to do with the significant level of domestic violence in Canada, with alcohol and drug abuse, and with the financial stress on couples. These are social problems on which we have made no progress.

I agree with the member. We have to do something. I do not know what we will do with domestic violence other than take some stronger, tough love measures and start reporting more cases, charging more people and protecting victims. We need to do some important work in that regard.

I thank the member for raising the issue of poverty. It will be an important issue for the House for some time.

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Madam Speaker, our government has introduced its sixth budget. It provides the health care system, the most fundamental need of Canadian families and children, with \$11.5 billion in new funding over five years. It also provides over \$7 billion in broad based tax relief that will benefit every Canadian. A large portion of the relief is to lower income individuals and families.

Now we have a motion by the official opposition before us. Does it challenge our health care investment? Does it propose a new tax assistance for those in need? The answer is no.

It is an outrageous idea that a family in which both parents work at lower income levels may pay less tax than a single breadwinner who is lucky enough to earn as much as the other two people combined.

The false logic of this alleged discrimination has been properly and precisely rebutted by my colleagues in government. I will step over this red herring motion, or maybe I should say misleading proposal, and address the underlying issues. The real agenda behind the motion is to try to suggest that the government is not taking concrete, committed action on the tax burden affecting every Canadian.

As the budget made clear, tax reduction plays a key role in the government's objective to build today for a better future. The federal government is committed to providing substantial tax relief in the fairest way possible.

Significant relief was directed at students, charities, persons with disabilities and the children of parents with low incomes upon the elimination of the deficit in 1997-98. The 1998 budget began the process of providing broad based tax relief. For the first time since 1965 tax relief is provided for every taxpayer without deficit financing, without borrowing money to pay for it.

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In the interest of fairness, the greatest tax relief in the 1998-99 budget will go to low and middle income Canadians. The 1998 budget benefited low income Canadians by increasing by \$500 the amount of income they can earn annually before paying income tax. The 1999 budget increases that amount by \$175, to \$675, and extends it to all Canadian taxpayers.

This means that effective July 1, 1999, the basic amount of income that all Canadians can therefore earn annually on a tax free basis will rise to \$7,131. As well the spousal equivalent will increase to \$655.

• (1610)

Those measures will benefit low income Canadians. In the 1998 budget, 400,000 low income Canadians no longer pay any federal taxes. The 1999 measures will build on those numbers by removing 200,000 more Canadians from this tax burden, for a total of 600,000.

The 1998 budget began the process of eliminating the 3% surtax introduced in 1986 by the previous government as a measure to help reduce the federal deficit. Last year the government abolished the 3% surtax for taxpayers with incomes of up to \$50,000 and reduced it for those with incomes between \$50,000 and \$65,000. All in all, 14 million Canadians received tax reductions as a result of this measure.

The 1999 budget also builds on previous action to assist families through the Canadian child tax benefit which is composed of basic benefits and a supplement for the low income family.

As the finance minister has noted, the tax measures in the 1998 and the 1999 budgets reflect three fundamental principles of the government's tax policy. First, our tax system must be fair. Second, broad based tax relief should focus initially on personal income tax. Third, because of our debt burden broad based tax relief should not be financed with borrowed money.

Together the 1998 and the 1999 budgets provide the largest tax reduction at the lowest income level. For example, single taxpayers earning \$20,000 and less will have their federal income tax reduced by at least 10%. A typical one earner family with two children and an income of \$30,000 or less will pay no net federal tax. A family with income of \$45,000 or less will have tax reduced by a minimum of 10%, and in some cases even more.

The 1998 and 1999 budgets ensure that 600,000 low income Canadians will no longer pay any federal tax. As a working mother I would support whatever help we can give to working mothers either at home or at work. The government has focused on helping low income families, providing also for mothers working at home. It is our purpose to support and help the 600,000 low income families.

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Mr. Rick Casson (Lethbridge, Ref.): Madam Speaker, I have been listening with some interest to the member for Vancouver—Kingsway. She mentions how fair the tax system is, how wonderful it is and how it treats everybody in Canada the same, but we have to ask the Liberal member some questions.

Why are Canadians paying \$2,020 more in federal taxes today than they did in 1993? Why over the last decade do more families have both parents working? In 57% of all families both parents work now and in 1976 only 34% worked. Why is that if the tax system is so fair?

I would like to take this member back to an October 8, 1998 finance committee hearing in Calgary where Kids First were appearing. The member for Calgary Southeast was there to witness the outrage that these people felt when the member stood and said “Most women can combine career and family life. A lot of times people just take the easy way out”.

• (1615)

Is this member telling Canadians that people who stay at home to take care of their kids are taking the easy way out? Is that what she meant to say?

Ms. Sophia Leung: Madam Speaker, I thank the member for his question. Sometimes members like to quote only half of my sentences and not finish what I said. That is misrepresenting my statement. Actually, I am trying to encourage—

An hon. member: It is quoted from *Hansard* word for word.

Ms. Sophia Leung: You are 10 years ahead of my time. It is a 1998 correction.

An hon. member: Jason was in diapers then.

Ms. Sophia Leung: He was probably in high school.

I would like to finish my comments to the hon. member's question regarding my remarks. I was actually trying to encourage mothers to choose. They can have both, a career and a family. I know as a working mother that it is very demanding and it is challenging to combine both. I say that they can have it either way.

If mothers find combining the two is difficult, they have to know that there are opportunities for them to develop abilities to meet new challenges in life. I stayed home until my son was ready to attend grade two. I feel it is perfectly all right to stay at home.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I want to ask the question again to the Liberal member because I have not received the answer from any of the other Liberal members.

In 1993 this government promised day care for low income families and families across this country. That promise was broken. My question is why?

Ms. Sophia Leung: Madam Speaker, I want to thank the member for reminding me that we did make the promise. We are willing to help working mothers by subsidizing day care. Unfortunately, it is very difficult to work with different provinces, especially when some provinces do not wish to co-operate to work out combined support for a day care program.

Mr. Jason Kenney (Calgary Southeast, Ref.): Madam Speaker, the member just denied having made those comments in October of 1998. Let us not be silly about the date. The member was there. I was there. The witnesses from Kids First were there.

I quote from the official parliamentary transcript: “Perhaps individually you have low self-esteem for many reasons” she said of the stay at home parents. “Being a single mother I don't quite see. Most women can combine career and family life. We know it is very difficult. A lot of times people just take the easy way out”.

This statement came from a millionaire, the member for Vancouver Kingsway. How can she justify this kind of prejudicial remark? Does the member really believe that stay at home parents are taking the easy way out?

Ms. Sophia Leung: Madam Speaker, if the member wants to hear the answer he should not walk away. That is the coward's way.

If the hon. member wishes to listen to my answer he should stay. This is the place to listen, to have a good debate. I welcome that. As a matter of fact, I did not know I was a millionaire. Where did the member get that idea? If I was a millionaire I would not have to work here.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, we as parliamentarians must do what is best for our country. The best thing for our country would be to do what is best for our children and our families. What is the best thing for our children? To allow them to have the right to have loving parents stay at home to take care of them without being penalized by the state for doing so. Are they being penalized? Yes. I want hon. members to look at the facts.

• (1620)

Roughly 82% of Canadians want the tax code changed; this according to the C. D. Howe Institute's latest report:

Current Canadian tax policy affords no universal recognition of children. In effect, it treats children in middle- or high-income families like consumer spending, as if parents had no legal or moral obligation to spend money on their care. This treatment is indefensible.

That is a quotation from the C. D. Howe Institute's November 1998 report.

Supply

They go on to say that federal tax, pre-1998 budget, paid by one earner families of four earning \$60,000 was \$10,319. That was the tax paid by a family of four. Federal tax, post-1999, for this same family was \$9,589. The federal tax, pre-1998 budget, paid by two earner families of four earning \$60,000 was \$6,410 and after the 1999 budget this family paid \$5,790.

Therefore, the C. D. Howe Institute points out that the one earner family paid 60.98% more in federal taxes than the two earner family before the 1998 budget. After budget '99, this difference jumped to 65.6%. With this latest budget the discriminatory tax situation increases 5%.

The C. D. Howe Institute goes on to say that at \$45,000 these numbers jump even higher. At that rate the discrimination is 111% and after the 1999 budget it jumps to a difference of 136%.

These are numbers from an external source. These are not numbers that we have put together. They clearly indicate how discriminatory this Liberal Party has been against parents who choose to have one parent stay at home.

They go on to say that federal tax, pre-1998 budget, paid by one earner families of four with a total income of \$50,000 was \$7,116. The federal tax for this family after the 1999 budget was \$6,464. Also, before the 1998 budget the federal tax paid by two earner families of four earning an income of \$50,000 was \$3,716. After the 1999 budget this family paid \$3,160. So a one earner family paid \$3,400 more or 91.5% more in federal taxes than a two earner family before the 1998 budget. After the 1999 budget this difference rose to \$3,304, for an increase of 104%.

That is what this debate is about today. These are the facts. If hon. members go out into society they will find that one of the greatest irritants parents have is our present discriminatory tax policy.

We need to allow parents to have the choice without being penalized. Do not penalize single income households. I have heard all kinds of rhetoric from the other side where members are trying to excuse themselves because they have been whipped into voting against this motion. It is a motion that is supported by the vast majority of Canadians. Allow them to make a choice. Allow parents to stay at home to care for their children without having to pay a penalty.

The government has had the opportunity to change this discriminatory policy that favours dual income households and it has not yet done it after five years.

The first root of the problem is that the government wants to manipulate society. I ask myself: Why does it not do this? It wants to restrict people in their choices. Labelling stay at home parents as child care dropouts indicates how government members are thinking.

The second root of the problem is that taxes are much too high and the government does not want to reduce them. It is most reluctant to respond to the desire of Canadians to have their taxes reduced.

• (1625)

In fact taxes are so high that these taxes drive parents out of the home in order to pay the bills. In order to provide the food, shelter and clothing that are needed, parents today are forced to supplement their income by having both parents work out of the home. This limits parents in their desire to do what they feel is best for those they cherish most, their children.

According to the experts, this restriction on the parents' desire to directly care for their children has raised costs in four areas. Costs to society increase because parents are restricted in their choices. In their desire to spend time with their children, psychologists have told us that it is absolutely necessary that they be with their children, yet the social engineering of the Liberals has raised costs in four areas. These four areas are education, social costs, justice and health care costs.

If the Liberals allowed parents to exercise their choice freely without being manipulated by the tax system we could lower our level of taxation in this country. Why? Because education costs could be reduced. Health care costs could be reduced. Justice costs could be reduced. All of those social costs could be reduced. What would appear as maybe a loss of income to the government would actually have the opposite effect.

The accusation was thrown at us by the Liberals that we would like to remove paid child care as a tax deduction. We have never said that. We would not oppose a tax reduction for parents. But we do object to the fact that parents who stay at home to care for their children are not treated equally. The parent who stays at home is not allowed to reduce their taxes accordingly. The government does not give equal treatment to parents who choose to stay at home. That is the main point of this motion. That is what we are going to be voting on. We need to look at the intent of this motion. Many of the speakers on the opposite side have avoided the intent of this motion.

In conclusion, let me talk a little about the brain drain and how that is affecting families. Canada is one of the most highly taxed nations in the world. According to the Fraser Institute, the total tax rate runs at 49%. High taxation is driving our young people out of this country. A single person would have 38% disposable income in the United States. In Canada they only have 22%. That is a huge difference.

What effect does that have on the family? Grandparents who would like to see their grandchildren are unable to do that. Grandparents have an important role to play. This government makes it more difficult to have extended family relationships because our young people are forced to leave to go to the U.S. to find jobs.

Supply

Not only are we incurring huge costs educating young people, young people who could contribute to our quality of life and our economy, we are forcing them to leave the country. We are also harming extended family relationships. That is very serious.

If we thought through the tax policies of the government we would see how it has completely disregarded the pleas of Canadians for tax reduction and fairness in this area.

An hon. member: Some Canadians.

Mr. Garry Breitzkreuz: I hear a member opposite saying some Canadians. Look at what people think. Over 70% of mothers in the workplace would prefer to be at home with their children. Over 80% of Canadians, mothers and fathers, feel that the government is discriminating in the area of taxation against parents who would like this choice. That is very serious. That is what this debate is about.

I have heard all the rhetoric on the other side, the waffling and the excuses because they are not allowed to vote freely. I think we should put politics aside and do what is best for the children and for the families of this country.

[*Translation*]

The Acting Speaker (Ms. Thibeault): 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 Sackville—Eastern Shore, Public Service of Canada; the hon. member for Mississauga South, Health; the hon. member for Winnipeg North Centre, Health.

• (1630)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I agree with sentiment and the spirit of the member's comments as I think he listened to my speech earlier. He will know that I have some difficulties not with the intent of the motion but rather based on the speeches that were given with the approach to dealing with it.

I say that because the child care expense deduction which appears to be the foundation of the debate is only available to the lowest income earning spouse. It is also worth more to a higher income earner versus a low income earner. It is problematic. Given that it is only available to the lowest income earner it does not do justice or equity to parents where one of them may have some part time income because that parent would be the only one to claim the child care expense deduction against a low level of part time income. Also not taken into account would be someone who has

interest income as a second earning. A stay at home mom with interest income would have to claim the child care expense deduction and could not transfer it to the higher income earning spouse. It would not benefit them. The third situation would be lone parents. They either work or if they do not work, they will have no income to deduct the child care expense deduction against.

I argued and I ask the hon. member whether he would not consider that if the child care expense deduction in itself is technically flawed and is not apparently an instrument that can be inclusive of the different kinds of configurations of families and income situations of families, maybe we should just scrap it and replace it with a care giver benefit.

Mr. Garry Breitzkreuz: Madam Speaker, I respect the member opposite. However, he is trying to change the subject. He is trying to find an excuse not to support the motion. Look at the intent of this motion. Do not start going off on some tangent. I submit that if this motion had been introduced by the finance minister he would have stood up and supported it. He is going into all kinds of extraneous details that are not in the motion and which could be debated when the legislation is introduced but the general principle is what we are talking about today, fairness and equality in our tax system for parents who would choose to stay at home and do a very valuable job.

We have had everybody support the intent of that. They are doing a very valuable job and yet that is the problem we have here. The question I would like to pose back but cannot is why he is not supporting the intent of this motion. If it were introduced over there he would be supporting it.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I would like to quickly put a question to my colleague. What we are doing here is asking that a system be set up so we can look to end this discrimination. My colleague knows very well that there are many people opposite who want to end this discrimination.

When does my colleague think the whip came down and said "no, we will vote against it" and for what reason? Can the member think of any reason they would defeat a motion that is so fundamentally clear and honest?

Mr. Garry Breitzkreuz: Madam Speaker, it is impossible to answer that question. I cannot get into the heads of the people on the other side. I have asked myself many times the question of what makes them tick, why they knuckle under to the whip and why they do not use their heads when it comes to debating and looking at the legislation. This flies in the face of democracy.

What we should be doing in the House is listening to the legislation and the motions being debated. That is our job as legislators, as parliamentarians, to listen to the pros and cons of a debate and vote accordingly. That is not happening. This is the

most undemocratic place we can imagine because of the system that has developed here.

• (1635)

That has to change and unless we change this system, we will not change much else in the country. Our parents will still be discriminated against if they choose to take care of the children because of the system that exists here, where members of parliament are not allowed to vote freely on this. How they are kept in line is up to speculation.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, it is a disgrace and I am ashamed that we even have to talk about this as we are about to turn the millennium, that we discriminate against parents who choose to stay home and raise their children.

I will get into specifics. This all boils down to just one issue as I see it that we have to decide on. Will we recognize that parenting is one of our most important occupations that any Canadian can do? I suggest it is.

My wife stays at home. She works 14 to 16 hours a day raising our children. There is not one other occupation I can think of that is more difficult, more demanding and is more of a cornerstone of the fabric of our society than that.

Before I get into specific examples out of their own documents to prove this, I will relate something that is even more insulting, more disgraceful. Members opposite, instead of giving tax fairness to stay at home parents are more concerned about providing tax relief to NHL franchises, to NHL hockey players who are earning millions and millions of dollars. That is what they are focusing on. That is insulting. That is a disgrace to all these parents who stay at home.

I do not disagree that they are probably overtaxed but if the government is to give out one thin dime and a tax free certificate it had better give out 30 million of them.

I will get to the specifics. I have a document, a child care expense deduction form for 1998, form T778. That is what any Canadian will have to fill out to claim a child care deduction for this year. I will use myself as an example.

My wife has a university degree. She was a director of information services at a local college. She can speak four languages, is well educated but she chose to give up her career because she felt it was so fundamentally important to stay home with our children while I went out to work.

I have another example. My sister is a school teacher in Invermere, British Columbia. Her husband James chose to put his career on hold and stay at home with their three daughters until they started school. He felt it was important that one parent be there. He put his career on hold and stayed at home.

Supply

For either James or my wife or anybody else in similar circumstances, if they wanted to get the same tax deduction as two working parents there is one way they could do it. I am looking on the tax form, part C. If they ticked off the box that they are mentally or physically incapable of raising children they would be eligible for the same deduction.

This one is even more amazing. Let me read word for word from the government's tax form:

e) The other supporting person was confined to a prison or similar institution for a period of at least two weeks in 1998.

Is so they would be eligible for that tax deduction.

That is not rhetoric. That is fact. It is an insult to every single man and woman who chooses to stay home and look after their children and it is absolutely shameful that we are discussing that as we go into the next millennium, that we can discriminate. I plead to the members. I am telling straight facts.

There is one other way that they could get this deduction. My wife and I would have to separate. If we are living separate and apart we would get the deductions.

It is an insult that we are promoting that. I know seniors who have come to me and said the only way they could get tax fairness is if they were to get a legal divorce. That is another whole issue.

The issue we are talking about today is whether we recognize the role of parents who choose to stay home and raise their children. The question is whether we recognize that as the most important occupation in society.

The government puts zero importance on it. It discriminates against it. They are not entitled to it.

• (1640)

In fact, one of the Liberal members point this out to me. I am appalled. These are the facts. I challenge any member on that side to come to talk to me personally or stand up in the House and I will provide him or her with this document. They can get it from any post office. These are the facts.

They keep coming up with all these other arguments on everything they have done. Some of these came in with the Tories but we are not discussing those because those are available to everybody. We are talking about the one deduction that is available.

Another issue that has been raised is how a two parent family each earning \$25,000 is better off than another two parent family that has only one person earning \$50,000. The family that believes it is important to stay home and nurture and raise children is discriminated by \$4,000. This is on top of the the child care issue which I was just explaining.

Supply

My children are four and five. They go to preschool for my wife's benefit so that she can get a few hours out of each week to do the things she needs to do. It is also, I argue, a benefit for them and very good for them. However, we are not entitled to that tax deduction because my wife is not a criminal, she has not spent two weeks in jail and we are not separated. These words are right off the form:

f) You and you spouse were, due to a breakdown in your relationship, living separate and apart at the end of 1998 and for a period of at least 90 days—.

It is insulting to these people.

I have another example which takes me back four or five years going to law school. This goes on to part D. We had our children when I was going to school. My wife gave up her career while I was in law school. If the circumstances had been the same as they are today, we would not have been entitled to put them in a day care and claim that deduction even though the family income was only for three or four months a year around \$16,000.

If both the parents are not working they both have to be going to school to claim that deduction in part D. This is right off the government's tax forms. I encourage members to look at them. I read these and I am appalled.

I then listen to other comments made by members in the House and the insults get deeper and deeper and the wounds become deeper and deeper.

Let me talk about the member for Vancouver Kingsway. She was sitting on a committee in Calgary along with my hon. colleague from Calgary Southeast who explained to me the outrage of the people she was addressing. These people were just disgusted. There is a quote in *Hansard* which she laughs and sneers at when she is questioned in the House. She said perhaps individually you have low self-esteem for many reasons but you cannot say this applies to all women at home. They are not being looked down upon as misfits.

I would argue that my wife is not a misfit. She has a degree and is fluent in four languages, written and spoken, but she chose to place her priority on our family. We believe that it is very important to stay at home and raise our children. She is also fully aware of the sacrifices she has made. She wants to go back into the workforce when our children start school. We are facing those choices now. She took five years out of her career because she felt it was so important. We discriminate against those people. There are hundreds of thousands of those kinds of people across this country.

She also said most women can combine career and family life. It is not about that. It is about making choices. I find this absolutely outrageous. That the government will give the tax deduction to a criminal who spends two weeks in jail, somebody who is separated or somebody who is not capable of raising their children but the

person who chooses to stay at home is not entitled to that same deduction is outrageous. How can the government insult Canadians?

• (1645)

There is an opportunity to correct this by standing and voting in favour of this motion. We can do what is right, put politics aside, rise above party labels and do what we believe is right for Canadians. I will give members this document and they can read it for themselves and make the choice.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member has expressed the sentiment of all members who spoke today and I think of all members of the House of the important contribution families make when they choose to provide direct parental care.

The issue of discrimination continues to be part of this dialogue. The member will know that in the Income Tax Act there is a lot of discrimination. In fact policy by its very nature is discriminatory.

We discriminate in favour of seniors because we give them an age exemption and pay OAS. We discriminate in favour of aboriginals because of the special programs and benefits. We discriminate in favour of high income earners because they can deduct larger amounts in RRSPs. We discriminate in favour of low income earners because they have a lower tax rate than others. We discriminate in favour. All of the tax measures that were put in probably were done in response to a particular situation.

I do not think anyone in this place will disagree with the spirit and with the intent. But the member will know that the child care expense deduction is not inclusive enough. It does not deal with the benefit available to someone with part time work or just non-earned income work or with lone parent situations.

Mr. Gary Lunn: Mr. Speaker, in those comments the hon. member has acknowledged there is discrimination. We are talking about discrimination against parents who choose to stay at home and raise their children. My family is one of those. I have siblings who have made those choices, along with hundreds of thousands of Canadians.

Let us recognize the value that they contribute to this society, the very fabric and what will be the future of our society. They have such a fundamental important role. Let us fix that discrimination the member talks about. It is right here in the tax forms. Why would we give a deduction to a criminal who goes to jail for two weeks? Why do I have to separate from my wife for 90 days to be eligible for a deduction?

Can we not recognize the value that they give to society, that it is the most important occupation we have in this land? It is not about some of the comments that have been made that other people have to work hard.

Supply

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, there is an element of holier than thou in this debate. I have sat here quietly for the last three hours and I have heard the Reform Party opposite constantly ask why did the finance minister not do something on this issue, that since 1993, for five years this government has not moved on this issue.

The opposition party has an opportunity to present an opposition motion every week or so. I would like to ask the member opposite why has it taken five years for that party to bring this motion forward in this House?

Mr. Gary Lunn: Mr. Speaker, we have to prioritize. We have had to bring motions forward to try to provide some relief for hepatitis C victims. We have had to bring motions forward for debate in this House on offering protection to children in this country against pedophiles and pornographic materials. Those are the priorities on which we had to make choices to bring to this House.

Let us stick to the facts. The facts are on the government's own tax forms. It is discriminating. We are not recognizing the importance of parents who choose to stay home to raise their children. Let us give them the fairness.

We are not asking for anything that is not fair. We are only asking that they be treated the same as everyone else, that they be treated equally. We are not asking for special privileges for them, but just to be treated as equal, not to be talked down to as so many government members have done. That is all we are asking.

We are asking them to put their political labels aside and do what in their hearts they know is right. This is an issue for which we have fought for a long time and we will continue to do so.

• (1650)

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I would like to acknowledge at the outset that I will be splitting my time with the hon. member for Wentworth—Burlington.

I hope that in this debate I can offer some constructive suggestions with respect to the motion at hand. I will diligently attempt to stay away from gender politics and all of the nonsense that goes with it.

Supply days in this House are a little like playing paintball with a blind man. If you shoot often enough, after a while you hit a target by accident. Under serendipitous circumstances somehow or another you finally hit the mark.

To any great credit of the Reform Party it actually hit on an anomaly in the Income Tax Act which bears some review and is a point worth debating. I cannot say that has been often true from the opposition parties as the points frequently raised from the other

side seem to bear no relevance to reality and are not worth debating.

When I went to law school I took income tax. I hated the subject. I would do everything to avoid the course. I then went on to bar admission and had to do it again. Again I would try to do everything to avoid the course. I wondered why I really objected to the Income Tax Act. The essential reason was that when I thought I had a solution to a particular problem, suddenly the solution evaporated in my hands.

This motion is similar to that. It appears to be a good idea. It seems like a good idea. Who could be against discrimination, or for discrimination as the case may be? It makes no sense whatsoever.

After 22 years of practising law, I have frequently been asked questions with respect to the Income Tax Act. I have had enough courage to say to clients that I know that I do not know a great deal about the subject. I dare say that such candour seldom is experienced by members opposite.

Income tax is extremely complicated. The act is complicated. It is understood by very few people in its entirety. There is an argument to be put that almost no one in Canada actually understands the act in all its complexities. Any time one plays with a certain part of the act, there are implications in the act that one probably does not anticipate.

Notwithstanding that, we are not being asked so much to deal with the act as we are dealing with the values that underlie the act. In that respect, the motion has merit. The motion reads "that, in the opinion of this House, the federal tax system should be reformed to end discrimination against single income families with children". I am somewhat disappointed in the drafters of the motion having chosen somewhat inflammatory language such as discrimination.

As the member for Mississauga South pointed out, the act tries to address a number of inequities in family living situations such as people who split up, such as people with certain disabilities. Every time one tries to favour one group in that respect, one almost necessarily appears to discriminate against another group. I would rather use the word that it is an anomaly and address it as an anomaly.

Every time we use the word discriminatory we start to vision the charter of rights and freedoms. We start to get into definitions as to whether this is or is not discrimination and whether it is justifiable in a free and democratic society. Knowing members opposite, particularly the proponents of the motion, I know that is not where they intend to go with their motion.

I do not pretend to go into a legal analysis on this matter but I would like to address a family that is earning about \$60,000 as a family income. Clearly the numbers do not add up. If one is married or living common law and earning \$30,000, spouse one and spouse two, the total family tax is about \$11,600. If however

Supply

only one of the spouses is earning the \$60,000, the tax burden is about \$16,000.

• (1655)

The inequity is apparent. It is about \$4,300. That inequity is further exaggerated if one is also a single parent, although when one gets into various spousal equivalents it gets somewhat closer. Clearly there is about a \$4,000 discrepancy between the two situations.

What does the tax system do to exaggerate the anomaly or to minimize the anomaly? I point out to members opposite that the child care deduction has an approximate value of \$4,000 to \$7,000. This goes to the spouse who has the lowest income. Of course the premise is that the spouse who has no income will not be able to benefit from that child care deduction. That actually exaggerates the anomaly rather than minimizes it.

Are there aspects which actually reduce the anomaly? The most obvious is the child tax benefit which by anyone's standards is a significant initiative on the part of this government. It is approximately \$2 billion.

The problem with arguing on the basis of the child tax benefit is that it applies both to single family incomes and families that have double incomes. That in and of itself does not help to reduce the anomaly.

The real issue as I see it is that it is a values decision. This government has made an attempt to minimize the effects of the Income Tax Act on those most vulnerable and most in need. If that is the damning indictment of a government, then I stand with the government to try and reduce the impact of the tax on those most vulnerable and most in need. This is something I support.

I have to say that in that respect the government has done a reasonable job. Over the past two budgets, the government has taken about 600,000 taxpayers off the rolls and that, regardless of where we sit in this House, is a considerable accomplishment. I am aware that as employment improves, there will be more taxpayers added to the rolls. Again those are results of government policies which can only bring more fairness into the system.

It seems to me that the government has made the right decision in this area to attempt to reduce the effect of the income tax on anyone below a certain threshold. Frankly, again I cannot imagine how members on any side of the House would argue that is anything other than a good thing.

As the threshold rises, it has benefits to all families, regardless of whether they are a single parent or have both parents, whether they have a single income or a double income. The additional and obvious benefit has been to move up the threshold by \$675 which means that an individual is going to have to have a taxable income in excess of \$7,000 before there is going to be any tax at all.

Another area in which the anomaly can be reduced is in the spousal credit. This goes somewhat toward the reduction of the anomaly by about \$1,000 in our example.

An additional area where the government has attempted to address the inequity is through the Canada child tax benefit. This provides a special supplement of \$213 per child under the age of 17.

These are, I would argue, modest attempts to reduce the anomalies. The 1999 budget should be credited for doing that.

In addition there was an introduction of the Canada child tax benefit which has a value of \$2,600 for a family that has one income versus \$1,270 for a family that has two incomes. Again if we put those benefits together, the spousal credit and the child tax benefit, we have reduced the anomaly somewhat which still leaves it in the range of approximately \$3,000.

The final point I would like to make with respect to the reduction of the anomaly is that the increase in deductibility and the removal of many people from the tax rolls is an enormous benefit that is not factored into the motion.

The final issue with respect to this is whether—

The Acting Speaker (Mr. McClelland): I am sorry but I must interrupt. The hon. member did say that he was splitting his time.

Mr. John McKay: Yes, I did.

The Acting Speaker (Mr. McClelland): Well, this is the time that he is going to have to start splitting.

• (1700)

Mr. John McKay: Thank you, Mr. Speaker, for your splitting of hairs. The hon. member is well aware of how hairs get split in the Chamber.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I will try to be brief. The member for Vancouver Kingsway said that they had difficulty with the provinces establishing a day care to fulfil the Liberal promise of 1993. I have the 1993 promise right here and I should remind the House that provincial leaders do not run for federal politics. Only governments do and the five political parties.

This Liberal government ran in 1993. Its promise was to create 50,000 child care spaces in each year following a year of 3% economic growth, to a total of 150,000 over three years. It also said that for families which need two incomes to survive and for single parents who want to get off welfare and other social assistance and get jobs, access to quality child care was a must.

Nowhere in the promise of 1993 does it say that the government would co-operate with or even discuss with the provinces. This was a federal Liberal promise which was broken by this government.

Once again I ask this member of the Liberal Party why they made the promise and why they broke it.

Mr. John McKay: Mr. Speaker, as the member well knows, any initiative in this area, any amendments to the Income Tax Act or any separate freestanding act with respect to this issue, has to be done in conjunction with the provinces. If we cannot get provincial co-operation we simply cannot succeed in that area.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the hon. member referred to the discrimination of the Liberal government's tax policy as an anomaly. He would prefer if we would use the word anomaly. I bet he would prefer for us to use the word anomaly because it does not sound near as bad as the tax discrimination of the government against families that have one of their members remaining at home to look after the children.

On Monday a caller in Vancouver asked the finance minister this very question. In response the finance minister used the same terminology of an anomaly. The caller said that her family was being penalized by the regressive tax policies of the federal government and the finance minister, and the minister said that she was right.

The finance minister admitted this was a regressive taxation policy that clearly discriminated against families. He would like us to believe that it just kind of happened, that it was an anomaly which has built up over the years. The finance minister has been here for five years and has done nothing to change the law to address this discrimination.

Does my hon. colleague on the other side not agree with the finance minister? If this is an anomaly, as he likes to say, rather than blatant discrimination, why has the finance minister done nothing over five years to address these serious inequities?

Mr. John McKay: Mr. Speaker, we are not arguing whether this is an anomaly or an inequity. The issue is that it is acknowledged by the finance minister that it is an inequity, an anomaly.

If the member were listening, and I know he was listening to everything the minister was saying, he would have heard the finance minister's answer in the House today that it was being referred to the finance committee. It is an issue that has been circulating in this caucus a great deal. I do not see that the finance minister has been anything other than straightforward with the House in terms of addressing that issue.

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I will be very brief. I would just like to ask a short question.

The Liberals opposite have a policy of helping the rich get richer and the poor get poorer.

Supply

I do not understand my colleague when he says that they are sympathetic. Why could this not be resolved quickly? Everyone agrees that it makes no sense, that it is discriminatory, but they have done nothing about it. My colleague said earlier that they have been in office for five years, more even, and have done nothing about it.

Why could this not be resolved quickly?

[English]

Mr. John McKay: Mr. Speaker, I do not know what the hon. member has been doing in the House for the past number of years, but if we look at the initiatives on the part of the government with respect to children, I do not think we need to stand down to anyone. Two billion dollars as a Canada child tax benefit is a huge amount of money by anyone's standards.

• (1705)

To speak to the member's issue with respect to child care, the money was put on the table for the provinces to pick up and the provinces chose not to pick the money up. Those are initiatives in extreme circumstances that the government was experiencing with respect to its financial position.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I am actually delighted to take part in this debate because I have been waiting for it for a very long time.

My connection with this problem goes back to my beginnings as a politician. I ran for the first time as a politician in 1993. One of the platform planks of the Liberals in 1993 was the creation of 150,000 day care spaces.

Both before and after I won the nomination I made it very clear to the press and to all members of the Liberal Party in my riding that I did not support the creation of 150,000 day care spaces. That resulted in a telephone call out of the blue from Ottawa. I picked up the phone. I had never met the man before but he introduced himself on the other side of the phone as Mr. Martin. It turned out that this Mr. Martin was one of the architects of the Liberal platform for 1993. He said on the phone to me "I understand that you don't agree with the Liberal platform".

I said "No, no, Mr. Martin. That is not it at all. My problem is that I do not believe that the creation of 150,000 day care spaces is the best way to spend money in comparison to possibly finding a better way, a tax break for stay at home spouses". I also said "Mr. Martin, when I win I expect to convince you of the rightness of what I am saying", and he said "Well, fair enough. See you in Ottawa".

That is just a little illustration that the Liberal Party is an inclusive party. It permits and encourages dissent on key issues, but

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one has to be able to persuade, to convince the leadership that the suggestion is the right suggestion and should be given priority.

I was very fortunate after 1993 because I did not have to aggressively pursue this issue. The member for Mississauga South took up the issue with a great deal of eloquence. He was constantly arguing that we should do something to give better tax breaks to stay at home spouses. He was very good on that issue.

A year ago he became sick when we were in caucus out west and debating this budget. Because the member for Mississauga South was unable to attend that caucus, I rose and there was the finance minister taking suggestions from members of caucus.

I said to the finance minister that I thought in this upcoming budget it would be a very appropriate and very effective way of spending money, with such surpluses we might have, to give better equity to those families that choose to have a spouse stay at home to look after their children.

I do not need statistics to know that there is merit in the motion that has been proposed, quite apart from my long history with the issue. In my riding I have frequent fall and summer fairs at which I have a booth. It gives me an opportunity to meet thousands of my constituents.

There is one young couple who always comes to these events. The first time they came they had two children; the last time they had three. They ask me when I will persuade the finance minister to adjust the Income Tax Act so that there is at least fairness for those who choose to stay home to look after their children rather than go out to work. There is merit on that side of the issue.

The other side of the issue we heard at various times today is that the government has been very aggressive in addressing the needs of children, although I have not won so far on the issue of getting tax breaks for stay at home spouses.

• (1710)

As we have heard today, there have been all kinds of government programs since the government came to power to try to address the problem of children in need and to try to give them the best opportunity in life, including the child tax benefit and various other programs.

Where it has been difficult to convey the logic and where there is some genuine disagreement is on the idea that a stay at home spouse actually has real monetary value to the state and that there is justification for supporting a stay at home spouse through the tax system.

It is clear that we can address money to specific problems, but it is not so clear to some people, though it is clear to me, that it is in

the state's interest to encourage through expenditure, which is what a tax incentive is, that some spouses at least have the choice to stay home if they so desire. That is the other side.

I can understand why some members on my side will disagree with the motion and why I have had difficulty in persuading the finance minister that this is indeed something we should be doing.

One of the reasons I welcome the motion that has come before us today is that as a backbench government MP I do not have the opportunity the opposition has to bring this kind of motion before us for public debate, so the whole country can debate it. If I could have put the motion forward years ago, I would have done it. The problem is that the only option I have is a private member's motion, which is a lottery and the chances of actually getting the motion on the floor is very remote.

We heard earlier one Reform member opposite explain that the reason the Reform Party did not bring the motion before the House earlier in the five years it has had to do it was that it had other priorities like chasing pedophiles and dealing with hepatitis C. It also made choices.

More power to the finance minister. If he did not move on the issue as fast as I would have liked and as fast as the member for Mississauga South would have liked, at least the reason he did not move as fast was that his priorities were looking after children, providing benefits for children and looking after low income families rather than trying to bring various criminals to justice. It is a matter of choice. The priorities demonstrated by the finance minister are the kinds of priorities I would prefer to follow.

We have accomplished much by this debate. Regardless of how members on either side vote on the motion, the finance minister today in question period said that he felt this was an important issue and that he would send directions to his parliamentary secretary to get it on the agenda and hopefully debated in the finance committee. Finally, the member for Mississauga South and I will see the initiative to give equality and opportunity to stay at home spouses come to pass.

[*Translation*]

The Acting Speaker (Mr. McClelland): It being 5.15 p.m., it is my duty to interrupt proceedings and put forthwith any question necessary to dispose of the business of supply.

[*English*]

Mr. Jason Kenney: Mr. Speaker, I rise on a point of order. In so far as there is enormous interest in this debate, I would seek unanimous consent to move that the debate be extended for another hour. I would seek unanimous consent to put that motion.

Private Members' Business

The Acting Speaker (Mr. McClelland): The hon. member for Calgary Southeast has requested unanimous consent that the time for the debate be extended by one hour. We will do this in two stages. Is that agreed?

Some hon. members: Agreed.

Some hon. members: No.

• (1715)

Mr. Grant McNally: Mr. Speaker, I rise on a point of order. I am wondering if we could reduce that time period to the five minutes of questions and comments for our hon. colleague who had an opportunity to make a most eloquent speech.

I am asking for unanimous consent that we allow our Liberal colleague five minutes to extend his comments through questions and comments.

The Acting Speaker (Mr. McClelland): We have a technical problem. I had already started to put the question to dispose of the business pursuant to order made earlier today. Unless we undo all that we have finished.

Therefore pursuant to order made earlier today all questions on the motion are deemed put and a recorded division deemed demanded and deferred until Tuesday, March 9 at the expiry of time provided for Government Orders.

Mr. Gar Knutson: Mr. Speaker, I think you will find unanimous consent to see the clock as 5.30 p.m. and that we proceed to Private Members' Business.

The Acting Speaker (Mr. McClelland): Is that agreed?

Some hon. members: Agreed.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS

[*Translation*]

LEGALIZATION OF MARIJUANA FOR HEALTH AND MEDICAL PURPOSES

Mr. Bernard Bigras (Rosemont, BQ) moved:

That, in the opinion of this House, the government should undertake all necessary steps to legalize the use of marijuana for health and medical purposes.

He said: Mr. Speaker, I am pleased to be the first elected member of the House of Commons to speak, not just today in this debate, but in the history of the House of Commons, on this vital matter of the legalization of marijuana for health and medical purposes.

Marijuana has been used medicinally throughout the world for thousands of years. Today many patients, particularly those suffering from cancer, AIDS, multiple sclerosis, epilepsy and other diseases, testify to the marked relief they obtain from inhaling marijuana.

The therapeutic use of marijuana is, however, still banned by the Controlled Drugs and Substances Act, and users are liable to a six-month prison sentence and a \$1000 fine.

With a view to changing this unacceptable situation, I introduced a motion one year ago in favour of the legalization of marijuana for health and medical purposes. For me, this is a matter of compassion toward sick people suffering from nausea, loss of appetite, vomiting, and other major discomforts which accompany a number of chronic diseases.

• (1720)

My motion is simple and unequivocal. It reads as follows:

That, in the opinion of this House, the government should undertake all necessary steps to legalize the use of marijuana for health and medical purposes.

In my opinion, it is unacceptable for a person with a chronic condition, or a terminally ill AIDS patient, to be liable for six months in prison and a \$10,000 fine for using a medical treatment recommended by his or her physician.

In this connection, the Controlled Drugs and Substances Act is totally devoid of understanding and compassion toward the chronically ill, who want nothing more than to live in dignity. This act must be changed as soon as possible, in order to allow the medical use of marijuana by those who need it.

The Ontario court has already found part of the Narcotic Control Act to be unconstitutional. Clearly, the ball is now in our court here in the House of Commons.

We have been elected to fulfil a role as legislators. We have no right to let the courts decide in our stead. We must now assume our responsibility as elected representatives by inviting the federal government to pass concrete measures without delay that will allow the therapeutic use of marijuana.

At the present time, the only parliamentary approach that can achieve this is to give solid support to Motion M-381, which we are debating here today for the first time, and which calls upon the government to "undertake all necessary steps to legalize the use of marijuana for health and medical purposes". The situation is urgent. For those who suffer, every day counts.

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My position in favour of the legalization of marijuana for therapeutic purposes was not formed yesterday. I was first made aware of this injustice by my constituents, who urged me to take a public position in favour of legalizing marijuana for health and medical purposes.

Last March 6, I publicly supported a proposal along these lines by young delegates to the Bloc Québécois youth forum. I am happy that this proposal was passed unanimously at the time by forum delegates. The proposal called on the Bloc Québécois to take a stand in favour of the therapeutic use of marijuana and urged its parliamentary wing to follow up.

Delegates were very happy to hear our leader, the member for Laurier—Sainte-Marie, support their proposal in his closing address to the conference. Two weeks later, I followed up with the motion we are debating for the first time today.

This is not a new debate. The media and the courts have been looking at this issue for some time now. Doctors are discussing it with each other, and criminologists and patient advocacy groups are giving it thought. It is a topic that has been of interest to many people except, until today, members of the House of Commons. Now, since this debate will be followed by a vote, each of us here in the House will have an opportunity to take a clear stand on the issue. This is, in our view, a simple issue of transparency.

Until now, every time the issue of legalizing the therapeutic use of marijuana came up, the Minister of Health or the Minister of Justice tried to duck it. Their answer was always that they were open to the issue, their officials were studying it, and they hoped to be able to announce a plan or something more specific in a few months' time, all the while hoping that the issue would go away.

• (1725)

They say the same thing the next time the question comes up. This was what they did last year when an Ontario court judge ruled that a section of the Controlled Drugs and Substances Act was unconstitutional.

It was what they said when an AIDS sufferer from the Outaouais and his physician asked the government to take action on this issue. It is also what the Minister of Health and the Minister of Justice told me when I put the question to them here in the House one year ago on March 10 and 23, 1998.

Yesterday, it was the usual scenario. On the eve of the first day of debate on the motion that marijuana be legalized for medical purposes, the Minister of Health suddenly feels a need to demonstrate compassion towards the chronically ill.

What does he do to help? He announces that he will ask his officials to prepare a plan to draw up guidelines for eventual legalization of marijuana for medical use. I repeat: he announces that he will once again ask his officials to prepare a plan to draw up guidelines for eventual legalization of marijuana for medical use.

What have the officials the minister asked to look into this issue last year been doing? What do they have to show for their research? Only the minister knows.

Yesterday, the Minister of Health took a step in the right direction, and I said so yesterday. He deserves credit. He has announced that he will be asking these same departmental employees to draw up an action plan with a view to legalizing the therapeutic use of marijuana. Hence we now know the mandate he claims to have given to his staff.

How can we have any faith in his words when, in the past, the minister's actions did not fall in line with his commitments? Why did the minister announce a policy of openness but still no precise timeframe or concrete measures to achieve the legal use of marijuana for health and therapeutic purposes? Once again, his actions denote a lack of transparency. What is more, this new policy smacks of last-minute improvisation by the minister. He rushed to give his people a mandate just as the issue was about to be debated.

Ms. Elinor Caplan: Not true.

Mr. Bernard Bigras: I hear the parliamentary secretary over there taking the liberty to react to what I am saying.

The parliamentary secretary ought to be familiar with the demands by the Canadian AIDS Society. She ought to be familiar with the position of the Canadian Hemophilia Society, which has been tabled today. She ought to be familiar with the positions of Donald Kilby, director of the University of Ottawa Health Services. And of Réjean Thomas, a leading figure in the treatment of AIDS. And she ought to be familiar with the case of James Wakeford, who has made a request under the special access program. With the cases of Jean-Charles Parizeau and Terry Parker. But no, the parliamentary secretary does not want to know.

The minister's new policy smacks of improvisation, as I have said.

He has given a hasty mandate to his departmental employees on the eve of a debate on the matter, but is unable to give any details on his policy. In fact, the minister cannot even say whether his announcement means that he is taking the necessary steps to legalize the health and medical use of marijuana.

• (1730)

That is exactly what today's motion is calling for. The minister is still refusing to say whether he will vote for or against the motion. I hope that we can clarify his intentions in the course of debate.

If the minister said yesterday that he was prepared to take steps towards legalization, the only course open to him in June is to vote in favour. Any move by the government to vote against this motion

will be interpreted by those favouring the legalization of marijuana for medical purposes as unwillingness to keep this promise.

I repeat, the government and the minister must demonstrate in good faith. I grant that he has taken a step in the right direction, but his actions must suit his words, and he must vote in favour of the motion.

In fact, the minister is certainly not yet able to tell us what stand he will take. We are still waiting, and would have liked an announcement yesterday as to where he stood. But instead we must wait.

I was in touch by phone as recently as yesterday with patients, doctors, and associations asking me to continue the fight, because nothing is a given, because although there was an announcement yesterday, no timeframe was mentioned. There was no research protocol. We know that there is no indication whatsoever that the minister listens to patients, for instance those who have made applications under the Health Canada special access program, which is the minister's own responsibility.

I therefore wish to assure everyone, not only in this House, but everyone involved in the campaign, the physicians, the patients, that I will continue the awareness campaign I launched this morning.

I wish to assure them that this lack of transparency can only make me step up the pressure so that a majority of MPs here in this House will be able to vote in favour of this motion. The government has no excuse whatsoever for taking refuge behind inaction, as it has so far.

No one disputes the therapeutic effectiveness of THC, or tetrahydrocannabinol, the principal active ingredient in marijuana. Moreover, physicians can already prescribe Marinol tablets, and have been doing so for some years now. This authorized medication contains synthetic THC and is already available in pharmacies. It is prescribed mainly to relieve nausea in terminally ill patients and to stimulate appetite.

However, taking synthetic marijuana pills is not as effective as inhalation. According to the prestigious *New England Journal of Medicine*, swallowing pills cannot be compared to inhalation, which rapidly raises blood THC levels and greatly enhances the sought-after medical efficacy.

What is more, many patients who would be candidates for the medical use of marijuana are already required to take huge numbers of pills daily. We are talking of numbers even in excess of 30. One can imagine what taking more pills in the form of Marinol means, then. The precise purpose of marijuana is to help make the taking of so many pills bearable by relieving nausea.

Obviously, it is better to administer THC for nausea by the pulmonary route than the digestive route. Many physicians are therefore campaigning for the possibility of prescribing THC in the

form best suited to their patients. They argue that they are in the best position to determine what suits their patients best.

• (1735)

The Canadian Medical Association represents the medical community in Canada and ensures that the health care system provides doctors with what they need to deliver quality health care to their patients. Since 1981, this association has been arguing that the simple possession of marijuana should be decriminalized, but it deplores the absence of more systematic scientific research on the topic.

In 1995, the American Medical Association pointed out the need to review American legislation on the therapeutic use of marijuana. The British Medical Association goes even further: it has called on the British government to take all necessary steps to authorize the therapeutic use of marijuana, while respecting all established scientific criteria.

The British Medical Association has also publicly encouraged the police and the courts to tolerate use of marijuana for therapeutic purposes. In its report, it says, and I quote:

Some patients are forced to use an illegal drug to relieve symptoms that are not controlled by existing medication.

The report also says:

—and that there is sufficient evidence that marijuana can help in certain circumstances.

These were quotes from a report by the British Medical Association.

As a result, following a major scientific research study by the British House of Lords, the British government decided to go ahead and authorize the first official trials to evaluate the therapeutic effects of marijuana. The Royal Pharmaceutical Society is confident that, three years from now, cannabis will be a prescription drug in Great Britain.

In Quebec and in Canada, well known physicians such as Réjean Thomas and Donald Kilby have already come down unambiguously in favour of legalization for medical and therapeutic purposes, as have some major dailies. So have the Canadian AIDS Society, the Canadian Hemophilia Society, which wrote me another letter this morning, and the Coalition des organismes communautaires québécois de lutte contre le sida. All these organizations are calling on the government and members of parliament to vote in favour of Motion M-381.

Today, I ask the men and women fighting for this legalization to be patient, because I am very confident that they will have all the support they need in June. Therefore—

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member, but his time is up.

*Private Members' Business**[English]*

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, as I rise today to participate in this debate there are several members in the House whose work on this topic should be acknowledged. I would like to begin by acknowledging the member for London West for the work that she has done in this area since 1997. I would also like to acknowledge the member for Rosemont, the member from Okanagan—and I regret that I cannot remember the correct name of the riding—and other members who have spoken to me.

This government is aware that Canadians are suffering who have terminal illnesses and who believe that using medical marijuana can ease their symptoms and we in the government want to help them.

I emphasize that those Canadians who are struggling to find new and better ways to maintain and improve their health have no interest in this topic, and to all of those who are healthy I would say that I hope this is a topic that will never be of interest to them and that they will never need to come forward to ask for this product.

• (1740)

The concern we have is that there are those who are suffering. As the Minister of Health said in the House yesterday, he has asked his officials to develop a research plan that will include clinical trials for medicinal marijuana, appropriate guidelines for its medical use and safe access to the supply of this drug. This will allow the government to get the information it needs so it can share that with Canadians. We want a flexible approach that will help Canadians and protect the health and safety of Canadians.

In order to truly assess the value of marijuana as a drug it is essential that we have reliable scientific evidence. We know there is much anecdotal evidence. We heard the member in his opening remarks refer to that evidence, but to date there is no reliable scientific evidence. Therefore, as I have stated, the Minister of Health has asked his officials to develop a plan that will include the kind of information gathering, research and development of clinical guidelines for the appropriate use of medical marijuana.

What we want to do is facilitate the development of these guidelines so that those people who are suffering and in need of help will have access to something that may be beneficial and that may assist them. Many are terminally ill, many are in pain, many are suffering from symptoms which they believe, and there is anecdotal evidence to suggest, could be helped in this way.

We want to get the facts. We want to know whether this is effective. But we also want to be able to use sections of existing federal legislation to give those people the opportunity to have access to a safe supply of medical marijuana that could be helpful to them.

The interesting thing that most people would not know is that Health Canada has already explored the possibilities of securing a medicinal quality source of marijuana for use in its research projects. As well, it has looked at ways of promoting research within this country. We would provide patients with access to medicinal marijuana in a controlled setting as part of clinical trials.

However, it is important to note, and I particularly address people who have expressed concern about access to the program, that the current Canadian drug regulatory framework and international control framework create a scheme by which medical quantities of marijuana could be legally available for medicinal purposes like any other therapeutic drug.

In other words, the distribution of marijuana as a medicine could already be possible provided that the product, the quantity and the supply, is of good quality and originates from a legal or licit licensed supplier as opposed to an illicit supplier. That is very important. It is also very important under the existing law that this be used in the proper research context.

The announcement by the minister dealt with the concerns that have been raised by many in this House: access for those who are suffering and in need, those who need help, but access within a controlled clinical environment of research with appropriate guidelines to ensure quality and safety and to ensure that the access to the supply of this drug is of good medicinal quality.

I want to state very clearly that physicians would be and must be very involved in the development of these research projects. The government wants to help Canadians who are suffering, but it wants to make sure they have the very best of advice and assistance.

While we will be developing a research agenda which will include clinical trials to gather evidence and needed documentation on both the risks and the benefits of the medicinal use of medical marijuana, we want a flexible approach that will provide patients with access to medicinal marijuana at an early stage of the research and in a setting that includes the support of qualified physicians. That is very important.

• (1745)

I heard the member opposite use the term legalizing of marijuana. People should know that we are not talking about the legalizing of marijuana.

What this does is it creates a research environment where we can do the research, gather the evidence and in that environment, just as we would with any other drug, make it available to people in a research context. During the research setting, people would have access to the drug. We would also be sure to develop appropriate clinical guidelines to make sure that it was used appropriately.

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It would allow us to respond in a sensitive and compassionate way to those who are terminally ill, who are suffering and are coping with symptoms where the anecdotal evidence would suggest that medical marijuana might be helpful to them. We want to find solutions for Canadians who are suffering. We want to help Canadians. We want to do it in a way that is appropriate.

Therefore, I am pleased to say that I intend to amend the motion. At the appropriate time I will move an amendment to the motion. I would like to give members notice of what I plan to move.

I will be saying that the motion should be amended by deleting all the words after the word "should" and substituting the following "take steps immediately concerning the possible legal medical use of marijuana including developing a research plan containing clinical trials, appropriate guidelines for its medical use, as well as access to a safe medicinal supply and that the government report its findings and recommendations before the House rises for the summer".

The member opposite and others have asked are we prepared to put forward a timeline for this plan that the minister has asked his officials to develop. I say to members of the House as part of this debate that it is the government's intention to do this work on a rapid basis so that we can have in place the plan to develop the research and give people access as expeditiously as possible. We know that the House rises for the summer in June. Before that time the minister is making a commitment. We hope all members will support the amendment. I know that there is support in all parties.

In the time I have remaining, I would like to thank all of the members who have spoken and who will be speaking on this, those who spoke in private and those who sent notes to the minister letting him know of their support for this initiative. I want to emphasize again that this is not the legalization of marijuana. This is treating marijuana like a drug that may be helpful to some. We want to find out if it is. We want to provide the conditions for access in a controlled clinical environment with appropriate clinical guidelines.

Therefore, I move:

That, the motion be amended by deleting all the words after the word "should" and by substituting the following:

"take steps immediately concerning the possible legal medical use of marijuana, including developing a research plan containing clinical trials, appropriate guidelines for its medical use, as well as access to a safe medicinal supply and that the government report its findings and recommendations before the House rises for the summer.

I have this available in both official languages and will be presenting it to the chair to further this debate and discussion.

• (1750)

[*Translation*]

The Acting Speaker (Ms. Thibeault): The Chair will take the motion under advisement and get back to the House with a ruling later.

[*English*]

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I am pleased to speak to private member's Motion No. 381 which reads "That, in the opinion of this House, the government should undertake all necessary steps to legalize the use of marijuana for health and medical purposes".

I heard the amendment. On the face of it the amendment appears to be okay as long as this is not a backdoor entry for legalizing marijuana smoking. As long as a firm guideline is established, probably it should be supported.

I have only recently undertaken the role of the official opposition's deputy critic for health. My constituents and my colleagues are proud to have me speak to Motion No. 381 and express our compassion for the predicament faced by those Canadians suffering from the diseases and conditions that cause them to turn in desperation to marijuana to ease their symptoms.

Looking through the lens of compassion, my efforts on this issue are dedicated first and foremost toward the thousands of Canadians who are desperately seeking medicinal therapy for various illnesses. These Canadians admittedly are frustrated at being in a situation where the only source of relief from their illness comes from smoking a substance that carries many extremely harmful side effects.

With them I seek less harmful alternatives. It is very important to look through the sympathetic consciousness of others' distress together with a desire to alleviate it. Therefore, I will continue to be outspoken on behalf of Canadians who are sick and seek safe medicine.

Historically, the use of marijuana goes back centuries. The remains of a woman from the fourth century were discovered. The woman had died giving birth. There were marijuana leaves found near her dead body at the site. Apparently she was inhaling marijuana, relieving her pain all those hundreds of years ago.

To review the pros and cons, let us see how various professionals look at this issue. Medically, THC, the drug in the marijuana plant, is known to be helpful to treat symptoms of cancer, AIDS, glaucoma, epileptic seizures, multiple sclerosis and migraine headaches.

In the United States there are people who would like to have marijuana moved from schedule 1 substances where it is deemed to have no therapeutic use, to schedule 2 substances which are useful drugs that can be prescribed by doctors. There are people who would like to see it treated as a herbal remedy instead of a drug.

Talking of support for legalizing marijuana for medical purposes, in a national U.S. survey, 50% of cancer therapists said they would prescribe marijuana if it were legal and 44% said they are already suggesting it. It is far less addictive and far less subject to

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abuse than other drugs used as muscle relaxants, hypnotics or analgesics, according to the survey.

According to Harvard University, the chief concern about the use of marijuana is the effect on the lungs of smoking it. Cannabis smoke carries even more tars and other particulate matter than tobacco smoke. Water pipes may reduce but cannot eliminate the side effects.

We are fast approaching the 21st century. We need to look into more advanced research to reap any benefits the drug can offer without side effects. Perhaps a technological inhalation of cannabis vapours could be developed, an inhaler for example, or something else which could deliver the contents of marijuana.

The question for us to consider is if it is ethical to deny people who are in pain something that will relieve their pain.

• (1755)

The result of Dr. Corigall's research at the University of Toronto dealing with the effects of canna-binoids on the brain predicts that there could be a creation of a synthetic form of marijuana. In arguments against legalizing marijuana for medical purposes, Dr. Corigall says that the dosage of marijuana as an analgesic cannot be regulated and ultimately people should not resort to smoking it to relieve their pain.

We already know that smoking is bad for us because of all the carcinogens that come with it.

Again on the negative side of the issue, a retired U.S. Drug Enforcement Agency official said in 1996 since there are better medicines with less harmful side effects than marijuana available for the diseases for which it is touted, medical marijuana is a cruel hoax. It does not help. It does more harm than good.

In another study, the chairman of the International Drug Strategy Institute two years ago said, "suggesting that marijuana be smoked as a medicine would be like proposing tobacco be used for anxiety and weight loss".

The National Institute of Health determined that crude marijuana adds nothing to currently available medicine and indeed creates increased risk to patients. The U.S. National Institute of Health also says that a marijuana cigarette contains a complex mixture of over 400 different compounds, including carcinogens. This would be a concern for anyone but especially for patients with chronic disorders or impaired immune systems.

The U.S. National Eye Institute fact sheet on the therapeutic use of marijuana for glaucoma states that none of the studies demonstrates that marijuana or any of its components could safely and effectively prevent optic nerve damage from glaucoma. Also, there are about 24 FDA approved drugs for the treatment of glaucoma.

The U.S. National Cancer Institute notes that inhaling marijuana smoke is a health hazard. It has a long list of agents that are more useful than marijuana.

We need to look as well at the positions put forward by different professionals.

Lawyers have said through the Canadian Bar Association that the government's drug policies are misguided. They are in favour of decriminalizing marijuana because to continue the government's approach is doing more harm than good. The damage inflicted by the legal system seems disproportionate to the offence.

In 1993 the Canadian Police Association recommended making simple marijuana possession a ticketable offence, similar to speeding. The Ottawa police chief said that the risk of things going wrong during marijuana busts are too high.

In 1995, 43,000 Canadians were charged with 62,000 drug offences, and 71% of them were for marijuana. In the past 20 years, 700,000 Canadians were arrested on marijuana charges. Since 1995 in British Columbia, B.C. police have been advised to stop laying marijuana charges because of court backlogs.

Let us look at what the medical community says. The World Health Organization treats drug abuse as a health issue. In those countries that treat drug abuse as a health matter rather than a criminal matter, people are not afraid to seek help. Drug abuse declines and remains at lower levels in those countries.

Providing treatment for drug abusers makes more sense than prison terms. The goal is a healthy population.

With these things in mind, we should study using marijuana for health and medicinal purposes.

In conclusion, I would say what is important to me is compassion. If nothing else works for the diseases and suffering, I do not see anything as a barrier.

I would expect to have more research done. Through research and innovation, harmless methods may be found to benefit from the medicinal use of marijuana.

• (1800)

Reform is concerned with substance abuse of any kind, whether it is drugs, alcohol, cigarettes or marijuana. I warn Canadians that the Liberal government may use this issue of the medicinal use of marijuana smoking to legalize it through the back door.

As long as it sticks to the amendments and as long as it has a reasonable plan we will probably be supportive.

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The Acting Speaker (Ms. Thibeault): The amendment presented by the member earlier is in order.

[*Translation*]

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Madam Speaker, I would like to start by congratulating the hon. member for Rosemont for this initiative and for the role he has played in encouraging the federal government and the Minister of Health to take steps to allow the legal use of marijuana for health and medical purposes.

I would like to offer my support for this resolution, which states very clearly:

—the government should undertake all necessary steps to legalize the use of marijuana for health and medical purposes.

[*English*]

Many of my colleagues in the NDP caucus have also worked very hard on this issue but I want to acknowledge many in our party who have come before us and have been quite outspoken on this matter over the years. All of us in our own ways have tried to find ways to put pressure on the federal government to act on behalf of persons who need to use marijuana for medical purposes, who need to find some relief from pain and suffering or to deal with the symptoms of chronic or terminal illnesses.

We all know that these people who are speaking out and asking for action are already in a poor physical state and are being forced to purchase marijuana illegally and with the risk of arrest.

We are here today to join with the Bloc and with all members in the House who support this view to urge the Liberal government today to take a brave step to overcome the history and associations of marijuana and recognize its value to the medical community as a part of legitimate treatment options.

We urge the Minister of Health, in the commitment that he made yesterday, to work with the Minister of Justice to ensure that people who use marijuana for medical purposes are never subject to prosecution.

Today we have before us this resolution from the Bloc now amended by the Parliamentary Secretary to the Minister of Health which will require some study and deliberations before we are prepared to indicate our support for the amended motion. Our major concern will be whether the intentions of the government, as stated today, will in any way inhibit access for those people who are suffering today.

It is one thing for the government to announce a plan of action to move on this very critical issue. It is another thing for individuals suffering from AIDS and other illnesses to wait four or five months before they will know whether there will be access.

• (1805)

It certainly does not answer the question about all those individuals who have been charged as a result of possession of marijuana for medical purposes, nor does it address the question of whether individuals currently under doctor's orders to access marijuana will be charged in the first place.

We have many questions that must be addressed. I think for all of us here today our concern is with trying to find a way to immediately alleviate the pain and suffering of individuals for whom marijuana prescribed on a medical basis is an important solution, an important alternative.

Members of the Reform Party have presented different positions to us and they are certainly going through a great deal of soul searching about where they stand on this issue. There are broader issues to be addressed. I think for today it is important for all of us to say that we must address this issue from the point of view of compassion and we must do it on the basis of a great deal of urgency.

I do not have to repeat the many arguments that have been presented to the House about the medical value of marijuana. I think it is important to simply summarize some of the information that has come from the medical and scientific community.

We know from studies that marijuana has been proven to be effective in reducing pressure in glaucoma. It has been proven to be successful in reducing vomiting and nausea associated with chemotherapy. It has been clearly identified as stimulating appetite in patients with AIDS wasting syndrome. It has been found to be useful in controlling spasticity associated with spinal cord injuries and MS. It has been found to decrease suffering from chronic pain. It has been found to be useful in controlling seizures in seizure disorders.

Marijuana is also considered to have a potential for a number of other conditions such as emphysema, because it dilates the bronchioles in lungs and in migraines. It has a wide margin of safety and by all accounts is non-lethal.

The other important factor in all this is that marijuana used for medical purposes does not have many of the side effects that so many other treatments entail, side effects that sometimes are so serious that patients stop using the medications despite their suffering.

I refer members to a 1997 editorial in the prestigious *New England Journal of Medicine* which refers to the parallel American prohibition as "misguided, heavy handed and inhumane". It also states: "To demand evidence of therapeutic efficacy is equally hypocritical. The noxious sensations that patients experience are extremely difficult to quantify in controlled experiments. What really counts for a therapy with this kind of safety margin is

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whether a seriously ill patient feels relief as a result of the intervention, not whether a controlled trial proves its efficacy”.

Many scientists who are convinced of the value of marijuana in terms of its medical significance are advising patients to use it despite the legal risks.

I point to another study quoted in the national news on September 24, 1998: “Science is assembling convincing evidence that Queen Victoria was not merely catering to royal whim when she used marijuana to numb her menstrual cramps. “Researchers at the University of California have discovered that cannabis triggers a pain suppressing circuit in the brains of rats, which demonstrates that the drug is indeed a pain killer”.

The article outlines significant scientific and medical information to lead us to believe that study and research have been done on this issue. We may be just delaying the need to act by talking about clinical trials and further study before moving as quickly as possible on this matter.

• (1810)

I remind members of the most recent letter from the Canadian AIDS Society which urged all of us to support the resolution put forward by the hon. member for Rosemont: “As a result of the illness facing people with HIV and AIDS individuals often suffer severe nausea and an inability to eat. Wasting, which is a lack of body fat and muscle mass, is one of the leading causes of death for people with HIV and AIDS. Many of the current drug regimes that individuals are prescribed include strict timetables of when they can and cannot take the medication as well as whether the medications need to be taken with food or without. The side effects of these medications often include nausea”.

There is ample evidence of the benefits of marijuana use on a medical basis. There have been significant studies and clinical trials. I think the time is now for action.

What does the amendment put forward by the government today mean in terms of legal ramifications for people who are either charged now with illegal possession or are perhaps facing charges? I suggest to the minister that there is provision now within our Food and Drugs Act for actually ensuring that under the emergency relief program we can ensure reasonable and responsible access to marijuana for treatment in keeping with the requirements of Canadian law pertaining to the use of marijuana as a new drug under the Food and Drugs Act and as a controlled substance under the Controlled Drugs and Substances Act.

We will study very diligently the amendment of the government but we strongly support the motion put forward by the Bloc member and we urge the government to move quickly. We may need more clinical trials, more studies and more research but we also need to act immediately to deal with the pain and suffering of many individuals for whom there is no other reasonable alternative.

Mr. Greg Thompson (New Brunswick Southwest, PC): Madam Speaker, the debate today really centres around the word compassion. I want to read the motion so that the viewing audience has a chance to hear it once again:

That, in the opinion of this House, the government should undertake all necessary steps to legalize the use of marijuana for health and medical purposes.

Those are the key words, health and medical purposes. We are talking about a compassionate use of a substance which is illegal.

The debate today could be taking place on any number of substances used for pain relief in medicine, prescribed by doctors on a timely basis in cases where they are needed.

Let us imagine for a minute whether we should be debating the use of morphine. Should we not be talking about the use of codeine, morphine or heroin? What we are talking about is the use of a drug to relieve pain in those who are suffering.

I think that is very commendable. We are not talking about the legalization of the product for recreational or casual use. We are talking about a drug prescribed by doctors to help patients deal with the threshold of pain and suffering. In many cases we are talking obviously of terminally ill patients.

The Canadian Medical Association, which I consulted on this, has some interesting observations. I think it is worth putting these on the record as well. It is not cut and dry. Certain considerations have to be made any time a substance is used for medicinal purposes. Some of these are outlined very clearly by the CMA.

I quote a letter to me from the CMA which says the CMA has advocated the decriminalization of the possession of marijuana for many years. I think that position goes back to 1981.

• (1815)

The position of the Canadian Medical Association is:

That the Canadian Medical Association recommend to the federal government that the jurisdictional control of marijuana be moved from the Narcotics Act to the Food and Drugs Act and that all past criminal records related to simple possession be erased.

It has a very strong position on the decriminalization of the use of marijuana. However, when it comes to the medical use of marijuana, it is quite ironic that it has concerns, some of which I will outline.

The CMA is concerned that as a herbal medicine it cannot be patented. It says that exploitation of research is therefore precluded.

It is concerned that the chemical content can vary considerably from plant to plant.

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It is concerned that the standardization and reproducibility of clinical trials is problematic as the plant and its delivery system is unique and, therefore, it would be almost impossible to conduct blind trials.

Another reservation is that the delivery system is not reliable from patient to patient as the dose received depends upon the delivery technique.

Another concern is that there is almost no independent quality research available, such as randomized control trials, to guide decision making on the appropriate and effective medical use of marijuana or the side effects and risks associated with its consumption.

I think that everyone in this House would agree with some of those concerns. Basically, it boils down to the consistency of the product being used.

We heard from some members in this House as to whether or not it is really effective. However, if it is working on some patients and not on others, it is probably not unlike any other drug. Different drugs have different effects on people because of the chemistry of the human body. I think that is to be expected.

Part of it, probably from the patient's perspective, is what they believe. It is like the individual who wears a copper bracelet for rheumatism or arthritis. I guess if they believe that it works and they say that it works, it probably does work.

This has been a hotly debated topic. I want to quote from the transcript of a program by Dr. David Suzuki. I think most of us from time to time have watched—

The Acting Speaker (Ms. Thibeault): I am afraid that I must interrupt the member at this point. However, I wish to tell him that the next time this bill comes before the House he will have approximately four minutes if he wishes to use that opportunity.

The time provided for the consideration of Private Members' Business has now expired.

Mr. Gar Knutson: Madam Speaker, I rise on a point of order. I think you would find unanimous consent to allow the member to finish the four minutes.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent for the member to finish?

Some hon. members: Agreed.

Mr. Greg Thompson: Madam Speaker, the House is being very generous tonight and I appreciate it because we did start early.

Dr. Suzuki in his program was talking to his listening audience about marijuana and its use. He was talking about a gentleman who had a sick son. I want to put this on the record because it spells out pretty clearly the effects and how positive it can be when used for the right reasons.

A gentleman by the name of Lester Grinspoon was speaking. He said:

My son who in 1967 was diagnosed as having acute lymphatic leukaemia, he was 10 years-old then. By the time he reached the age of 13, was beginning to get some of the cancer chemotherapeutic substances which cause severe nausea and vomiting. He would vomit for about eight hours or have the dry heaves for eight hours. He would vomit in the car on the way home from the hospital and just lie in his room with his head over a bucket on the floor.

• (1820)

That is a very common experience for any of us who have had relatives and loved ones who were sick and receiving chemotherapy. It is not unusual for that to happen.

He went on to say that he and his wife were at a dinner party and a doctor recommended the use of marijuana for this young boy. He said:

On the way home from that dinner party my wife Betsy said "Well, maybe we should get some marijuana for Danny". I'm ashamed to say it, I said "No we can't do that. It's against the law and we don't want to embarrass the people at the Children's Hospital who are taking such great care of Danny". His next chemotherapy was due a couple of weeks later and Betsy and Danny smoked in the parking lot outside of the Children's Hospital. I couldn't believe what happened because not only did he not have any nausea but he even asked his mother "Could we get a submarine sandwich on the way home?" And I then called Dr. Jaffy who was the doctor who was directly involved in Danny's care and said to him "Look", I told him the story, I said "I'm not going to stand in the way of his using marijuana this time".

The story goes on in quite a bit of detail. Basically what it is saying is that it does work under controlled circumstances. I believe that the House has to consider that.

Again, going back to the very nature of this bill, we are talking about the word compassion. In relation to other substances out there let us give it a try under controlled conditions, under doctor's orders. If we could do that we would be prepared to support this bill.

Ms. Elinor Caplan: Madam Speaker, I rise on a point of order. I want to correct the record. The correct name of the riding I was referring to is Okanagan—Coquihalla.

[*Translation*]

The Acting Speaker (Ms. Thibeault): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the order paper.

*Adjournment Debate***ADJOURNMENT PROCEEDINGS***[English]*

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

PUBLIC SERVICE OF CANADA

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, it gives me great pleasure to rise on behalf of the PSAC workers, especially the blue collar workers of Nova Scotia and those across the country. Probably one of the most discriminatory policies of this current government is its policy on regional rates of pay.

In 1993 the Liberal government stated “The time to end regional rates is now and if elected we will eliminate that”. The government is now six years into its mandate and the President of the Treasury Board stated that he thinks regional rates of pay is a good policy.

I would like to read a card that was written in 1995:

In the opinion of this House, the government should seriously consider abolishing regional rates of pay now enforced for certain federal government employees, in accordance with its stated policy of pay equity.

That was from a formal Liberal member of parliament, Ronald MacDonald.

The current member of the House from Kenora—Rainy River stated:

The motion is a very good one and should be supported by the government and all members opposite to give people work and pay based on their abilities, their seniority and their classifications, not on where they live.

The key part of that statement is “not on where they live”. In the previous House that member was the parliamentary secretary to the minister of human resources.

No truer words have ever been spoken. The only problem is that the government has completely ignored them.

● (1825)

I quote the Ottawa *Citizen* from March 2:

The Liberal government seems intent on “breaking the back” of its unions with “hardball” labour policies that have left rank and file public servants underpaid, demoralized and facing poor working conditions, says the chairman of the Senate finance committee.

Terrance Stratton, who headed the committee’s year long investigation into the brain drain in the public service, warns that the government’s hardline position on capping salary increases at two per cent a year will accelerate the flight of experienced talent to

the private sector. It does not help matters that, at the same time, senior executives [of the government] got raises of up to 20 per cent, plus bonuses.

Gilles Paquet, director of the centre of governance at the University of Ottawa, stated that the committee’s report underscores that the Liberal government has no agenda for its public service other than the one driven by the finance department to cut costs and save money: “The government doesn’t give me the feeling that it respects the public service. It ended the notion of a career public servant and then turned around and asked them for more and more loyalty. Give them less and less money and more and more work. It just doesn’t add up”.

Again, no finer words have been spoken in such a long time when it comes to the issue of pay equity, regional rates of pay and the quality of life and work for our federal public service, especially the blue collar ones.

The fact is regional rates of pay are discriminatory. Just because you live in Halifax does not mean you should be paid less than if you live in Vancouver. Ninety-seven per cent of all public servants in this country, RCMP, military, members of parliament, all get paid the same base salary no matter where they live, whether it is Whitehorse, Inuvik, Vancouver or Sheet Harbour in Halifax. It does not matter, they get paid the same except when it comes to the lowest paid workers of the public service, the blue collar workers, the warehousemen, the electricians, the plumbers. It is an absolutely discriminatory policy.

It just does not fly for the Treasury Board president to say that it is because of provincial legislation and provincial responsibilities that he does not want to end regional rates of pay.

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, I am aware that some hon. members wonder why the Government of Canada does not get rid of regional pay rates for its blue collar workers and simply pay the same scale nationally. There are good reasons behind the present practice, some very good reasons to continue it.

Those who know the history of the House know that regional rates were put in place in 1922. In those days the Government of Canada recognized that wages paid to certain trades were determined by local and regional market realities, realities that have remained unchanged and realities the Government of Canada cannot ignore.

I remind the House that in 1962 the Glassco royal commission recommended regional rates be maintained as a compensation policy where markets are regional or local. Thus in 1967 the government set forth its recommendation when it instituted collective bargaining processes within the federal civil service. If we had decided to go with a uniform rate rather than a regional rate that

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reflected local realities what would have happened? Quite simply we would have created local inequities in pay scale that would have engendered instability in local labour markets especially for private sector employers seeking to hire at rates that reflected the local market realities.

We must all recognize that incomes vary from place to place as a function of cost of living and other factors. I remind the member that representatives of the government and the unions are currently at the negotiating table. We all hope for a positive outcome and we value the important work that all members of the public service provide to the people of Canada.

HEALTH

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, in February 1999 the advisory council on health infrastructure presented its final report to the health minister entitled "Canada Health Infoway: Paths to Better Health". Over the course of 18 months the 24 member advisory council met and worked with a number of collaborators, including the provinces, territories and other federal departments and various health stakeholders across Canada.

One of its recommendations was the subject of a question I posed last week to the Parliamentary Secretary to the Minister of Health. It has to do with report cards on our health system. One of the key recommendations was that the government support evaluative analyses and consensus building to develop yardsticks and fair measures of health care system performance and health status of Canadians.

• (1830)

These analyses would form a basis of report cards to the public that will improve the overall accountability of the health care system.

I would like to repeat the question I posed to the parliamentary secretary in French, as I tried to do in question period.

[*Translation*]

One of the main recommendations in the final report of the advisory council on health infrastructure is the provision of a public report card so as to improve the general accountability of our health care system.

Since the Government of Canada is responsible for health care standards, does the department support this recommendation and will it undertake discussions with the provinces and territories with the aim of implementing this method of accountability?

[*English*]

Basically Canadians value our health care system and they need this kind of information. They need to know about how our health care system is performing. They also need to know that the dollars that are invested in our health care system are being used widely in every province and in every territory.

I raised the question with the parliamentary secretary with a view to getting a little more information about how this would work, whether or not the government was supportive of it and whether or not there was more information she could give us on report cards on our health care system.

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, I acknowledge the interest of the hon. member for Mississauga South and thank him. Thirty-five seconds in question period does not allow for a full answer.

This evening I would like to tell the member that the advisory council's final report called the *Canada Health Infoway: Paths to Better Health* was presented to the Minister of Health and made public on February 3.

The report contains a number of recommendations relating to the development of a Canada health infoway including protecting the privacy of health information, empowering the public, strengthening and integrating health care services, creating information resources and building an aboriginal health infrastructure.

The report presents an exciting, positive, future vision of a Canada's health infoway, a vision which the Minister of Health and the Government of Canada strongly endorse. The 1999 budget provided the needed support toward actualizing the vision. We have committed \$328 million over three years for improving the gathering, sharing and analysis of information about health and Canada's health care system.

The advisory council acknowledges in its report that developing a Canada health infoway will require collaborative efforts with all stakeholders, particularly the provinces and the territories. In fact, the Canada health infoway is to be built on the foundation already being designed or implemented by provinces and territories. Without their participation and support there can be no Canada health infoway.

Accordingly, the Minister of Health has already initiated discussions with provincial and territorial counterparts to seek consensus on how they can move forward together in these directions and build on current collaborative efforts.

As I said to all members of the House, we believe there needs to be greater accountability by all governments, not to each other but to Canadians, and the health infoway will help us to achieve that goal.

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Madam Speaker, on November 30 I raised a concern about the apparent change in name of the health protection branch to the management of risks to health branch. It is impossible to find in any official document from the Department of Health any reference any longer to the Health Protection Branch. The HPB is out; MRH is in.

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The question for all of us is does this mean anything. It would seem to me that it does mean something, using the old adage that if you change the name you change the game. I believe that is what is actually happening with the government. The health protection branch was supposed to be responsible for guarding public health: the safety of the food we eat, the medicines we take and the toys our children play with. These all depend on the investigative strength of this important arm of government.

Something has gone terribly wrong. The federal government has been closing labs. We have the RCMP investigating in terms of blood and breast implants. We have had scientists appear before the Senate committee expressing concerns about the approval process for bovine growth hormone. More recently, we have had evidence of blood coming from prisons in the United States into this country without proper regulation.

• (1835)

We have had the minister refuse to take action on scientific studies showing toxins in bags that contain blood products. We have had as recently as today officials of the department promoting a risk management approach when it comes to organs and tissues. I think we have a critical situation. The whole way of doing business has changed under this government.

The most important question for all of us, the question that sets the tone for the entire safety process, has to do with the burden of proof. Canada's health safety system has always required the makers of new or questionable products to prove that their products are safe before they are released to the public. The public has always been confident in the knowledge that long before they ate their roast, swallowed their pill or sprayed their lawn, the makers of those roasts, pills and sprays had to prove to someone that the product was safe. Someone was looking out for their well-being.

Now under this government it is all changing. The burden of proof will be on government regulators at HPB to prove that the products are harmful. Our system has been successful because it was based solely and solidly on the precautionary principle. The government seems to be now sacrificing that for a corporate friendly system of risk management.

This in our view is intolerable. We will fight it at every opportunity. Any risk is too high.

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, the mandate of the Health Protec-

tion Branch is to protect Canadians against current and emerging risks to health. These risks come from prescription drugs, medical devices, consumer products, food and water contaminants, air pollution, radiation, chemical hazards, tobacco diseases, and natural and civil disasters.

Risk management is a decision making process for dealing with health risks. The health protection branch uses a formal method called a framework that lists all steps in the risk management process.

I want to tell the member what these steps include: identifying and assessing risks; developing, analysing and choosing options for managing the risks; implementing the selected options; and monitoring and evaluating the results.

This approach is used by provincial, territorial, national and international health organizations. The risk management framework was adopted in 1993. It has helped to ensure consistency and thoroughness in the way that risks are assessed and decisions are made.

It also results in a more understandable and transparent process. It promotes the use of best available scientific and technical information. It clearly identifies roles and responsibilities. It ensures that those who are affected by risk management decisions are properly consulted.

The health protection branch is one of the department's organizations that contributes to the management of risks to the health business line. I would like to take this opportunity to reassure the member that the health protection branch has not been replaced by an entity called the management of risks to health.

Earlier this year the minister launched a process called transitions which includes improving the risk management framework for the 21st century. At the present time this is a process of review. It is open and transparent consultation which hopefully will lead to an era in the new millennium so that even the member will have confidence and stop saying such nasty things about the renewed health protection branch.

[Translation]

The Acting Speaker (Ms. Thibeault): 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 6.38 p.m.)

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