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OFFICIAL REPORT
(HANSARD)

Friday, December 8, 1995

Speaker: The Honourable Gilbert Parent

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OFFICIAL REPORT

At page 17399 of *Hansard*, December 7, the name of the member rising on a point of order in the left hand column should have been Mr. Hill (Prince George—Peace River) and not Mr. Harris.

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HOUSE OF COMMONS

Friday, December 8, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—UNEMPLOYMENT INSURANCE SYSTEM

Mrs. Francine Lalonde (Mercier, BQ) moved:

That this House denounce the government for its massive cuts to the unemployment insurance system that limit access to the program and hit young people, women, seasonal workers and immigrants hard.

She said: Mr. Speaker, it is with a sense of pride and with the greatest determination that I table this motion this morning. The official opposition is outraged by the fact that women, seasonal workers, newcomers, any person who is not already on the labour market and all those who are forced to look for work on what is called the new job market are dealt a direct blow by this UI reform, which was so long in coming and which the government did not see fit to make public before the Quebec referendum. In short, it hits anyone who does not have a secure job that pays reasonably well. We know that such jobs are becoming increasingly rare.

That makes a lot of people. One thing is sure, within just a few years, hundreds of thousands of Canadians and Quebecers will be affected. For the hon. members' information, I should mention that, each year, one third of the workforce in Quebec relies on one form or another of UI assistance. Now this inequitable reform hits directly anyone who is not already a player in the system, any new player who might need the kind of collective support provided by a real UI program, as opposed to a bogus program.

From now on, the first time someone apply for UI benefits, he or she will be required to have worked 26 weeks, 35 hours a week, over the previous 52 weeks to be eligible. Anyone who knows anything about the labour market knows how hard it is to meet these requirements. Anyone who has a child, brother, sister, mother or friend who is a newcomer knows how terribly difficult it is to meet these requirements in the world we live in.

Seventy per cent of all part time jobs are held by women. And 40 per cent of them are held by young men and women. In the future, 910 hours of work will be required to qualify, or 26 thirty-five hour weeks, instead of 20 fifteen hour weeks. Let us look at what 910 hours of work mean.

Someone who works part time 15 hours a week can quite simply not meet the requirement over the year. It would take this person 60 weeks, but there are only 52 in a year. On the other hand, if someone works part time 17.5 hours a week, by the end of the year, he or she could qualify. These figures show the scope of the change. This is a major change.

In fact, as I said earlier, many women, young people and newcomers will be excluded. The government boasts that an additional 500,000 people will be covered by the UI system. This is a reference to all the workers who, until now, did not pay premiums and consequently were not eligible to UI benefits, because they did not work more than 15 hours per week.

The truth is that, given the prerequisite, this measure, which, in other times, might have been an improvement, will in fact force these people to pay premiums, without actually being eligible to UI benefits.

From now on, there will be two groups: those in the system and those out of it. This will create yet another obstacle for those who are excluded and who will often have to fall back on social assistance. Eligibility for UI benefits, when one is in the system, will also be based on a number of weeks of employment, which will vary from region to region. The minimum required will be 12 weeks in regions with a high rate of unemployment. In Montreal, it is currently 14 weeks. So, under the new system, a Montrealer will have to work 14 thirty-five hour weeks, instead of 14 fifteen hour weeks.

• (1010)

What does this mean in the case of all the new short term positions and part time jobs? It means that it will take these workers longer to qualify. It also means reduced benefits, since it will take longer to qualify, but the entitlement period will ultimately be shorter.

Once again, this is somewhat like a sure ticket, not to British Columbia, but to the welfare rolls. It must be understood, by the way, that the fact that this reform was carried out without any consideration whatsoever of the social assistance or other programs already in place has resulted in a system that is not

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better adjusted and co-ordinated than before, but in some ways worse than before.

For those who do not have jobs as stable as the hon. members here—relatively stable at least, for five years—we need to realize that life is not easy. Finding a real job is extremely difficult. This is the case whether a person has an education or not. I know numerous teachers with two master's degrees and a Ph. D. who are still muddling along as best they can, and have had to be on unemployment insurance temporarily in the past. Now they will no longer be eligible.

The same is true for all those who are term employees. New jobs, even in the technology field, jobs with the Internet, in the graphics field and so on, are contracts for X weeks, often not very many. The person may make good money, but after that it dries up and another job is hard to find. That is how the job market is structured.

These measures before us, however, instead of being tailored to the new job market, do nothing more than to take unemployment insurance back to the days when a person had a good job and a good boss, but expected a cycle of layoffs from time to time. Then unemployment insurance was around to fill the gap.

This reform reintroduces, in another disguise, the two tier unemployment insurance scheme that had all of Canada up in arms during consultations on the so-called social program reform. Everyone, including the committee set up by the minister specifically for this, was against it.

Now, with the penalty for “frequent users” as they are termed, a penalty which creates two types of unemployment “pay”, depending on whether a person is one of the lucky ones with stable jobs—they have put effort into it too, but luck also enters into it—or one of the unlucky ones who have not managed to have stable employment, there will be two levels of benefits. Two levels, when all is said and done: 50 and 55 per cent. That means that there is constant pressure in favour of decreasing the general level of benefits, each year heading us closer to the U.S. level of 50 per cent of the industrial wage.

• (1015)

This is a regressive reform, that is to say instead of removing the limit on contributions so that people with high salaries, or those who do overtime, may help provide a bridge for those workers who are less fortunate—there was some suggestion of raising that ceiling in the other so-called reform of 1994—instead of going ahead with this, the government is backing away. This is even contrary to what the minister has said, in claiming it was a progressive step. The government is bringing the limit for contributions down to \$39,000 per annum. Above that no more is paid into unemployment insurance.

This has a serious economic effect. Let me tell hon. members right off that it is anti-employment. How so? This measure will hit workers and businesses in the so-called labour intensive sector. There will be a reduction in unemployment insurance premiums but also in the solidarity that unemployment insurance provides, since labour intensive businesses which pay high wages will still have an incentive to make their employees work overtime instead of hiring additional workers.

That is not the only regressive aspect of this measure. There is more. Listen to this. The only tax reduction allowed by the government benefits businesses and employees earning a salary of more than \$39,000. Until now, they had to pay unemployment insurance premiums but from now on that will no longer be the case. They stand to benefit from a tax reduction that will cost how much? \$900 million. It will cost the unemployment insurance account \$900 million. So who is going to make up the shortfall? Workers paying premiums for the first time. I did not say first time UI recipients but first time contributors. From now on, UI premiums will be paid on every hour worked.

I explained earlier that this did not mean automatic eligibility. Far from it. But it does mean they will have to pay, those 500,000 or so who are going to pay starting with the very first hour worked. Students who could be exempted previously will have to pay regardless and will not get their money back until they file their income tax return. People who earn less than \$2,000 will get the money back when they file their return. Yes, it is easier to administrate but it does not make things easier for Joe Blow.

So a tax reduction for people earning more than \$39,000, and for the others a tax increase that will kick in from the very first dollar earned. This is a very regressive measure.

And there is more. I did not mention annualization. What does that mean? It means that, from now on, a young person who has a two-month design contract worth \$10,000 will pay premiums on the full amount, but if he gets nothing else in that year, he is not eligible for unemployment insurance, although he paid the full premium on \$10,000. Great. You know how much this will put into the UI account? One billion dollars. That is what senior officials came out and told us at our briefing session.

So we can hardly call this reform employment insurance. Despite the announced employment benefits, it is the kind of insurance that will ensure that an increasing number of people will have no other recourse than to go on welfare.

Mr. Nunez: It is poverty insurance.

Mrs. Lalonde: We could call it poverty insurance, and in the case of first time workers, that may well be the case.

• (1020)

Furthermore, in addition to the term employment benefits being a misnomer, they will merely replace a number of active measures that were given rather short thrift. They still exist, but with a difference. Instead of being paid out of the general tax account, benefits will now be paid out of the unemployment insurance account.

So the additional money that will be taken out of the pockets of the unemployed and businesses and workers earning less than \$39,000 will be used to pay these new employment benefits but, instead of coming out of the general account, they will come out of the unemployment insurance account.

The official opposition will do everything in its power to stop this reform.

Some hon. members: Hear, hear.

Mrs. Lalonde: Yes, Mr. Speaker, we are going through difficult economic times. And that is why people with some economic imagination ought to know where the cuts should be made. They should not be made at the expense of the average citizen who is having enough trouble surviving as it is. There are many people having trouble keeping their heads above water. Unemployment insurance is supposed to be a life preserver. However, instead of helping people to survive—I am not saying the present system is perfect—the proposed reform is based on the wrong economic premise: it is anti-employment. It will generate insecurity and poverty.

As for those described as abusing the system, one thing must be said—and this is something we learned from the economists long ago—no system can be set up without this happening, unless considerable thought is given to the way it will be used. Those who do not abuse the system will, as we say, get it in the neck.

It is not surprising this measure was not revealed before the Quebec referendum. I would add, however, that workers in the Maritimes are also hit hard. I will say one thing, and I will repeat and repeat it: the approach of this government is to cut the number of workers in the labour market where jobs are not stable. It has nothing to do with the workers and everything to do with the labour market.

Instead of looking for the economic means to transform the labour market, the government is penalizing people, particularly those people who live in the Maritimes and Quebec. Quebec is being further penalized because it has a bigger population. The announced cuts of \$640 million are added on to the \$735 million in cuts to be made this year and next.

Even taking into account the supposed existing active measures, which will, under this program, this so-called reform, now come out of the unemployment insurance account, even here there are cuts of \$400 million in addition to the \$735

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million. This means more than a billion dollars in cuts for Quebec, not to mention the billions also cut in the Atlantic provinces.

When the labour market fails to provide a job for everyone, people are not punished. What suffers is the economy and the development we are trying to work on.

Yes, Mr. Speaker, I will stop now, but I promise that, though I stop now, I will continue to talk about this reform and do everything I can to block it. It makes no sense for a country like Quebec and for a country like Canada.

Some hon. members: Hear, hear.

• (1025)

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I was glad to hear the hon. member conclude her remarks by saying she had a lot more to say. That was certainly my hope because I did not hear very much that was worth noting.

I have a problem understanding how a member of Parliament who was a very active member of the human resources development committee in which witnesses continually stated to us that they wanted a change to the status quo, could comment to the House of Commons that she still believes in the status quo. She still believes in the system which Canadians from coast to coast, particularly those who are unemployed, have told us is not working. It is simply unbelievable that at this stage of the debate the hon. member would not come up with any proposals that would speak to the modernization and restructuring of the Unemployment Insurance Act.

It is also quite fascinating how the member and her party have spent the past two years advocating separatism. They have advocated the notion that Quebec on its own could actually be a more functional society but for some reason or other they have not mentioned that this type of political instability has resulted in job losses in this country. They do not talk about that because they are too busy trying to pretend they are the defenders of the less fortunate in our society.

The hon. member also does not talk about the 100,000 jobs that will be created as a result of the employment insurance changes the Minister of Human Resources Development tabled last Friday. She does not talk about that because it is good news. She cannot relate to positive change in people's lives.

There are also some things she omits, such as the family income supplement where people with dependents will be able to earn up to 80 per cent of average earnings. She does not talk about that because it speaks to helping people. It speaks to giving greater income security for people while at the same time providing them with the tools required to find work.

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She also does not talk about the progressive measures that anyone can access. The five tools of the human resources investment fund were outlined by the minister. Those who have had an attachment to unemployment insurance in the past three years, UI exhautees who were marginalized and were excluded by the unemployment insurance program, will now be part of that.

The hon. member does not want to hear the truth. She does not want to hear that we have worked very hard to build a better system. Bloc members do not want to hear the good news because their agenda is that they do not want success in this country. They want to break up the country. That is the reason.

Canadians need to face the facts. They need to face the truth about who is sitting in front of us: separatists who are not willing to accept that the employment insurance bill means positive change to people's lives; it means people will be given the opportunities to acquire the skills to re-enter the workforce. Bloc members do not want to hear that.

In reference to sustaining the unemployment insurance program, a program that has grown from \$8 billion to \$18 billion in less than a decade, any rational human being will say that we simply cannot sustain the type of skyrocketing costs this program has put on the taxpayers, the employers and employees of this country. Those are the facts of life.

It is a real shame that the Bloc Quebecois separatists cannot come to grips with reality as we get ready for the 21st century. They do not talk about the premium relief that is being given to employers and employees. They do not want to talk about that because it is good news. They do not want this bill. They do not want the new employment insurance bill to work. That would mean that Canada works. They have no interest in telling Canadians we are improving their quality of life. It is a real shame they cannot intellectually cope with the type of positive changes that are being implemented.

• (1030)

My question is fundamental. Is the hon. member really serious when she says that the employment insurance bill is completely flawed? Why did she omit reference to the progressive measures which exist in the bill? Why did she do that? Is this part and parcel of the separatist plot?

[*Translation*]

Mrs. Lalonde: Mr. Speaker, I would first say that, had the government tabled its bill on unemployment insurance before the referendum, you might not have had the displeasure of having to tell us we are bothering you.

You did not dare, because all the improvements you are talking about are largely, and I underscore the word, eyewash. Sure, there are measures, and I mentioned them, but I did not mention the case of insurance, which is supposed to be unemployment insurance, which is taking on airs of family policy and is out of touch with need.

Furthermore, I—

Mr. Bevilacqua: What is your point?

Mrs. Lalonde: Had you read our minority report, you would have seen that we had a point and you would have understood that, if the government had removed the ceiling for benefits, it could have cut contributions further for all business, including small and medium business, which creates jobs.

Instead, the government chose to go with high salary employees and business, big business and high tech and capital business. So it could have helped create jobs, instead of having the imagination and the courage to create conditions to cut contributions without reducing the account.

So, instead, it opted for a position that leaves contributions high, reducing them five cents per \$100. Really, for small and medium business this means nothing and for big business and high salary employees it means they no longer contribute to the common good.

I conclude by saying that the surplus in the unemployment insurance account is a hidden tax for those earning less than \$39,000. They will have to pay a tax, which we might call a "special deficit reduction tax on workers earning under \$39,000". It would be the truth. This is where the truth lies, in our opinion.

[*English*]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I find it very interesting that it has taken the hon. member for North York two years to figure out that there are separatists sitting in the House. I congratulate him.

Since the change in government in Quebec has unemployment gone up that drastically? From her speech I take it that it is running rampant in Quebec under the separatist government.

I have listened to members opposite saying what a good job the government has done in addressing the unemployment problem. All the investigations I have done indicate that the greatest employment has been created through patronage appointments.

There are two different seats of power in the country. I have not seen much of a difference in the unemployment rates. Young people in Canada are still searching for jobs. That has not been addressed. They say this tinkering will help. Since I have been here in Parliament I have noticed that when the government tinkers with programs, usually the situation gets worse.

• (1035)

My question to you is: What is the unemployment rate now in Quebec and what was it before the separatist government took over?

The Deputy Speaker: I ask all hon. members to please address their remarks through the Chair rather than to each other directly.

[Translation]

Mrs. Lalonde: Mr. Speaker, I regret to inform the hon. member that the unemployment rate has dropped since the separatist government came to office. I also want to tell the hon. member that the history of poverty in Quebec is one of the main factors that, in the 1960s, made not-so-young people like myself worry about the fate of Quebec in Canada.

I know that it would take much more time than I have to respond to this, but if the hon. member is interested, I would be delighted to show him that, as you saw during the referendum campaign, there is in Quebec an important consensus among the disadvantaged, the workers, the social forces that are progressive but largely in favour of sovereignty, because many people—it went up to 49.4 per cent, as you saw—feel that the only way they can improve their lot is by taking control of their own destiny.

We know that the economic situation in Quebec has major advantages but also disadvantages that we want to deal with. We want to emphasize our assets. We want to work on eliminating our problems and we feel frustrated by government policies that do not meet our expectations in any way.

[English]

Mr. White (North Vancouver): Mr. Speaker, I rise on a point of order. In recognition of the way the Minister of Human Resources Development has been treating B.C. over the changes to the welfare rules, I would like to ask for the unanimous consent of the House, on behalf of the North Vancouver Riding Association, for me to present to the minister at this time its annual 1995 horse's ass award—

The Deputy Speaker: Order, please. I do not think that is a point of order. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is not unanimous consent.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is unfortunate that the antics of a clown are allowed sometimes in the House.

In reading the motion brought by the member for Mercier and listening to her remarks, I am reminded of the old line of

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Winston Churchill's that "a fanatic is one who can't change his mind and won't change the subject".

What we have seen today is the ultimate act of fanaticism. It showed a total lack of touch with reality, a total distortion of the facts and a total unwillingness to agree to an exchange of reasonable dialogue or exchange of views. It is a closed mind, a reactionary mind and in many cases a misinformed mind.

That is unfortunate when one begins to talk about one of the most important and significant changes addressed in this House. The hon. member for Mercier seems incapable of dealing with legislation on its merits, on its measures, on its proposals but instead relies on the old rhetoric, the old speeches, the old lines without being in touch with reality whatsoever.

• (1040)

An interesting judgment has to be made when listening to the remarks of the hon. member for Mercier. It is a line of thought that we have heard all too often in the remarks of Bloc Quebecois members over the last two years. They have become the party of exclusion. They keep people out. They have become the party which says it cannot bring people in or widen the boundaries but in fact wants to restrict.

[Translation]

The Bloc Quebecois talks about exclusion. In fact, this bill is inclusive and fairer. While 93 per cent of the workforce was covered under the old UI system, 97 per cent will be included in the new system. Because of the inclusion of the new formula many people will automatically be covered by the new employment insurance system.

[English]

That is what is at the heart of this debate. To what extent do we provide good, effective coverage, real support for employment and a fair balancing of the need to create jobs and at the same time protect income?

Let me deal first with the most important result of this reform, which is the part time worker. We listened very carefully during the public consultations and recognized that the labour force has changed dramatically. More and more people now work on a part time basis. They deserve the same protection as everyone else. They deserve the same maternity benefits, sickness benefits, income support, help in getting back to a job and the same security that provides.

Under this program we are providing the formula that would allow half a million part time workers to gain eligibility and the Bloc is opposing it. They have taken a stand today against the rights and responsibilities of part time workers to have the full rights of every other Canadian. That is the basic position of the Bloc Quebecois. Keep half a million people out is the message from the member for Mercier. Half a million people will be denied benefits. Half a million people will not be given the right

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to gain eligibility. It is incredible but understandable, considering the history of this party. It is an act of exclusion.

Let me give a very practical example. The one thing the hon. member for Mercier seems incapable of offering is actual working, practical examples of how the new regime would develop.

Today, under the existing regime, the basic rule is that if people work less than 15 hours a week they are excluded from the program. They have no opportunity to receive protection on income or maternity benefits. However, under the new regime, someone who works 14 hours a week over a normal work year period would amass a total of over 700 hours which would automatically bring that person into the scheme. It would automatically give that individual the right to maternity benefits, employment benefits and income security. The member for Mercier is opposed to those people being included. She is an exclusionist. She wants to keep people out.

Therefore, all those people who have faced what they call the glass barrier, who have had an artificial roof which stopped at 15 hours, under the prescription of this member, would be kept out. They would have no income security, no protection and no opportunity for re-employment. That is the reality and the truth of the hon. member. She is saying, time after time, "keep these people out, exclude them, keep the parameters and boundaries restricted". That is the true mind of the reactionary. That is the true mind of a person who cannot change. That is the true mind of the fanatic who is not prepared to give up her ideology for the sake of helping more people receive protection.

• (1045)

Let me give another working example, the people who now have several jobs over a period of time. Under the old regime they get credit for only the first job. They cannot make a multiple claim. Someone who works 10 weeks at 14 hours per week and then finds another job for 35 hours per week would not be included. They would not qualify. They would not get the same kind of protection.

Under our new proposal that person who has a series of multiple jobs, whether in construction or in the service industry or anywhere else, would be able to accumulate 700 hours because we are saying the key is every hour counts. As a result they would now be in the program.

Now we have an hon. member from the Bloc saying keep all those people out. Do not give them any protection. Do not give them any income security. This fixation and fanaticism we hear on the status quo, the end result is to be discriminatory.

The hon. member for Mercier is arguing for discrimination against a whole class of workers throughout Canada. As a result

many people who are working part time, who do not have that opportunity, would not be given the rights to become eligible and to get the protection.

One thing the hon. member does not include is that under the new scheme if people do not get sufficient hours to qualify even though they have the right, they are entitled to a full rebate on their premiums. They do not pay it.

The hon. member is deliberately giving misinformation in the House because she refuses to recognize that all those people under that new coverage would have full rights to a full rebate of all premiums. It is a really serious charge. People in the Chamber have to ask about the veracity and credibility of a member of Parliament who makes a claim without being prepared to say what is the case.

That could only be a clear, deliberate, malicious, malevolent attempt at misinformation. Coming from that member, I am not surprised because she has been doing it for the last two years. That is the real example.

Over 1.3 million people with part time attachment would be subject to a full refund of all the premiums. That would include people now who pay into the system and get no refund. Over 900,000 Canadians who pay in and get no benefit would now be able to get a full refund of their premiums.

All the nonsense we hear from the opposition, Bloc and Reform, simply means they have not read the act. They do not know how it works and they are deliberately trying to misinform people.

There will be 32 per cent fewer people paying into the EI system than are paying now because of that refund program.

Let me talk for a moment about seasonal workers. Again the member is deliberately and maliciously trying to misinform Canadians because by going to an hour system, by allowing every single hour to count, means many seasonal workers can qualify earlier than they can now.

I was on a radio program yesterday and someone called from the construction industry. He said they work 50 or 60 hours a week. Right now under the old system all one does is get credit for a week. They get exactly the same credit as somebody who works 25 hours that week. The person does not get claim for all those hours.

Right now, if the person is working 60 hours a week, they could qualify under our program within eight, nine or 10 weeks to be eligible, and every single hour counts beyond that. Close to a quarter of a million seasonal workers will be able to extend their benefits several weeks longer as a result of the hour system than what they can do under the old system.

Once again the hon. member for Mercier is arguing for a program that would deny those workers the right to have their season extended, to get better benefits and to be given the full credit for the work they do simply because it is the ideology that gets in the way of good, sound reasoning and practical common sense.

• (1050)

That is clearly beyond the ken of the hon. member to understand. People should get full credit for the work they offer. They should be given the opportunity, the incentive, the reward and the credit when they work more hours to get full benefit as opposed to being denied that credit, as they are under the existing system.

Those quarter of a million seasonal workers who will be able to get extended benefits is another demonstration of how we are including people, not excluding people, as the hon. member has argued to keep people out and deny them their rightful due and their rightful reward.

May I also talk for a minute about the impact on families, women and children. It was interesting that the hon. member seems to have eliminated from her presentation one of the most important innovations of the program, the family benefit supplement. This ensures basic guarantee income protection for all those with families under UI. It is something that has never taken place before.

This will automatically include about 350,000 Canadian families, about 115,000 alone from Quebec. It means they will be able to achieve up to 80 per cent of their insurable earnings. It will mean that on average a single mother with two children who now is under the old UI system, under the new system will be able to receive on average 10 per cent higher benefits. Yet the hon. member condemns in a blanket statement the opportunity for us to provide better protection for low income Canadians under this program.

Furthermore, we have said in the new legislation this same worker could now work during her claim period on UI up to an additional \$50 per week without having it in any way taxed back from the program. It means a person on claim can make another \$50 and improve their income.

As I said, the real issue for people is income, how much money they can actually get for their families. By offering the incentive again and be able to work while on claim without have any deduction up to \$50 can add another substantial portion of income to low income people.

The other exclusion put forward by the hon. member is that women who have taken maternity benefits under the old system to look after their children when they want to come back to work have no recourse. Under our new proposal they would be

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eligible for all the new employment benefits. They would be able to start their own business, have a training voucher, have a wage supplement, an income supplement, work on a job core program. It is a major assistance for women coming back into the workforce to get those employment benefits which up to now they have not had any access to.

Yet the Bloc Quebecois is prepared to say: "No, we do not agree with that. We do not want to help women coming back to the workforce. We do not want to give them a chance to get back into employment. We do not want to provide them with the kind of support they need".

That again is another act of exclusion by the hon. member for Mercier; deny women the right to get back in the workforce, deny women the right to have extra income protection for their families, deny women the chance to have an extra ability to make money while on claim. All those measures designed to improve the income base of women coming back into the program the hon. member for Mercier simply denies, excludes, rejects and demonstrates once again that ideology and fanaticism are her major problems, not the real point in this legislation. That is the real issue here.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, I rise on a point of order or at least to ask you to come to my assistance. There is a limit to being called a fanatic by the hon. member opposite. This has been going on for years. I ask that he withdraw his statement.

• (1055)

[*English*]

The Deputy Speaker: I ask the hon. minister to withdraw the term "fanatic". I do not think it contributes to the decorum we want to have in the House.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I was simply referring to a comment by the hon. Winston Churchill, which has been quoted in the British House of Commons on several occasions.

The Deputy Speaker: If the minister used the term "fanatic" I ask the minister to withdraw it.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I will withdraw the term under your direction and I will ask to have the matter checked and we will see whether it is properly within Beauchesne's.

It does not change the argument. It is clear the hon. member feels full liberty in the House to castigate without obstruction. If she cannot take the heat she should not be in the kitchen.

[*Translation*]

Mrs. Lalonde: Did you hear that, Mr. Speaker? That was a sexist remark.

S. O. 31

Have him withdraw this remark, Mr. Speaker. Let me tell you I am not the only one indulging in heated arguments, here.

[*English*]

Ms. Catterall: Mr. Speaker, I rise on a point of order. The Minister of Human Resources Development was in the midst of debate. The member opposite rose. She did not rise on a point of order. She should not have been allowed to interrupt the minister. If she was allowed to interrupt, she should have very clearly put her point of order immediately and the Chair should have ruled whether it was a point of order.

Mr. Speaker, I ask you to allow the debate to continue without interruption.

[*Translation*]

Mr. Duceppe: Mr. Speaker, I am amazed to see a female colleague stand up to support a minister who is telling women to go back to their kitchens.

If this minister thinks he is Churchill, as he suggested a moment ago, let me tell you that he is so ridiculous that he is turning this House into a real circus, or rather a chicken coop.

The Deputy Speaker: I did not understand exactly the last point the hon. member for Mercier raised. I will have to check the blues. If indeed the comment was out of order, it will be dealt with later in the House.

Mrs. Lalonde: I must raise a point of order, Mr. Speaker. Thank you, Madam. I and every member of this House clearly heard the minister say something like: "If she cannot take the heat, she should not be in the kitchen".

Mr. Speaker, I formally request that he take this back. It is highly insulting and unacceptable. All women should feel insulted by this. And if it takes a point of order to get my hon. colleague, who is a woman herself, and our male colleagues to support me in asking that the minister withdraw his statement, so be it.

The Deputy Speaker: It is nearly time for oral questions. Does the minister have anything to add before we look into this matter?

[*English*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to resume the debate. I remind the hon. member that if she were prepared to read history more often she would realize—

Some hon. members: Oh, oh.

[*Translation*]

The Deputy Speaker: As I said earlier, we will check the blues. If a comment was out of order, we will deal with it later. For the time being, let us hear statements by members.

[*English*]

Mr. Bergeron: He should apologize.

Mr. Axworthy (Winnipeg South Centre): I am telling you the truth.

[*Translation*]

The Speaker: Welcome to the House of Commons. Dear colleagues, debate will resume after oral question period. It being 11 o'clock, the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

EMPLOYMENT INSURANCE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I take this opportunity to say that as part of the democratic process I will be conducting a public town hall meeting tomorrow with respect to the employment insurance proposals.

This is a very important process for me and every member of Parliament to undertake. We as elected representatives must listen to our electorate and the concerns about legislation that will affect their lives directly and indirectly.

I recognize there is some concern over the intensity of work rule. We as a government must show that we are willing to listen to new options and amend legislation accordingly.

Public meetings also give us the opportunity to gauge what we are doing right. For example, the introduction of insurance benefit clawbacks for high income earners has been initially accepted and supported by various groups.

I invite all my colleagues to hold hearings to get the input of their electorate. I look forward to reporting back to the House on the results of the public meeting on this important issue.

* * *

[*Translation*]

AMATEUR HOCKEY

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, in recent weeks, an unacceptable situation has arisen in Quebec's amateur hockey. The Canadian Hockey Association is pressuring the Quebec Ice Hockey Federation to join its insurance program. The association even tried to force Quebec teams to pay an unjustified surcharge to participate in interprovincial and international tournaments.

In spite of pleas made to the government, asking it to help find a solution to the problem, Quebec hockey groups had to go to the

provincial superior court and get an injunction order prohibiting, until December 12, the Canadian Hockey Association from harassing Quebec teams. I ask the Minister of Canadian Heritage, who is responsible for amateur sport, to contact CHA officials, so that they come to their senses and stop harassing Quebec hockey officials.

* * *

[English]

NATIONAL UNITY

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, Canada is at a crossroads. We face a profound crisis in the unity of our nation.

I vigorously seek for all politicians to return to the people's agenda instead of the political agenda. The political agenda in Ottawa seeks central power; the people's agenda services closer to home; the political agenda, decisions made by cabinet insiders; the people, decisions made by free votes that express their will; political, big expensive regulatory bureaucracies; people, the minimum intrusion that is possible; political, government will look after our needs; people, leave the tools in our hands and we will do just fine.

The crossroads for Canada looms before us. I am optimistic and enthusiastic. The people always prevail.

* * *

ONTARIO FEDERATION OF AGRICULTURE

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I rise in the House today to congratulate Tony Morris on being acclaimed president of the Ontario Federation of Agriculture.

Tony has assumed a great responsibility. The OFA is the voice of Ontario farmers. Supported by over 41,000 individual members and 29 affiliated organizations, the OFA presents farm family concerns to governments and to the general public. The OFA has a long history of advocating the interest of the Ontario farm community. Though constituted in its present form since 1970, the OFA can trace its roots back to the Ontario Chamber of Agriculture established in the 1930s.

Agriculture is big business in Bruce—Grey and a major job creator and contributor to this great country of Canada. Given its importance, I look forward to working with Tony to secure the interests of Ontario farmers and rural communities in general.

Again I congratulate Tony Morris.

* * *

• (1105)

BANKS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the news is out. Canadian banks have rung up more

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than \$5 billion in profits for the fiscal year 1995. Last year, when the same banks recorded \$4.2 billion in profits, the Minister of Finance imposed a one-time temporary tax that was expected to return \$100 million to the people of Canada.

Canadian farmers, small business owners, workers, students, pensioners and the unemployed have all been asked to pay more with less return during 1995. The banks can be asked to do no less. Five billion dollars in profits taken from ordinary Canadians during difficult economic times must be treated accordingly.

I call on the Minister of Finance to do as he did last year and impose an excess profits tax on the banks. The additional revenue gained in this way should be applied to job creation programs so that all Canadians, not just the banks, can share in whatever economic growth is taking place in Canada.

* * *

GUN CONTROL

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, as all members are aware, this week the crime bill received royal assent. On average one woman is killed every six days in Canada, often with a firearm at home by someone she knows. The weapon of choice in most cases is a legally owned firearm and 80 per cent of the time the firearm is a rifle or a shotgun.

A study released this week estimated the economic cost of violence against women in Canada at \$4.2 billion per year. The recent passage of new gun control legislation is an important step in dealing with the problem of violence against women.

Mrs. de Villiers, the president of CAVEAT, has requested that I thank the Minister of Justice and the government for passing the gun control legislation despite the often hysterical and ill informed opposition.

The new gun control legislation will help to reduce the scourge of violence against women. However it is only a first step. More needs to be done. The government has been providing valuable leadership but all parts of society must co-operate to eliminate violence.

* * *

VIOLENCE AGAINST WOMEN

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, on December 6 the House remembered the 14 women who were murdered with an automatic rifle at l'École polytechnique six years ago.

While Parliament has taken an important step by strictly controlling all firearms, the struggle against spousal violence is far from over. Last week four women were murdered in Montreal, one of them a young mother with the Montreal police. During the summer in one week three women were killed by men in Calgary.

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According to Statistics Canada, nearly one out of four wives has been assaulted at some time in her life by her spouse. This must stop. What is needed is a wide range of measures directed at both the symptoms and the causes.

All governments should copy the excellent program announced by Quebec yesterday. Let us continue to apply the same political will that we used for gun control.

* * *

[Translation]

QUEBEC CULTURE

Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ): Mr. Speaker, the Prime Minister clearly told Quebecers that there is no such thing as a Quebec culture. Federalists, like sovereignists, now know that his motion to recognize Quebec's distinct nature is just a smoke screen.

Roch Demers, an avowed federalist, saw the contradiction in all this. Yesterday, he said: "If that reality, namely Quebec's culture, is not recognized, then Quebecers are right to contemplate separating from the rest of the country".

In spite of yesterday's attempt by the Prime Minister to correct his statement, Quebecers now know that there will be no true and substantial recognition of Quebec's distinctiveness.

All this reeks of bad faith, improvisation and expediency.

* * *

[English]

WORLD PIPE BAND CHAMPIONSHIPS

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, every August in Glasgow, Scotland, the World Pipe Band Championships are held. This year Burnaby's Simon Fraser University finished first in the elite competition.

I ask all members of the House to join with me in congratulating each of the band members for outstanding achievement and first class representation of Canada.

The pipers are Pipe Major Terry Lee, Pipe Sergeant Jack Lee, Andrew Bonar, Dani Brin, Richard Brown, Alan Campbell, Colin Clansey, Dave Hicks, David Hilder, Shaunna Hilder, Anthony Kerr, Robert MacLeod, Tamara MacLeod, Robert MacNeil, Bruce McIntosh, Bonnie McKain, Lachlan McWilliams, Derek Milloy, Pat Napper and Bruce Woodley.

The drummers are Lead Drummer J. Reid Maxwell, Blair Brown, Keith Clark, Callum Hannah, Karen Hinchey, Kathy MacPherson, Scott MacNeil, John Nichol, Colin Nicol, Roland Reid, Christine Rickson and Dan Weeks.

These are true world champions.

• (1110)

[Translation]

JAPANESE BULLETIN

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, I would like to call attention today to the 50th anniversary of the *Japanese Bulletin*, a Canadian community newspaper which is published in Japanese, French and English. May I take this occasion to congratulate those responsible for their services to the Montreal Japanese community.

The existence of such a paper demonstrates the importance of learning and the rich contribution made by foreign languages to Canada on both the economic and the cultural levels.

[English]

For half a century journal volunteers have worked to bring their community closer together, to help immigrants adapt to Canadian society and to assist their members in addressing the social needs of Japanese Canadians in the Montreal area.

Japanese Canadian readers of the *Bulletin* are diverse, comprising third and fourth generation Canadians and obviously recent immigrants.

[Translation]

Again, my congratulations to those who are behind the *Japanese Bulletin* and my best wishes to this most interesting publication for a long life.

* * *

[English]

STUBBLE JUMPERS

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, November 1995 saw an enthusiastic group of actors take to the stage in Prince Albert. Produced by Saskatchewan's newest musical production company, Destiny Productions, delighted Prince Albert audiences enjoyed the world premier of "Stubble Jumpers", a Broadway quality production.

"Stubble Jumpers", a great story about Saskatchewan boys heading off to fight for Canada in the second world war, is destined to become one of Canada's greatest musicals.

The book, music and lyrics were written by Prince Albertan, Reverend Roy Benson. Another Prince Albertan, musician Rich Miller, assumed the role of arranging and musical director. The rest of the creative team consisted of artistic director Darryl Lindenbach, choreographer Gillian Horn and Carole Courtney as vocal coach.

At a time when Canadian unity is being questioned, let us pay tribute to the men and women who fought and sacrificed on behalf of a united Canada.

“Stubble Jumpers” is a great new musical. Broadway has come to Prince Albert and Prince Albert will end up on Broadway.

* * *

HIGHWAY 416

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, this morning the funding arrangements for completing highway 416 were made public at a press conference in North Gower.

The remaining 60-kilometre link to highway 401 is due to be completed before the end of the century. This important link will contribute greatly to our regional economy, as well as make for a safer and more pleasant drive than on the existing road, as my colleague here will attest.

I am very happy to see that the federal and Ontario provincial governments have come to an agreement on this project and that the political wrangling that had surrounded it is now a thing of the past.

The construction of this final section of the highway will create approximately 2,200 jobs and will contribute to our economic growth.

Job creation and economic growth are some of the goals the government set for itself during the last election campaign. This proves that in co-operation with other governments we are living up to our promises.

* * *

[Translation]

PRIME MINISTER'S PROPOSALS

Mr. André Caron (Jonquière, BQ): Mr. Speaker, this morning we learned from a SOM survey that Quebecers are not swallowing the constitutional crumbs the Prime Minister is throwing them. Whether it is his feeble definition of distinct society, his veto right, which is not one at all, or his promise to make federal interference in areas of provincial jurisdiction more discreet, to Quebecers, it is nothing but the typical federal smoke and mirrors.

Yes, two thirds of Quebecers are dissatisfied with the Prime Minister's proposals. The federal proposals are being rejected by Quebecers, regardless of their region. Quebecers are nobody's fools.

This survey was carried out before the government's announcement that the number of regions to which the Prime Minister wants to give a bogus constitutional veto would be raised from four to five. This latest improvisation confirms the people of Quebec's judgment of the Prime Minister's proposals.

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[English]

NATIONAL UNITY

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, during the 1993 election campaign the Prime Minister said: “I have the people and I have the plan”. The unity debate and the Prime Minister's handling of it clearly show that he has no plan. Everything from constitutional vetoes to distinct society status has been a stumbling, fumbling exercise in futility.

The Prime Minister is telling Quebecers that his version of distinct society will make them unique and special, while at the same time he is telling the rest of Canada not to worry, that it does not really mean much. His performance reminds me of the movie “Batman Forever”, with the Prime Minister playing the part of the infamous Two Face.

We must stop thinking of our country as two of this or two of that and start focusing on the truly distinct concept of equality for all Canadians.

• (1115)

After listening to the Prime Minister's plans to offer a constitutional veto to Quebec, then to four regions of Canada, and today to Quebec, three regions of Canada and British Columbia, he is beginning to sound more and more like The Riddler.

The Speaker: My colleagues, just in case it has not been brought to your attention before, many times when we are on camera the other microphones pick up what is being said around the member who is speaking. I thought I should remind you of that.

* * *

[Translation]

HIGHWAY SAFETY

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, during Safe Driving Week and as the holiday season gets into full gear, I again feel obliged to remind my fellow citizens and my fellow members of the dangers that await us on the road.

We can never be too careful, and the slightest slip while at the wheel can lead to tragic consequences. The most sure way of protecting ourselves is by wearing our seatbelts. Hundreds of lives are saved in Canada every year by seatbelts, an encouraging figure, but not enough when some drivers are still not buckling up.

In speaking to you today about highway safety, I know of what I speak. About a year ago, I was involved in a head-on collision which could have cost me my life. I escaped the worst by being buckled up.

*Oral Questions***TRANSFER PAYMENTS**

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, after hearing the statements under Standing Order 31 by Bloc members, who were complaining that it was not enough, and the Reform members who said it was too much, I would think that the Liberals were very much the happy medium.

Yesterday the Quebec Minister of Finance made a statement at a press conference to the effect that Quebec will be able to balance its budget thanks to increased payments from Ottawa, of all places. The equalization payment program and the Canada assistance plan have added \$268 million to the federal transfer payments to Quebec this past year.

It is, however, deplorable that the minister took advantage of her press conference to seek to downplay the value of those programs by comparing them to poverty traps and taxes on development. If one had to apply the minister's logic to the insurance field, we would end up with an insurance plan that paid victims of accidents but to which people would stop contributing—

The Speaker: I am sorry to interrupt the hon. member, but we must move on to oral questions.

ORAL QUESTION PERIOD

[*Translation*]

QUEBEC CULTURE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, after watching the Prime Minister telling all and sundry that his resolution on Quebec's distinct identity would provide guidance for the government's actions and would produce tangible results, we saw the Prime Minister show his true colours on Wednesday, when, as if by magic, Quebec culture no longer existed.

Considering the spontaneity of his statement on Wednesday, Quebecers were not fooled by his about face the next day. They know exactly what the Prime Minister is thinking.

My question is directed to the Deputy Prime Minister. Considering that the government deliberately ignores the fact that Liberal members on the heritage committee are hunting down heretics who mention Quebec culture, does the Deputy Prime Minister realize that by doing nothing, the government has become an accomplice to this witch hunt?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I think that this week the Prime Minister explained very well the nature and impor-

ance of Quebec culture, especially for the survival of French culture in Canada. We are very much aware of that.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it seems that the arts community, including Roch Demers, a diehard federalist who campaigned for the no side, does not understand the Prime Minister, or should I say, understands him too well.

Earlier the Prime Minister explained that he did not intervene in the case of the heritage committee because he respected freedom of speech. That is what he said yesterday.

What explanation does the Deputy Prime Minister have for the fact that in this case, the government respects freedom of speech, but when the Liberal member for Notre-Dame-de-Grâce publicly challenged the Prime Minister, he was gagged by being forced to step down as chairman of the justice committee? Is there a double standard?

• (1120)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, what I find rather surprising about the hon. member's attitude is that last week, the immigration critic attacked the Liberal government's immigration policy but remained silent about certain comments made by Mr. Bourbeau. So if he does not like certain comments, he should say so.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Deputy Prime Minister surprises me. Perhaps she should realize that Mr. Bourbeau is not a member of the Bloc Québécois and that the member for Notre-Dame-de-Grâce, since we cannot refer to him by name, is a member of her party. It seems to me there is a difference, but perhaps it would be too much to ask the Deputy Prime Minister to make those distinctions.

Since a substantial majority of Quebecers feel that the offers made by this government are clearly inadequate, will the Deputy Prime Minister admit that Quebecers have seen through these so-called promises of change and will not be fooled by cosmetic changes like the resolution on distinct society, which in fact changes nothing because it does not say anything concrete or practical or even theoretical, when it comes down to it?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on the subject of criticizing the comments of others, I am still waiting for the members of the Bloc Québécois to criticize what their own leader said about the role of women to bear white children in Quebec. That was never criticized by the Bloc members. When Liberal members make comments, at least we can say their leader did not decide to involve women in a policy to keep Canada white.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, recently the Minister of Canadian Heritage changed the legislation

governing his department. It now denies the existence of Quebec culture. Section 4(1) describes the minister's powers and clearly talks of a single Canadian identity and culture.

My question is for the Minister of Canadian Heritage. Given the government's claims that its resolution on Quebec's distinct nature will guide its actions, does the Minister of Canadian Heritage intend amending his department's legislation to include a reference to Quebec's culture?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, we will have an opportunity on Monday, at our next meeting, to speak to the existence of a Quebec identity and a Quebec cultural identity, before the House of Commons. At that point I will look to see whether my colleagues opposite rise in support of the uniqueness of Quebec culture. They may remain seated; I shall rise.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, we are now used to the minister's contorted answers, but I must say this last one was a real humdinger.

In refusing today to amend his legislation, is the minister not proving the emptiness of his government's motion on the distinct society and the fact that it is worth less than the paper it is written on?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, nothing could be clearer than a vote on a unique Quebec culture. I will see on Monday how my colleagues will vote in recognizing it. If they remain seated, it is because they do not recognize it. I will be voting in favour.

* * *

[English]

THE CONSTITUTION

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I want to ask about the unique culture of the Liberal government. Yesterday morning the government's veto bill, Bill C-110, gave two provincial premiers a veto over the Constitution. This morning it gives four provincial premiers a veto over the Constitution.

After limiting debate in the House on the first day of debate, after limiting committee hearings to two days and giving witnesses 24 hours notice, the government now informs us it wants to make a major change.

My question is for the intergovernmental affairs minister. Will the government admit that it should properly consult Parliament, affected parties, experts and Canadians and that the appropriate thing to do is to withdraw Bill C-110?

Oral Questions

• (1125)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in fact the government was listening to the advice of the leader of the Reform Party, who only a few days ago in the House said that we should extend a veto to the fifth region and that the fifth region should be British Columbia.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, if the government calls that listening, it was not listening very carefully. We suggested that it is the people of Canada who should have a say; the provinces already have a say.

The government has just made a major change to a one clause bill. It has admitted that there are unclear legal issues surrounding the bill and it may be challenged in court.

If the government will not withdraw Bill C-110, will the government at least commit to the House that it will not bring in further time allocation, not further limit debate and give Canadians a chance to consider these issues?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I want to restate that when the leader of the third party gave advice to the House about the recognition of a fifth region for the purposes of a veto, a statement which he made on November 29, 1995, what the Prime Minister did was to respond to good advice from the leader of the third party.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, this is an incredible exercise in the power of listening. I will say once again that what the Reform Party and the leader of the Reform Party said was that the government should consult the people of all the regions of Canada, not the legislatures and the premiers.

The government has come up with a new definition of unity: We are going to unite Canadians by getting them all against something at the same time. The bill has been rejected by the Government of Quebec and in polls of the people. It has been rejected by the Government of British Columbia, even with the change, and by the Government of Alberta. It has created a firestorm across the west. Aboriginal representatives say they were not consulted. The Government of Saskatchewan said it was not consulted.

Who exactly is it that the government believes it is pleasing with this legislation?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I fear that the hon. member from Alberta is suffering some political amnesia. In the last seven days, in the course of this debate, the leader of the third party rose in the House to speak on this issue. I would like to read what he said into the record because I think the hon. member from Alberta is now—

Mr. Tobin: He is swallowing himself whole.

Oral Questions

Ms. Copps:—swallowing himself whole, to quote another member of the government.

The quote reads: “The government has not given priority whatsoever to the concerns and aspirations of British Columbia, the third most populous province in the country. B.C. is not recognized by the government as a region in its own right. The government is prepared to recognize Quebec as a distinct society. When is the government prepared to recognize B.C. as an important province of Canada?”

That is why the Prime Minister, following good advice which he received from the leader of the third party and good advice which he received from members of the Liberal caucus and others, has amended the bill to make it a better bill.

* * *

[*Translation*]

COPYRIGHT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

On December 22, 1994, the heritage minister and his industry colleague issued a joint press release stating that a bill to amend the copyright legislation would be tabled in the House as early as possible in the new year.

Could the heritage minister confirm that the copyright bill will indeed be tabled before the December 15 adjournment, that is to say within the next seven days?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague does not like to be kept in suspense. I indicated that the bill in question was on a critical path. It still is, and it is making headway. In due course, the bill will be tabled in the House.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I suggest that the minister is the one on a critical path.

Does the minister not realize that, according to the Society of Composers, Authors and Music Publishers of Canada, this regulatory vacuum resulted in losses of \$300 million this year because of private copying and that his inaction is sending the message that the future of our artists is a matter of supreme indifference to him?

• (1130)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, perhaps our colleague has closer ties to the arts community than I do, but I certainly get their message loud and clear. I do not need to go through him to consult with them. I hear them, I listen to them and we will act in their best interest.

[*English*]

BRITISH COLUMBIA

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I congratulate the Minister of National Revenue, our minister from British Columbia, on his new found influence with cabinet and the Prime Minister.

Will he now try to achieve distinct society status for British Columbians?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am glad the member has acknowledged the very important work of the minister from British Columbia, working behind the scenes as we promised in the House he would do.

I can understand the obvious embarrassment of the Reform Party because only about a week ago its leader was in the House seeking the right of veto for British Columbia, not for Alberta.

In a very positive way we have tried to respond to his concerns and in particular to the very sound recommendations given by the minister from British Columbia to the Prime Minister, who ultimately is seeking the approval of the amendment.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I think the non-answer from the non-minister will probably reflect the non-votes for the Liberals in the next election in British Columbia.

My supplementary question is for the Minister of National Revenue. Given the short shrift British Columbians have had over the years with the closure of Royal Roads, the closure of base Chilliwack, the KAON project, the welfare fiasco of recent times, et cetera, will the minister with his new found influence try to move the government away from knee-jerk reactions toward meaningful action?

The specific one is the west coast fishing strategy, fishing licences and fishing quotas. Will the minister move toward making them fair and non-discriminatory because he understands what is going on in British Columbia?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, when I hear the word knee-jerk coming from this member, the emphasis ought to be on the latter part of that description in referring to the member.

Some hon. members: Oh, oh.

The Speaker: I ask the hon. minister to withdraw that.

Mr. Tobin: Mr. Speaker, absolutely.

The Speaker: I accept that. Would the hon. minister like to answer the question?

Oral Questions

Mr. Tobin: Absolutely, Mr Speaker, out of deference to you, the House and all the goods knees in the world.

• (1135)

Yesterday in Vancouver in beautiful British Columbia, while the member was here trying to figure out ways to make the federation fail, we were meeting with 80 representatives of the British Columbia fishing industry, trying to work toward ensuring the federation succeeds.

We believe that when people from coast to coast work together, speak together, listen to one another and build together, Canada is a better place. In working together, we will build the country. To the hon. member and his party, they cannot fulfil their political ambitions by trying to climb up on the broken pieces of Canada. It is time to stand up for the country instead of tearing it down.

* * *

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

As a result of the measures proposed in the minister's bill, UI coverage for workers will be reduced even further. In 1990, 77 per cent of unemployed workers qualified for UI. This proportion has since dropped to less than 50 per cent, and the minister's reform will reduce it even further.

Does the minister not agree that, as the Canadian Labour Congress pointed out in its analysis of his reform, the new UI program will protect only one out of three unemployed workers?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, both the hon. member for Mercier and the CLC are dead wrong in their analysis.

The proposed changes to the program substantially expand coverage. We will be expanding coverage for half a million people who are presently part time workers. We will be extending coverage for seasonal workers by using an hours system so that they can establish eligibility earlier and have longer benefits. We will be extending the coverage of employment benefits for people who have presently exhausted their programs so that they can get back to work.

The net result is to give people a lot more opportunity to return to work, to get credit for the work they are doing and as a result achieve the most important objective, to give people real support in getting a job.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if the reform did not include an additional major obstacle in that workers will be required to work a minimum of 910 hours in one year in order to qualify for UI, there could be a semblance of truth to what the minister is saying.

Does the minister not agree that—

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, I would ask you to please choose your words very judiciously.

Mr. Duceppe: That is very judicious.

Mrs. Lalonde: Mr. Speaker, does the minister not agree that the main reason why 500,000 part time workers were included in the program is to require them to pay premiums even though most of them will never be eligible to benefit?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as we pointed out in an earlier exchange, the hon. member has omitted a very important part of the program. Those workers are also eligible for a major refund of all premiums if they do not become eligible.

About 1.3 million part time workers are eligible for a full refund of all premiums paid. As a result, many will be paying less than they do now under the old system.

Once again it points out that when simply trying to defend the status quo, they are totally immune and incapable of understanding the real positive pluses that come by making good, substantial, balanced, equitable reform.

* * *

HEALTH CARE

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the parliamentary secretary to the health minister is a physician from B.C. Some of her colleagues have just built a brand new clinic there. It is innovative and something to be proud of.

Because of her minister, however, that clinic is unavailable to B.C. residents; only to foreigners. Does the parliamentary secretary have any difficulty telling her neighbours waiting in line in pain they cannot access that clinic because of her minister's policies?

• (1140)

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I do not know how often we have to say this in the House, but there is a Canada Health Act. It works on the five principles of medicare, guiding principles for the

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country. Eighty-nine per cent of Canadians, especially British Columbians, support that.

When any province sets up any sort of clinic or anything which contravenes the Canada Health Act the government will act to take whatever steps are necessary to stop it.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, I would like to quote a physician:

Governments which willing undertook the responsibility for funding medicare when there was political mileage to be gained are now reluctant to accept the concomitant financial burden. They try to weasel out of their promise.

The honest alternative would be for governments to confess to the public that they no longer can, or wish to fund medicare.

Those words should be eerily familiar to the parliamentary secretary. They are published words of hers in a 1990 B.C. journal of medicine.

The Speaker: Questions in question period should relate to the policy or administrative area of a minister or parliamentary secretary.

The way the question is phrased I judge to be out of order. However, I invite the hon. member to rephrase his question.

Mr. Hill (MacLeod): Simply, Mr. Speaker, what changed the parliamentary secretary's mind?

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I think the hon. member is presuming many things. My mind has always been clearly fixed on the Canada Health Act and the five principles of medicare. Nothing since, before or during my life as a physician has ever changed that.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

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

The economic and financial update released yesterday by the minister indicates that the government could have lowered UI premiums to \$2.93 for every \$100 of insurable earnings and still have collected the whole amount set in the 1995 budget. Yet, the government decided to set the premium at \$2.95.

Will the minister recognize that he could have lowered UI premiums to \$2.93 and still have met his 1995 budgetary objectives?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is customary to do what we call a rounding off of these premiums. It is clearly the case here, given the minimal difference between \$2.93 and \$2.95.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, since the minister said in his document that these premiums could have been lowered to \$2.93, I assume he could have done it. But given the minister's estimation that lowering premiums by seven cents, in 1995, would result in the creation of 40,000 jobs, will he recognize that, by refusing to lower these premiums by two cents, down to \$2.93, he is sacrificing, based on his own calculations, 12,000 jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first, the Minister of Human Resources Development clearly said that it was our intention to build a reserve, so as to preserve jobs should an economic decline occur. Indeed, we are well aware that the worst thing that can happen in a period of economic decline is to be forced to raise UI premiums. This is why we are building up a reserve and why we put the UI fund back on its feet by pouring \$6 billion into it, over a period of just two years.

The hon. member is absolutely right when he says that lowering UI premiums helps create jobs. This is why the minister lowered the rate, for a total amount of \$1.25 billion. This is the way to create jobs.

* * *

• (1145)

[English]

BANKS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

The banks have reported profits of over \$5 billion. In that same period of time, they have raised service charges and also reduced the number of people that serve the general public. What is the secretary of state doing to protect consumers from this oligopolistic practice?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, that is a question in which a large number of Canadians have an interest.

The government believes that consumers are best served by an environment where financial institutions compete for business and where consumers have access to adequate information.

With regard to service charges, federal financial institutions have to disclose all fees applicable to an account at the time of opening an account. When there is a change in any fees they must give at least 30 days' notice. That is a requirement of federal legislation. I understand that Canadian banks charge substantially lower service charges than U.S. banks for comparable services.

The government is also working with the provinces to improve the consistency of legislation on the cost of consumer borrowing so that the consumer will have better information.

Finally, in our financial institution legislation that is going to be reviewed, we are looking very carefully at consumer issues.

* * *

GRAINS INDUSTRY

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, results of the Alberta plebiscite on wheat and barley marketing are crystal clear. Two-thirds of Alberta producers voted in favour of having a dual marketing system, with the freedom to choose to market through the Canadian Wheat Board or outside of the board.

Would the Minister of Agriculture and Agri-Food tell the House if he agrees with the majority of Alberta farmers that choice for marketing of wheat and barley is a step forward? A yes or no answer would be appreciated.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, it is interesting how the Reform Party seems incapable of understanding answers that amount to more than one or two words. I hope the hon. member will bear with me while I respond to his question.

As everyone knows, a plebiscite with respect to wheat and barley marketing was conducted recently in the province of Alberta. That plebiscite is not without some considerable controversy. I note that some farm leaders in Alberta, some agricultural reporters in Alberta, some pollsters in western Canada have all raised what appear to be serious questions about the process.

Approximately 16,000 producers participated in the process, out of perhaps 30,000, 35,000 or 40,000 who might have participated in the process. I point out again that this single vote within one province, on an issue that affects all of western Canada and as many as 130,000 prairie farmers, is obviously not a process that can be definitive with respect to this issue across western Canada.

The Government of Canada has established a process to deal with this issue in an orderly and logical way. That is the Western Grain Marketing Panel. It is very well known. I would urge all prairie farmers, including all of those in Alberta, to participate fully and fairly in the Western Grain Marketing Panel.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, farmers are not dumb. Maybe a lawyer thinks they are, but farmers understand very well what the question was and what it meant.

The minister has been pinning all of his hopes on the Western Grain Marketing Panel. In a statement he has slammed the

producer vote as being merely academic. He has no respect for farmers who democratically expressed a common sense position.

Why is the minister insulting the intelligence of farmers by thumbing his nose at the clear message he received from over 16,000 plebiscite participants, 16,000 voters?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, again I point out to the hon. gentleman that those votes represent about 12 per cent or 15 per cent of the total number of farmers affected by this process.

The arrangement that the Government of Canada has put in place in order for this issue to be fully ventilated in western Canada is a logical and orderly process. It will provide farmers through the Western Grain Marketing Panel with full, fair, balanced, accurate information about all of the issues respecting grain marketing in the west.

● (1150)

It will also provide farmers with the opportunity to debate all of the issues related to grain marketing in a way that is totally transparent, with all the facts on the table. They can consider not only the pros of the marketing debate but also the cons and the consequences so that this issue can be dealt with fairly in the interests of all western Canadians.

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[Translation]

HUMAN RIGHTS

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

A Canadian citizen, Tran Trieu Quan, has been a prisoner in Vietnam for close to two years now, despite the fact that the Canadian government believes he is imprisoned on trumped up charges. The Prime Minister promised to look into the case personally upon his return from Vietnam in November, 1994.

What explanation does the Deputy Prime Minister have for the fact, that more than a year after the Prime Minister's Asian mission, the situation remains unchanged, despite a recent commitment by the Minister of Foreign Affairs, and Mr. Tran Trieu Quan still remains a prisoner in Vietnam?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the treatment of the gentleman in question is, of course, unacceptable to the government of Canada. That is why the Prime Minister himself raised the issue, as did the Minister of Foreign Affairs. We continue to tell the government of Vietnam to respect the fact that this Canadian citizen must be released, because the present position of the government of Vietnam is not reasonable.

Oral Questions

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, considering the lack of success of government interventions to date, does the Deputy Prime Minister intend to ask the Prime Minister to personally bring up the case of this Canadian citizen with the authorities in Hanoi once again and to demand his immediate release?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I believe that the Minister of Foreign Affairs, when asked this same question some weeks ago, gave his word that he was pursuing this matter at the highest diplomatic level possible.

You can be sure that the Prime Minister himself, having been involved in this case, continues to be concerned, and wishes to do his utmost to continue pressures on the government of Vietnam.

* * *

[English]

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, during my recent visit to Atlantic Canada I heard a lot of criticism of the Tobin tax. One criticism above all the rest is that fishermen are distressed that the licence fees are to be based on gross landed value rather than on net profit. The minister knows very well there is a large difference between gross and net profit.

Is the minister going to listen to fishermen on at least this one small point and ensure that fees are based on net profit, not gross landed value?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, during the member's visit to Atlantic Canada he certainly was able to generate some reaction from the fishermen, there is no doubt about it.

The executive director of the Maritime Fishermen's Union in reference to the member opposite said words to this effect: Please take your garbage back where it came from. We are not interested in your politics of division. The president of the fishermen's union, a Newfoundlander, Earle McCurdy, in essence said to the member that they are not going to be fooled by these crocodile tears and they certainly will not accept a wolf in sheep's clothing.

Yes, the member made quite an impression on the fishermen of Atlantic Canada and yes, they have an inordinate amount of common sense in dealing with the kind of nonsense proposed opposite.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, it is easy to see this minister gets high on his own exhaust.

I have in my possession a Department of Fisheries and Oceans document which shows that not only is the minister proposing a \$50 million tax grab in 1996, but more startling is planning to

increase this by a further \$20 million in 1997. This will mean that Canadian fishermen will be faced with a \$70 million tax bill in 1997.

When is the minister going to start listening to fishermen instead of the self-serving bureaucrats in his department who are advocating this tax so that they can preserve their own jobs?

• (1155)

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it takes a special kind of stamina, one that is clearly exhausting this member's credibility, to stand in the House to ask these kinds of questions.

This is the party—

Mr. Hill (MacLeod): You are exhausting.

Mr. Ramsay: When are you going to take the billboards down, Brian?

Mr. Tobin: Listen up, fellows. You might learn something for a change.

This is the party whose leader went to Atlantic Canada and said that it only takes 90 seconds of study to know that the fishery is finished. This is the party that complained about the EI reform which is now under way because the cuts were not deep enough. This is the party that said of the TAGS program, which assists tens of thousands of fishermen who have been hit by the fisheries failure, that the program ought to be cancelled. This is the party whose obvious lust at a shot in a byelection in Labrador has driven it beyond the bounds of decency and common sense. This is the party that will be slam dunked in that byelection with the kind of negative results it deserves.

* * *

TRADE

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, when one listens to what comes across the floor of the House, Canadians might get the feeling that Canada is not doing so well in export markets.

I would like to ask the Minister for International Trade if he could share with the House Canada's performance in international trade and demonstrate clearly to Canadians how we are winning markets every day.

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, in the first nine months of 1995 Canadian merchandise exports grew by 20 per cent, compared to the same period last year. Exports to the United States rose 17 per cent, but the United States is far from our fastest growing market. Sales to Latin America, including Brazil, have increased by some 29 per cent, to Japan by 32 per cent, to the European Union by 42 per cent, to China by 44 per cent and to all other Pacific nations by 47 per cent.

In 1992 our exports amounted to only 26 per cent of our gross domestic product, but today exports constitute 37 per cent of our gross domestic product.

* * *

[Translation]

AIR TRANSPORT

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is directed to the Minister of Transport.

On October 30, Canadian Airlines International stopped all its international flights originating in Montreal, preferring to concentrate its operations in Toronto. As a result, Montreal and its very substantial Italian community are deprived of direct connections with Rome. The minister's policy for awarding international routes prevents other carriers from offering this service.

Since Canadian Airlines International no longer offers a service from Mirabel, would the minister agree that his policy for allocating international air routes is discriminatory, since it deprives Montreal of direct connections with all countries for which Canadian has been given exclusive access?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I agree that our policy for allocating international routes has had the exact opposite effect of what the hon. member wanted.

I realize this is a drawback. The hon. member will probably say so in his supplementary. When Canadian Airlines International decided to stop their service from Mirabel, at the same time, and I am sure the hon. member was aware of this, Alitalia, the Italian airline, made the same decision. The problem at Mirabel is that there is not enough passenger volume to support a service either by Canadian Airlines International or Alitalia.

• (1200)

What we are trying to do, and negotiations are now under way, is to see how we can solve the problem so as to provide an adequate service from Mirabel to Italy.

* * *

[English]

IMMIGRATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, as this government continues its adversarial approach with the western provinces over the transfer of federal funds, it ignores the gross inequities it has created through the Canada-Quebec accord.

Under the accord the province of Quebec receives \$90 million a year, 35 per cent of all federal funds being transferred for the

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settlement programs for immigrants and refugees when Quebec is currently only taking 12 to 13 per cent of the immigrants and refugees.

If the government is going to continue the funding program, will it consider renegotiating the Canada-Quebec accord so that the money is going to the provinces that are receiving the immigrants and refugees?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, first I want to thank the member for giving me the opportunity to say how our federal system works. The immigration accord between Quebec and Canada is proof that we can have agreements between provincial and federal governments to make this country work.

Concerning the other provinces, the minister is open for discussions. There are discussions going on and I am sure that when the minister returns to the House he will give a detailed answer to the member.

* * *

GOODS AND SERVICES TAX

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Minister of Finance.

In the infamous red book there is a promise by those who were running for government that they would eliminate the GST. The Prime Minister last summer stated that in the February 1996 budget the government would outline a replacement for the GST. No mention was made on Wednesday by the Minister of Finance of GST reform in his finance minister's economic and fiscal update.

Is it still the intent of the Minister of Finance to tell the people of Canada how he is going to recommend eliminating the GST?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the government's undertaking in terms of the GST is to obviously have a system that is fairer to consumers and which is easier to administer.

The government has stated that following the desires of Canadians it is our wish to harmonize and to have a single tax, a single base. We are in the course of discussing this with the provinces. Undoubtedly it will come up at the meeting of the federal-provincial finance ministers next week.

I would have been prepared to have discussed it in the fiscal statement. The purpose of the fiscal statement was to give an economic update on the state of the economy since the last budget which is why I did not deal with it and I was not questioned on the matter.

*Routine Proceedings***PRESENCE IN GALLERY**

The Speaker: I would like to draw to the attention of members the presence in the gallery of His Excellency Marcello Nunes de Alencar, Governor of the State of Rio de Janeiro.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I wish to bring to the attention of the House a question asked earlier during question period by a member of the Reform Party, the member for Nanaimo—Cowichan, to the hon. Minister of National Revenue but in a different capacity.

Citation 412 of Beaudesne's states quite clearly in regard to such questions:

A question may not be asked of a Minister in another capacity, such as being responsible for a province—

The question was asked in contravention of our rules and it was allowed to be asked uninterrupted. I realized that afterward when another member rose to ask a question which was similarly against our rules and that member was ruled out of order.

I would want to report to the House and to suggest to Mr. Speaker that the question asked of the hon. Minister of National Revenue was equally out of order. Therefore it should have been indicated at that time so that all Canadians would know that the minister was unable to answer the question because of the rules of the House which specifically prevent him from doing so.

• (1205)

The Speaker: The hon. government whip raises a perfectly valid point of order.

In listening to the question and not to whom it was directed, it dealt with an issue that is seizing the House right now, the government veto, and I thought it was proper for that time. The hon. government whip did note that on another occasion I declared another question out of order. Because it dealt with the veto and because the Deputy Prime Minister in her wisdom thought she would like to answer it, I permitted it. However I take this under advisement. I thank the hon. government whip for raising the matter.

MEMBER FOR NORTH VANCOUVER

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I too want to bring to the attention of the House a statement and an action by the member for North Vancouver before the Minister for Human Resources Development started speaking.

I believe you will find that the member for North Vancouver used unparliamentary language. In addition, citation 501 of Beaudesne's states:

Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber. Thus during the flag debate of 1964, the display of competing designs was prohibited. At other times boxes of cereal, detergent and milk powder have been ruled out of order.

Mr. Speaker, I think you will find and in fact I believe you observed that the member for North Vancouver produced a trophy of the rear part of a horse and presented it to the minister. At the same time he referred to the minister with the words referring to that part of the equine anatomy.

The Speaker: Order. My colleagues, the first point the hon. member brought up is the use of props. I have asked hon. members on numerous occasions to please not use props. I have asked this of members on all sides of the House. We are equal in here. We are members of Parliament.

Once again I appeal to you that even though you quote from papers, there is no need to hold them up or shake them. I believe that our words stand on their own. I take the point and reiterate to the House, please do not use any props.

With regard to the other point about the horse, forgive me but I did not see the use of the prop and I did not hear the words used. With regard to the words, I will check *Hansard* and if it is necessary, I will get back to the House.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I felt it was a perfectly reasonable point of order I raised earlier. All I asked for was the judgment of the House under the circumstances—

Some hon. members: Order, order.

An hon. member: Read the book.

The Speaker: Order. I am going to close this matter off right now. Are there any other points of order? There being no other points of order, we will proceed to the daily routine of business.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (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 two petitions.

• (1210)

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 108th report of the Standing Committee on Procedure and House Affairs regarding questions concerning the role of the Senate and its interference with Bill C-69, an act to provide for the establishment of the electoral boundaries commissions and the readjustment of electoral boundaries.

INDUSTRY

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I have the honour to present the 11th report of the Standing Committee on Industry on Bill C-88, an act to implement the agreement on internal trade, with amendments.

FISHERIES AND OCEANS

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Fisheries and Oceans on Bill C-98, an act respecting the oceans of Canada. As vice-chair of the committee, I would like to extend my thanks to the members of the committee for their hard work in connection with this bill. It demonstrates the kind of co-operation we have received in this instance.

* * *

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. This petition has been signed by a number of Canadians from Winchester, Ontario.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill, or the aged.

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

Routine Proceedings

FETAL ALCOHOL SYNDROME

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition has to do with fetal alcohol syndrome. This petition has been signed by a number of Canadians from Guelph, Ontario.

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

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

YOUNG OFFENDERS ACT

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am pleased to present two petitions today, both on the same subject from constituents in my riding of Parry Sound—Muskoka.

My constituents call upon the government to change the Young Offenders Act and to strengthen certain provisions thereof.

INDIAN AFFAIRS

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I wish to table two petitions today, both on the same subject concerning the taxation of native Indians. The petitioners also ask Parliament to halt land claim negotiations and ensure that one and the same law applies equally to all Canadians.

GOVERNMENT CONTRACTS

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I rise today to present two petitions from my constituents of Annapolis Valley—Hants.

The first petition signed by 30 of my constituents deals with the government household moving service and the need to continue with a policy of dividing the furniture moving business between independent movers on an equitable basis.

The petitioners call upon Parliament to resolve to veto any proposed change to the tendering process of the Department of National Defence and to support the present system of tendering.

BOVINE GROWTH HORMONE

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, the second petition is signed by 211 constituents calling upon Parliament to take steps to keep the synthetic bovine growth hormone out of Canada through legislating a

Supply

moratorium or a stoppage of the BGH use and sale until the year 2000. These constituents further call for an examination of the outstanding health and economic questions through an independent and transparent review.

* * *

• (1215)

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[Translation]

POINT OF ORDER

ALLEGED COMMENTS OF MINISTER OF HUMAN RESOURCES
DEVELOPMENT—SPEAKER'S RULING

The Deputy Speaker: Before recognizing the minister, I must inform hon. members that I have had time to check the blues. I think it is quite clear this is a point of order. The minister said—it is in English unfortunately—that “if she cannot take the heat, she should not be in the kitchen”.

As you know, this was an expression used by Harry Truman. It seems the expression is not equally familiar in both languages, but it is an expression.

With our colleagues, we understood it to mean that women should stay at home, or something like that. I just spoke to our colleagues—I think they were not in the House at the time—and we agree it was a misunderstanding. There is no indication, as far as I can see, that the minister said anything against women or hon. members of the female sex.

I also looked at what was said by all members, and I do not think there were any insinuations against women members, as far as I can see. I want to thank all members for raising this point, and we can now proceed with questions and comments.

[English]

Ms. Catterall: Mr. Speaker, I rise on a point of order. I believe the minister was in the middle of debate on the motion before the House but was interrupted by a point of order and therefore did not complete his allotted time. I trust his time will not be diminished by the time taken for points of order and that he will be allowed to continue so that we may proceed to questions and comments.

The Deputy Speaker: I am told by the Table the minister's time had expired for his intervention. Accordingly, we are into questions and comments.

Ms. Catterall: Mr. Speaker, I request clarification as to whether the time allotted to the minister did include the interruptions for points of order or whether he had used the full 20 minutes to speak.

The Deputy Speaker: I am reminded that if a point of order is raised during an intervention it is included in the 20 minutes.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—UNEMPLOYMENT INSURANCE SYSTEM

The House resumed consideration of the motion.

The Deputy Speaker: The hon. member for Kamouraska—Rivière-du-Loup has the floor for questions and comments.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to comment on the minister's speech and, in particular, on his statement that 97 per cent rather than 93 per cent of workers will be eligible for the plan.

The Bloc has never said it did not want people to be eligible for the plan. We have always said that unemployment insurance should be one of the tools for creating employment. The government has not offered any other, this reform is its only tool. I think some other tools are missing.

There may indeed be more people paying into the plan, but I would like to know from the minister whether he has had estimates made of the number of new contributors who will be able to benefit from the plan. For people in the regions, where work is seasonal, working 910 hours in a year means working 26 weeks at 35 hours a week.

• (1220)

Even if all the hours are counted, even if people sometimes work a 40 hour week, it will be very hard and will result in an exodus of young people. This will mean that many people will remain on welfare. What I have understood from the reform is that people will have a year to accumulate their 910 hours. The next year, it starts all over again, and we begin at zero. So, there are many people who today are getting unemployment insurance, because their job afforded them between 300 and 400 hours. Now they will have to do 910 hours before they are entitled to unemployment insurance benefits.

In my opinion, this will mean the following: people who work 12 or 13 weeks in the summer at 35 hours a week will end up with some 400 hours and then will have to leave the region to come up with the other 500 hours. They will have to look for

jobs elsewhere. Over three, four or five years this will reduce the population in the region. This is a negative aspect of the reform.

We are not saying unemployment insurance should not be reformed, we are saying that 910 hours is far too much for someone new to the system to accumulate right off in order to be entitled to benefits. It is inappropriate for our economy.

There is one other point I would like to raise. When the minister terms it an equitable reform, how can he say it is equitable for seasonal workers when their benefits will drop from 55 per cent to 50 per cent after about three years, when they will have used up the 100 weeks after which the reduction kicks in? The people affected, therefore, are in seasonal industries, a sector where, through no fault of their own, they have to be on unemployment insurance year after year. They are not guilty of anything, so why must they be penalized? These are people who work in industries with 12, 13, 14, 15 weeks of work a year. They cannot invent more work than that.

So they are being told their benefits will be cut down to 50 per cent. After three years, they will be down to 50 per cent, and for no other reason except to penalize them and push them into other sectors where they do not necessarily have any expertise. Where is the other side of the coin, the guarantee that there will be changes in their regional economy?

Last year, everywhere we went with the human resources committee the people in the regions said they were not opposed to change. They said they wanted assurance that there would be set transitional periods, possibilities of adjusting the economy, of bringing in aspects from new technology, all those things.

But today, instead of a carrot and stick approach, only the stick has been brought out, with no carrot anywhere in sight. There is no sign from anyone in this government, particularly not the Minister of Industry, whose vision of the economy is a century behind the times. There is no vision here of what the positive aspects will be.

I would therefore ask the minister to tell us what percentage of those now under the plan will be eligible under the new arrangements, and what percentage will never be eligible because it will be impossible for them to accumulate 910 hours at any time in their working lives. I feel that this is an important question, because making it so that more people contribute may be very attractive from a budget point of view, but from the human point of view it is equally important to see that people will have enough to live on.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member has raised some very useful and important questions and I would like to provide him with a detailed response. I hope hon. members will listen.

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In terms of the question being addressed earlier about part time workers, we estimate that 1.3 million people who have a minor work attachment will now be eligible for a total refund of all premiums paid. That includes 900,000 people who presently contribute benefits but receive no claim or eligibility because they do not have enough weeks.

Those 900,000 people will now be able to receive a full refund on their benefits. In fact, 32 per cent fewer people will be paying benefits into the new employment insurance system than in the old system. Overall, part time and low income workers will be paying \$14 million less in premiums in the new system.

• (1225)

Those are hard figures. More people are covered but if they do not receive their full eligibility they get a refund of all their premiums, which means a \$14 million saving in premiums for part time workers.

I will deal with the second question the hon. member raised regarding the new entrance requirements for new entrants. I will quote to him because he has quoted back to me several times, with great support, the recommendations of the seasonal task force. The working group told us we should do something about eligibility to stop young people from leaving school to take advantage of the short term benefits of UI to the detriment of their future career prospects.

That was a direct recommendation of the seasonal workers task force. It talked with seasonal worker groups right across Canada.

I recommend the hon. member actually read the legislation rather than listening to his colleague, the member for Mercier.

The new entrance requirement is only a first time requirement. In the second year, if they have worked 490 hours in the previous year, the entrance requirement goes down to the regular number of hours. In other words, if they simply get 490 hours in the first year they are not required to do 900 hours in the next year, as the hon. member asserts. They go down to the regular 420 required hours. I hope that provides some clarification.

I will now come to a very important point. The hon. member made a very good case about the need to help change economies in parts of rural Canada, to help people redevelop new economies, recognizing there are problems.

One of the major elements in the new program is a \$300 million transition jobs fund that can be used for the investment in these areas to help small businesses with capital formation, to start new enterprises. It can be used in terms of new training programs, new schools in those areas, if that is the choice of people in those areas. Investments can go into new infrastructure to attract new industry.

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I recall a discussion I had with people in Atlantic Canada. They were saying there was an enormous opportunity now with the new export potential for developing food processing, food value added manufacturing. They new substantial new sewage treatment plants, new water facilities. This new jobs funds will do that.

I suggest to the hon. member that one of the responsibilities for him as a Member of Parliament is not to rely on the old system because he recognizes, as well as everyone else does, it has been a deterrent to jobs. It has stood in the way of developing new enterprise.

Concerning the new methods we are bringing in, the new employment benefits, \$800 million in employment benefits, creating over 40,000 jobs in Quebec at this time, plus the infusion of a new investment fund to start helping those regions to make changes, to adapt, to invest, to create new industries, surely if the hon. member is deeply concerned about people in his own riding would not object to having a new economic development fund to help create jobs and new enterprises in his area. That is what the reform is about, to assist people in that transition and that adaptation to a different kind of economy.

We also do it over a period of time. We are not asking people to go cold turkey into this. We are saying there is a five-year transition. Also in the legislation is a clear requirement for monitoring the impacts, the results, the initiatives which will be tabled in Parliament and will be fully transparent. We will be able to ask in Parliament in 1998 what has happened, what adjustments have to be made, if they have to be made, and what kind of other tools can be used.

This will be an opportunity for members of Parliament to engage in a very clear evaluation of what works and what does not work, to share information and to be part of a process of re-evaluation and monitoring. We are being very open and transparent and clear about it.

Rather than engaging in the wild hyperbole I heard from his colleague earlier this morning, we are putting the onus on the hon. member and others to say let us get the real facts.

• (1230)

Let us get down to what is really going to happen. Let us use these new tools for employment. Let us use the new investment fund. Let us use the new opportunities to extend benefits to part time workers. Let us use the opportunity to extend employment benefits to people who have exhausted their old UI benefits, who want to get back to work but have no assistance right now.

He knows that in Quebec the provincial government has cut off major support for people to get back to work. We are bringing them back in because we recognize that people who

have exhausted benefits have as much a desire to go back to work than anybody else.

We are now giving them the opportunity to start their own business, to be able to use a wage supplement with employers to have an income supplement, to have a training voucher if the province agrees, and I hope they will so that we can help people get upgraded.

Employment benefits such as having a job corps in their area, doing reforestation projects, building new infrastructure projects are now available to the hon. member's riding as they are to people across this country.

For the life of me, I find it hard to understand why someone who expresses a concern about jobs for his constituents totally rejects the opportunity of new investment, for new employment benefits, to extend benefits to those who have exhausted theirs, to provide a supplement for families to bring up their incomes, to provide an extension of coverage for part time workers.

All those things are part of the new package. I would think the hon. member would be applauding, supporting and working with us to make sure that the full benefits of all the programs are shared by members of his riding.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I was listening to the eloquent response by the minister of human resources to the question from the Bloc as to how much the government is providing to the province of Quebec and to other provinces in his vision of the reform of UI.

The motion we are debating today is that this House denounce the government for its massive cuts to the unemployment insurance system that limit access and so on. It seems to me that this type of motion is in line with the pathetic attitude toward this House and this country held by the Bloc. We are trying to build this country and they are trying to destroy it. It fits right in line with all the things they have been doing along the way.

If this is the type of leadership that the Bloc brings to this House I feel rather sorry for the people of the province of Quebec if the member for Lac-Saint-Jean moves over there and starts to lead that province. I feel that they are going to continue downhill rather than climb out of the lethargy of unemployment that currently exists in that province.

I come from the west where Alberta is one of the have provinces. British Columbia and Alberta are a growth area where we are prepared to get up and get the job done. That is the important thing. It is not to sit around and denounce the government. While we do not agree with the way the government is trying to do things, let us acknowledge that it is trying.

I find it rather disconcerting that this Bloc motion again today is to bring down, to denounce what the government is doing

rather than putting forward any constructive efforts to try to put the people of Quebec back to work.

If they were to adopt the get up and get at it attitude that we have in the west, they would be a lot better off. The economy would be better off in the province of Quebec. The country would be better off because those people would feel better with a positive attitude rather than with a negative attitude.

As part of the doublespeak of the Bloc Quebecois, two days ago there was the annual general meeting of the Interparliamentary Union in the West Block. This is an organization that I sometimes call the junket club and the travel club courtesy of the Canadian taxpayer. For \$20 one can buy an annual membership in the Interparliamentary Union and the government throws in half a million dollars to top it up in order to cover the cost of travel around the world. I have been a little critical of the value we are getting for the money that is spent.

• (1235)

As a result the Liberals and the Bloc typically have joined forces to change the constitution of the organization to say that only those who agree with the aims and objectives of this organization are allowed to sit on the executive. As I mentioned in the House yesterday, the communists handled it even better.

The point I am trying to make today is at that annual general meeting the Bloc supported the Liberals in changing the constitution to deny accountability. We asked the members of the Bloc why they were supporting the Liberals on this issue. They said that they loved to travel around the world to promote Canada. We were shocked.

What are they doing within Canada? They are destroying the country. I believe they should be held accountable for that. I thought it was absolutely disgraceful that they would take Canadian taxpayers' dollars that are paid in B.C., Alberta, Saskatchewan, Manitoba, Ontario and the four eastern provinces and run around the world courtesy of us, accomplish absolutely nothing, enjoy it, then come back and say "we love to promote Canada".

However, as soon as they put their feet back in this country they are tearing it apart, knocking it down and trying to destroy it. Let us recognize where the Bloc is coming from. The attitude of its members is that anything which interferes with their opportunity to spend Canadians' money while they follow through with their objectives is to be applauded. I denounce them for that type of attitude.

This motion is strictly for consumption in the province of Quebec. I listened to the debate by the Bloc member. Typical of their attitude, they want Canadians to pay more so that they can receive more. In a totally lopsided argument they want to ensure that money flows one way from the rest of Canada to them. Yet

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they are so spoiled that they want to break away and build some kind of sovereignty association that continues this idea, however false. It is totally false that we would think about supporting them should they ever separate from this country.

During the referendum the member for Lac-Saint-Jean who was leading the yes forces said: "Remember, they will punish us because we're the ones who are getting the unemployment insurance while all the rest are getting the investments credits". I say to them now is the time to get off their posteriors and get back to work. They should not worry about unemployment insurance but think more about employment. That is what the rest of the country is doing.

We have seen the Minister of Human Resource Development change the name of unemployment insurance to employment insurance. I do not think that words are going to do very much. However, perhaps the idea is a small step in the right direction.

The UI reform that is being proposed is a continuation of this centralist, top down, one shoe fits all approach by the Liberal government. It is not going to work. More tinkering with the system is not what we need. There is nothing that is radically new in the bill brought down by the Liberals. There is nothing refreshing. There is no rethinking of UI. Yes, they have expanded a little bit. Yes, they are going to refund some premiums to some people. Yes, they are going to cover some more groups. Yes, they are going to do a few things.

The Liberals have just massaged unemployment insurance around the edges. They have not said that for the past 20 or more years unemployment in this country has hovered around 10 per cent. It does not matter how much money is spent on the program. Unemployment seems to hover around 10 per cent. If we look around at other countries we find that unemployment is significantly lower. With our friends to the south of us unemployment consistently runs to about 3 per cent less than ours. We must spend more money to fix our problem and yet unemployment continues at 10 per cent.

• (1240)

What is the problem? Perhaps the problem is that there is not enough incentive to work and there is too much incentive not to work. Why does the Minister of Human Resources Development not have a new approach to UI rather than just expanding it around the edges.

I will give a couple of examples and perhaps the Minister of Human Resources Development can take notes. I was in Atlantic Canada last year talking to some good Reformers down there. There are lots of Reformers in Atlantic Canada. This Reformer was telling me that when she was young going to college there were all kinds of summer jobs in Atlantic Canada for students:

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in the hotels, in the restaurants. The tourist season was on and there were all kinds of opportunities.

The last year she was in university the Liberal government, 20 odd years ago, changed the rules to say: "We will now pay unemployment insurance to seasonal workers". Housewives came out of their homes, worked for four months, spent eight months at home. It absolutely destroyed the labour market for the kids coming out of university. That is a simple situation of cause and effect.

I know there are many families in this country who depend on seasonal work and unemployment insurance for their livelihood. It is not that I am denigrating that, but when the rule was introduced 20-odd years ago it should have been foreseen that not only would it cause dependency on UI in a seasonal environment but that it would destroy employment for university students who needed to make some money during the summer. We aggravated the situation.

However, we keep tinkering to try to resolve the problems that we created, rather than looking back and saying: "Look at the Pandora's box that we opened".

The young people in this country are motivated, enthused and they are want to work. They do not want UI. They want jobs. Remember the great theme of the government prior to the last election: jobs, jobs, jobs. They waved the red book and said: "This is going to be jobs, jobs, jobs. Vote for us and there are going to be jobs everywhere".

The President of the Treasury Board is the minister in charge of doling out the \$6 billion in borrowed money to try to create some jobs. He appeared before the government operations committee to explain the wonderful success of the jobs, jobs, jobs program and the wonderful success of the infrastructure program because now the country is \$6 billion further in debt. We all hoped that we were going to get something wonderful for this significant investment.

He told us the infrastructure program created 8,000 permanent jobs which is \$750,000 of borrowed money per job. We would have been better giving the interest on the money to the people and telling them to stay home. They would have had a lot more money and we would have been a lot less in debt.

Now we have the Minister of Human Resources Development tinkering to change the UI program to help those people who did not get a job even though they were promised one in the last election. There is something wrong here. There is something wrong with what the Minister of Human Resources Development is proposing. There is something wrong with what this government has proposed. By the way, it has not proposed very much in the last two years. However it did put us \$6 billion more into debt to create 8,000 jobs.

• (1245)

Where are the young folk? Their hope is waning. Their motivation is waning. They are becoming discouraged, and the Minister of Human Resources Development says: "If you get a part time job we will cover you with EI". That is not what they want. They are motivated and they want to work.

A constituent came into my office a few months ago. He was an enthusiastic young gentleman with a university education. He was willing to work. He had done all kinds of volunteer work. He had spent 600 hours a year volunteering to help the RCMP. He had a dream of becoming a mountie. Can he? No. He is a white male. Reverse discrimination has killed his dream.

The Minister of Human Resources Development says: "I have a program for you. It is not called unemployment any longer; it is called employment. Sit at home and we will send you a cheque". He is a young intelligent fellow who wants to work and contributes to the country of his own free will by volunteering because he wants to get ahead. He wants to do the best he can for himself. He thinks he has a future ahead of him, but employment equity slapped him down.

That is the type of thing at which the Minister of Human Resources Development should be looking. The young, the motivated, the intelligent and the educated should have every opportunity to get ahead. It does not matter who they are, what they are or where they are. If the minister would appreciate that, we would have a lot less need for the program changes about which he is talking.

I talked about the need for some innovative thinking. Today when a person pays unemployment insurance the employer has to pay that amount multiplied by 1.4. There is a direct relationship between what the employee pays and what the employer pays. It is a total, fixed, absolute relationship.

There are employers who on a continuous basis turn their employees over to the UI system. They are seasonal employers. We read about one of them in the *Globe and Mail* yesterday. General Motors uses UI when it shuts down the factories for retooling and so on. On a regular basis they are turning their employees out to the UI system, hoping it is okay, and hiring them back when they want.

Why do we not recognize that some employers use the system a lot more than others and change the premium according to risk? It is a fairly simple situation. We could count the number of T4s issued at the end of the year, count the number of pink slips issued during the year, find the ratio, determine whether it is a high risk employer or a low risk employer and grade the premium accordingly.

That would give the employer the incentive to keep staff during slack times. It might even give the employer the incen-

tive to create new work during slack times. The employer knows that if he uses his business experience to extend the employment of his employees he will be rewarded. That is what it is all about. Rather than a bureaucrat in Ottawa saying what the rules are, the decision making should be made on the shop floor by the manager.

The same also applies to the employee side. What about the employee who loses his job, who is laid off for whatever reason and runs out to get a job right away? He is motivated. Then there is the other employee who will say: "I am covered for a year. I will take three or four months off and then I will be slow about looking for a job". He will be employed within the year, before his UI runs out.

• (1250)

What about the seasonal worker who says: "I am quite content to sit at home during the wintertime because I happen to be a greens keeper on a golf course?" Since there is not too much grass to cut in the winter he is not required to look for a job in the winter. UI will carry him.

Since this person is a frequent user of UI he should pay a higher premium than the other person who has stable employment or does not use UI very often even though he changes jobs. We could grade his premium to give him the incentive to stay employed rather than being on and off UI.

It is a relatively simple situation. We grade people on income tax when the employer knows their deductions for income tax. I think the same type of situation could be used for UI. I throw that out for the minister's benefit. I am talking about a new approach to UI, a decentralized approach to UI, something that merits being explored.

While the minister may have taken a small step on UI reform, he missed the wonderful opportunity of taking a great step forward. Along with his colleagues he has totally and absolutely failed in delivering the electoral promise of jobs, jobs, jobs. This is why we still have a 10 per cent rate of UI and why his program, as changed, will not work.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened to the member's discussion. I found it odd what Reform Party members say on this issue. I remember when they first came to the House and how they were to make a positive contribution. They were to support the government.

This piece of legislation is very important for the domestic economy and for making our manufacturing sector competitive within the world. The unemployment insurance rates in Canada are some of the highest in the western world. Many people feel that because of their attractiveness to some extent the rates have had a significant effect on our ability to compete.

I recall in my own practice as an accountant dealing with small businesses. There was an ongoing problem of people

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refusing to take jobs at a time when they were already receiving unemployment insurance benefits because the cost of physically travelling to the place of employment or having to employ babysitters, et cetera, meant they would receive less than by sitting home and drawing benefits. In some ways this piece of legislation lowers those benefits in recognition that we have reduced the competitiveness of our labour force.

I listened to Bloc members go on and on about the need for underpinning the social structure of the country and possibly workers in Quebec. The Quebec Manufacturers Association recently published a study showing that competitive labour rates within that province were some of the worst in Canada, which makes its ability to compete worse than that of many other provinces. As a consequence it creates a situation of continued unemployment.

The hon. member said that we missed an opportunity. I also heard him say that he wanted to devolve. I think devolve is the operative word of the Reform Party today. Let us call devolve what it really is. It means to destroy or tear down a system which creates labour mobility and allows people to move from province to province to seek employment. Would he reflect on the history and recognize the positive initiative that has been taken by the government to increase our competitiveness in international trade, to keep the underpinnings of a mobile labour force and to recognize the object of employment is to get people back to work and to increase their skill levels?

• (1255)

Mr. Williams: Mr. Speaker, the new buzzword is employment. Unemployment has gone away. This must be to hide behind the fact that the whole concept of jobs, jobs, jobs has failed and people are still unemployed.

It would be wonderful if all the people who thought they would get jobs and voted for the Liberal Party because it promised them jobs had employment. However they do not and it is unemployment insurance we are talking about. It does not matter how they want to dress it up.

I am glad the member recognized that perhaps our UI programs have been a disincentive and have hurt our competitiveness around the world.

We are debating a motion put forward by the Bloc from the province of Quebec. I remember reading an article some months ago about MIL shipyards in the province of Quebec unfortunately running out of ships to build. The average wage in the shipyards was \$34 an hour. They were not competitive and could not get any more orders. They wanted the federal government to give them some work, to build more ferries that we really did not need, until such time as they could re-engineer the productivity of the factory to allow them to break into the international shipbuilding market.

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MIL Davie did not have a hope of breaking into the international shipbuilding market because it was paying its workers \$34 an hour. They are now out of work. Where are they? They are part of the package of unemployed people the minister of human resources is trying to help.

We have to provide incentives at the managerial level in the workforce. I did not say anything about devolution in this situation. I said we should put the incentives where they can be managed, at the managerial level of the workforce. I also gave a proposition on how we could look at it. I was surprised and disappointed that the member continued to hang on to the idea of centralist decision making: one shoe fits all; the people in the big wide world are incapable of making any decisions for themselves; it has to be done here in Ottawa. As a businessman I would have thought he would have realized that there is a great benefit in giving people control over their own lives and control over their own decisions. The whole government is missing that opportunity time, time and time again.

That is the unfortunate truth and that is why we are in a mess.

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I listened very carefully to my colleague from St. Albert. I wondered at the start whether or not he was talking about the motion before the House. I have lots of comments about that but I will only make one. He complained about the IPU and said that only people who agreed with the aims and objectives of the organization were permitted on the executive.

My hon. colleague represents the party that is constantly pointing out that if hon. members representing Quebec and the Bloc Quebecois are here they are not following the aims and objectives of Parliament, which is obviously to do the best we can for the people of Canada. I am not sure how he can have it both ways. He also mentioned his vendetta against those members who travel on some of these things to learn about other parts of the world and so on. Yet I notice he is very interested in competitiveness around the world and Canada's competitiveness, providing jobs. I do not know how he thinks we will achieve that by sitting at home in Prince Alberta and gazing at our navels.

• (1300)

He has said all decision making is here in Ottawa and that the bill does not address that. The bill replaces 39 programs, which certainly suggests the people in Ottawa know best where each program should go with five which put a great deal of decision making with the local people. In my riding people are already taking advantage of this.

Mr. Williams: Mr. Speaker, I thought the member for Oxford had been around here for a couple of years. I have been around here for a couple of years. I thought he was elected the same time as I was.

To think Bloc Quebecois aims and objectives in the House are the same as those of the rest of us, where has he been? Its objective is to destroy the country and the House, while I would hope the objective of the rest of us is to build the country and strengthen the House. Let us get that absolutely clear. If the member for Oxford has not realized that yet, please tell him to wake up, Mr. Speaker.

On the IPU, we have thought police in this town and the constitution of the IPU was changed by the Liberals and the Bloc, not by Reform. We voted absolutely against it. They voted to say only those who agree with the aims and objectives of the organization are allowed to sit on the executive. Who is to police this? I asked the chairman who is to police this. I guess it is something called osmosis or it percolates up to the top where your ideas are better than my ideas or you are right and I am wrong.

The constitution does not say how the IPU is to police this new rule. I stand up for the taxpayers of Canada who are throwing half a million dollars into that junket club so that these Liberals and Bloc members can run around the world and bring back pieces of paper to table in the House to collect some dust. They call that building on experience and improving our competitiveness around the world. Again I say to the member it is time to wake up.

We cannot afford it. They should not be doing it. We have to get real in the House.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, as I begin my speech, and considering previous comments, perhaps it would be wise to repeat the text of the motion before the House today. The hon. member for Mercier moved:

That this House denounce the government for its massive cuts to the unemployment insurance system that limit access to the program and hit young people, women, seasonal workers and immigrants hard.

The word Quebec does not appear in this motion. The motion clearly includes all Quebecers and Canadians, especially people in the Maritimes, and I will get back to that in a moment.

First, I want to say that my comments today also reflect the results of consultations I have conducted since last Friday in the form of a series of conferences, including three telephone conferences, mostly with people from my riding in the Gaspé region. There is a consensus that emerges from these consultations which, in addition to the unions and workers, included employers, members of the Chambers of Commerce and people from all walks of life.

Several aspects of the reform proposal have their merits. For instance, the fact that low-income families will have a chance to get higher benefits. However, there are major aspects that need changing, and they are part of the consensus I will share with you.

First, the requirement of 910 hours of work for first-time contributors to the unemployment insurance plan. Previously, to be eligible, the maximum requirement for a first-time contributor was 20 weeks, 15 hours per week, which adds up to 300 hours.

• (1305)

Applying the same principle to these proposals, the government could have said 700 hours, the maximum for regions where the unemployment rate is not as high. But that is not what they did. They set the maximum at 910 hours, to be eligible for the plan.

This means that someone who works 35 hours a week will have to work 26 weeks full time to be eligible, in one year. If the following year you are back to square one, this means, as it says in our motion, young people and women—because in most cases women or young people who enter the labour market will be hit hard by this measure—seasonal workers, plus those who arrive on the labour market and immigrants getting their first job in Canada will all be affected.

What was the rationale for setting this number of hours? How could Liberal members, elected on a platform that stressed jobs, have done that? The best way to get someone a job is to give him an incentive to work. The proposed system will ensure that people who have worked 600, 700 or 800 hours will have to go on welfare as a matter of course. That is not a big incentive to work.

I think something should have been included to give people a taste for better benefits, something worthwhile. So, in addition to not providing any job creation program with the choices it made, and not proposing a way to transform regional economies, the government is waving a stick and telling workers they will have to work 910 hours; that is the way it will get them working longer. But first there have to be jobs.

I think our motion constructively criticizes this position, and the government will have to fix up its requirement of 910 hours. This is the consensus of the people in a region such as eastern Quebec. Why? Because it will lead to an exodus of young people as well. It will swell the numbers of young people who have been leaving over the past 10 or 15 years.

If somebody works 20 thirty-five hour weeks, he will have 700 hours. He will be short 210 hours, but there is no work in his region. Where is he going to find work? He will have to move to a major centre. This will reduce the regional economy in a number of sectors.

Supply

This measure severely punishes the regions, it is backward looking and must be withdrawn.

Another point we agree on is the need to eliminate the penalty against seasonal workers. Give me one reason why employment in a seasonal industry, such as forestry, fishing or tourism, should result in punishment for the worker whose benefits will be reduced according to his use of the unemployment insurance plan?

Why is it this way when it is not the case for workers in an industry that is not seasonal? This, to me, is totally unacceptable. I see it as an insult to Canada's regions as well, although their development of seasonal industry has been praised. Their contribution to the Canadian economy is readily accepted, and then, suddenly, the rules are changed and the people penalized and no job creation adjustment program is provided.

This leaves a group of very perplexed members, including the Liberal members for the maritimes, members such as those from St. John's East, Annapolis Valley—Hants, Madawaska—Victoria, Bonaventure—Îles-de-la-Madeleine in Quebec, all those who come from ridings hit hard by this policy, which offers no remedy to change the situation. I am willing to bet that, when the policy is reviewed in three years, as provided for in the legislation, it will be assessed as having a disastrous impact because there was no program to revitalize the economy of these regions as they were being penalized.

It will have taken three more years to arrive at the same result. I think we might as well correct the situation right away.

I would like to show you what this will mean for people, not in theory but in real life. Someone who works 12 weeks at an average salary of \$500 a week can now receive benefits equal to 55 per cent of his or her salary, or \$275.

• (1310)

Under the new program, this person will have to work more hours per week for a longer period in order to qualify for benefits that will drop from \$275 a week to \$214. We in this House make good money. If our pay cheques were reduced by \$50, it would not be so bad, we might be able to live with it. However, if someone's earnings fell from \$275 a week to \$214, he would wonder how he could feed his children every day of the month.

This kind of money is on a par with welfare. You think this is an incentive to work? This is totally unacceptable and I think that the government should use the time when the bill is in committee to correct these problems. The people affected should be able to tell the government what it means in real life to go from \$275 a week to \$214, to make the government understand how the bill would affect them in real life.

Especially since, with the reduction in the number of weeks of work required to qualify for UI, the end of the tunnel is welfare. What a great incentive.

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My arguments are not only those of someone from eastern Quebec. They concern everyone in Quebec and Canada. Away from the centre every area will be affected by this and confronted to it. We must all join in condemning this government proposal and in seeing to it that changes are made.

We could assume that, perhaps, the government had no choice but to go about it this way. Perhaps there are financial constraints holding it back. But now this: a lower limit. It makes no sense. In the past, the contribution limit was \$42,000 in salary. In the future, the limit will be \$39,000. This means that highly paid workers, the higher middle class and highly paid workers will be contributing—listen to this—\$900 million less to the UI fund.

This government claimed to be here to create jobs and help the jobless and those whose skills were not adequate for the labour market to find a job. So what did the government do? In its reform, one of its most regressive initiatives, it lowers the ceiling and, as a result, highly paid workers will be contributing \$900 million less to the plan.

Do you know where the government will take the missing \$900 million? In the pockets of new contributors, those who did not make contributions before, who will now have to work for 910 hours to qualify for benefits but who, while making contributions, if they work ten hours a week during 50 weeks, for a total of 500 hours in the year, will not be fully refunded.

These measures are unacceptable. The UI program may be in need of a reform. It might have been a good idea to set up an employment insurance system. The problem is that the government gave a nice label to a reform that only seeks to make cuts and help reduce the deficit. We are still wondering: if this is the contribution of UI claimants to help reduce the deficit, then what will others be made to contribute? What will be the Royal Bank's contribution, considering it made one billion dollars in profits last year. One billion is more than small change. It is more than the difference between weekly UI benefits of \$275 and \$214.

The government will have to show that it is also going to get money from those people. In the meantime, it must amend its reform and it must do so urgently. One wonders what prevented the government from introducing, before its reform or at least at the same time, a job creation policy or a regional economic diversification initiative. What prevented the government from showing people that it was going to take positive measures to ensure that regions such as eastern Quebec can get on the new technology express and fully adjust. Why did the current government not take such action?

• (1315)

Why is it bent on targeting only the most vulnerable people? It would have been nice to hear something like: "As regards our

young people, we will, in certain regions, set up job creation programs that will allow them to gain a first year of solid experience, to develop their entrepreneurship, and to see if they want to become entrepreneurs".

Let us look at one of the five aspects of job creation dealing with self-employed workers. Basically, it is a very good program permitting someone on UI to start a business. Interesting experiments have been tried under this program. But now, with the 910 hour requirement for first time applicants, a lot of people are going to be left out in the cold. But, if these people were eligible to UI, they could put forward a business plan, start their own business and eventually take some pressure off the unemployment insurance system instead of remaining dependent on it.

It seems to me that this reform lacks originality, initiative, and the new ideas which might have been put on the table and which we would have hoped to see in here, especially after nearly two years of consultation. This is another part of the reform that should be scrutinized.

Last year, I toured Canada with the human resources committee. We went across Canada to find out what kind of reform people wanted. Nowhere did I hear: "The number of hours to become eligible to UI benefits should be increased, seasonal worker benefits should be diminished". Nowhere in Canada did I hear this kind of thing.

However, I was told, for example: "True, there might be some economic problems in certain areas; some things have to be fixed, and we must be given the means to do it". But, do not present us with a *fait accompli*, as the government is doing.

What kind of effect is this going to have on regional economy? Take the Maritimes, for example; those of you who represent ridings in Atlantic Canada, figure it out: three years from now, all your seasonal workers will be down to 50 per cent only. They speak in terms of 20-week periods. A 20-week period does not mean a reduction of one per cent a year, it means a reduction of one per cent of the salary each time one receives unemployment insurance benefits for 20 weeks. Therefore, in three years, there will be 5 per cent less benefits paid in the regions.

The spinoffs of that will not be job creation but quite the opposite. When jobs are created, another more convenience store opens somewhere and another service job is offered to someone. But these cuts produce the opposite. There will be less money in our economy so there will be less jobs of that kind, there will be more people on welfare, through one program or another, and more people will leave the region.

Instead of breaking the vicious circle that leads to an exodus from the regions, measures like this will tighten it and the result will be the opposite of what is expected. This reminds me of the disheartening experience I had last year somewhere in Newfoundland, in an employment centre, where I found a document

in a display case. It was a Human Resources Development Canada document that encouraged people to move, to give up and to go live somewhere else. That does not ensure the future of a country, be it Quebec or Canada. A healthy country is one which capitalizes on its resources and develops them and one which gives recognition to people who work.

If seasonal workers are blamed for the situation their industry is in and for the fact that they cannot work for a longer period, the mid term consequence will be a lack of manpower in part time industries. The tourist industry already has that kind of problem. I can tell you the new plan will only make it worse and will further widen the incredible gap existing between available jobs and unemployed workers who do not have the skills and training to fill those jobs. The hon. member for Mercier has moved the motion before us because of this whole reform.

• (1320)

The government, through massive UI cuts, limits access to the program and sets goals that are the very opposite of those we should have in a society such as ours and our society should be judged by, that is the best use possible of its human resources.

The current Liberal government perpetuates the ways of the previous government it ousted. People voted for change, but the government has fallen back into the same old ways. It is high time you woke up, and swept out the bureaucrats that come up with such proposals for cabinet. You have to get rid of them, because the current government will be judged not necessarily on the way the richer people are allowed to prosper and the more talented are allowed to perform, but rather on the way it ensures that society reaches its full potential, that all Canadians can make a useful contribution and be proud of what they are doing in building something worthwhile together.

If you continue to penalize the people in this way, you will achieve the exact opposite of what you are looking for.

I challenge the government to let the Standing Committee on Human Resource Development travel to Atlantic Canada and throughout Canada, even to the large urban areas, to talk to the people and realize that seasonal workers are not the only ones who will be affected by the decrease in benefits. The government has now decided to clip the wings of the workers who are in the 20 to 30 year age group and who have not had the opportunities that we have had, and that is totally unacceptable.

So, if the government wants to check if its reform makes a lot of sense and if it does not believe the points I just made, it only has to talk to the people to find out what they think. You will see

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that it will come back with a totally different reform than the one now before the House.

I hope that the Liberal government will take advantage of the holiday season to reflect on this, propose changes and ensure that Quebecers and Canadians can continue to be proud of the balance between the citizens, and realize that the future does not depend on development in big cities, on a lower unemployment rate in Montreal and Toronto, but on the premise that Canadians and their families from sea to sea to sea are satisfied and happy with what they are contributing to.

I think the government has tabled something that needs to be reviewed. That is why the House should condemn the government for its cuts to the unemployment insurance program. This should be in particular the responsibility of the members, who might have reviewed the reform a little in their caucus and may have had the time to express some points. Today, we will see if the members, especially those from the Maritimes, stand for the Liberal Party or for the people they represent.

[*English*]

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I appreciate the opportunity to question the statements made by the member to the House. I suspect he might have selectively read from the reform, rather than reading it from one end to the other.

The hon. member asked a question about the whole issue of incentives for employment and for job creation. He indicated in his speech that he could not see any incentives. I want to ask him about that because I have difficulty understanding that he read this document.

I see items such as \$800 million being put into specific programs to encourage employment. I look at wage subsidies to encourage employers to hire people, particularly those who need to be trained. I look at earning supplements to top up wages to encourage people to get back into the workforce rather than having to collect benefits.

The hon. member talked about the self-employment initiative program. That was in UI. It continues to be in the UI reform. It is an excellent program which is going to create a lot of employment. The hon. member suggested that people would not be able to use it because they would not be able to get onto the program. In fact, half a million people who were not eligible for the program because they were part time workers are now going to be eligible for the program.

The member keeps going on that there are no incentives. People are going to be rewarded for every hour they work and for every effort they make. The benefits are based on hours worked,

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not on weeks. A whole series of things in this reform encourage people to work. It gives them the incentive to work. It gives them financial support to work.

• (1325)

The hon. member totally ignores those things. He fails to look at those parts of the employment insurance reform which will result in opportunities for people to get a job. The fact is that this is all taking place within a financial context which he totally wants to ignore. He will not look at those things.

My question to the hon. member is very specific. Why do you ignore those things in the UI reform? Why do you ignore the \$800 million which is being added to the \$1.9 billion that already exists to create employment not only in English Canada but in your province of Quebec as well? Why are you ignoring those things? Why will you not talk about those things? Why will you not admit—

The Deputy Speaker: I would ask that questions be put through the Chair, not directly to the member.

[*Translation*]

Mr. Crête: Mr. Speaker, my first response to this remark is this, and I think it is important. The member asked me why we have not read the reform proposal from cover to cover, why we do not have all the details.

There is a contradiction between the member and his government. The government has used closure to limit the debate to three hours on Monday. It is muzzling us because it does not want a real debate on this bill at second reading. It is doing that because it wants to hide this reform before the Christmas holidays, so that we will have to go home without having had the time to show Canadians that it is unacceptable.

About the \$800 million, it is obvious that it is not \$800 million at all since it is just money being transferred from the consolidated revenue fund and the unemployment insurance fund. The government has tried all week to confuse us on this issue, getting quite confused itself in the answers of the various ministers. It is certainly not today that it will succeed in convincing us.

I want to make a last comment. It is simple and obvious. Go back to your ridings to explain to the people that the 910 hour minimum requirement is reasonable. Ask your constituents if they think it is reasonable to require that people who participate in the unemployment insurance program for the first time work a minimum of 910 hours in order to become eligible. You will all come back with the same answer after the Christmas break, or maybe even next week.

Is it reasonable to require that these new workers—I am talking about our young people, about women who enter the job market, about immigrants who come to Canada—work a mini-

um of 910 hours when the previous requirement was 300 hours and when the highest requirement for people who are already contributing to the program is 700 hours? Is it reasonable to impose a 910 hour minimum requirement to those people to whom we claim to want to give an incentive to work, when it is obvious that this kind of measure will do exactly the opposite? We will see within a year that a vast majority of people will be discouraged. This will stimulate the underground economy and force Canadians onto welfare.

If the government has not understood that, it will have to make some adjustments; otherwise it will have to face a lot of angry people. As Gilles Vigneault once said, “it will have quite a storm on its hands”.

[*English*]

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I have great difficulty understanding why the Bloc does not want to look at the initiatives surrounding employment which are being brought forward by these reforms.

Are the Bloc members aware that the insurance program will cover 500,000 more people? Are they aware that the family income supplement will go to 350,000 low income families? Are they aware that 380,000 workers will have their premiums refunded? Some 2,700 workers will be eligible for two additional weeks of benefit. About 45,000 seasonal workers who currently are not eligible for UI will, despite making payments, become eligible under this new act.

Are they not interested in putting people back to work? Do they not see that this reform of ours on the employment side is doing just that? I ask the hon. member to tell me and tell the House why he and his party cannot see that these changes on the employment side will be very beneficial for the whole country.

[*Translation*]

Mr. Crête: Mr. Speaker, the hon. member is asking the same question I asked the minister this morning. He said that there would be 500,000 more contributors to the program. We all know that there will be 500,000 more contributors, but what we want to know is how many of these 500,000 people will ever get benefits.

How many will pay and never benefit from the program? I am very surprised. Many of the questions we would like answers to are like this. Before the referendum, the government did not want to introduce this bill, because it had to be looked at carefully. Today, they are in a great hurry. They want us to pass this legislation on the double.

What is behind this new position of the government?

The Deputy Speaker: It being 1.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81, proceedings on the motion have expired.

[English]

Pursuant to an order made Wednesday, December 6, the business for the current supply period will be concluded on Monday, December 11 of this year at 6.30 p.m.

[Translation]

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

BANKRUPTCY AND INSOLVENCY ACT

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): moved that Bill C-323, an act to amend the Bankruptcy and Insolvency Act (order of discharge), be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to speak on my Bill C-323. Prior to the last election I served as a probation officer and family court counsellor in the ministry of the British Columbia provincial attorney general. I served for over 20 years. I spent each day working with the Canadian Criminal Code and I learned firsthand the system's weaknesses and strengths. I also discovered the loopholes that aided offenders to walk when they should have been properly held to account. Far too often I saw justice not being served. The criminals were benefiting and the victims were not served. There was little neglected victims could do. Advancing the plight of victims of crime is one of the motivations for me to serve in the House.

When constituents in New Westminster—Burnaby elected me as their representative in 1993 I made a commitment to take a firm stand on behalf of the victims of crime. Whether changes to the Canadian Criminal Code or to some other statute, I promised something would be done to protect the public and to change the balance of the operation of the law to be more in favour of victims.

On May 1 of this year I had the distinct pleasure to introduce Bill C-323. Today there is even a greater satisfaction that the bill was deemed a votable item with a chance of becoming law. Small changes such as those in Bill C-323 may not sufficiently change the overall system to the way we would like but it certainly represents a good start.

Approximately a year and a half ago a Vancouver area lawyer approached me with a concern that a loophole in the Bankruptcy and Insolvency Act was enabling offenders to be relieved of their commitment to pay civil court judgments. It was a loophole that was causing victims further suffering. It was clear that a simple amendment to the Bankruptcy and Insolvency Act

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would eliminate the possibility for a person to use personal bankruptcy to escape from any owed damages awarded in civil court. Thus I have been working to bring forward my private member's bill.

When a person commits an assault or battery, a wilful act that harms another, the victims can sue for damages through a civil lawsuit. However, under the current BIA if the offender claims bankruptcy after being found liable in court the damages awarded to the victim are cleared, causing the victim to once again suffer hardship.

• (1335)

Subsection 178(1) of the Bankruptcy Act lists various things an order of discharge does not release a bankrupt person from. The law has long recognized there are some things that cannot be forgiven and will remain. It takes into account alimony, maintenance and support of a spouse or child, debt arising out of fraud, embezzlement or a fine, penalty or restitution order imposed by a criminal court in respect of an offence.

Therefore according to the way the act currently reads a bankrupt person cannot be relieved of paying a traffic fine yet can be relieved of paying damages for something like sexual assault. I do not think any member of the House would disagree that the statute must be changed as soon as possible. We must provide some appropriate balance.

In April I read an article in the Vancouver *Province* newspaper about Sherleen Hackett who was awarded \$145,000 in damages for sexual abuse by her stepfather on June 28, 1991. Stepfather James Hackett was ordered to make payments of \$500 a month. According to the article he made one full payment of \$500, four payments of \$100, and then filed for bankruptcy. It was as easy as that to turn the legal system on its head.

Allow me to cite several other examples so that those following can fully comprehend the severity of the fundamental flaw in this statute. Tammy Carr of White Rock, B.C. sued her stepfather for sexually assaulting her for six years and was awarded \$42,513. Her stepfather, David Graham, filed for bankruptcy six months after the judgment. Payment to date: none.

Cynthia Shefford of Alexis Creek, B.C. was awarded \$357,743 by a supreme court jury for the sexual abuse committed by her father, Leonard Klassen. The father was ordered to pay his daughter \$500 a month for 12 years. Three months after the trial Klassen filed for bankruptcy. Payment to date: none. The amount of Shefford's award is the largest awarded in the country to date, but what good is it to have such a record amount if not a penny is received by the one who needs it most, the victim?

My bill would make a simple amendment to subsection 178(1) of the act, as part (a) of the act currently says that an order of discharge does not release the bankrupt from any fine, penalty, restitution order or other in similar nature to a fine, penalty or

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restitution order imposed by a court in respect of an offence or any debt arising out of a recognizance of bail.

Bill C-323 would make an addition to this part:

An order of discharge does not release the bankrupt from any damages in respect of an assault or battery awarded by a court pursuant to a judgment rendered in a civil proceeding and any interest on the damages before or after judgment ordered by the court or payable by law.

The amendment is a brief but fundamental change to the act. Not only would it strengthen the statute in legal terms, it would strengthen the public's view of the operation of Canada's justice system. Some of the imbalance and absurdity in law would be removed.

I do not think many Canadians know debtors may currently avoid substantial payment on sexual assault judgments by making an assignment in bankruptcy. However, as more and more people file their cases in the courts, public awareness will increase. The more our legal system gives the offender a loophole, the more disregard will arise.

If nothing is done to such a small section of the Bankruptcy and Insolvency Act the justice system as a whole will be in danger of being viewed as completely in disrepute. The sad thing is Canadians already look at our justice system and think it is not reflective of them.

One need look only at the Young Offenders Act to see examples of ineffectiveness. The government continues to claim what it is doing will save lives and make Canadians feel more safe. In the last two years the Liberal government has made several changes to the Criminal Code and the Young Offenders Act, and yet my constituents still complain to me they feel afraid to walk the streets.

The government says these changes need time to be implemented but I believe it knows that all the time in the world to discuss and defer will make absolutely no difference to the crime statistics. The criminal law changes made so far by the government are anaemic and do not sufficiently respond to the desires of mainstream Canadian values.

• (1340)

The situation is similar to that with intersections and street lights. Before a municipality will put up a street light at a busy intersection it waits for a certain number of serious accidents to occur. If no accidents occur, it is believed a street light is not needed. Usually someone has to die first.

Therefore a responsible government would address a problem before it gets out of control. The amendment in my bill should have been introduced years ago or at least near the time that such cases were coming before the courts.

This is the job of federal departments. There are legal experts who must know the bankruptcy act inside and out. They knew there were loopholes in subsection 178 for years but until now nobody has addressed them.

In 1992 British Columbia's legislature took a lead with this issue by amending its own limitation act. The amendment removed any limitation period for bringing action for damages for sexual assault. This is interesting in that the issue was addressed in a provincial legislature in 1992 and yet it takes the federal government another three years to address it at the federal level.

The government is not in the vicinity of the eight ball at all. It has not recognized as a matter of urgent priority those victims suffering because of legislative inadequacy.

In 1994 an ad hoc committee of women for reform of the Bankruptcy and Insolvency Act submitted a discussion paper on why subsection 178(1) needs to be amended. I will summarize some of the benefits it believes will result by amending the act.

It avoids a negative public perception regarding the impact of bankruptcy on sexual assault judgments and consequent disrepute of the act. It sends a clear message to sexual abusers that the act cannot be used to avoid payments as a result of judgments.

It deters abusers by eliminating a means of escaping the cost to be paid for sexual abuse. It provides greater certainty for victims, the courts, trustees in bankruptcy and the superintendent.

It provides a greater likelihood that victims who are able to realize civil judgments will be able to pay for their own treatment and will be less likely to be dependent on an already overburdened social services resources.

It provides consistency with current federal initiatives to lessen the burden on the social safety net. Abusers will be made to bear the costs of the victims' recovery process rather than society as a whole or the victims themselves.

A lawyer friend of mine who suggested the amendment has been pressing both the Minister of Justice and the Minister of Industry to make such changes that I have included in my bill.

I will read a letter the Minister of Industry sent to my friend on April 6, 1995:

My colleague, the honourable Minister of Justice, recently sent me a copy of your letter of August 16, 1994 recommending that the Bankruptcy and Insolvency Act be amended to include awards of damages in serious assault cases among those not released by a discharge in bankruptcy. I regret the delay in replying to you.

Your letter is quite timely, as I am now considering a number of possible BIA amendments to be included in a bill targeted for introduction later in the spring or in the fall. Among the amendments under consideration is one along the lines you have proposed. Your letter argues strongly in favour of such an amendment, and it will be given due consideration.

Thank you for bringing your concerns to the government's attention.

On November 24, 1995 the Minister of Industry introduced Bill C-109, which included amendments to the Bankruptcy and Insolvency Act, including a change to subsection 178(1). I applaud the minister for his recent initiative. I wish the change could have come about sooner, but I understand the minister wanted to make many amendments to the act besides my proposal.

On page 61 of Bill C-109 and carrying over to page 62, there is a small section that reads:

Subsection 178(1) of the act is amended by adding the following after paragraph (a): (a.1) any award of damages by a court in civil proceedings in respect of an assault;

The minister's bill finally attempts to fill in the loophole, but I am suggesting my wording is better. The government bill deals only with the word assault, which is from the Criminal Code. My bill deals with both assault and the purely civil tort created from the historical term battery.

It also deals with interest on moneys on such civil awards, which the government bill overlooks. I am also now suggesting that in view of further advice, the term interest on moneys awarded should apply to the whole section 178, not just to the assault award section as suggested.

In addition, the bill should include the term wrongful death.

● (1345)

Currently the government bill envisions that an assaulter will not be cleared of civil liability damages and bankruptcy, but if the assault is serious enough to eventually cause death then the offender becomes free. The inherent message is for the perpetrator to do more harm and actually kill the victim. Then the civil liabilities will not survive the bankruptcy. That angle must also be covered.

I have discussed these provisions with the minister. I will be looking for some positive moves from him in the next week. He should publicly promise to approve the appropriate clauses of Bill C-109 so that perhaps I might find it acceptable to withdraw my bill and have the government fully take over my initiative.

So far the minister has appeared co-operative and open to discussions. I compliment him for bringing Bill C-109 forward. It is a technical clean-up of many outdated sections of the old statute which was based on reviews and consultations that were started by the Conservative government of the last Parliament. The minister has appropriately built on that beginning and we look forward to speedy passage. I hope I will be able to report to Parliament that as legislators we will get this thing done.

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Victims of crime should wear no political label. I commemorated again for our party on December 6 the national tragedy of the murder of the 14 women from Montreal. The 14 roses on display in the Commons lobby on December 6 were a sober reminder of the obligation of Parliament and what it owes to victims of all kinds from every region of the country.

The platitudes have reached high levels in the House for years now about the remembrance of December 6. Yet little in actual legislation has been passed that directly uplifts the plight of victims. However, with my bill we have a practical and concrete chance to act positively. We will see if the Liberals social philosophy can measure up to the expectations of mainstream Canadian values and the hopes and aspirations of Canadians even from an ignored British Columbia.

I am being very direct in my comments, for the hopes of hurting children and grandparents were dashed by uncaring Liberals on the justice committee this week when a private member's bill from the member for Mission—Coquitlam granting grandparents legal standing in divorce courts was summarily dismissed. It was shot down by the government after many brave Liberal backbenchers dared defy cabinet signals on the bill and actually voted for change. They voted for the real people's agenda. They voted for the people. Then the top down Liberal mindset took over and the old style political games were played by the government against the hopes of ordinary people.

Here we have it again: Liberal members not supporting victims. They cannot deny it. Their jaws are quivering, but their votes are now forever part of the parliamentary record. The pattern runs deep with them. It has been allowed to run too long for our country's well-being.

Can one wonder when I reflect the cynicism about government from my constituents? They feel government is something done to them rather than for them. In mock amazement the justice minister said to me on national television that I was too cynical when I recounted to him a few of the missed justice system reforms that he as the minister had chosen not to pursue. I cannot be too hard on him. After all he has an educational handicap in that he is a lawyer.

Here is another initiative placed right in the lap of the Liberals, private member's Bill C-323. This measure is not supposed to be handled in a partisan manner. The country is watching. I hope the House will get it right this time and fully support the kind of initiative I have brought forward to help victims of crime and have perpetrators pay for and restore what they have done. Let us have offenders directly accountable to victims.

I am encouraged that uncharacteristically of Liberals the Minister of Industry might not be as misguided as the justice minister when it comes to being in touch with mainstream Canadian values. We all know how good people can become

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rather strange when they acquire an extensive legal education and then call themselves lawyers. This minister seems reasonable enough to spread the credit around and advance the people's agenda rather than merely a Liberal agenda. In view of the early signals I have received from the Minister of Industry, I am hopeful that my bill, or more correctly the people's measures, will get to the next stage.

I urge members to dig deep, overcome themselves, be generous of spirit and support a good idea. I am also calling upon the Minister of Industry to give the proposals most serious consideration.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I am pleased to rise to speak on Bill C-323, an act to amend the Bankruptcy and Insolvency Act.

• (1350)

It has been two weeks since the Minister of Industry introduced Bill C-109, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act.

The bill contains more than 70 amendments to the BIA. The amendments fine tune the laws regarding commercial bankruptcy and introduce new features involving consumer bankruptcy. The legislation has been designed to assist Parliament in its three-year review of the BIA.

The House welcomed the opportunity to look at the bankruptcy laws in more detail. After all, Canada's bankruptcy laws must protect the interests of borrowers, lenders, insolvent practitioners and government. These interests are so varied and complex that over the decades bankruptcy laws have been very difficult to reform.

Bankruptcy laws are an integral part of the framework legislation that established the rules of the marketplace in which buyers, sellers, lenders and borrowers can make transactions with confidence that the law will treat them fairly.

Among the issues covered in Bill C-109 was the treatment of court fines in assault cases in the event of bankruptcy. The government proposed that people who had been accused of sexual or physical assault should not be able to turn to bankruptcy as a way of avoiding penalties imposed by the civil courts. Fines for physical or sexual assaults become non-dischargeable in the event of bankruptcy under Bill C-109.

The legislation is now before the House and when it is in front of the committee, the committee will have the opportunity to study it in detail and to make appropriate amendments.

One such amendment should be the proposal before us today, that section 178 which lists non-dischargeable debts also includes the following:

—any damages in respect of an assault or battery awarded by a court pursuant to a judgment rendered in a civil proceeding and interest on the damages before or after judgment ordered by the court or payable by law.

The key difference between Bill C-109 and Bill C-323 is the addition in the hon. member's bill of including interest on damages as part of the non-dischargeable portion of a bankruptcy debt. This is an excellent amendment. I commend the hon. member for New Westminster—Burnaby for it.

I would like to see the same principle applied to all categories listed in section 178, not just the assault cases. I would prefer to see the Bankruptcy and Insolvency Act amended so that either the interest issue is addressed specifically in each category or, conversely, have it addressed generically so that it is clear that it applies to all categories listed in section 178.

I do not believe debate on a private member's bill is the most appropriate place to make these changes. All of us are concerned about the efficient allocation of House time and I would rather see the issue discussed in committee when it reviews Bill C-109. That being said, I congratulate the hon. member for his worthwhile contribution to the amendment of Canada's bankruptcy laws.

Too often in the House we fail to acknowledge the perceptiveness and integrity of suggestions that come from the other side of the floor. Perhaps this is one reason Canadians have become impatient and cynical about politicians. They see us perform during question period. They are witness to the bickering and sniping that show politics at its worst.

What Canadians do not see in the clips from question period that make the nightly TV news is that behind the scenes and in committee there is a common purpose among members of the House. We are working hard to make things better for Canadians.

Perhaps we ought to make more of an effort to congratulate one another in public. Behind the curtains we often have a kind word for our colleagues on the other side of the floor. Sometimes we will ruefully congratulate them on a political point well scored. The time has come for us to acknowledge without shame when members across the floor come up with good ideas that ought to be a part of government policy.

This is one such occasion. I commend the hon. member for his work on bankruptcy reform. I look forward to hearing what he will have to say to the committee if he agrees the committee is a more suitable forum for his ideas to be discussed.

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• (1355)

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity today to speak to the bill introduced by the hon. member for New Westminster—Burnaby.

I listened carefully to the hon. member's arguments. Members with whom I spoke in the Bloc Québécois, and I personally, are in favour of this amendment. It is clear that individuals who are ordered in civil court to pay damages in respect of an assault or battery or any another act that could lead to a conviction in civil court, should not be able to shirk their responsibilities by declaring bankruptcy.

Like our government colleague, I think this amendment to the Bankruptcy Act is admissible and useful.

There is also the aspect of interest payments which may be useful in an amendment to the bill introduced by the minister on the same subject.

However, I was less inclined to appreciate the arguments presented by the hon. member to justify his amendment. I agree there is a problem. In Canada, individuals convicted in civil court of causing damage as a result of violent acts or sexual abuse should not be allowed to escape the consequences of their actions. However, I think the hon. member—and this is just a comment—was putting his amendment in a rather negative context.

There was a lot of talk about crime, a list of people convicted of sexual abuse or acts of violence was mentioned, cases were cited, and so forth. Perhaps the climate in my riding, in my region, and even elsewhere in Quebec is not quite the same, but I have not met many people in my area who are afraid to go out at night for fear of being assaulted or abused. These things can happen, of course, but they are not so widespread that they can be used as arguments to justify otherwise quite worthwhile amendments.

The hon. government member also noted that, last November, the Minister of Industry tabled in this House a bill to amend the Bankruptcy Act. This bill is much broader than the amendment proposed by the hon. member because it kind of overhauls the Bankruptcy Act. Like the hon. member who spoke before me, I did notice that there is an identical clause in the bill introduced by the Minister of Industry and in the bill presented by our colleague from the Reform Party today.

I even think that, had it realized this sooner, the committee in charge of determining which bills shall be considered as votable items might have decided that this bill was redundant in light of the minister's bill.

When I went over clause 105, a little paragraph further down caught my eye. It has nothing to do with this debate, but I know, Mr. Speaker, that you are quite lenient on the issue of relevance. I do not know if my colleague from the Reform Party saw this paragraph that makes it more difficult for students who are out of school but are unable to find a job to declare bankruptcy.

• (1400)

They are told they cannot do so within two years of finishing their courses. This is, I feel, an aspect which merits attention perhaps. I wanted to bring it up here in the House, and my party will debate it when the time comes. I believe that, after all of the Reform member's justifiable severity concerning people getting out of their responsibilities after a civil judgment, he ought to focus the same amount of energy on the student situation in order to determine whether there is a problem. We know that in Canada, and in Quebec, my region in particular, getting into the work force is a huge problem for students.

I feel therefore, that in the bill to be introduced by the Minister—I know I am not in order, but I feel this will have to be examined carefully. It is all very fine to want to be strict, to want to see people pay their debts, but one still needs to have a proper understanding of the situation. My colleague has justifiably pointed out that people found guilty in civil suits ought not to be exempted.

Looking at the student situation, however, we become aware that the minister's bill is very severe, considering that at the present time the job market for young people in Canada is very bad, and when it comes right down to it, one realizes the amendments proposed by the minister are unfavourably biased against students. A student who is unable to pay his debts after graduation is judged initially as in some way guilty of fraudulent intent in not wanting to repay his government loans. This is, I feel, not the case for the large majority of students. The bulk of young people forced to declare bankruptcy at the end of their studies do so because they really cannot pay.

Certainly there are some people who will take advantage of such possibilities to commit fraud. However, as was said this morning concerning the whole unemployment insurance issue, when a system is put into place there are always some people who will try to cheat, but it is my belief that not everyone using the system ought to be tarred with the same brush as the dishonest few.

I hope that the government will take this into consideration when the time comes to examine this legislation, particularly since the unemployment insurance reform will mean that students who have terminated their studies will be hit hard by that as well. We realize that a student completing school and finding a first job will have to work 910 hours in order to qualify for unemployment insurance.

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Lots of students today are on contract, and it is rare that anyone gets 910 hours in one go. Young people will not qualify. If they cannot qualify, they cannot pay their student loans. If they cannot pay their student loans, they will have difficulty meeting their obligations. Under the amendments to the Bankruptcy Act the minister has tabled, young people will not be able to pay and therefore will not be able to declare bankruptcy and will be unable to pay. It is not clear where they will end up.

In any case, I hope that, when the committee reviews the legislation, it will look carefully at the amendment the member proposed, because I think it is acceptable, but I hope it will also look at other aspects of the legislation, which are tightening and toughening up the system. Basically, Canada's entire social system is becoming harsher. It is our whole way of looking at our young people in school and people having difficulty finding a job.

Our whole approach, that of Canadians and of Quebecers, is getting tougher. We accept the situation, because it is always being presented in the light of our difficult economic situation, but still, in such a situation, things have to be taken into account, as I suggested my colleague should have done in connection with the whole issue of crime and its control through more severe measures.

We have to take things into account as well in our attitude toward Canadians and Quebecers who need a little more support from the government in times of greater economic difficulty. I thank you for having tolerated my wandering slightly off the topic of debate.

• (1405)

[English]

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I am pleased to have the opportunity to rise on behalf of the people of Okanagan—Similkameen—Merritt to speak in support of Bill C-323, an act to amend the Bankruptcy and Insolvency Act (order of discharge).

I begin my remarks by congratulating my Reform Party caucus colleague, the hon. member for New Westminster—Burnaby, on the fine job he has done in bringing this legislative proposal forward for the consideration of the House. In my view, all members of the House should be quick to rally in support of this bill.

Very simply, the changes to the bankruptcy laws being proposed by my colleague would prevent persons from declaring bankruptcy in order to escape paying civil damages for an assault or battery they have been found to have committed by a Canadian court. Clearly, Canadians want the members of the House to support changes in our laws that will protect the victims of crime in our society.

Canadians have demanded measures that will address the damage done by violence in our homes, our streets and our playgrounds. We on this side of the House were elected on a mandate to bring changes to the criminal justice system. The wave of support for the Reform Party of Canada which swept across the west in the last election is based on the demand by the Canadian electorate for changes in the way our society deals with crime and, in particular, violent crime.

I take this opportunity to give fair warning to the Liberals that this wave of support for the Reform Party of Canada will sweep across the nation in the next federal election. I have no doubt about it.

The efforts of my colleague will not go unnoticed by Canadians. He has introduced a private member's bill which seeks to add civil damages awarded in respect of an assault or battery to the debts listed in the Bankruptcy and Insolvency Act which cannot be released by the act. Again, I congratulate my fellow British Columbian for his efforts on behalf of all Canadians and the Reform Party of Canada.

Canadians know that the Liberals have proposed changes to the bankruptcy laws of our country. Canadians are aware of the gutless and poor legislation the Liberal Minister of Industry has presented in the House. In true Liberal Party fashion the government is ramming the changes to the Bankruptcy and Insolvency Act through the House on a fast track like it has with so many other bills.

Bill C-109, the weak and cowardly Liberal government changes to our country's bankruptcy laws, was introduced and read for the first time on November 24, 1995. It was read the second time on November 28, 1995. That is four days later, for the Liberals across the floor who are counting the days on their calendars. Bill C-109 will become another bright light on the Christmas tree of Liberal red book broken promises. Bill C-109 will be rocketed through the House like a missile, with no debate, or as little as possible, no amendments, no regrets and no apologies.

Bill C-96 creates a new department for the federal government. The creation of a new department is a far cry from the demands of Canadians to reduce the size of government. The new department is exempt from having to submit an annual report. The books are being hidden by the Liberals.

Bill C-101 is another bill debated in the House. It was a collection of weak and ineffective changes to the Railway Act. That bill was so far from what stakeholders in the industry wanted that it was worthless.

Bill C-107 was another great debate for the Liberals. It was cast in stone. It could not be changed, not one word. There was nothing to debate. The Liberals passed it in a matter of days, patted each other on the back and congratulated the Minister of Indian Affairs and Northern Development for all the hard work he had done to steer the bill through the House.

Canadians are absolutely amazed by Bill C-62. It is so seriously flawed the Liberal minister is scrambling to make changes to the bill even before it gets sent to committee.

• (1410)

If the Liberals care to pay any attention to my warning of their fate in the next election then they should endorse my colleague's bill. Bill C-323 will go a long way in fighting violent crime in our society. The victims of these crimes need the resources it takes to recover from the violence that has been committed against them. The perpetrators of these violent acts are using the country's bankruptcy laws as a convenient tool to get away with their crimes.

Do the Liberals really want to be known as the political party that stands 100 per cent in support of the segment of society that uses violence as a response to events in their lives? Do the Liberals really want to be known as the political party having the guts to stand up to the perpetrators of violence? Or do members of the House want to be known for saying to perpetrators of violence: "You cannot hurt someone and just walk away". This has to be said to those who beat up on women, to those who punch smaller persons, to those who sexually violate another human being, including children.

That is what Bill C-323 is asking us to do. It is asking us to deal with bullies. It is asking us to stand up for those who have been hit by a bully. This is elementary. This bill is trying to put on the statute books something that we all learned in the school yard.

The Liberals have already chosen not to do what this bill is asking. I hope that people watching me right now will pick up a pen and write down on a piece of paper Bill C-323, then go to their phone book, look up the phone number of their Liberal member of Parliament and phone him or her. Tell them that you want to register your vote as a yes for Bill C-323 on your behalf. This is to make sure that bullies are punished.

I am willing to put politics aside on this one. We need to protect the people in society who have been victims of violence. We are talking about violent acts which have been proven to be committed. Courts have decided how much the person perpetrating the violence owes the victim. The aggressor laughs at the court order, declares bankruptcy and walks away from the terrible damage done by the violent action. The victim who is probably already paying high medical bills, losing time off work or is being affected in any number of sad, tragic ways, can do nothing. They are stripped of their ability to recover because some smart lawyer has figured out a way to exonerate the client from having to pay for an act of violence.

I cannot believe that on behalf of my constituents I am standing here today and literally begging the Liberals to listen. I

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am asking them, on humanitarian grounds, to support something that is so basic that any Canadian with an ounce of morals or integrity would support it.

Most Canadians would be surprised to know that those committing violent acts can get off scot free through the bankruptcy laws. Any self-respecting Canadian would say: "Let's put a stop to that today".

Canadians cannot believe that the Liberals ignored the chance to do something about this situation with the proposed changes to the bankruptcy laws. The Reform Party's private member bill, C-323, has been on the Order Paper since last spring. The Liberals knew it existed. They chose not to include this idea in their amending bill introduced just last month. This is shameful. This is embarrassing. Canadians are very disappointed.

• (1415)

I am the national defence critic for the Reform Party of Canada. I have served in the Canadian Armed Forces. As a matter of fact I am still on the supplementary reserve list.

The Canadian Armed Forces is famous throughout the world for standing up to bullies. We did this for 30 years in Cyprus. We are peacekeepers. We are known for having a fair and just society. We are admired for our willingness to take our notion of right and wrong to virtually every corner of the planet and assist in keeping peace, preventing bullies from hitting on people and getting away with it.

I am proud to support Bill C-323. The Reform Party of Canada is proud of my colleague's bill. The people of Okanagan—Similkameen—Merritt, whom I represent, are proud to have me speak in favour of the bill.

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, thank you for the opportunity to speak to the private member's bill put forward by the hon. member for New Westminster—Burnaby.

This legislation is a clear example of a good idea whose time has come. In fact, the idea of amending the Bankruptcy and Insolvency Act so that people who have been accused of sexual and physical assault cannot use bankruptcy as a way of avoiding penalties imposed by the civil courts has also been raised by government legislation.

Bill C-109 was introduced a couple of weeks ago. Under it, fines for physical and sexual assault become non-dischargeable in the event of bankruptcy. The legislation before us takes this idea one step further and it is a good step. Under Bill C-323 the pre- and post-judgment interest on awards would also be non-dischargeable. I want to commend the hon. member for New Westminster—Burnaby for his foresight in closing this loophole. This is an excellent amendment to the laws regarding bankruptcy.

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The hon. member's bill inadvertently opens another loophole. Section 178 of the Bankruptcy and Insolvency Act refers to a number of instances where debts are non-dischargeable. Among them are alimony payments, child support and fraud.

In cases where the courts award pre- and post-judgment interest in these other circumstances, I do not think the bankrupt should be able to escape these obligations simply by declaring bankruptcy. Nor do I think this was the intention of the hon. member when he tabled this legislation.

The bill after all seeks social justice. It is an endeavour to make sure that those who have incurred debts and interest charges by order of the court cannot escape their obligations by declaring bankruptcy.

I am certain that if the hon. member had the opportunity to redraft the legislation, he would do so in a way that would close down the loopholes for the bankrupts listed in section 178. I would suggest to him that the surest way of having his recommendation adopted would be to withdraw Bill C-323 and resubmit his proposal as an amendment to Bill C-109 now at second reading.

I am convinced that the amendment will be welcomed by the committee. We have already heard expressions of support from both sides of the House. We all know that the hon. member for New Westminster—Burnaby has hit upon an excellent idea and a worthy amendment and we all want to see it incorporated in law as soon as possible.

That is why I support the principle of Bill C-323 but I cannot support the bill as it now stands. I encourage the hon. member to withdraw Bill C-323 and present its substance as an amendment to Bill C-109 at committee. There it will be incorporated into a bill that has been designed to address the broad spectrum of both consumer and corporate issues that relate to bankruptcy.

Many of the amendments to the Bankruptcy and Insolvency Act contained in Bill C-109 are aimed at redressing an imbalance between consumer debtors and their creditors. The legislation puts more pressure on debtors to rehabilitate and to act more responsibly by repaying their debts. For example, as we have discussed in the House before, most consumer bankrupts are discharged nine months after bankruptcy. Even if they start obtaining surplus income, it is costly for creditors to get back what they are owed.

• (1420)

Under Bill C-109 consumer debtors will be required to remit a portion of their surplus income, the income which exceeds the minimum cost of living. The creditor will not have to go to the courts to receive his due.

The legislation also covers student loans. Some students have declared personal bankruptcy upon graduation as a means of discharging their student loans. Under the new law, students will

continue to be able to declare bankruptcy but their student loans will not be discharged for another 24 months.

Under the new amendments, insolvent spouses may submit a joint proposal for bankruptcy. This will help save time, cut costs and streamline the process. Former spouses will no longer be able to use the bankruptcy laws as an easy way to get out of making support payments. Spousal and child support payments become provable priority claims.

The legislation also contains measures to ensure that low income families will not lose their GST credit refunds. Such refunds will be exempted from seizure in the event of a bankruptcy.

All these are good amendments. Among the good amendments is the proposal to ensure that people who have been accused of sexual or physical assault do not use bankruptcy as a way of avoiding penalties imposed by the civil courts.

The hon. member has added a very useful amendment to this last provision. I look forward to discussions in committee on it if he is willing to withdraw his bill.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, all laws passed by Parliament are designed to deal with inefficiencies and injustices created by free and voluntary interactions among people. Canada's Bankruptcy and Insolvency Act is no exception.

People dealing honestly and with the best of intentions borrow money from others in order to establish businesses or carry them over periods of temporary insolvency. In this world of uncertainty, occasionally the best made plans of borrowers go wrong. They are unable to meet the repayment schedules to which they have committed themselves.

Historically, creditors used to have powerful instruments of coercion to assure that debtors make every effort to repay their debts. The stories of debtor prisons are the stuff of Dickens' novels. They have done much to influence our thinking about the injustices involved in the old, harsh methods of dealing with debtors.

These attitudes are that debtors unable to pay their debts are in trouble for reasons beyond their control. They typically are poor and need to be protected from rich creditors. Moreover, it is not in the interests of society that individuals who have hit a streak of bad luck should be stigmatized for life and forever unable to get back into business or even just mainstream life. The conditions described in Dickens' novels were that the poor were stripped of everything. They were stigmatized. Indeed those were bad times and some changes were needed.

The existing Bankruptcy and Insolvency Act reflects social attitudes. It makes it possible for individuals to declare bankruptcy to escape the social and economic penalties that historically were imposed on debtors. In Canada and in most industrialized countries today, debtors can clean the slate, walk

away from past mistakes and start all over again by the simple act of asking courts to declare them bankrupt.

Canadians believe generally that these rules are desirable and create a better society. They also believe that bankruptcy itself and the stigma attached to having declared bankruptcy are sufficient deterrents to abuse of the privileges granted under the law.

• (1425)

I might note that there are significant differences between countries. I understand that in the United States, some successful businessmen who today are millionaires brag about the fact that they have been bankrupt at least two or three times. One of the significant cultural differences in the United States, Canada and Europe is that we typically do not have these kinds of entrepreneurs that go around saying it was quite all right to have been bankrupt a couple of times.

Mr. Forseth: They have no shame.

Mr. Grubel: My colleague whispers into my ear that they have no shame. I personally think this is reflective of a more dynamic, risk taking society which has all kinds of benefits for creating wealth and generally raising the income of citizens. However, there are always excesses.

As is the case with so many well-intentioned laws, this law on bankruptcy has been shown to have a number of unintended consequences. This law is subject to increasing abuse, especially as the memory of the disgrace of debtor prisons and social ostracism are receding from the public conscience.

Bill C-323, the amendment to the bankruptcy act introduced by my Reform Party colleague from New Westminster—Burnaby, is aimed at curbing one of the unintended consequences of what otherwise is a well-intentioned good act. If accepted it would reduce the ability of individuals to escape responsibility for the payment of fines which have been imposed by civil courts in response to damages caused by violence, typically against women.

The intention of the existing legislation clearly was not to open bankruptcy as an avenue which could be used by violent offenders to escape the penalty which society through court actions has imposed on them. This private member's bill is consistent with public sentiment on this subject. I support it and urge members of this House to pass it.

The proposed legislation continues to protect innocent victims of bankruptcy from the historic, often unjust and socially undesirable consequences of excessive penalties. Making sure the perpetrators of violent acts against people are duly convicted in a court of law and required to pay a fine is not equivalent to bringing back debtor prisons. It is a necessary and in my view

Private Member's Business

highly desirable act that would restore equity and would close a loophole in the existing law.

I have every confidence in the ability of those entrusted with carrying out the intent of this act to distinguish between cases where bankruptcy is designed to escape responsibility and where it is the result of genuine bad luck. The risk of mistakes in such decisions is worth the social benefit in terms of greater equity envisaged by the designer of this bill. I urge that his ideas receive the assent they deserve.

The Deputy Speaker: I wonder if we might agree not to see the clock until the next member has finished his submission. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened intently to the speech of the hon. member for Capilano—Howe Sound who said how different our culture and our attitudes are toward bankruptcy. I do not believe that is the case.

For example, members of the Reichmann family, in the pursuit of some of their objectives not only within Canada but also internationally, used the protection of chapter 11 of the United States and also our own creditors arrangement act. Many of our countrymen are alarmed and curious to understand how it was possible, after all the smoke had cleared from that period of time in our history, that over 2,500 employees of the Canadian Imperial Bank of Commerce had lost their jobs, but at the same time many of the executive staff were promoted and that today the Reichmann family still has partial ownership of Canary Wharf. These are the people that my Reform colleagues would like to support, I suppose.

• (1430)

I will now move into the area of this bill. It was a very honourable presentation by the member for New Westminster—Burnaby. Rather than take the time of the House today, I can state that it was never the intention that this act be abused by people trying to escape societal obligations. I believe it is very appropriate that the member bring forward this legislation at this time.

The question seems to be whether it is appropriate that this bill go forward. Another bill is currently being debated, Bill C-109, a government bill, which overlaps and has some similarities to this bill. When I try to compare these two bills, I discover that their differences are twofold. One is that the member's bill talks about assault and battery, whereas the minister's bill talks simply of assault.

My reading of the word assault would include the definition of the word battery. I do not believe that is a significant difference between Bill C-109 and the private member's bill.

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The other difference, as I understand it, is that the hon. member includes the concept of interest related to awards or judgments in the area of assault and battery. That would be different from the existing bill of the minister.

I am not a lawyer, but I understand in law that when we specify in one aspect of the bill a specific such as interest, that by definition a judge will assume that we meant interest only in that area and that some of the other areas of the bill would not have interest judgments attached to them. As a consequence, I believe we need to either amend the existing legislation in Bill C-109 which talks about interest, so that we are clear that interest is included in all the categories, or we need to delete the interest adjustment aspect from the member's bill.

The bill presented by the member is a good one and deserves the support of the House, but it is a matter of time allocation. This House is very busy. We have been putting through a lot of legislation recently and I am sure the government has much more legislation to present in the new year. We have to find a way in which we can do this efficiently.

It seems to me that the most efficient way to handle the matter would be for the member to move an amendment to Bill C-109

at committee stage. Indeed, I would be happy to support the member in that initiative.

Today I would have to say that I have to oppose the bill, not because I oppose it in principle, not at all. I support the initiatives of the member. I would oppose it simply on the grounds of time allocation.

I believe there are many members on this side of the House that would support the initiatives of the member to bring forward amendments to Bill C-109 during committee stage, dealing with the aspect of interest.

The Deputy Speaker: The time provided for the consideration of private members' business has expired.

[*Translation*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

[*English*]

It being 2.35 p.m., the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 2.33 p.m.)

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