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(HANSARD)

Tuesday, March 12, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, March 12, 1996

The House met at 10 a.m.

Prayers

[English]

PRIVILEGE

COMMUNIQUÉ FROM THE MEMBER FOR CHARLESBOURG

The Speaker: I have received notice of a question of privilege from the hon. member for Okanagan—Similkameen—Merritt.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise on a question of privilege with regard to the actions of a member of the House which I believe constitute a contempt of Parliament.

I cite Joseph Maingot's *Parliamentary Privilege in Canada*, page 210:

In the sense that the House may discipline members for improper conduct, the practice relating to taking up the conduct of members is a matter of privilege.

Beauchesne's sixth edition citation 50 states:

In any case where the propriety of a Member's actions is brought into question, a specific charge must be made.

Page 206 of Maingot's *Parliamentary Privilege in Canada* states:

The conduct of a member may only be discussed in the House of Commons by way of a substantive or a distinct motion, i.e. a self-contained proposal submitted for the approval of the House and drafted in such a way as to be capable of expressing a decision to the House.

Mr. Speaker, I have a specific charge and a substantive motion. I will submit it to you to determine whether it should be given privilege:

Whereas the member for Charlesbourg, acting as the defence critic for the Bloc Québécois and supported by the then Leader of Her Majesty's Loyal Opposition, released a communiqué on the letterhead of the office of the leader of the official opposition on October 26, 1995 before the referendum in Quebec inviting all francophone members of the Canadian Armed Forces to join the Quebec military in the event of a "yes" vote supporting separation from Canada;

That in the opinion of this House, this action by the hon. member for Charlesbourg and the then leader of the official opposition should be viewed as seditious and offensive to this House and constitutes a contempt of Parliament;

and consequently, the House refer the matter to the Standing Committee on Procedure and House Affairs for examination.

Beauchesne's sixth edition citation 28 refers to the Speaker's ruling from June 19, 1959:

—it is clear that many acts which might offend against the law or the moral sense of the community do not involve a Member's capacity to serve the people who have chosen him or her as their representative nor are they contrary to the usage nor derogatory to the dignity of the House of Commons. Members of the House of Commons, like all other citizens, have the right to be regarded as innocent until they are found guilty, and like other citizens they must be charged before they are obliged to stand trial in the courts. Parliament is a court with respect to its own privileges and the dignity and the privileges of its Members.

The member for Charlesbourg has not denied sending the communiqué. This is a matter of fact. It is not something we have to prove. It is *prima facie*. The question to be answered is whether the member is guilty of offending Parliament. In the opinion of the House is the hon. member for Charlesbourg guilty of sedition?

● (1010)

This issue is being debated in the media and in the public. It is not going away. Many of us have received letters, faxes and phone calls concerning this matter. Canadians from coast to coast to coast have been contacting me as the Reform Party's defence critic objecting to the action taken by the separatist party in the House.

Retired Major-General Lewis MacKenzie recently told Diane Francis, the editor of the *Financial Post*: "Only in Canada could someone get away with something like that. In some countries people would be in jail. In Canada the attitude is ignore it, it will go away, there are more important issues".

I repeat that in June of 1959 the then Speaker of the House pointed out that Parliament is a court with respect to its own privileges and dignity.

Beauchesne's sixth edition citation 46 states clearly:

The House has, on occasion, examined the activities of Members to establish if they were fit to hold their seats.

We have the right and the duty to examine these activities of members. I am not recommending that we do this on a regular

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basis. However, a case such as the present one warrants our examination. In the present case we have a member of Parliament encouraging members of the Canadian Armed Forces to choose sides on the secession debate. This should be examined by the House.

Page 188 of Maingot's states:

A prima facie case of privilege in the parliamentary sense is one where the evidence on its face as outlined by the member is sufficiently strong for the House to be asked to send it to a committee to investigate whether the privileges of the House have been breached or a contempt has occurred and report to the House.

The evidence here is black and white. It is in the form of a communiqué the hon. member sent to the military.

With respect to whether this constitutes a contempt of Parliament, Erskine May's 21st edition at page 115 states that an offence of contempt:

—may be treated as a contempt even though there is no precedent of the offence. It is therefore impossible to list every act which might be considered to amount to contempt, the power to punish for such an offence being of its nature discretionary.

Maingot's, page 191:

While privilege may be codified, contempt may not—there is no closed list of classes of offences punishable as contempts of Parliament.

On October 29, 1980 a Speaker of the House said:

The dimension of contempt of Parliament is such that the House will not be constrained in finding a breach of privilege of its Members or of the House. This is precisely the reason that, while our privileges are defined, contempt of the House has no limits.

Mr. Speaker, if contempt has no limits, if there need not be a precedent for the offence, if contempt cannot be codified and if the House shall not be constrained in finding a contempt of Parliament, how can you do anything else but allow the members of the House the opportunity to decide if the actions of the hon. member for Charlesbourg are offensive and constitute a contempt? How can you decide this matter offends us or not? The evidence is more than sufficiently strong. The evidence is conclusive. The member sent the communiqué. We must therefore go to the next step. We must determine by due process in our opinion the member's innocence or guilt.

• (1015)

I would like to table the evidence in this case, which is the communiqué dated October 26, 1995 from the office of the official opposition.

Mr. Speaker, I ask that you find this matter to be a prima facie question of privilege. I believe that this matter should be reviewed to determine whether or not the dignity of the House has been violated by the hon. member's actions.

The Speaker: My colleagues, on your behalf I do take this as a very serious situation. It is probably one of the more serious situations that I as your Speaker have been confronted with since I was chosen as your Speaker.

We do have on the floor a specific charge of one member to another member. Before I declare whether or not this is a prima facie case, I would make a passing comment.

This communiqué is dated October 26, 1995. I mention that because although contempt can stand by itself, it comes under the aegis of privilege. In privilege members are admonished and encouraged to bring up such a matter at the earliest possible moment. I mention that only to put this matter into perspective.

I will now recognize the House leader of the Bloc Québécois.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, first of all I would like to point out that there was no unanimous consent for tabling the document referred to my colleague, and it is not consented to. Second, the crux of the problem is that the member for Charlesbourg did indeed contact members of the Armed Forces in this letter in order to indicate to them that—I have the text here—if the yes side won in the October 30 referendum, the rights, salary levels and ranks of Quebec members of the Canadian Armed Forces would be recognized by the Government of Quebec which would have its own armed forces, like any other country, although obviously of limited size.

• (1020)

The reason this came up is that, during the referendum campaign, the federalists referred to precisely that matter, saying "People will be losing their jobs, losing their jobs because they are Quebecers and Quebec will become a sovereign country. And either there will be no armed forces in a sovereign Quebec or Canada will refuse to keep citizens of Quebec on as members of its armed forces". If one camp is entitled to discuss such matters, there are no grounds here for accusing the other of sedition, of rallying people against Canada or the Canadian Armed Forces. This was merely a response to arguments—

Mr. Crawford: Bull!

An hon. member: Oh, the Liberals.

Mr. Duceppe: I imagine some of the Liberals are Reformers without knowing it, considering their attitudes, behaviours, ideas.

I see this as just part of a political debate, nothing to do with contempt of Parliament or calls to sedition. All it represents is asking a question: What will happen if sovereignty is declared by the people of Quebec?

Some people on one of the sides were examining various scenarios and were entitled to do so, to voice their opinion, to form hypotheses. Those of us on the other side feel equally entitled.

The letter in question was not in the least against the law. Not in the least.

Mr. Gauthier: They are quick to yell “treason”.

Mr. Duceppe: Exactly, the Leader of the Opposition says they are quick to yell “treason”. And they are quick to do other things also. This certainly does not reflect any serious intent in this House. I feel this Parliament ought to be examining fundamental problems, and giving up proposing populist rabble rousing solutions, the stock in trade of the Reform Party.

I would submit, Mr. Speaker, that there are no grounds for a question of privilege and that the motion must be rejected, not only because they have become aware of this letter just today. I imagine they are following the advice of one of their gurus, Diane Francis of the *Financial Post*, which speaks volumes, when one has some knowledge of the individual in question.

There is nothing serious in any of this. Mr. Speaker, I realize you are faced with a serious situation, but the serious nature of the situation is not because they have anything serious to say. It is altogether different. Sometimes a serious problem arises because of some people’s foolish behaviour. This is a clear example of foolish behaviour.

Mr. Speaker, I call on you to reject any claim to a question of privilege.

[English]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, there is no doubt the question you will have to deal with is serious. I am sure you will deal with it in a very serious manner as you always do.

Mr. Speaker, I believe you will have to consider mainly what constitutes privilege as being defined in citation 24 of Beauchesne which reads in part:

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies of individuals.

In that regard Mr. Speaker will have to judge whether the action in question as alleged today constitutes an act which prevents other members from conducting their duties as defined in the definition of privilege we have before us.

The second thing Mr. Speaker might want to consider is in relation to the accusation made, whether the accusation was delayed or whether it was brought forward to the House at the earliest opportunity and given the gravity, whether the delay is

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justified under the circumstance. Mr. Speaker will have to decide on all those things.

Mr. Speaker will have to rule on the importance of the issue itself.

• (1025)

In a related matter, I ask Mr. Speaker to look at the issue of illegality which was raised today. I believe that one is outside the jurisdiction of Parliament. In addition and as an aside to the alleged illegality there is the issue of whether or not the action in question was unparliamentary and whether the issue was inappropriate for a member of Parliament to engage in. If that action were to be inappropriate, was it sufficiently inappropriate to deem an action by the Speaker and deem it to be a prima facie case of privilege?

There are actions from time to time that are inappropriate but Mr. Speaker rules that they may not necessarily be of such importance as to deem them to be prima facie cases of privilege. On the other hand, other accusations meet that test and have been deemed to be so by the Speaker and have been referred to the parliamentary committee.

The committee undertakes the second step of determining whether the prima facie case of privilege constitutes a true case of privilege as determined by peers of the House, members of Parliament sitting on the parliamentary committee on procedure, privilege and election.

The committee over recent years has seldom exercised its role in regard to privilege as it generally deals with issues involving procedure, amending our rules, and elections as was done recently in terms of electoral redistribution and so on. Nevertheless that residual power does belong to that committee, once having had referred to it by Mr. Speaker a prima facie case of privilege.

I believe those are the issues Mr. Speaker will have to address in making his determination. Then Mr. Speaker will bring that prima facie ruling back to the House for the House to refer the matter if it is deemed necessary to the appropriate committee.

Mr. Hart: Mr. Speaker, the point was raised whether or not this matter came to the attention of the House at the earliest possible convenience.

I would like to give the House my assurance that I brought this matter forward at the earliest possible convenience. The Speaker knows that the House was prorogued for some 10 weeks. That was not the fault of this party or myself. It took some time for the research to be done. I know the Speaker will take the time to read the blues and he will see we have quoted from Erskine May, Maingot and also parliamentary privileges from Beauchesne’s as pointed out by the Liberal whip. There was a tremendous amount of research. This is a complex issue.

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I want to assure members of the House that it is in the purview of the powers we have in the House of Commons to determine whether these actions of the member were in fact a contempt of this place. We ourselves must determine that. That is why I have brought this forward today.

The main purpose of my effort is to draw the line on what is unacceptable behaviour with respect to trying to get members of the Canadian Armed Forces to take sides in the secession issue. That is the purpose of this motion: to draw the line and say what is acceptable and what is unacceptable in the eyes of this House.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): I have three short comments to make, Mr. Speaker. First of all, regarding Reform's claim that they did not have the time to raise this question of privilege because of prorogation, I should point out that the referendum was held on October 30. Between the months of October and February, we were here for two whole months back in November and December. At least we were. I do not know where they were, but they certainly had enough time to raise the question.

• (1030)

Second, since my colleague argued that members of the military were asked to participate in an act of secession, I should remind you that they were sounded out because they had the right to vote, like any other citizen of Quebec. There are not two separate votes, one for members of the military and one for other citizens. Third, they wanted to know what would happen to them just like all federal public servants, to whom the Bloc Québécois and the whole sovereignist movement had explained what they could expect after a yes vote in the referendum.

We feel that public servants working for the departments of labour, agriculture or human resources development are just as important as their defence colleagues and vice versa. We had a duty to answer their questions and not to leave it entirely to federalists, who were anticipating the worst and saying that sovereignists would not meet any of their commitments.

The document clearly specifies that all soldiers wanting to would be invited to transfer to Quebec's armed forces in the event of a yes vote. I went to enough meetings and I even saw television programs making it clear that Quebec soldiers would have the choice of staying in the Canadian Forces or switching to Quebec's armed forces.

I know that Reform members were against Quebec soldiers' being allowed to stay in the Canadian Forces. So today we hear two different tunes.

[English]

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, as many of my colleagues on all sides of the House have done, we had taken note of the action of the member opposite at about the time of the referendum.

I want to make two or three points that I think might be helpful to you, Mr. Speaker. First, we have already made an attempt to distinguish the functions of the House of Commons from the functions of the ordinary courts of law. Most of the material facts lying in the background I would have thought would have been disposed of by those public authorities whose job it is to look at these things.

In dealing with the background facts one notes that it is an arguable counselling of a member of the armed forces which has taken place contrary to the National Defence Act. One notes that it is arguably a seditious act which has taken place, being a subversion of the federal sovereignty tending to public disorder or a disorder. It is arguable that that outcome could have occurred.

One fact should be taken note of, and I am responding to the remarks of the House leader of the Bloc Québécois. It was fairly clear to me as a member of Parliament that in the event there had been a majority yes vote in the province of Quebec, that would not by itself have created the Quebec national sovereignty that has been discussed here. Even in the statute, as I understand it, in the province of Quebec there was a significant material lag time between the result of a referendum and any decision on sovereignty or secession.

The leader of the Bloc Québécois has attempted to describe what his colleague has done as some kind of a quasi-job creation program for orphaned members of the Canadian Armed Forces. I suggest that as a respectful member I cannot accept that and I respectfully suggest that you, Mr. Speaker, should not either.

I believe there has been a substantial lapse of time involved. In addition to the reasons put forward by the member moving the motion, the House was prorogued for a period of time and adjourned for a period of time. There was also a period of time when the public authorities that I mentioned earlier were looking at this with reference to the Criminal Code and the National Defence Act. They, in their good judgment, have decided not to proceed to deal with those background underlying facts by laying any charges.

• (1035)

At the end of the day you, Mr. Speaker, are being asked to take note of the actions of a member who has used the House of Commons facilities and stationery in taking action which may bring the House into disrepute and may involve the House in some prima facie illegality either in relation to the Criminal Code or to the National Defence Act.

Privilege

Mr. Speaker, it is not an easy decision for you. I go back to my opening remarks when I said that I tend to believe this is a matter that should be dealt with, for the most part, by the ordinary courts and not by the court of Parliament.

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, I want to make a very brief submission with respect to this matter.

To all intents and purposes this is a question of the rule of law and respect for the rule of law. Because a member of Parliament is alleged to have breached the Criminal Code, the issue becomes, as well as the other issues, whether or not members of Parliament should be above the rule of law.

My recollection is that this matter has not been considered by either the Attorney General for the province of Ontario or his counterpart in the province in Quebec. There are two issues here; one with respect to a breach of the Criminal Code of Canada and the other with respect to the matter raised by the hon. member, a breach of the privileges of the House.

Surely, Mr. Speaker, you would agree that the first is the more important issue, whether or not the Criminal Code of Canada has been breached with respect to the laws of sedition. It is clear that there is a general reluctance on the part of authority, whether it is here in Ottawa or at the provincial attorneys general level, to pursue this issue because of the political consequences of a prosecution.

I do not believe that Parliament or the attorneys general of Quebec or Ontario should not prosecute because of potential political consequences. You either have a criminal law to which all the citizens of the country are subjected or you do not. In order for there to be respect for the rule of law there has to be a perception that nobody is above it, not even members of Parliament and not even judges.

I would recommend or urge you, Mr. Speaker, not to dismiss this matter on the basis of a technicality which is whether or not the matter has been brought to the attention of Parliament at the earliest opportunity. I think that would be a cop out and would be seen as summarily dealing with a matter of grave national importance.

I would urge you, Mr. Speaker, to refer the matter to the appropriate committee of the House so that the committee will be charged with investigating all aspects of this matter. That committee, in my respectful submission, should be urging the attorney general for the province of Ontario and the attorney general for the province of Quebec to review the matter. If in their wisdom they decide that there are no grounds for criminal prosecution then so be it.

However, if there are grounds for a criminal prosecution the criminal prosecution should proceed and the attorneys general, either one of the two, should not take into account political consequences of the rule of law or a potential breach of the Criminal Code.

We are not talking about a minor or summary conviction offence. We are talking about an indictable offence under the Criminal Code. Therefore, I would urge you, Mr. Speaker, to refer this matter to the committee for complete consideration.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the essential thing we are discussing here is a breach of parliamentary privilege.

• (1040)

I would like to point out that it goes beyond that: this House is representative of the people of Canada. The issue is of national importance. It is incumbent on us to discuss it here. But when we do so, we are doing so on behalf of all Canadians. All Canadians have been sitting by for months looking at the issue and asking: "What is happening?"

I would suggest that many of us as members of Parliament have received words, letters, protests from citizens asking: "What are you doing?"

I suggest that in addition to addressing the privileges of Parliament in this issue we are also addressing offences, if not in law as pointed out by the last member, in the privileges of the Canadian people.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I think the House has spent enough time on this point of privilege this morning. We had some important problems to discuss. The real problems are those of the bills we should be debating, those of the unemployed. We are digressing; the government and the other opposition party are digressing from the discussion we should be having on the real problems at hand.

We asked for an allotted day in order to talk about those problems and not to find out if the Bloc Québécois had the right to tell the truth to people during the referendum campaign.

Mr. Speaker, I call on you to declare the debate concluded on this question of privilege. I think you have heard enough to have a good idea and that you will be able to hand down a fair ruling in the near future.

[English]

SUSPENSION OF SITTING

The Speaker: My colleagues, as I said to you at the beginning of my remarks in the House, as your Speaker I view the matter we have now undertaken as a very serious one.

The House has always been indulgent with me. It would be my intention for the next few minutes to call a recess of the House. I wish to inform myself on a few points and then I will come back to the House.

Speaker's Ruling

For the next little while I will recess the House.

(The sitting of the House was suspended at 10.43 a.m.)

SITTING RESUMED

The House resumed at 11.23 a.m.

PRIVILEGE

COMMUNIQUÉ FROM THE MEMBER FOR CHARLESBOURG—SPEAKER'S RULING

The Speaker: The House today is being faced with one of the more serious matters we have been faced with in this 35th Parliament. As a matter of fact, in my view it is so serious that the matter's being raised at the first opportunity, which I have brought up in passing, is moot.

The ultimate act in which one member may confront another member is by making a charge against that member. Mr. Speaker Michener noted that there should be no investigation of any member's conduct unless there is a specific charge. This specific charge must be made by way of a substantive motion.

I am of the opinion that nothing will be gained by delaying consideration of this issue to a later date.

I believe the charges are so grave against one of our own members that the House should deal with this accusation forthwith. I invite the hon. member for Okanagan—Similkameen—Merritt to put his motion before the House.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I move:

Whereas the member for Charlesbourg, acting as the defence critic for the Bloc Québécois and supported by the then Leader of Her Majesty's Loyal Opposition, released a communiqué on the letterhead of the office of the leader of the official opposition on October 26, 1995 before the referendum in Quebec inviting all francophone members of the Canadian Armed Forces to join the Quebec military in the event of a "yes" vote supporting separation from Canada;

That in the opinion of this House, this action by the hon. member for Charlesbourg, and the then leader of the official opposition should be viewed as seditious and offensive to this House and constitutes a contempt of Parliament; and consequently, the House refer the matter to the Standing Committee on Procedure and House Affairs for examination.

The Speaker: Who will be the seconder for this motion? The honourable member for Saanich—Gulf Islands.

Mr. Hart: Mr. Speaker, my main purpose of this effort today is to draw the line on what is unacceptable behaviour with respect to trying to get members of the Canadian Armed Forces to take sides on the secession issue.

Canadians from coast to coast have been contacting me as the defence critic for the Reform Party of Canada objecting to this action taken by the separatist party in the House.

Retired Major-General Lewis MacKenzie recently told Diane Francis, the editor of the *Financial Post*: "Only in Canada could you get away with something like that. In some countries people would be waiting in jail. In Canada the attitude is ignore it, it will go away, there are more important issues".

Many Canadians share my view that there are no issues more important than the one the House faces today.

• (1130)

We in this place have tried to behave accordingly, waiting for the people of Quebec to say no to separation. For example, many of us did not agree with the fairness of the referendum question. Many of us had problems with many things surrounding the activities of the separatists in Quebec, the government and the words of the separatist party in this House.

However, Canadians are strongly objecting to what was done to our Canadian Armed Forces personnel during the pre-referendum debates. The call to defect from the Canadian military is more than Canadians can accept as acceptable behaviour by parliamentarians. It is more than our armed forces personnel should have to accept as acceptable behaviour from elected representatives in this place.

We must not be forced to sit on our hands in the face of this incident. We must protect the integrity of this institution and have it seen by all Canadians that we are doing everything we can to ensure that hon. members conduct themselves within the limits of acceptable behaviour.

We have tried to deal with the attempt to break up our country. We have met every argument head on in our attempts to keep the country unified.

It is not fair to Canadians that this incident has no remedy. It is not fair that this thing has happened without any form of authority or debate to respond to it. Canadians want this House to deal with what many describe as seditious and offensive behaviour to this House.

All hon. members of this House are trying to respond to their constituents, asking for an explanation of how it is that our military can be meddled with by those attempting to break up our country. This House owes Canadians the right to pursue offensive actions on behalf of every person represented in this place. This House owes our Canadian Armed Forces personnel the right to have this matter investigated by us. We owe it to ourselves to make sure that this incident is not offensive to the Parliament of Canada.

Speaker's Ruling

Media reports advise me that the call to arms printed on the letterhead of the Leader of Her Majesty's Official Opposition was faxed to national media outlets and to every Canadian forces base in Quebec. The communiqué reached our peacekeepers in Bosnia. The Liberal defence minister called the plot shocking and outrageous. The Liberal defence minister has told the media that he sought legal advice from the top echelons at the Department of National Defence. Since then we have heard nothing from the Liberal defence minister.

Canadians know that the minister has once again mismanaged his duties of his cabinet portfolio. Canadians wanted something to be done about what many people believe to be a criminal act. Canadians are proud of our military establishment and we are anxious to speak up on behalf of the men and women serving in the Canadian Armed Forces.

No one, no one can meddle with the Canadian Armed Forces and brag about it. Brag about it; that is what they have done. I have been told that the Bloc Québécois voted on this intention in its caucus. The Bloc Québécois caucus voted in support of releasing this communiqué and then the Leader of Her Majesty's Official Opposition certainly supported sending the communiqué.

As of today Canadians perceive no apologies, no regrets and no Mr. Bouchard. The people of Canada have tried to take this thing to the courts because the Liberals have decided to do nothing about it. Everyone knows that for political reasons the Liberals have advised themselves not to touch this one. The Liberals did not ask Lucien Bouchard to retract the communiqué, discipline his caucus colleagues or apologize on behalf of the separatists. The appropriateness of this kind of behaviour should be debated in public.

• (1135)

The release of the communiqué calls into question the integrity of certain Quebec separatists. How can these same political leaders declare that they intend to engage in peaceful negotiations with the rest of Canada? A yes vote in the referendum was supposed to mean that negotiations were to begin. However, it is very clear from the actions of the Bloc Québécois defence critic that a yes vote would have been treated by some separatists as some sort of immediate declaration of independence and sovereignty.

The people of Quebec were supposed to be voting yes to negotiating a new deal with Canada. With the release of the communiqué—

[*Translation*]

The Speaker: The member for Chambly on a point of order.

Mr. Lebel: Mr. Speaker, a point of privilege please. The member said earlier that the House of Commons is a court. The member just made some declarations based on hear-say, without any evidence. If this is really a court, then the appropriate rules still apply.

The Speaker: My dear colleague, the House of Commons is the highest court in the country. As members, we have the privilege of debating in this House. We are now debating a motion which was tabled. Maybe you have a point, but not a point of order.

[*English*]

Mr. Hart: Mr. Speaker, the people of Quebec were supposed to be voting yes to negotiating a new deal with Canada. With the release of the communiqué it seems that the people of Quebec were misled. They were being asked to vote yes to the undermining of the Canadian Armed Forces starting the day after a yes vote. How can we allow special briefings by the defence department to the Bloc member in question or indeed his separatist caucus when we know that they are capable of this type of activity?

By November 11, 1995 the Toronto *Star*, an unimpeachable Liberal source, reported that the Bloc's whip denied knowing details of the communiqué. In my view this points to the reckless disbandment of the hon. member for Charlesbourg. Another explanation of the Toronto *Star* report would point to the possibility that the Bloc whip himself honestly did not understand the significance of the communiqué. Again I must question the prudence of providing these minds with the information contained in special briefings on the Canadian Armed Forces which are given to members of Canada's Standing Committee on National Defence.

On a related matter, Quebec Deputy Premier Bernard Landry wrote a quick note to all foreign diplomats in Canada encouraging them to recognize Quebec's new independence from Canada the day after a yes vote. The deputy premier sent his quick notes off to diplomats the night before the referendum.

I come to the controversial word "lendemain" which was in the communiqué. Some people say it means the "next day" in English.

As with the action of Quebec's deputy premier, what we are watching here is the action of a very few excited men. One is the deputy premier; the other is the Bloc's defence critic. The actions which these men took were without a doubt wrong. They were not thought through completely. They were damaging and regrettable. They are mistakes.

It was a mistake for the deputy premier to insult Canada by encouraging foreign diplomats to interfere with Canadian politics. It was a mistake for the Bloc's defence critic to contact Canadian Armed Forces personnel and coerce them into choosing sides in the secession debate. Again, there are no apologies for these seemingly sinister actions. Having said that, what we are talking about may be

Speaker's Ruling

truly mistakes. No one knows because we have not dealt with these matters. Mistakes can be corrected.

• (1140)

Many people have been hurt as a result of the efforts of the Quebec separatists. Canadians have been killed.

We still remember the previous premier of Quebec blaming the loss of the referendum on those voters in Quebec who were new Canadians, Canadians of different cultures, anglophones and allophones. Mistakes hurt people. These mistakes must be addressed. There should be no apologies for these actions and no apologies are volunteered.

We must bring these matters to the attention of the proper authorities. Today, as if I had the power of the proper authority, I raise the matter of the communiqué. The Government of Canada has the authority to deal with this matter. Our courts have tried it. The Liberal Party of Canada has chosen not to exercise the authority of our federal government with respect to this communiqué.

The constituents of Okanagan—Similkameen—Merritt sent me to Ottawa because I am not a Liberal, yet I have the power of our federal government. The people I represent have vested this power in me. They have entrusted it with me. They have asked me to come to Ottawa and see that our federal government protects Canadians and the integrity of this House.

I am raising this matter in the House and I am raising it in the defence committee later today. I have some serious problems with the Liberal members sitting on the defence committee who vote in support of members of the Bloc Québécois to serve as vice-chairs.

The Liberals I have no doubt are greatly relieved that last week I made public my plan to force them to draw the line in the sand on what is unacceptable behaviour by parliamentarians. The Liberals are sure that the member for Charlesbourg will not stand for re-election as the vice-chair for the defence committee. The Liberals under the auspicious eye of the Liberal whip, a man to be feared if one is a Liberal, plan to elect a different Bloc Québécois member as vice-chair. The same Liberal Party whip described the communiqué using the terms “dangerous” and “mutiny” in the same sentence. This must have been following his public statement that he knew very little of the details of the communiqué.

I hope the new vice-chairs will know that the Canadian Armed Forces personnel are only released after a six-month period and not the next day.

The communiqué cannot be described as a job offer. I would like to point this out. What we are talking about here is not Zellers asking the people from Wal-Mart to come over to the new firm. He asked members of the Canadian Armed Forces, men and women

who have pledged allegiance to this country, to move to a new armed forces—

Mr. Hermanson: To desert.

Mr. Hart: —to desert the Canadian Armed Forces with their arms. That is the difference. It is not a job offer. It cannot be construed as a job offer.

In conclusion, I urge that the actions of the member for Charlesbourg and the then Leader of the Official Opposition be referred to the Standing Committee on Procedure and House Affairs. I urge the defence committee members to seriously consider casting a vote supporting the Bloc Québécois members for any chairmanship position offered in this House of Commons.

Mr. Speaker, thank you very much for your time.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, to shed some light on the matter raised by the Reform Party today and to ensure all Canadians are clear about what we said to Quebecers, I will read the press release. You may then accuse me of sedition if you want.

Ottawa, Thursday October 26, 1995. The Official Opposition Critic for National Defence, Vice-Chairman of the Standing Committee on National Defence and MP for Charlesbourg, Mr. Jean-Marc Jacob, put forward his position today concerning the national defence policy of a sovereign Quebec. According to him, “Quebec will have the moral obligation to participate in collective security by means of international alliances. Obviously,” he said, “because of its financial constraints, Quebec should not aim to equip itself with an army capable of protecting the integrity of its immense territory. It is unrealistic to think of maintaining or creating a costly military (army, navy and air force) similar to the Canadian structure, given the current economic situation,” he added, “especially in light of the Quebec population’s marked tendency to favour a more peaceful option than the rest of Canada in defence matters”.

• (1145)

No doubt he was thinking of the Reform Party, when he said that.

Mr. Jacob recalled that Quebecers have never questioned the value of UN peace missions. All the same, he considers that in order to participate and collaborate in international security “Quebec must devote itself to having an adequately trained defence force”.

Quebec’s participation in collective security could never be compared with that of the United States, France or England and “a realism dictated by financial logic will lead us to determine our priorities and possibilities”, emphasized the MP for Charlesbourg, who believes that the government of a sovereign Quebec should made the best use of the resources already deployed on its territory “in order to allow all military responsibilities to be carried out at the least cost”.

Mr. Jacob believes that Quebec needs a defence force, especially to watch over and intervene on its territory, to participate in strategic international alliances and in certain peace missions as well as to respond to all civil security needs, such as natural disasters and search and rescue. The MP for Charlesbourg believes that to properly carry out its functions, Quebec will have need of all Quebecers presently enlisted in the armed forces. As well, he added that Quebec will be part of NATO,

“which has standards of democracy, respect for civil and human rights that we share”.

At least I hope it is shared by everyone here.

“The day after a yes win,” he says, “Quebec should immediately create a Department of Defence, the embryo of a major state, and offer all Quebecers serving in the Canadian Forces the chance to integrate into the Quebec Forces “while keeping their rank, seniority and retirement funds as a means to ensure a better transition,” he assured.

Mr. Jacob explained that Quebec already pays 23.5 per cent of the Canadian military budget, being more than \$2.6 billion a year. It will not spend more upon becoming sovereign, he says, even predicting a saving of approximately \$700 million since “Quebec will no longer have to pay for Canada’s extravagances, buying too much for too high a price”.

The Bloc Quebecois MP continued by emphasizing “the professionalism and the quality of officers who are Quebecers, the exploits of the 22nd Regiment and the 5th Brigade from Valcartier, as well as the air force from Bagotville who were able, with brilliance, to fulfil the peace missions with which they were entrusted”. As well, he pointed out, the St-Jean Military College, which had acquired an international distinction, should re-open. “All of this expertise will not disappear with Quebec’s accession to sovereignty and, personally, I think that soldiers of Quebec origin will respect the people’s decision and will transfer their loyalty to the new country whose security they will ensure”, Mr. Jacob concluded.

This is the end of the press release.

Some hon. members: Hear, hear.

Mr. Duceppe: Mr. Speaker, where is there a call to arms in this text? Nowhere. I imagine there was interpretation, so they must have understood in their own language. There is no call to arms in this text. Nowhere.

It is suggested that we had discussions or dealings with Quebec members of the Canadian Armed Forces. We did, because we consider them full fledged members of our society. The men and women of the Canadian Armed Forces are citizens, first rate citizens, and, as such, they have a say. It is our duty to come to them with a plan that is not a secret plan, a plan that was outlined during an election campaign which culminated in the election of some of our people and a plan that was explained in this House on many occasions.

• (1150)

There is nothing to hide. We were just explaining to them what their rights would be in the event of a yes vote. That is basically what we did—and it was our duty to do so—and we did the same thing for other public servants, who also have an important role to play in our society, in Quebec and Canada. We did our duty.

Same thing with the diplomats—reference was made to diplomats that Deputy Premier Bernard Landry contacted. Indeed, matters were dealt with peacefully.

[*English*]

Mr. Hermanson: Mr. Speaker, a point of order. I would like clarification from the Chair that this is questions and comments.

Speaker's Ruling

[*Translation*]

Mr. Duceppe: I though we had resumed debate.

The Speaker: No, we were on questions and comments, so I thought the hon. member might have a question to ask.

Mr. Duceppe: Mr. Speaker, continuing with my question, I wonder if this whole argument, these tactics, will not just go to show their inability to become the official opposition, their inability to win an election, their inability to sit on committees and their inability to carry out normal, and I stress the word normal, political—and I would add democratic—duties in this House.

[*English*]

The Speaker: The hon. member has approximately two minutes to respond.

Mr. Hart: Mr. Speaker, I thank the hon. member for his intervention. I thank him for again reading the communiqué into the record of the House.

I point out that this is the evidence and what he said today is in it. There are quotes from the hon. member for Charlesbourg who says in the communiqué: “We will have to use and rationalize the resources already deployed in the territory of Quebec”.

The evidence is in black and white. The member sent the communiqué. The communiqué was on the loyal opposition’s letterhead. It is a black and white case. The evidence is that they sent the communiqué. It was done.

The Speaker: There are only about 60 seconds left. Does the member have a question?

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, my comments call attention to the fact that in my time of 35 plus years in the military, the most serious offences were sedition or mutiny from within the ranks of the military. For it to come from an outside authority such as a parliamentarian makes it an even more serious offence.

The second point I have to make is that the Bloc is trying to give the impression that this was only going to take place eventually.

I quote from the press release:

[*Translation*]

“The day after a yes win”. Does this mean the very next day, the day after or several weeks later? I do not know. “The day after a yes win, Quebec should immediately create a Department of Defence”. Right away.

Some hon. members: Hear, hear.

Speaker's Ruling

[English]

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have had an opportunity to review the motion that the hon. member has put forward and I see some problems with the recitals in the motion.

We need some time to consider the text carefully and perhaps offer some amendments or suggestions to the motion. For example, the recitals prejudice the reference that the hon. member is making.

• (1155)

Is the hon. member asking that this matter be sent to the committee? In his recital he is prejudging the decision that might be considered by the committee one way or another. The recital finds guilt or assigns blame. Rather than debate the merits of the matter in the House today, I move:

That the debate be now adjourned.

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say ye.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

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

(Division No. 7)

YEAS

Members

Adams	Alcock
Allmand	Assadourian
Asselin	Augustine
Bachand	Baker
Bakopanos	Barnes
Bélisle	Bellehumeur
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bevilacqua	Blondin-Andrew
Bodnar	Boudria
Brien	Brown (Oakville—Milton)
Bryden	Campbell
Canuel	Cauchon
Chamberlain	Chan
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Collins	Comuzzi
Crawford	Crête
Culbert	Dalphond-Guiral
Daviault	de Savoie
Debien	Deshaies
DeVillers	Dhaliwal
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dumas

Dupuy	Easter
English	Fewchuk
Fillion	Finestone
Fiis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Gauthier
Gerrard	Godin
Goodale	Graham
Gray (Windsor West/Ouest)	Guarnieri
Guimond	Harvard
Hickey	Hubbard
Ianno	Irwin
Jackson	Jacob
Jordan	Keyes
Knutson	Lalonde
Landry	Langlois
Lastewka	Laurin
Lavigne (Beauharnois—Salaberry)	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loney	Loubier
MacAulay	MacDonald
Maloney	Marchand
Marchi	Massé
McCormick	McGuire
McKinnon	McTeague
McWhinney	Ménard
Mercier	Milliken
Mills (Broadview—Greenwood)	Mitchell
Murphy	Murray
Nault	Nunez
Nunziata	O'Brien
O'Reilly	Pagtakhan
Paré	Parrish
Patry	Peric
Peters	Peterson
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Pillitteri
Pomerleau	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robillard
Rocheleau	Sauvageau
Scott (Fredericton—York—Sunbury)	Shepherd
Skoke	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Thalheimer
Torsney	Ur
Vanclief	Venne
Verran	Volpe
Walker	Wappel
Whelan	Wood
Young	Zed—162

NAYS

Members

Abbott	Ablonczy
Althouse	Axworthy (Saskatoon—Clark's Crossing)
Benoit	Breitkreuz (Yorkton—Melville)
Chatters	Cummins
Duncan	Epp
Forseth	Frazer
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (MacLeod)	Hill (Prince George—Peace River)
Hoepfner	Johnston
Manning	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	McLaughlin
Meredith	Morrison
Penson	Ramsay
Riis	Ringma
Scott (Skeena)	Silye

Solberg
Speaker
Strahl
White (North Vancouver)

Solomon
Stinson
Taylor
Williams—40

PAIRED MEMBERS

Caron
Copps
Guay
Lefebvre
Plamondon

Catterall
Eggleton
Kraft Sloan
Lincoln
Tremblay (Rosemont)

• (1235)

The Speaker: I declare the motion carried.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the government's response to ten petitions presented during the first session.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Citizenship and Immigration and associate membership of various committees. If the House gives its consent I intend to move concurrence in the sixth report later this day.

* * *

CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Lib.) moved for leave to introduce Bill C-234, an act to amend the Criminal Code.

• (1240)

He said: Mr. Speaker, I thank the member for Kamloops for seconding the reintroduction of this bill.

This is the identical bill I introduced on March 17, 1994. Pursuant to special order of the House passed on March 4, I am requesting this bill be reinstated to the position it was in prior to or at prorogation. It was being considered by the justice committee. The effect of this reintroduction will be that the justice committee will once again be seized with this bill.

Routine Proceedings

This bill would repeal section 745 of the code, which allows convicted killers to apply to have their parole ineligibility reduced.

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

The Deputy Speaker: The Chair is satisfied that the bill is in the same form as Bill C-226 at the time of prorogation of the first session of the 35th Parliament.

[Translation]

Consequently, pursuant to order passed on Monday, March 4, 1996, the bill is deemed to have been read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

CRIMINAL CODE

Mrs. Christiane Gagnon (Québec, BQ) moved for leave to introduce Bill C-234, an act to amend the Criminal Code (genital mutilation of female persons).

She said: Mr. Speaker, this bill is in the same form as Bill C-277 was at the time of prorogation of the first session of the 35th Parliament.

This bill seeks to prohibit any direct or indirect involvement in the practice of genital mutilation of female persons. It makes it a criminal act liable to a maximum imprisonment term of five years. The object is to make sure that there is no doubt in anyone's mind, whether relatives, friends, doctors, community stakeholders, lawyers or judges, that genital mutilation is absolutely not justifiable and that, on the contrary, such practice must be severely punished so as to deter anybody from trying to circumvent the law.

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

The Deputy Speaker: The Chair is satisfied that the bill is in the same form as Bill C-277 was at the time of prorogation of the first session of the 35th Parliament.

Consequently, pursuant to order passed on Monday, March 4, 1996, the bill is deemed to have been read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

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

Routine Proceedings

Mr. Milliken: On a point of order, Mr. Speaker. Since the report is unavailable, I wonder if it could be read before it is concurred in.

The Deputy Speaker: The Table will read the report.

• (1245)

The Clerk:

The committee recommends, pursuant to Standing Orders 104 and 114, the following change in the membership of the Standing Committee on Canadian Heritage: Mr. O'Brien for Mr. Bertrand.

The committee also recommends, pursuant to Standing Orders 104 and 114, that the following members be added to the list of associate members of standing committees: Canadian Heritage—Mr. Bertrand; Human Resources Development—Ms. Minna; Government Operations—Mr. Bélanger.

The committee further recommends that the name of the following member be deleted from the list of associate members of the Standing Committee on Human Rights and the Status of Persons with Disabilities: Mr. Bélanger.

A copy of the relevant minutes and proceedings, Issue No. 1, which includes this report, is tabled.

Respectfully submitted,

Paul Zed, Chairman.

(Motion agreed to.)

* * *

PETITIONS**JUSTICE**

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is my pleasure to present two petitions. The first one contains 33 signatures from my constituents.

The petitioners call on Parliament to enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post-sentence definition orders and specifically passing Bill C-240.

TAXATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the second petition is 15 pages long, signed by people in my constituency. The petitioners are requesting that Parliament not increase the federal excise tax on gasoline in the next federal budget.

VOICE OF WOMEN

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present hundreds of petitions from the Voice of Women.

Whereas the organization, Voice of Women, since 1960 has expressed its opposition to war and violence and has worked for a world free of fear, a world in which people's basic needs are met and in which peace, justice and safe environment are attainable goals, the petitioners humbly pray and call on Parliament to discontinue all nuclear and military trade agreements and replace

employment and defence projects with work which will adequately respond to civilian needs.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present two petitions which have been circulating across Canada.

The first petition is from Sarnia, Ontario. The petitioners 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 society.

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

FETAL ALCOHOL SYNDROME

Mr. Paul Szabo (Mississauga South, Lib.): The second petition, Mr. Speaker, comes from Penticton, B.C. The petitioners 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 on Parliament to enact legislation to require health warning labels to be placed on the containers of alcoholic beverages to caution expectant mothers and others of the risk associated with alcohol consumption.

• (1250)

HUMAN RIGHTS

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, I have a petition from a number of my constituents which asks Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation.

YOUNG OFFENDERS

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, I have three petitions.

The first petition is from the professional teaching staff of schools in my riding at Wadena, Kelvington, Porcupine Plain, Weekes, Hudson Bay, Archerwill and Naicam. The petitioners ask the Government of Canada to toughen the Young Offenders Act as quickly as possible with a view to making young offenders responsible for their actions, making names of young offenders public and increasing the severity of consequences for repeat offenders.

WESTERN GRAIN TRANSPORTATION ACT

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, the second petition is from people in northeastern Saskatchewan. The petitioners call on Parliament to include forage and alfalfa producers in any compensation payment arising from the elimination of the Western Grain Transportation Act.

PENSIONS

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, the third petition is from seniors in the towns of Invermay, Rama and Hazel Dell, Saskatchewan. The petitioners call on Parliament to maintain and enhance the public pension system, which is their right and heritage as senior citizens.

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I have a number of petitions.

The first is from the parents of students attending St. Ann's in the city of Kamloops. The petitioners indicate that women and children are becoming increasingly fearful of walking in their streets and neighbourhoods. They believe many violent and sex offenders are being paroled prematurely or are being released without proper treatment and rehabilitation.

They believe those convicted of dangerous and sexual offences should remain incarcerated until they have successfully undergone treatment and can demonstrate unequivocally that they have been completely rehabilitated.

Therefore the petitioners call on the Minister of Justice to take whatever steps necessary to amend Canada's Criminal Code and parole system to ensure safety and peace in Canadian neighbourhoods.

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the second petition calls on Parliament to amend the Income Tax Act to exclude child support payments from the taxable income of custodial parents.

Obviously the government has listened because it has done that. The petition was prepared prior to the last budget.

HUMAN RESOURCES DEVELOPMENT CANADA

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is a pleasure to present a petition on behalf of a number of constituents in Kamloops.

The petitioners indicate that changes to HRDC funding focuses on services for UI recipients only. They believe this will effectively eliminate most employment programs for immigrants, new Canadians and visible minorities experiencing barriers to the job market. Therefore they are asking Parliament to continue funding programs with proven success rates, particularly for non-UI recipients.

HUMAN RIGHTS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, in the final petition the undersigned electors of Kamloops draw to the

Supply

attention of the House that one of the core values of Canadian society is the strong belief in equality; that equality for all Canadians includes freedom from hatred, harassment and discrimination.

Therefore the petitioners call on Parliament to enact legislation to amend the Canadian Human Rights Act to prohibit discrimination against persons based on their sexual orientation.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—WITHDRAWAL OF BILL C-12, AN ACT RESPECTING EMPLOYMENT INSURANCE IN CANADA

Mr. Michel Gauthier (Leader of the Opposition, BQ) moved:

That this House require the Minister of Human Resources Development to withdraw Bill C-12, an act respecting employment insurance in Canada, from the Order Paper immediately and go back to the drawing board, since this reform hits young people, women, seasonal workers and immigrants hard.

He said: Mr. Speaker, if this House had any sensitivity whatsoever to the situation of the unemployed, we would have been involved in discussion of this extremely important motion for three hours by now. The House has taken up three hours with discussions of something far removed from the motion we have tabled. This clearly shows a lack of sensitivity to those Canadians who will be bearing the brunt of the severe cutbacks to the unemployment insurance system. I believe it also demonstrates how tenuous a grasp the people involved have of the realities in their ridings and their regions, whether in Quebec or elsewhere.

• (1255)

The matter under discussion will have dramatic repercussions all across Canada. The Minister of Human Resources Development, backed up so kindly by the Minister of Finance, has decided unemployment insurance needed reforming. There had been feelings that yes, perhaps the plan did need some modernizing, perhaps to make sure the money invested in it was used in the workers' best interests. Perhaps the time might have come for the government to review the use of the billions of dollars in the unemployment

Supply

insurance fund, so as to get better use from it. We are open to looking at an unemployment insurance system aimed at returning people to the work force, helping workers retrain, adapting the labour force to market needs. Well, we are open to considering this. No one can be against progress.

However, when this government came to power, two years ago, right from the start, on the pretence that it was going to overhaul the system, it announced a major social program reform. It said that it was going to issue a document explaining to Canadians how social programs, including unemployment insurance, were going to be modified. The then minister kept on postponing the release of drafts and, eventually, began to hint at an unemployment insurance reform that was going to hurt.

I remember how my colleague, the member for Mercier, would rise in this House and ask the then minister: "Is it true that the government is getting ready to cut the unemployment insurance system in such and such a way? Is it true that the government is getting ready to hit young people with its reform?" The only answer we ever got from the minister was that the member was ill informed. He never let on to what was being planned. The documents coming from his office were working papers, mere scraps of paper on which suggestions had been haphazardly scribbled for the minister's attention, recommending cuts here or there; but the minister claimed they were without foundation.

We were kept waiting. We were patient. We asked questions. We warned the government. Finally, a bill was introduced, then withdrawn and reintroduced, unchanged; its main objective is essentially to make cuts. Indeed, after cuts of \$2.4 billion overall in the unemployment insurance system in 1994, current numbers show that within two years an additional \$1.5 billion dollars will be cut from the program.

Granted, these days, we must expect cuts, and some reduction in benefits. But what really shocked us when we scrutinized the numbers was to find out—people might not believe this—that the federal government has not paid one penny into the unemployment insurance fund since 1990. Is it acceptable for a government which has not been paying one penny into the unemployment insurance fund to use employers' and employees' contributions to finance its deficit?

• (1300)

Yet, this is precisely what the federal government is doing. It is unacceptable that a government, a Minister of Finance—the figures are now known because the budget has been tabled—dare write in their budget papers: "Surplus of Unemployment Insurance Fund 1994-95, \$4.1 billion; 1995-96, \$5 billion; 1996-97, \$5 billion; 1997-98, \$5.3 billion". And the figures are not yet available for subsequent years.

What makes people mad in rural Quebec, or rural Canada for that matter, is that they must get 10, 12 or 15 weeks of employment per year if they work in a seasonal sector. Is it not appalling to realize that you might lose your unemployment insurance benefits because the Minister of Finance decided, right in the middle of an employment crisis, that he would take \$5 billion out of the fund to help reduce the deficit?

Mr. Loubier: This is horrible. This is disgusting.

An hon. member: Shame, shame.

Mr. Gauthier: Mr. Speaker, there have been demonstrations just about everywhere. And there will be more, because the people who are victimized, who understand what the government is doing, refuse to accept and cannot understand. How can you understand, when your total income is \$10,000, \$12,000 or \$15,000 per year, maybe less? How can you understand that the federal government is going to ask you to help pay for its poor management? How can you accept, when you are reduced to survive on the pittance provided under the unemployment insurance program, how can you accept with equanimity that the federal government will reduce your benefits? Especially when you know that the fund has a surplus.

This is the first time that we encounter a situation like this one. Some people might say: "Well the opposition is against it, this is its role, it has to oppose every project and every reform". This is not the case. This is the first time, as far as anyone can remember, that such a thing is being done during an employment crisis. All members have to do is find out what is happening in their ridings. We have an employment crisis, the unemployment rate is very high and the economy is not picking up, yet, this is the time that the government is choosing to take surplus money out of a fund to which it does not contribute. It takes the money and reduces the benefits provided through the fund. That is unprecedented.

You may recall the time when the Liberals were dashing across Canada to condemn the heartless changes made to the UI plan by the Tories. They were up in arms, making speeches in this House to explain how loathsome it was for the Conservative Party to dare tamper with the UI fund.

Today, they are the ones who are dealing with the deficit in the UI fund by taking \$1.5 billion over two years away from the unemployed and taking back with both hands the \$5 billion a year the finance minister needs to compensate for his government's mismanagement. This is unacceptable.

The minister is proposing a reform. I hope he will become more sensitive to the demonstrators, as well as to the motion we put forward today. I hope he will regain a little compassion for those who will be his next victims. I hope he will stop accusing those who demonstrate because they are being deprived of their liveli-

hoods of being lazy and reluctant to look for work and of being professional protesters.

The minister should change his attitude, as it is unacceptable. He should be a little more open to people in need and understand that his reform is not wanted. It is not wanted in the regions of Quebec. It is not wanted in the Maritimes. It is not wanted in Ontario either because it is unfair. It is regressive. It creates unemployment and poverty.

• (1305)

The proposed reform is hardest on young people. Unfortunately, they are the first to be affected, as is often the case. It hits young people hard by reducing their benefits and those of all other workers. Students working less than 15 hours a week will now have to pay premiums, which they did not have to do before. In any case, they will never manage to accumulate enough hours to collect benefits. I have plenty of examples that I cannot help using. A student working 15 hours a week for 52 weeks will have 780 hours accumulated at the end of the year. Do you know how many hours will now be required to qualify for benefits under the minister's bill? A total of 910 hours. Someone who works 15 hours a week will not accumulate enough hours to collect benefits. And there are many other examples.

The plan contains nothing for young people. Not only does it not support them, but it also takes benefits away from them. This plan also hits women hard because they often have to make do with part time work, and God knows how hard this reform is on part time employees. As for seasonal workers, they are the ones in the regions now trying to alert public opinion. They cannot even begin to imagine the adverse effects this reform will have on their everyday lives, but they do know one thing—as fishermen, forestry workers or people working in the tourist industry, whether in the Gaspé Peninsula, in the Saguenay—Lac-Saint-Jean region or in any other part of this country, they know that they need this system to earn a decent living. And the only alternative available to them, with this insensitive government dipping into the fund, their only way out will more than likely be to go on welfare.

There are examples galore. Virtually all classes of workers will be affected by this reform. But what is important to notice is that, while attacking these people in their very dignity, the government is telling the provinces: “Your transfer payments will be reduced. The Canada social transfer providing funding for social assistance, health care and so on will be cut”. So much cutting has taken place that the Minister of Finance saw a need, in his budget speech, to set a threshold, realizing that the Canada social transfer had all but disappeared, which would have made it very awkward for the federal government to keep constantly interfering in jurisdictions that are not its own. But that is another story, and we will come back to it later.

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By making cuts to the Canada social transfer, the Minister of Finance is attacking the provinces' budgets. He is shifting his responsibility onto provincial governments.

Did you know, Mr. Speaker, that the provinces will have to look after not only those workers whom the federal government will have deliberately kicked out of the UI system, but also individuals who will be forced onto social assistance, for which federal funding has been cut. Just imagine in what kind of predicament this government is putting the provinces and the regions. This is totally unacceptable.

The motion reads as follows:

That this House require the Minister of Human Resources Development to withdraw—

Not that he make a few minor amendments here and there and change this or that to keep helping himself to the fund, as he is doing now.

—withdraw Bill C-12, an act respecting employment insurance in Canada, from the Order Paper immediately and go back to the drawing board—

Because there is no way that the opposition, and the central labour bodies and organized labour groups, could agree to let this government feed on funds that belong to the workers.

Instead of attacking the workers, the government should—and we urge it to do so—go after those high income earners who do not pay any taxes and companies that take advantage of tax havens, the financial implications of which have not even been assessed by Finance Canada.

• (1310)

These would make interesting goals for the government, if only it believed in social justice. But no, the easiest and most obvious thing to do is to go after society's most disadvantaged, to try to take away from them the dignity of work, and the dignity of a system designed to provide support when they lose their jobs. We will not stand for that, Mr. Speaker. We will stop them.

To conclude, I would like to call upon the minister once again and warn him that it is certainly not with the kind of inflexible and arrogant attitude he has had from the outset that he will succeed in selling his plan to the people. The Liberal members opposite should think twice before supporting a minister who calls people lazy and professional demonstrators, and tells them that they lack motivation.

Our Liberal colleagues should think about it before associating with a minister who uses such language to describe individuals who face the harsh reality of life in their regions. When this minister visited his region and met real people faced with real problems that he is responsible for, we saw how it went.

Supply

I want to tell the Liberal members of this House that we from the Bloc Quebecois will not let you go ahead. We will not give you any respite. We hope that your constituents will not give you any either and that they will treat you the same way the Minister of Human Resources Development was treated by his constituents when he visited his riding.

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, first I want to apologize to the Leader of the Opposition for what happened this morning. I had a commitment at noon and I regret not having been able to listen to all his comments, which, no doubt, were very interesting.

Today, we are debating the motion tabled by the official opposition asking that Bill C-12, formerly known as Bill C-111, be immediately withdrawn from the Order Paper. I regret to have to tell my hon. colleagues, from the outset, that the government has no intention whatsoever of doing that.

The important thing here is to recognize that we will now have an opportunity to get constructive proposals from the members of the parliamentary committee that will review this legislation. The importance that the government and, I am sure, all the members of this House attach to employment insurance must not be downplayed.

Regardless of where we come from, there is no doubt that this bill will affect a lot of people, many of whom are among the most vulnerable ones in our society. This is why my predecessor, Mr. Axworthy, indicated shortly after introduction of the bill last fall, that it was his personal intention, as well as that of the government, to look at possible changes in certain areas of the legislation, particularly the formula used to calculate benefits, which is based on what the bill defines as continuous work weeks.

• (1315)

There is also the whole issue of how far we can go. In any reform of this type, we have a duty, as parliamentarians, to ensure fairness, that is a balance between what is proposed in a budget planning outline, including job creation measures, and the impact of such measures on men, women, families and children.

What struck me almost since the moment that we introduced this bill is the very widespread and well-founded support enjoyed by the reform throughout the country. Every poll, every indicator of public opinion shows support, in every province, for a comprehensive reform of the whole UI system as we have known it for a long time.

I have also been aware for some time now that there is a feeling of compassion and sympathy among Canadians from all regions, who want to ensure that we look after those who need to be protected, those who are most vulnerable.

As I explained yesterday in this House to my hon. colleague, the critic of the member's party on this issue, I am convinced that the committee, under these circumstances, will come up with proposals to help us respect the will for change as expressed throughout the country, but also to meet the needs of those who will be the most directly affected by all of this.

I would like to take a minute to talk about the protests taking place lately and about the people who use all the means at their disposal to voice their concerns about this bill. Some would go as far as to imply that these protesters are talking on behalf of the majority of the population. Having had the honour to be elected several times to the New-Brunswick legislature, as representative of my native area, in Acadia, and to be elected and re-elected to this House of Commons, I think I am well aware of the needs of the citizens of my riding.

I also understand the concerns these people have. I respect my constituents and I do think that they also respect me, generally speaking. This is why I felt the need to say openly, without any spitefulness, that when we see the same people week-end after week-end, in various areas in northern New-Brunswick and near the Quebec border, the same faces, and hear the same speeches, we are aware of the impact they can have throughout the country on the people who watch them on television or read about them in the paper; they wonder about this situation. They wonder why these people who called themselves community leaders do not ask for more jobs, economic development, changes to the act to promote training programs or subsidies to employers, but keep asking vigorously and unequivocally for this bill to be withdrawn.

This came as quite a shock to me, since no one in the last five or ten years had told me that the Unemployment Insurance Act, as it stood, was perfect. Quite the opposite. Not a week or a day has gone by without my riding office receiving requests from concerned citizens or groups who thought the program did not work and that changes needed to be made.

Of course, our predecessors made some changes a few years ago. But what is surprising and even frustrating is to see some people telling us: "You have to withdraw this piece of legislation." Very few recommendations were made on ways to improve not only Bill C-111, now known as Bill C-12, but also the existing system.

• (1320)

No one came up with proposals or changes that we could consider seriously and that would have made us say: "Yes, maybe what our government has put forward is not the perfect solution." But, in terms of the existing program, has anyone made proposals that would have improved the situation of the people who have come to us throughout the years, as I said earlier, with all kinds of problems?

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[English]

One of the things that is essential is we have to have some equity and fairness in all the things we do, particularly as we deal with social programs.

A major attempt had been made by people who are employed full time, who make very good salaries. Everybody is told on a regular basis what members of the government make, what members of Parliament make, what members of the opposition make, what the Leader of the Opposition earns as a salary. It is a constant public discussion.

I had a guest in my constituency a couple of weeks ago who is the head of the Canadian Labour Congress. It would be interesting to know how much Bob White makes a year, what his salary is, what his working conditions are, what kind of situation he is involved in, how many times he has been on unemployment, how many times he has been into fish plants, how many times he has gone into the woods to see how people work.

When I discuss this issue, I discuss it as a person who has lived all of his life in an area where seasonal industries are a reality. They are not a choice. They are imposed by climate. They are imposed by government legislation. Whether it applies to total allowable cuts in the forest, whether it is total allowable catch in the sea, whether it is the tourism industry which is heavily influenced by our climate, whatever the circumstances, the situation is the result of conditions far beyond the capacity of individuals or their families to influence.

When we look at the changes I hope we will be able to discuss as we consider Bill C-12, I hope there will be constructive suggestions that reflect the need for equity and fairness across the country.

The unfortunate thing is that Bob White is a perfect example of someone constantly bringing up the problems on the Gaspé coast, in northern New Brunswick, in Shippegan, Tracadie, Caraquet, and talking about the impact of these changes in Atlantic Canada and Quebec.

I say to my friends in the Bloc Québécois: Do you think Bob White is your friend? Do you enjoy having him come in with his colleagues or cohorts—it depends on how I feel as to how I describe them—to tell people in our areas in Quebec and northern New Brunswick what their problems are? Think about who the messenger is when analysing the message.

I looked through the information available in my department as to what the impact of employment legislation is on real people, real men, real women, real families, real problems. I realized we were talking about an act of this government that would impact on construction workers, that would impact on single mothers, that would impact on low income families. It would have an impact on people who work in British Columbia, in Manitoba, in Ontario, in many other parts of the country.

Is it the climate in Atlantic Canada that attracts the likes of Bob White in midwinter to walk in the streets of Bathurst? We would think he would be walking in the streets of Victoria. Or is it because, as is often the case, people who have an agenda exploit the vulnerable, the weak, the people who do not understand the implications of what is being done to them?

I have confidence in the parliamentary process. I believe that where I stand in this place today for over decades and for more than a century women and men who have been elected to serve in this place have found ways to provide solutions for people with problems. That is why I have been constant in my belief since the day I was asked to take on this responsibility that the women and men who sit on the parliamentary committee, as a result of input from members of Parliament on both sides of this House, will be able to provide us with some assistance.

I do not want to pass on all of the responsibility. I recognize the government introduced the bill originally and that we will have to deal with it. The hon. Minister of Finance also made undertakings in last year's budget on the fiscal requirements he put forward that will have to be respected. I recognize all of that.

• (1325)

When we have come to the end of the day, when the parliamentary committee has considered what needs to be done and has made its recommendations, I believe we will have addressed the question of how to calculate benefits and how to deal with consecutive weeks of work. I am confident we will have dealt with the intensity rule. It was meant to avoid disincentives for people to go back to work. We will make sure that disincentive is removed but that fairness is maintained.

The system we can construct together will be one that will respect the needs of men and women and their families across the country. We will also have to make sure that we respect the fairness and equity which is inherent in any program where millions of Canadians work every day of the working week every month of the year. They are saying, and I agree with them, that they are prepared to be compassionate and they are prepared to make their contributions so long as the system is fair and equitable and not exploited unduly.

In that context I want to make it clear today that I look to my colleagues from all parties to make suggestions which I hope will be forthcoming soon. We must have the legislation, however the final form may evolve, through Parliament and implemented by July 1 this year.

I want to make one contribution today. Although there will be changes that will be respected, Canadians can be assured we will make every effort that there will be no abuse of this system to the extent that we can control it.

Canadians are fair and equitable. It is essential that we go to a basis of zero tolerance of anyone who wants to take advantage of their peers. When employment levels are high enough in the country, this money is a fund that comes from the employer and the

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employee. The Government of Canada plays a role in the unemployment insurance fund only when it is in deficit. It was in deficit until a very short time ago.

People are now talking about surpluses. There is no doubt that if we are fortunate enough to continue to build up surpluses we will have to control what is happening to premiums, to employers and employees and make sure there is no undue surplus accumulating. However, I do not think we want to go back to a situation of there being a deficit and the spectre of having the taxpayers of Canada make a major contribution. It has also been our experience in the past that there was a huge increase in premiums which have been very difficult to handle as we try to rebuild the economy.

There will be a balance. There will be fairness between those people who need to be assured that the employment insurance system will be there for them when they need it and those people who continue to contribute in good faith because they believe it is the proper way to ensure that those who are vulnerable in our society are taken care of.

There is a great deal of potential for divisiveness, depending on how we approach the bill. For example, I hope Canadians will note that I never use the term seasonal workers. Every man and woman I know in this country, practically without exception, when given the choice between a full time year round job and a full time seasonal job will always go for the maximum amount of benefits they can get for their families, which is to work as much as possible.

Some people are confronted with the inevitability of working in an industry where the Government of Canada says, for example: "Sorry, you can only fish certain times of the year because of environmental reasons and we want to protect the species", or the provincial governments say: "Sorry, you cannot cut wood because you have a total allowable cut. We cannot afford to have clear cutting; we have to make sure that we practice good silviculture and forestry practices". We cannot tell those people when we are imposing a set of rules that we are not going to take those rules into account when we look at a program like employment insurance.

There is the potential for divisiveness when people in different parts of the country are provided with misinformation or are exploited. We can turn people against each other; not just looking at whether somebody is happy with the way the program works in a given clause.

• (1330)

The same phenomenon occurs in a given city where people work 12 months of the year in the traditional type of job activity. Other people work, for example, in the construction industry where through no fault of their own, but by the nature of the work they do,

from time to time are not able to work, not because they are not full time workers.

Do not tell a plumber, an electrician, a mason, an iron worker and people in the construction industry that they are seasonal or part time workers. That is their profession, that is their job. They are faced with the unfortunate reality that the nature of the work they do has been impacted on by all kinds of situations beyond their control.

I hope we will be able to look at Bill C-12 together. We have to recognize we are not working in a vacuum. We have decades of experience with unemployment insurance. We have a bill that is working right now, for better or for worse, that is in place.

I am frustrated by those who say that this bill should be repealed, should be withdrawn, should be scrapped, as though somehow we could go back to what some people apparently think is the appropriate situation where you work for 10 weeks and you get unemployment for 42 weeks. That is not in the cards for anyone. Canadians would not accept the kind of a system that was prevalent in the seventies and through part of the eighties.

We have to work together. The law that is in place now has to be changed. I hope that when we come back to this place to deal with the recommendations of the standing committee that those recommendations will be compared to what is in place now and not what was proposed last fall.

[*Translation*]

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, I may have one thing in common with the Minister of Human Resources Development who has just spoken, namely frustration, but we certainly do not have a common reason for that frustration. He says he is frustrated by lobbyists and by us in the opposition calling for withdrawal of his bill, while I am frustrated by his refusal to listen to what is being said at the grass roots level. Again this morning, there were 5,000 people in Amqui, in the riding of Matapédia—Matane, out demonstrating in order to get the message across to the minister. That figure represents more than 100 per cent of the working population.

The basic premises of the minister's bill, as presented by his predecessor, are unacceptable to those concerned most directly by unemployment insurance, that is the victims of job shortages.

And why do I say that the basic premises are wrong? Because they are not related to the need for reform. Many have expressed their support for the need to review and reform the system. But to those of us in the opposition—and for the present minister when he was in opposition—reforming something means changing it for the better.

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What we are faced with now is a bill which seeks to make a 10 to 12 per cent cut, in order to satisfy the financial constraints of the Minister of Finance, a reduction of \$1.5 billion. And the gap between employees' and employers' contributions will mean, in terms of benefits paid out, that the government will have an additional \$5 billion in its back pocket.

On these assumptions, we clearly cannot agree. The minister mentioned two irritants, because we helped make people understand what they were. He said he was interested in hearing ways of softening the intensity rule, which I call the penalty rule. I really want to see how it is calculated, so I am sure it is eliminated. We do not want it to be calculated over the set period of 14 weeks. The minister seems to be saying the same thing. I want to see if that is really going to be the case.

What he does not mention is the entitlement rule in the regions—be it the Gaspé or Acadian region. The requirement for eligibility is 910 hours, which is equivalent to 26 weeks. He has just said himself, in fact, that it is hard for people, and that fishing does not give them more than 10 or 12 weeks' work.

• (1335)

How are those newly arrived on the labour market going to be eligible for unemployment insurance, if they have to have worked 910 hours or 26 weeks? In his answer later, I hope he will correct the remarks of the member for Bonaventure—Îles-de-la-Madeleine in the paper last week to the effect that a minimum of 700 hours might only be required in the Gaspé. Either the minister confirms this change or the hon. member retracts. At some point we need to know what is happening.

I would also like to include another point in my remarks. When the minister—

Mr. Nault: Question.

Mr. Bernier (Gaspé): This is the period set aside for questions and comments. I know that government members are anxious. If there is unanimous consent, maybe an extra 10 minutes could be added to the period for questions and comments.

The minister mentioned earlier that Canadians all over the country feel that the unemployed should be protected. If, indeed, people in the rest of Canada want social peace and want everyone to have a place in the sun, why would they not exert some pressure in their own way? They may not have time to take part in protests because, as the minister said, their agenda may not be the same. But the rest of Canada should pressure the Minister of Finance into giving some room to manoeuvre to the Minister for Human Resources Development, because he does not have any right now.

How can the government come up with true job creation initiatives when money is taken from the unemployed, only to be used, at least partly, to implement minor employability measures? The federal government is again starting to fight with the provinces over manpower training.

I wish the minister would say loud and clear that he needs the co-operation of the rest of Canadians to put pressure on his colleague, the Minister of Finance. Some tools are required.

I can make a few suggestions to the minister. Why is it that the number of insurable weeks is based on the unemployment rate? Here is a good suggestion for the Minister of Finance. Given the lack of catalysts in our regions, why not create investment corridors, that is regions where tax credits would be available? The unemployment rate in my region is currently at 18.9 per cent. Why not start a pilot project in our region to help its economic recovery?

Worse still is the fact that in the Gaspé Peninsula, only 43 per cent or so of the active population actually does work. This means that only 4 adults in 10 work. The others have given up. People need hope. They need messages of hope. They do not need to get hit on the head.

Provided there is unanimous consent, I would appreciate it if the minister had an extra 10 minutes to answer these questions.

The Deputy Speaker: The hon. minister will have the same time as the hon. member who put the question.

Mr. Young: Mr. Speaker, when the hon. colleague speaks of frustration, that is of course something not easily eliminated, since he proposes no changes to us in his comments. He wants us to withdraw the bill, and talked about this and that. He wants to know what I will be doing, what we will be doing, to settle the issue of benefit calculation, how we will make use of the rule on intensity, which he considers a penalty.

What I would like to see, however—and I hope that we will be informed of it in committee—is what is being formally proposed. If you do not like Bill C-12, tell us what you would do with the present bill to improve it. Give us some ideas. That would be one way of showing that you are equal to the task.

When we refer to those who contribute to the employment insurance program throughout the country, it must always be kept in mind that one of the reasons why we always want to describe the system as employment insurance is that 80 per cent of people across the country who are generally employed are actually working. That is a minimum figure at all times across Canada.

What is very hard to understand is that the 910 hours to which the hon. member refers are, as he knows very well, for new workers. He did not say whether the calculation was during one year, that is 910 hours over 12 months, or whether there is a carry

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back to the year before in meeting the number proposed by my hon. colleague, the gentleman who wanted to be sure the figures were accurate.

• (1340)

It is very easy to deform facts, to get people off track, if that is what one wants to do. For example, when reference is made to the surplus, to the Minister of Finance's ability to pocket the unemployment insurance fund surplus, no he cannot. This is a surplus that belongs to the employment insurance fund to which employers and employees have contributed. It cannot disappear into the government's general revenue fund. This business of bending the truth somewhat is what we find a bit frustrating.

I have one final point to make. Only someone from the Bloc Quebecois could tell us that \$800 million, the reinvestment fund of \$800 million at maturity, is small change. Three hundred million for the transition fund over the first three years, to be allocated to those regions most affected by the reform: small change? For the Bloc Quebecois it is easy to understand that this is nothing, when we see how their Quebec cousin is managing the affairs of the Quebec government.

[*English*]

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I am pleased to have the opportunity to address the motion proposed by my colleague from the Bloc Quebecois.

I would like to take this opportunity to congratulate my colleague from Mercier for her leadership bid. I may disagree with her politics but certainly I admire her ambition and tenacity.

I did not get an opportunity to speak to this bill under its former name of Bill C-111 because the government rammed it through to committee before Christmas. I remind my colleagues of how the government rushed the House legislative agenda, ramming the bill through in its haste. Then what did the government do? It prorogued the House. That shows me what kind of manipulation the Liberals undertake to give the appearance of integrity of process.

The government gave us a new throne speech. It wanted to wipe the slate clean, to start anew, to make amends for all the mistakes made, especially during the referendum. Now we have a new session and the government has the opportunity to demonstrate it means what it says and will work to implement responses and responsible legislation.

Unfortunately instead of working with us, the government has chosen to ram this bill through the House of Commons once again. Only four days ago this monster bill was tabled and we will spend only 50 hours with witnesses at committee.

The bill is the single most important piece of social policy legislation the Liberals have yet introduced. They want to rush it through committee. I am well aware we have had this bill, in its old

form, for months. The Canadian public were lead to believe that the bill died on the Order Paper at prorogation. The public took the Liberals at their procedural word and assumed that the bill died. In typical Liberal fashion they pulled their old tricks, and by invoking closure managed to bring the bill back, this time through the back door.

The Liberals want it all and will do anything to have their cake and eat it too. They want both a clean slate and to keep the bill. The only way for them to accomplish this is to use the crass closure measures on their peculiar motion to reintroduce bills at the same stage as they were at prorogation.

In short, they abused, stomped on, ignored, rigged, manipulated, fudged and grossly took for granted the established democratic practices of the House. Ironically, in a typical Liberal hypocritical fashion they reintroduced the bill in the same manner as the Progressive Conservatives after they prorogued. Liberal, Tory, same old story.

The Liberal government demonstrates not only its disinterest in job creation but also a lack of innovation in this bill. The bill will not create a single job. Let us face up to the fact that the government has given up its job agenda because it knows how much of a failure it has been.

Let us look at its broken promises. From January 1995 to January 1996 there was a net loss of jobs in the Canadian economy totalling 227,000. This is a lacklustre performance at best. This is not job creation. Due to the Liberal government policy a total of 227,000 jobs were killed last fiscal year. This is the true reality of the Liberal jobs agenda. They may not like to hear the truth over there but the fact is my source of information for this sad statistic is, ironically, Statistics Canada. It comes from their employment trends survey, January 1996.

• (1345)

We know the government will tell us that by ramming the bill through committee it will be able to implement more quickly the necessary changes needed to better serve Canadians in the area of unemployment insurance.

I can tell by the heckling over there that these are comments that hurt.

The government has consistently abused its power to limit debate in the House and as a mechanism to speedily move controversial legislation through the parliamentary process in a manner which minimizes opposition. The best way to help Canadians with UI would be to return to the principles of true insurance, a true insurance plan.

During debate prior to second reading I stated I believe every member of Parliament should have an adequate opportunity to speak to this bill in the House of Commons. To date they have not. There have been a great number of demonstrations around the

country on this bill, particularly in the maritimes, and we have had a total of only three hours of debate. Members must have the opportunity to both pose and respond to questions from their colleagues and opposition members. By drastically limiting debate on this bill the government is demonstrating its complete disdain for the parliamentary process.

Remember, the process is not about our scoring points or ramming through bills simply to brag to the media that we have accomplished something. The process means more than that. The process allows members to reflect with their colleagues here in Ottawa what their constituents are telling them in their ridings about the legislation in question, which is important.

That is the issue. This is especially significant when working with a bill which has such a profound impact on the lives and welfare of millions of Canadians. The Liberals have never allowed us to do that in the House. They do not even believe their own rhetoric. They are hypocrites who say one thing and do another.

The heritage minister stated: "I have already said personally and very directly that if the GST is not abolished I will resign. I do not know how clear you can get. I think you have to be accountable on the things you say you are going to do and you have to deliver on it". As a Liberal candidate, the Prime Minister stated in 1993: "We will scrap the GST". The have very clearly broken that promise, and yet the heritage minister has not resigned. It shows us how good her word is. Scrapping the GST means scrapping the GST.

On October 18, 1993 the Prime Minister stated: "The Liberal Party is committed to maintaining old age security", but last week in the budget the government killed it. Maintaining means maintaining, not killing. The Liberals said they would make unemployment insurance more like true insurance. Instead they have made it more like welfare. I warn all not to succumb to the misleading line the government has taken on unemployment insurance with its pompous intention to get input from the Canadian public.

First, it is clear the government has little interest in hearing the views of Canadians when it comes to legislation. For example, the former chairman of the Standing Committee on Human Resources Development refused the request to have witnesses at committee to express their concerns over the new powers given to the government in Bill C-96. Instead, by some executive fiat he decided that each party would be limited to only one witness and that all witnesses would appear simultaneously as a panel. This is not exactly inclusive policy development.

The second reason we should be rather circumspect about the intention of the government to seriously review the bill has to do with a broken promise by the former parliamentary secretary of human resources development and the former chairman of the HRD committee.

Supply

During deliberations on future business of the committee, in response to my inquiries, they committed to all those present that neither of the UI bills would be referred to committee prior to second reading. The question was put to them clearly and without ambiguity. The response by them was that the bills would not be referred to committee prior to second reading.

It is clear the government did exactly what it had confirmed it would not. The intentions of the government most often are the exact opposite of what it would like the public to believe. It is this kind of hypocrisy, inconsistency and insincerity that the government has come to expect from the political hack dictating the government agenda.

• (1350)

The third reason for being circumspect to the government's rhetoric of inclusive policy development is quite simple. The government limited debate to three hours before referring the bill to committee. Even if we had defeated the government's motion to refer the bill to committee prior to second reading there would still have been ample opportunity for extensive witness consultation at committee which would have allowed members to speak to the bill.

I fail to comprehend why the government wishes to preclude members of Parliament from speaking to this bill. The only reason I can surmise is that the dissension in the backbenches of the Liberal Party is so great with the members, especially from Atlantic Canada, opposing this bill so vigorously that the government cannot afford to give them the opportunity to criticize it before the House.

Thanks to the motion put forward by the Bloc Quebecois those Liberal backbenchers will now be able to tell the House how their constituents feel about this misguided legislation.

Let me address some components of the minister's so-called reforms of UI. The former minister advised the House to read *Hansard* from the time at which UI was originally introduced. It is clear that such a request by him demonstrates that he had not done so himself. If he had, he would have been embarrassed that his EI program is diametrically opposed to what the original framers of this legislation intended back in 1940 or even in 1919 when the idea was first discussed in Canada.

I only hope the new Minister of Human Resources Development takes the advice of his colleague, who was so free with it, and that he takes the trouble to learn about the original intention of UI. Maybe then he would quickly ascertain what he should do with this legislation.

Supply

Ironically, when the Liberal government of Mackenzie King introduced unemployment insurance legislation in July 1940, he too tried to ram it through Parliament at the end of a session. It would appear this trick of ramming important legislation through the House is one with a long tradition.

Our side of the House is not motivated by the calendar or the clock. We have a responsibility to fulfil, a duty to the Canadian people. I believe no one in this assembly is more anxious than any other to perform that duty. There is no monopoly on the desire to accomplish a public good. If by giving the House full debate at second reading it takes a few additional days to pass a measure of legislation which affects millions of Canadians, then this is my challenge: why have the Liberals been so averse to giving extra time to debate this bill?

The employment insurance bill which we debate today has taken us very far away from what UI was intended to be when its framer originally designed it. Today EI is thought of by the Liberal government as an income supplement, not as insurance. Let me quote from the Liberal minister of labour in 1940, who in supporting the concept of individuals caring for their own unemployment situations quoted from the report penned by Mr. Justice Mathers, chief justice of Manitoba in 1919:

We recommend to your government the question of making some provision by a system of state social insurance for those who, through no fault of their own, are unable to work, whether the inability arises from a lack of opportunity, sickness, invalidity or old age. Such insurance would remove the spectre of fear which now haunts the wage earner and make him a more contented and better citizen.

I agree with the then minister of labour who was concerned that UI be used to get people from one job for short periods of time into another job. The minister of labour of the time was also concerned that UI never become a way of life for people and that measures should be taken to avoid people's ever coming to rely heavily if not completely on UI as a way of life or a continual subsistence.

To make his point he quoted from a report by the Civil War Workers of Great Britain:

—how much unemployment there will be and over what period it will last is impossible to forecast. But, whatever it be, there must be a great deal of unemployment which can only be dealt with in one of two ways: either by a considered scheme of insurance—or by state doles, hurriedly and indiscriminately issued when the moment of crisis arrives.

There can be no question which is the better way. State doles may lead straight to pauperization. A well devised scheme of insurance preserves the self respect of the workers and assists and encourages them to supplement it by provision made industrially through an association.

• (1355)

It is exactly this original intent which the minister has allowed to slip away. UI today is for too many people a way of life. For too many people UI is the dole to which the then minister of labour referred.

With the new changes to UI the Minister of Human Resources Development announced over \$1 billion in training programs for areas of high unemployment. This is exactly the kind of dole that the government of Mackenzie King argued against. Look at what these programs have done for the areas for which they have been targeted: nothing but force people to perpetually rely on the state.

We need only look at the colossal failure of the TAGS program to know what these mega social engineering projects fail to create, long term sustainable jobs.

I will acknowledge that EI changes made some very small baby steps in the right direction such as rolling back payroll taxes and maximum insurable earnings and tightening eligibility requirements. However, the steps are so tiny and slow that the creeping of a glacier seems like the pace of a greyhound in comparison.

Let me address the issue of payroll taxes for a moment. The government states it will stimulate job creation by reducing taxes to both employers and employees. Would it not follow then that if a tax roll back of 5 cents creates some 25,000 jobs, a bigger roll back would create more jobs? If the government cared about job creation, in the budget last week would it not have rolled back payroll taxes? Instead it is continuing to gouge wage earners. It is running an annual UI surplus of over \$5 billion which it is just sucking into its major deficit reduction plan.

As well, if the government believes that rolling back payroll taxes creates jobs, when it introduce the 7 per cent payroll tax on part time workers, will it not be choking off job creation?

The government only appears anxious to provide against the future ill effects of unemployment. There is a real question here as to whether part time employees should be asked to bear at this time a new charge against their wages in addition to those currently imposed.

These two fundamental logical contradictions demonstrate that either the government is not sincere about its jobs, jobs, jobs mantra or that it does not really understand what it is doing when it attempts to reform UI.

Mr. Speaker, I understand question period will starting in a few moments. How much time do I have left?

The Speaker: The hon. member will have three minutes left on her debate and there will be 10 minutes of questions and comments at the end.

I ask the hon. member, because we are close to two o'clock, if she would hold any further comments until after question period. She could then wrap up without interruption.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I would be more propitious to do that. I have an amendment I would like to bring forward at that time as well.

The Speaker: It being 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

WOMEN'S CURLING CHAMPIONSHIP

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I congratulate Ontario skip Marilyn Bodogh and the St. Catharines Curling Club on winning the Canadian Women's Curling Championship at Thunder Bay on February 25, 1996.

The victory at the nine-day Scott Tournament of Hearts saw the Ontario team from St. Catharines emerge as Canada's team for the world tournament later this month in Hamilton.

After the victory Ms. Bodogh was quoted as saying: "We knew when we put this team together we were going to win. We never thought about losing". That positive energy and attitude is a great example to everyone in our country.

Congratulations to Marilyn Bodogh of St. Catharines for putting together a winning team for Canada. Good luck in the world championships.

* * *

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, newspaper reports indicate that the minister is to enter into an agreement for \$10 million in compensation for 17 Inuit families that were voluntarily relocated to the high Arctic in the 1950s. Although the move was not without its hardships, the new community is reported to be among the most successful in the high Arctic.

Contrary to documentary evidence and the good reputation of government officials at the time, the politically predictable Royal Commission on Aboriginal Peoples condemned the move and recommended compensation. The *Globe and Mail* suggested that this would apply a retroactive morality, satisfying a need to assert the contemporary cant of political correctness.

Rather than engaging in historical revisionism and settling old grievances, imagined or real, the government would be better advised to focus on contemporary needs.

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CHEESE CAPITAL OF CANADA

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I am proud to rise in the House today to congratulate Hastings county on having achieved recognition as the cheese capital of Canada.

Hastings county is home to four fine cheesemakers: Eldorado Cheese, Ivanhoe Cheese, Maple Dale Cheese and Riverside Cheese. These cheesemakers make fine, distinctive products that I am proud to recommend to you.

In addition to the pleasure experienced by our taste buds, each company contributes to the local economy, from utilizing milk produced by dairy farmers, to providing jobs for production staff in their plants and jobs for retail staff in their stores.

The fine cheesemakers of Hastings county continue a long and esteemed tradition of fine cheesemaking in central and eastern Ontario.

I would ask hon. members to please join me in congratulating four Hastings county processors and the county of Hastings in gaining the designation of cheese capital of Canada.

* * *

SIMON PETER HALLAHAN

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, my riding of Huron—Bruce was saddened by the recent passing of a very prominent community figure, Simon Peter Hallahan. He was in his 96th year.

Simon was hard working and dedicated not only to his family but also to his community. He was always deeply involved in community and farm organizations in the township.

His accomplishments were many, as a member of the Wawanosh Federation of Agriculture, the township council, township reeve, active in the Huron County Ploughman's Association, Huron County Milk Producers, Huron County Pork Producers, Huron County Holstein Association, the Knights of Columbus and the Blyth Fire Board, just to name a few.

Simon was also a lifelong member of the Liberal association and was honoured by a visit to his family farm by the Prime Minister during his 1992 tour of Huron county.

Throughout Simon's life he truly lived. He gave his best for his family, his community and his country.

At this time I would like to extend my deepest sympathies to his wife Beatrice and his family. He will be deeply missed by all those who were honoured to know him.

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[Translation]

TRIBUTE TO CRAIG KIELBURGER

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, this morning some of the members of this House had the privilege of meeting someone who can be considered a role model for our young people.

[English]

Craig Keilburger, who is in the gallery today, has proven that there are young people in our society who take charge and empower themselves to become spokespeople for the young people in the world who are suffering from abuse and neglect.

I invite all parliamentarians to work together, along with Craig and Free the Children, to stop child labour in countries like Bangladesh, Pakistan and even our trading partner, Mexico.

The government has already launched initiatives that will work directly with countries to reinforce these programs but it is not enough. Through measures such as these, as well as labelling products that are made by children and increasing awareness in the Canadian public, we can make a difference in the lives of millions of children who live in servitude around the world.

Let us all applaud one of the heroes of Canada.

* * *

[Translation]

ASBESTOS REGION

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, the Asbestos region in the Quebec riding of Richmond—Wolfe, which has been struggling with major economic difficulties, is about to experience major developments relating to the asbestos industry.

The first good news is that J.M. Asbestos will be investing \$125 million in the development of an underground mine, thus guaranteeing 700 people work for the next 20 years.

The second is that Métallurgie Noranda has decided on Asbestos as the site of a \$525 million magnesium plant, which will create some 375 direct jobs.

I wish, in closing, to express my congratulations to all concerned, particularly the President and CEO of J.M. Asbestos, Bernard Coulombe, without whom everyone agrees these two projects could never have seen the light of day.

Asbestos is being born again. We wish it every success in its return to prosperity.

[English]

LEARNING DISABILITIES MONTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, March is Learning Disabilities Month and 1996 commemorates the 25th anniversary of the Learning Disabilities Association of Canada.

• (1405)

An organization of dedicated individuals works at the local, provincial and federal levels, committed to improving the lives of people with learning disabilities. The association provides the resources, education and tools necessary to assist children and adults with these problems to lead full productive lives. These courageous individuals, through their perseverance and the assistance of the volunteers at the Learning Disabilities Association of Canada, succeed at work, school and in the community.

Between 10 per cent and 15 per cent of Canadians have learning disabilities. Canadians with learning disabilities and the association joined together to show us the true meaning of co-operation, courage and dedication. I encourage Canadians to wear the lapel pin proudly as a symbol.

I ask my fellow parliamentarians today to join me in a salute to Learning Disabilities Month, and to those outstanding individuals with learning disabilities who strive for a lifetime of achievement and happiness.

* * *

THE MEDICINE BEAT

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the recent success of Canadian artists at the Grammy Awards in the United States indicates the importance of investment in the arts in Canada. At the recent Juno Awards aboriginal Canadians have also shown the great talent of First Nations people.

I would like to take this opportunity to congratulate a unique musical group from the Yukon who this week won the Juno for best music in the aboriginal Canadian recording category. Jerry Alfred and his group the Medicine Beat, Marc Paradis, Bob Hamilton, Andrea McColeman and Marie Gogo have travelled widely in Canada and their unique style of music has touched many Canadians. The Medicine Beat derives its music from traditional northern Tutchone songs. Jerry Alfred credits his father for encouraging him to continue the tradition of northern Tutchone music.

Bob Hamilton, the owner of Old Crow Recording, produced and also performed on their hit song Elsin Shon, his grandfather's song and the title of their CD.

FOREIGN AFFAIRS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the situation between China and Taiwan is becoming more and more tense.

Vancouver has a large community of Taiwanese, which is a great addition to the fabric of our society. They are serious participants in the life of our city and country. So are the Chinese, who have been in this country for over a century and who have worked hard, through difficulties and great challenges, to contribute a great deal, not only to Canadian multiculturalism but to the building of this great country.

Both communities are distraught to hear that a serious conflict is taking place between their countries of origin, a conflict that may bring grief and sorrow to a lot of people whose goal is the welfare of their families and country.

[Translation]

I would like to make mention of the government's efforts to create dialogue between China and Taiwan. Canada has always been considered a peaceful country, whose people have always been able to negotiate differences of opinion and reach compromise. We must avoid what has happened in other countries. Conflict must be avoided.

Our government must continue to offer its assistance to both China and Taiwan.

* * *

[English]

REFORM PARTY

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, we have recently learned of Club R, a reward system for Reformers who get points for letters to the editor and other mailings.

We have a few suggestions for prizes. Fifty letters to the editor gets you a pair of binoculars so that you can look for Conservatives in your desperate attempt for official opposition status. One hundred letters to the editor gets you a waffle iron. We all know how much Reformers like to waffle. With 200 letters to the editor, the leader's office would get six months of plumbing to stop those nasty leaks.

Sadly all of these gifts must be returned once they are received because we all know that Reformers never keep their promises. Once they are returned, Club R members will learn what every other Canadian already knows, there are no rewards to being a Reformer.

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KREVER COMMISSION

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, yesterday the Minister of Health announced he was taking the lead in making Canada's blood system the safest in the world.

Justice Krever made 43 recommendations in his report on the blood system in Canada. Seven of those were aimed at the federal government. It has now responded to all seven.

Now the government is going even further. It is responding to the challenge of leadership. It is going to the provinces and territories where it will renew and redefine the blood system for the benefit of all Canadians.

More than 300,000 Canadians receive transfusions of blood and blood products each year. It is a vital element of our health system and one that demands care and attention. This government is placing on it the emphasis that it deserves.

* * *

● (1410)

[Translation]

DICTÉE DES AMÉRIQUES

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, Jean-François Bouthillette, a student at the international school in Saint-Hubert, will take part in the international finals of the third Dictée des Amériques, which will be broadcast on Radio-Québec and around the world.

On Saturday, March 30, Jean-François will compete against champion spellers from 11 countries in America and Europe. The finalists will meet in the Quebec National Assembly's red room to take the dictation, which will be given by the songwriter Luc Plamondon.

The finalists were chosen among 37,000 secondary IV and V students from 168 schools throughout Quebec. This competition gets more popular with every passing year. This year, close to 6,000 people in Quebec competed in the Dictée des Amériques in the general public category.

Congratulations, Jean-François, on winning this round and good luck during the next one.

* * *

MONTREAL FORUM

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, the Montreal Forum has been the home of many acclaimed stars. Who can forget Maurice and Henri Richard, Butch Bouchard, Jean Béliveau, Guy Lafleur, Guy Carbonneau, Serge Savard, Bob Gainey and many others. Yesterday, the curtain fell on Quebec's most popular venue after 72 years, 2,322 games and 16 Stanley cups. Of all the incidents that occurred at the Montreal

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Forum, one really stands out: the March 17, 1955 riot that broke out after Clarence Campbell decided to ban Maurice Richard from the playoffs.

Today, the Bloc Québécois wishes to pay tribute to the thousands of employees who worked at the forum in the course of those 72 years and thank them for their outstanding dedication. The forum will remain forever etched in the collective memory of Quebecers and Canadians, since it occupied a central place in our sports and cultural life.

* * *

[*English*]**BLOC QUÉBÉCOIS**

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise on behalf of Canadians from across the country who have contacted me as the national defence critic for the Reform Party of Canada.

These Canadians have been offended by the October 26 communiqué released by Her Majesty's loyal opposition. The Bloc Québécois calls for Quebec members of the Canadian Armed Forces—

The Speaker: This matter is now before the House and I would rule that out of order.

* * *

THE BUDGET

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, a statement in the Minister of Finance's excellent budget of March 6 reads:

—the present restriction on banks selling insurance will be maintained. The present framework for selling insurance through agents and brokers will be preserved. The white paper concerning this and all other aspects still under review will be released in the coming weeks.

The reaction of members of the House and Canadians generally shows that this was one of the most popular measures of the entire budget.

This prohibition of banks selling insurance to their branches should be followed by a prohibition of banks entering into the automobile leasing market. Due to the role banks play in the financing of present leasing operations they would enjoy an almost insurmountable advantage over existing automobile leasing operations.

In 1994 banks financed over 40 per cent of car leases, giving banks the additional right to be commercial lessors. This would allow them an unfair advantage over consumers, as well as seriously disadvantaged private companies involved in the vehicle leasing market.

Members of Parliament from both sides of the House should ensure that this not be allowed to happen.

THE FORUM

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, last night we bid adieu to the Forum as the Canadiens played their last game in that building. The cheers and tears of those in the stands testified to its special place in the hearts, minds and memories of Montrealers.

Over the past 72 years the Forum has had high points of cultural expression which link the diversity of our people.

[*Translation*]

The forum was a place for all Montrealers, whether they were anglophones or francophones.

[*English*]

Memories span the interests of many beyond hockey. There were events for every age and stage of life.

[*Translation*]

Let us not forget the turning point of the 1980 referendum, the big "rally of the Yvettes", at which 15,000 women gathered to say yes to Canada and sing no to separation.

• (1415)

[*English*]

We could also add fantasy and grace, spring and fall, at the Ice Capades and Ice Follies. Drama, hype, the big voice and rock and roll shows—

[*Translation*]

—the joys of the circus for children, and so on.

Just as the torch was passed on from generation to generation of great Montreal Canadians hockey players, today, the forum's tradition is being handed on to the Molson Centre, a symbol of renewal. We are ready. We will keep on winning.

* * *

[*English*]**NISGA'A LAND CLAIMS**

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the Prime Minister would do well to affix a sign on the Indian affairs minister's desk in the House to read: "Engage brain at least 10 seconds before engaging mouth". If he were to do that it might cut down the excess of bovine scatology emanating from that end of the House.

Aside from the minister's bizarre and outrageous comments, he has now taken to making blatantly false statements in the House, such as the one he made yesterday when he said that I had never raised the Nisga'a land claim issue in this Chamber.

Oral Questions

He back-pedalled furiously when challenged and said he meant to say that I had never taken sides with the Nisga'a. He reveals himself. To him resolving native land claims is all about taking sides. Small wonder the editorial page of the Toronto *Star* recently described the Liberals thus: "The federal Liberals are the walking dead. They seem vibrant but the centre is empty. Poke at them and you can feel the dry rot."

ORAL QUESTION PERIOD

[*Translation*]

TAIWAN

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the events in China at the moment are extremely perturbing. The Minister of Foreign Affairs yesterday met with the Chinese ambassador for the second time in three days in order to express Canada's deep concern over the crisis between China and Taiwan.

My question is for whoever can answer on behalf of the government. With the crisis in the Taiwan Strait escalating daily and the United States' decision to deploy a number of ships there, would the minister or the secretary of state inform this House of the discussions between the Minister of Foreign Affairs and the Chinese ambassador and of the Government of Canada's position in this matter?

[*English*]

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I am very pleased the opposition has asked this question.

The foreign affairs minister has met with the Chinese ambassador in Ottawa to express our deepest concerns about the situation in the Taiwan Strait. We continue to advocate that the political differences between Taiwan and China should be resolved politically and peacefully.

Because of our strategic importance in the Asia-Pacific region any escalation of tensions in that region would impact on Canadian interests. This is why we have advocated to the Chinese and the Taiwanese that any miscalculation of actions on either side would be very harmful to the situation in the strait.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, given the upcoming presidential elections in Taiwan, to be held on March 23, and the strong warning given the Chinese authorities by the American secretary of state, what position will the Canadian government take should the Chinese government continue its intimidating manoeuvres?

[*English*]

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): We understand, Mr. Speaker, that the tension is continuing to build up.

We have expressed our concern to the Chinese government. Hopefully it could start winding down those tensions in the strait. The United States deploying vessels to stand by in areas of interest is no reason to interpret this as anything but a cautious and prudent move.

• (1420)

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, could the secretary of state tell us if meetings are planned between Canada and its allies in the coming days in an effort to find ways to make the Chinese officials listen to reason? Does the Government of Canada intend putting this matter before the Security Council?

[*English*]

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I think it is inappropriate for us to comment on any discussions we are trying to have with our allies. It is important that all western democracies express their concerns about the situation.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. The minister said yesterday that those who protest against the UI reform are being led on by bored and lazy seasonal workers. Bored and lazy. He added, and I quote the press release:

[*English*]

"These guys have to find something to do every Sunday. Some people drive around the block, some people go to the movies, some go to demonstrations. I guess it just depends on what turns them on".

[*Translation*]

This is what the minister thinks of the unemployed.

Given the current situation, how can the minister make such comments on protesters and unemployed workers? Does he not realize that his primary responsibility is to understand them, help them, protect them, including within cabinet, and not to belittle them, or worse, to despise them?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, the first responsibility of any member of this House is always the same: to be honest and tell the truth.

Oral Questions

This is a principle which I have been applying for a long time. I have so much respect for the hon. member that I know she believes the comments attributed to me are truly what I said.

The hon. member should read the report published by the Canadian Press in the paper *L'Acadie nouvelle*. The comments reported in that article are absolutely accurate. The comments that I made yesterday to the media and that were reported in *L'Acadie nouvelle* truly reflect my opinion.

And my opinion is this: the professional agitators who organize protests—and I named the two gentlemen in question, Yvon Godin and Mr. Basque—have been known for a long time. These people should find better things to do on a Sunday afternoon than going from protest to protest and raising the emotions and concerns of people who are being exploited by union leaders. I am also deeply concerned that the hon. member wants to do the same.

[English]

Because the quote was read in English, I want to be absolutely accurate. I have said that I understand the problems faced by people who have concerns about the reform to the unemployment insurance legislation.

The report in the Canadian Press, the report in the *Telegraph Journal*, the report in *L'Acadie Nouvelle* were accurate. I know the hon. member would want to check the facts before she attributes statements to me where I would allege that anybody on unemployment who was walking in those demonstrations was lazy or not doing their job properly. What I said was that well-paid people like Bob White, Basque and Godin who work the year round agitating the poor and the unemployed should stop exploiting vulnerable people in our society.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): They are upset. Mr. Speaker, government members are all worked up following this call from a labour confederation president to condemn the government. Yet, this person does his job just as honourably as the minister.

• (1425)

If it were not for labour confederations and organized groups, we would not often hear about the hardships and problems of the unemployed. We would not hear anything about their plight.

Mr. Speaker, I ask the minister to retract his comments.

[English]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, it is very, very important when we are dealing with people in our society. Real men and real women with

real families and real problems every day are concerned about what they have to face when they are unemployed.

I will spend my political career and my political capital defending the people I represent. The hon. member can spend her time with her friends like Bob White who makes more money than she does and more money than I do going around exploiting the poor people of northern New Brunswick.

* * *

GOODS AND SERVICES TAX

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in the last election the Liberals went around promising to abolish, scrap and kill the GST. It was a cornerstone of their campaign. When Liberal candidates went from door to door they were not talking about harmonizing the GST; they were talking about abolishing and scrapping an iniquitous tax.

The government has clearly broken its promise. It is making matters worse by denying that it broke that promise. Now when that is not working, the Minister of Finance has the nerve to blame the provinces for his failure to keep that promise.

Why will the government not simply admit that it has no intention of ever scrapping, abolishing or killing the GST?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, must we repeat again that we promised to replace the GST. The GST and the provincial sales tax, according to consumer groups, business groups and all consumer advocates is not a good system. What we need is a harmonized system. That is what we said we would do and that is what we will do.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, this is not an argument about semantics or interpretation, it is a matter of credibility.

On October 18, 1993 the Deputy Prime Minister publicly promised to resign if the GST was not abolished. That cannot be denied. Over two years later it is quite obvious that the government has no intention of getting rid of either the GST or the Deputy Prime Minister. It is stuck with both of those millstones around its neck.

Why did the government ever make a promise, especially on the vital subject of taxation, that it had neither the will nor the political courage to keep?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, not only did we say we would replace the GST and not scrap it, we asked the Standing Committee on Finance to examine the various options for reform. The committee consulted with Canadians and with tax experts and recommended a national harmonized tax, which I might add the Reform Party members on that committee endorsed.

Oral Questions

I repeat that business, consumer advocates and consumer groups have all said a harmonized system would be best. Is the Reform Party now going to say we are better off with the system we have?

We want a harmonized system. We will work toward that and we will get it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, this is about a broken promise and the finance minister attempting to download the responsibility onto the provinces.

The government has perfected the art of passing the buck. When it almost lost the country in the last referendum, it blamed Daniel Johnson. When it cannot deliver on its promise of jobs, jobs, jobs, it blames the private sector. Now when it cannot deliver on the promise of revoking the GST, it is the fault of the provinces.

• (1430)

Why does the government not accept responsibility for these events, starting with the broken GST promise instead of always blaming others for its own failures?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, we are not blaming others, but the fact is it does take two sides to make an agreement.

Again, business groups and consumer groups have said that a harmonized tax system is best. That is what we promised in the red book. That is what I promised when I went door to door in my constituency. I said we would harmonize it and that is what we will do.

* * *

[Translation]

MONTREAL'S ARMENIAN COMMUNITY

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, my question is for the Acting Prime Minister.

The mayor of Montreal informed the local Armenian community that he had been forced to abandon plans to build a memorial to the victims of the genocide because of pressure from the Minister for International Co-operation and Liberal candidate in the riding of Papineau—Saint-Michel. Moreover, clients of the firm for which Mr. Pettigrew used to work are currently conducting business negotiations in Turkey and, strangely enough, Turkish officials are said to have also brought pressure to bear to make this project fail. Great job for a human rights advocate.

How can the Acting Prime Minister justify the involvement of his colleague, the Liberal candidate in Papineau—Saint-Michel, who made representations directly to the mayor of Montreal to stop this project commemorating the Armenian genocide of 1915?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, my hon. colleague knows full well that the erection of monuments falls under municipal jurisdiction and that the Minister for International Co-operation had no involvement in this. In fact, that is what the minister himself told the press. And he no doubt reiterated the federal government's position, namely that monuments come under municipal, not federal jurisdiction.

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, the mayor of Montreal did confirm that the minister himself had told him so, which puts this government on the oppressors' side in this matter.

What assurances can the Acting Prime Minister give to this House that, as a former vice-president of a firm courting Turkey, his colleague, the Liberal candidate in Papineau—Saint-Michel, did not cave in under undue pressure to wreck this project in Montreal?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I know that this is an attempt on the part of the hon. member to bring this House to discuss the election campaign in the riding of Papineau—Saint-Michel. Incidentally, he is his party's organizer.

But what did the Minister for International Co-operation tell the mayor? He clearly outlined the federal government's position, stating, first of all, that the erection of monuments comes under municipal jurisdiction and, second, that it was not a federal matter.

Therefore, there is no connection between the fact that former associates of the Minister for International Co-operation are involved in business dealings and the position taken by the federal government, the Minister for International Co-operation or the Liberal candidate in Papineau—Saint-Michel. If the hon. member wants to play politics on the backs of the Armenian people, he should do so in the riding in question; he will see the result on March 25.

* * *

[English]

INTERNATIONAL TRADE

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, we have just learned the Americans are taking us to court at the World Trade Organization over *Sports Illustrated*. The Americans know how to play hardball with legislation they do not like. When will this government start playing hardball for Canadian businesses and take the legal route by taking the Helms-Burton bill to court?

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the member has raised two very important issues the government has taken the lead on.

Oral Questions

With respect to the Helms-Burton bill our Prime Minister no less, as well as the Minister for International Trade and our ambassador in Washington have expressed very clearly the objections of the Canadian government to that bill. We continue to consult with the leaders in industry who may be adversely affected by the bill, as well as some of our allies in the Caribbean, Latin America and the European Union to try to get a consensus to put pressure on the United States to abandon the bill. We believe the bill is extraterritorial. We believe the bill will have the unwanted impact of slapping American allies in trade for an action they had absolutely nothing to do with, which was the unfortunate and condemnable shooting down of the two planes by the Cuban government.

• (1435)

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, we have seen how far the Prime Minister's cosy relationship with President Clinton got us. Not very far.

The government is telling Canadian businesses that it is up to them to create jobs. Yet, at this moment many of them are being forced to choose between doing business with the United States or doing business with Cuba. If the government really wants to create jobs, will it show some backbone and assure Canadian businesses that it is going to fight this bill on their behalf?

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, perhaps the hon. member did not hear my response.

For the record, it is very clear that the Canadian government has taken the lead, not just with foreign governments, by trying to ensure that the American government knows that the bill is inappropriate but also by consulting with Canadian businesses that could adversely be impacted by the bill. After consultations are completed and we get an indication from the U.S. as to if and when it is going to implement some provisions of the bill, we will take the most appropriate action possible to protect Canadian business interests.

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[Translation]

CULTURAL INSTITUTIONS

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, my question is for the acting Prime Minister. The American Trade Secretary, Mickey Kantor, said yesterday that culture was like VCRs, they are not banned in the United States for being made abroad.

Also, Mr. Kantor announced yesterday to the world that the United States was going to fight the Canadian act which levies a tax on split run editions, an act which was passed, you will recall, with

the Bloc Quebecois' support since it deals with protecting our cultural institutions.

With regard to *Sports Illustrated*, is the government committed not to renegotiate downwards the cultural sovereignty of Canada and Quebec?

[English]

Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the Canadian government has had a very clear position all along. Canadian culture is at the core of our Canadian identity.

With regard to *Sports Illustrated*, we feel we have a very strong position and we will maintain that position. We hope that the American government will maintain and respect those trade agreements, even during an election year.

[Translation]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, would the parliamentary secretary tell this House what the government intends to do to make the United States understand once and for all that cultural exemption is here to stay, that it is non-negotiable and that we intend to use it to develop Canadian and Quebec cultures?

Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, our government is unequivocally committed to promoting our Canadian culture and identity. We will steadfastly stand our ground on this issue.

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[English]

KREVER COMMISSION

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Judge Krever is ready to report on the tainted blood scandal in Canada. The judge claims to know why thousands of Canadians were infected with tainted blood. He also knows where this happened. Now he says he knows who is responsible, yet the government will not let him talk.

Why is the government trying to muzzle Krever with a brand new tainted blood forum? Why not just let Judge Krever talk?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member is a member of a very distinguished profession. When the hon. member makes that kind of accusation on the floor of the House of Commons he lends absolutely nothing to the substantive debate as it relates to this country's blood system.

• (1440)

The accusations of that member and of the Reform Party are absolutely false and unqualified. The hon. member knows no one is trying to hamper what Justice Krever may or may not say.

Oral Questions

The Attorney General of Canada has a fiduciary obligation and a statutory obligation to ensure procedural fairness and the rules of natural justice apply to each and every citizen. That is the fact and the hon. member ought to acknowledge that.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the rhetoric is wonderful, is it not? Only the Liberals would spend \$14 million on a study and then when they find what the problem is ignore the results.

Canadians only want to know what happened. Canadians deserve to know what happened. Will the health minister admit his new tainted blood forum is simply a method of muzzling Krever? What is the government trying to cover up?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member goes on again to make false allegations. The hon. member should be aware that Justice Krever has made a very valuable and positive contribution to this debate. Not only has he made 43 interim recommendations relating to the blood system, he has also talked about the system of governance.

Justice Krever said no one is in charge. The various groups, the Canadian Haemophilia Society, the Canadian Blood Agency, the Canadian Red Cross, the various consumers and stakeholders across the country agree with our approach that we ought to move forward with a debate and consultations in order to put in place a system of governance not only to maintain a safe system in Canada but to have the safest blood system in the world.

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[Translation]

IRVING WHALE

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, my question is for the Minister of the Environment. Just a few hours ago, a new report on the *Irving Whale* incident was made public. This study indicates that the barge should have been refloated last summer despite the fact that it contains enough PCBs to pollute a fairly large portion of the Gulf of St. Lawrence. The report concludes that the refloating operation should be done next summer.

Can the minister tell us if he intends to follow up on the recommendations made in this report and, if so, can he give us the assurance that no PCBs will be spilled during the refloating and transportation of the barge?

[English]

Hon. Sergio Marchi (Minister of the Environment, Lib.): Mr. Speaker, I thank the hon. member for the question. As he knows, the lifting of the barge was put on hold last summer so my department and the Department of Fisheries and Oceans could

conduct another environmental assessment. This would be the fourth because we wanted to err on side of caution, on the side of the health of Canadians as well the environment.

This morning the report from that assessment was tabled. It is important to note that rather than making a lot of comments in the Chamber now about this report, we should allow the 30-day public consultation to take hold.

Seven different public meetings both in Atlantic Canada and in the province of Quebec have been organized. I think we should allow for the public to have a say in response to this fourth report. As soon as the public has made its representations, the government, between me and the Minister of Fisheries and Oceans, will certainly take hold of the situation and make the right decision.

[Translation]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, as a supplementary, considering that the government has already spent \$12 million on this, does the minister intend to uphold the polluter pays principle and charge the total costs to the Irving company, Canada's second richest family?

[English]

Hon. Sergio Marchi (Minister of the Environment, Lib.): Mr. Speaker, the question obviously has a price tag but the member tries to suggest that it is an easy problem without any complex issues being involved. He is absolutely incorrect in that. It is a very complex situation.

• (1445)

A number of individuals have suggested leaving the barge there, and that would have problems. A number of individuals suggest the oil should be pumped from the chamber of the barge to the surface, and that has its complications. There seems to be a majority opinion that lifting the barge with the proper safeguards and technology is the way to go.

With respect to the member's question, all matters are under negotiation. The Government of Canada will make the right decision for the best interest of the people in the area as well as for the environment.

* * *

TERRORISM

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, my question is for the acting Minister of Foreign Affairs.

I was pleased to learn that both the Prime Minister and the Minister of Foreign Affairs will participate in the anti-terrorism summit in Egypt. Not only is the Middle East peace process under attack but there is a continual threat of terrorism throughout the world.

Oral Questions

What concrete measures will Canada propose at the summit and what is Canada prepared to do to co-operate in a worldwide anti-terrorist program?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the anti-terrorism summit in Egypt is a very important event in the name of peace in the world. Canada is very pleased to have a role in trying to promote that peace. We have been very involved in the Middle East peace process as a chair of the working group on refugees. We also feel that as Canadians we have a large stake in the success of the continuing peace process in the Middle East.

Certainly it has been challenged by the recent extremist terrorist acts on the part of Hamas. Our presence there along with the international community gives moral support to the peace process. Besides that we will be talking substantively during that meeting to find out what more Canada and the international community can do together to eradicate terrorism worldwide.

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JUSTICE

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, my question is for the solicitor general.

Serial child killer Clifford Olson becomes eligible on August 12 of this year to have a sentence review hearing by virtue of section 745 of the Criminal Code.

Does Clifford Olson still have the support of the solicitor general and that of his government for this review or will the solicitor general and his cabinet move immediately to scrap section 745 from the Criminal Code?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, Clifford Olson has never had and does not have the support of the government for anything.

The Minister of Justice with my support is actively looking at ways of dealing with concerns about section 745.

I look forward to the Minister of Justice's being in a position to present the results of his work to the House before too long. If my hon. friend is serious, we will put him to the test and see if he stands up to support the changes.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, we stood in the House and we remember how the cabinet voted. We remember what happened with the private member's bill to scrap section 745 over a year ago.

The Liberal government has indicated that it is committed to maintaining the 15-year review for some first degree murderers. Can the solicitor general please give us an example of a first degree

murderer who in his view deserves an opportunity to get parole after serving only 15 years of a so-called life sentence?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I remind the House that the section in question which, as I have said, is being studied from the point of view of change, leaves it to a jury made up of members of the community to see whether there should be an earlier parole eligibility and any decisions are made by the arm's length independent parole board.

I repeat, we understand community concerns and we are working on what could well amount to changes to section 745 to respond to these concerns.

I remind the House when it came to the private member's bill in question the government for the first time established in the House the principle that these measures when they come to a vote are dealt with on a free vote basis.

• (1450)

It is because of the policy of this government that the bill went to committee and it is because of the policy of this government that the bill was restored. If it had been up to the Reform Party that bill would not have been restored; it would be dead today.

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[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The Minister of Citizenship and Immigration cannot make a distinction between an official report and public condemnation of specific violations. Allow me to help her: the mandate of former Deputy Minister Roger Tassé applied only to deportation procedures and practices and not to specific cases. This does not mean that his oral allegations are unfounded and that there were no bribes.

Will the minister admit that, during the investigation, Mr. Tassé referred several well documented complaints of a special nature to Assistant Deputy Minister Georges Tsai, who has not yet bothered to respond?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is clear that all employees with the Department of Citizenship and Immigration must comply with the law and with a code of ethics. It is also clear that we will never condone the use of bribes by employees, as the hon. member for Bourassa suggests.

That said, if anyone has reason to believe that one of our employees is not abiding by the code of ethics, I would invite this person to bring the case to our attention. You can rest assured that we will monitor the situation very closely.

Oral Questions

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I wonder how long the minister will keep singing the same tune. We would like some answers to our questions.

How can the minister deny that such complaints exist, when the assistant deputy minister received specific, serious and well documented complaints regarding several individual violations and when the President of the Canada Employment and Immigration Union confirmed that bribes had indeed been offered? Will she order an investigation into this, yes or no?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, since this is the third day that the same question has been asked, I will give the same answer for the third time.

If the hon. member for Bourassa has any evidence that one of our employees is not abiding by the department's directives, he should refer the case officially to our deputy minister and we will take action.

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[English]

TERRORISM

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, after last week's cowardly attack in Israel by Hamas both the minister of external affairs and the solicitor general promised to take action to prevent terrorist groups from raising funds in Canada.

The Prime Minister obviously is concerned with the issue, as he is currently in Egypt attending an anti-terrorism conference.

I ask the solicitor general if the government is prepared to introduce legislation to outlaw fundraising in Canada for terrorist groups as a measure of living up to its commitment.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, Canada chaired a meeting of the P-8 countries last December to work out a plan of action against terrorism.

One of the points in that plan of action was to deal with the flow of funds across international borders for terrorist purposes. We are working on measures in Canada to implement that part of the action plan against terrorism and part of it is working on measures to deal with the flow of funds.

We hope to have something ready before too long. I would be delighted very soon on behalf of the government or through the Minister of Justice to have this presented to the House.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I would not have thought it would take that long to introduce a law making it illegal to raise funds for terrorists.

• (1455)

Last year when I asked the former Minister of National Revenue if he would rescind the charitable status of the Babbar Khalsa, a terrorist organization responsible for the 1985 bombing of Air-Indian and last September's assassination of the chief minister of the Punjab, he did not appear to be overly concerned with the issue.

If the government is truly serious about combating terrorism why is it asking Canadian taxpayers to subsidize terrorist groups? Will it at least revoke the charitable status of terrorist organizations in Canada forthwith?

Hon. Jane Stewart (Minister of National Revenue, Lib.): Mr. Speaker, as my colleague said, we are very concerned about the issue of terrorism and how funds are given to charitable organizations. I will be working with the solicitor general and the Minister of Foreign Affairs to target these in response to the motion that was tabled in the House by the Minister of Foreign Affairs.

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[Translation]

THE UNDERGROUND ECONOMY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is for the Minister of National Revenue. The underground economy is of major concern to all Canadians.

[English]

The previous minister had embraced this issue as an important priority. Will the new minister reaffirm her department's commitment to address the problems associated with the underground economy?

Hon. Jane Stewart (Minister of National Revenue, Lib.): Mr. Speaker, let me first recognize that the vast majority of Canadians are honest taxpaying citizens.

There are those who do engage in the underground economy. I thank my hon. colleague from Mississauga—South for his attention and work on this program. He worked directly with my predecessor to develop a seven-point plan to combat the underground economy.

I am pleased to announce that as a result of that program we have assessed over \$1 billion in federal taxes. More important, of the 500,000 non-tax filers identified in that program, fully 80 per cent appreciate the program and are now voluntarily complying with tax regulations.

The underground economy continues to exist. I will work with my colleague to address it. We are thankful to the Minister of Finance in his budget of last week for addressing to us \$50 million to focus on particular sectors in the economy that are particularly at risk to the underground economy.

Oral Questions

[Translation]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs. At the end of February, the elders and the people of the Mohawk community of Kanasatake elected James Gabriel as acting chief, replacing Jerry Peltier. Given that letters from the new chief to the minister remain unanswered, would the minister tell us whether his department recognizes the process followed by the elders of the Mohawk community in electing a new chief?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, Grand Chief Pelletier was elected in the latter part of last year for a three-year term. We retained the firm of Coopers & Lybrand to assess the election. It said it was a valid election.

In the last few months there has been a meeting at the reserve and there was a petition or a vote to remove Grand Chief Pelletier and put another chief in.

The problem is Mr. Pelletier has not resigned. He sent me a letter saying he is still the chief. The new person also says he is the chief. We are looking at custom, tradition and the fact that we have already had elections. I will have to think about this and seek advice on where we go from here.

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BILL C-94

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of the Environment.

Following prorogation, Bill C-94 dealing with the gasoline additive MMT was put on the shelf. His predecessor, the Deputy Prime Minister, claimed she had unanimous cabinet support. The Minister of Trade now writes: "Bill C-94 should not be reintroduced, as it could have many adverse implications for Canadian trade without compensating environmental benefits".

Will the minister side with the reasoned view of this cabinet colleagues and not reintroduce the bill or will he simply continue to follow along the questionable path of his predecessor?

Hon. Sergio Marchi (Minister of the Environment, Lib.): Mr. Speaker, I thank the hon. member for his question as well as for the advance notice he was generous enough to provide me during question period.

The MMT bill has a number of different venues and different thoughts. Currently there is a 30-day period for the government to reintroduce and reannounce bills from the Order Paper.

He rightly mentioned that trade is one issue. I am appreciative that my colleague, the minister of trade, advised me of his position through the *Financial Post*. Unlike him, I think I will take some quieter soundings because there are many different opinions vis-à-vis MMT. One of them is the motor vehicle community which makes very strong claims that MMT gums up the onboard diagnostic systems which control emissions. As the Minister of the Environment I am concerned about the kinds of emissions we have in terms of greenhouse gases.

• (1500)

We certainly will take all of these points of view into consideration before proceeding to reintroduce the bill.

* * *

EMPLOYMENT

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, earlier today in Question Period the Minister of Human Resources Development said that the democratically elected union leaders in Canada were not representing their members and that they were exploiting real people.

Does the minister not understand that these real people are concerned about the real lack of jobs and the real need for a comprehensive unemployment insurance program which protects them and their real families while profitable corporations and governments are shedding jobs? Will he not take a second look at his comments of earlier today and apologize to those people who only want real work?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, there are many people who enjoy positions of leadership in the country, whether they are in the union movement, in business, in politics or anywhere else, who deserve the respect of all of us in the House. However, when someone goes into northern New Brunswick, hardly knowing where it is, and leads people out into the streets with all kinds of false and erroneous information to exploit them, I do not buy into it. If the hon. member and his party do, that is their problem.

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SCIENCE AND TECHNOLOGY

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

To prosper in the information age, Canada must be a leader in innovation. That is how we will create better and lasting jobs for Canadians. Could the minister explain how the science and technology strategy announced yesterday will contribute to the government's job and growth objectives?

Supply

Hon. Jon Gerrard (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Mr. Speaker, the government recognizes that in today's world, science and technology are key to economic growth and to jobs. By laying out yesterday in the science and technology strategy an effective technology plan for the nation, we are signalling to Canadians that we want to see an end to the era when we were net importers of science and technology products. We want Canadians to build those science and technology based products here in Canada so that there are jobs for Canadians in Canada and that those jobs will continue for a long time into the future.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—WITHDRAWAL OF EMPLOYMENT INSURANCE BILL C-12

The House resumed consideration of the motion.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the minister would have us believe that his changes to UI would provide over \$2 billion in savings to the government. However, during our briefings on the bill, when we asked for projections, actuarial analyses and economic effects, nothing was available. Further to that, the bureaucrats who briefed us assured us that the information did exist and that it would be forwarded to our offices.

• (1505)

Here we now find ourselves debating the bill in the House and the information has never been made available. Let us hope that the economics of these changes have indeed been analysed. This scheme must rely on a sound actuarial basis and we must have concrete evidence that such is the fact.

It will not do to adopt any scheme or plan which is simply a device for transmitting money raised by taxation or borrowing. In essence, any such scheme would be a dole, pure and simple. Without any evidence to the contrary especially when the auditor general is so condemnatory of job creation schemes, the minister's transitional jobs program will simply waste \$300 million.

I have expressed my concern about the actuarial soundness of these changes to UI, not only because the government refuses to provide us with its analyses but also because of a Liberal sentiment that was espoused by the Liberal government which introduced UI. Paul Martin Sr. on July 19, 1940 stated: "While it is laudable to try to make UI actuarially sound, we must not be unmindful of the fact that it is impossible really to make it actuarially sound". I certainly

hope that no present member of the cabinet shares this scary sentiment. Let us hope that the finance minister disagrees with what his father, Paul Martin Sr. had to say in 1940.

These new employment insurance measures clearly indicate that the government evidently expects unemployment to be a permanent problem. We realize and this group has directed attention to this fact time and time again that thanks to its status quo policies, the order of low unemployment has passed away and we have reached a high state of progress where the Liberal machine is continually putting people out of work and keeping them there.

Let me finish my remarks by quoting Mackenzie King who managed to get UI passed in the House. Let me remind the Liberals what their Liberal ancestors thought about social policy and UI and just how far from that original intent we have gone.

In 1935 before he became Prime Minister, Mackenzie King said: "Looking at the question of social legislation, it is necessary to take a bird's eye view of the whole. One must realize that what the provinces could do depended more than anything else upon the government's policies with respect to trade and those other policies which had to do with the revival of industry and business. To restore prosperity was the great objective which the Liberal government has before it".

King did not say it then, but if he were here today and I dare say if he were sober, he would probably tell us that to revive business and to safeguard social programs we should balance the budget more quickly than we are and we should make plans to address our crushing debtload, a task this government fails to understand because it just seems to be way beyond it.

In conclusion, let me reiterate that the Liberals are attempting once again to ram this bill through the House, to hide just how inept the bill really is in addressing the real issue of unemployment and job creation. More important, the changes to EI from UI really will make UI more like welfare than a true insurance plan. This is where in principle the bill goes drastically wrong and where the Liberals simply fail to comprehend what UI should do for Canadians.

Having said that, I move:

That the motion be amended by deleting all the words after the words "drawing board".

• (1510)

The Acting Speaker (Mr. Kilger): Colleagues, upon reflection and consultation with our table officers, the amendment is in order.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, prior to question period while the member was speaking, I contemplated rising on a point of order because of a statement she had made a number of times in her speech. She said that the government deliberately misled. As we know in this place, to suggest there is

Supply

deliberate misleading or not telling the truth is contrary to parliamentary actions.

As a result, I would simply comment to the hon. member that I understand in debate it is important to make the points. Perhaps the hon. member might preface her remarks that it is in her own opinion or in her own assessment the government is misleading and not make judgments in such a stark way.

Another point I wanted to make had to do with the whole aspect of the provision of statistical data, analyses and actuarial numbers with regard to the proposals under this bill.

The member will well know that the bill had been introduced by the then Minister of Human Resources Development in a particular form and had been published and circulated for discussion purposes. It had not, at the time of prorogation of the House, moved at any particular point. As a result of the motions passed by this House, it has been reintroduced in exactly the same format.

The member will also know that the bill, now to be referred to committee, is at a very important point in the legislative process. This is particularly so considering the vast amount of changes the member well knows can be made in committee with regard to proposed legislation, whether it be with regard to items such as the gun control bill or Bill C-7 on controlled drugs and substances which was before the committee I chaired and to which 70 amendments were made.

The member will well know that the possibility of providing extensive actuarial and precise data certainly is possible. However it is certainly more relevant once the specifics and the principles of the bill have been exhaustively reviewed by the committee. Information particularly with regard to the consensus items would then be provided by the research staff and the resources available to the House.

I simply suggest to the member that maybe this request for an answer to all the questions at the beginning of the process is unreasonable and unrealistic on her behalf.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I do appreciate the comments from my hon. colleague.

On the first point his comments are well taken. However, with respect to the point he made about misleading, I do believe if someone is intentionally misleading and those comments are directed to a person in debate, that it is cause for question. I believe that misleading and using that term within debate and in reference to government is not a point of order nor should it be taken to mean anything other than exactly what I stated. It is a personal opinion of mine and it is probably carried by many others as a matter of fact.

The member's second point was a little bit rambling and I will try to extrapolate from it what exactly he was getting at. We have been dithering around for months on the whole question of

unemployment insurance. I know everyone was waiting throughout last year for some substantive items to be put on the government agenda. It is rather unfortunate that the hon. member chose to cite gun control as an example of legislation. Gun control legislation took up the agenda of the House of Commons for months and months and months. We are going to go into committee and we will have only 50 hours in our committee to deal with witnesses on one of the most important pieces of social policy legislation this government has put forward. Therefore, I really have to question his comments in that regard.

The other thing is about the analyses we requested. It is our understanding when we go into a briefing by and with government officials that if the questions we ask are not answered on that day, that at least they are going to be followed up on at some future point.

• (1515)

These are questions of a fiscal nature and are very important for the analyses, especially when we are looking at such job creation programs as the \$300 million one that has been put forward in this bill. I do not think those requests were out of line or out of order in any way.

Those are my comments to the hon. member. Once again, let us hope we can leave off the dithering and actually get down to some very basic work in this extremely important area of social policy reform.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am both pleased and proud to second the motion by our leader to have the Minister of Human Resources withdraw the bill now numbered C-12.

During Question Period, the minister informed us that, during the work to be done, in the coming months, he would call for constructive proposals but would brook no criticism. I have news for him. He will have to listen to criticism, because the only constructive proposal he could make, in committee and in the House, to help those who really need an unemployment insurance program, would be that there be no cuts.

Why did the Minister of Finance, in order to achieve his objectives, decide to cut 10 per cent more from unemployment insurance? Why in this country does it have to be those who need UI benefits between jobs who service the debt? Do they have some special responsibility for coming up not with hundreds, but thousands of dollars as a rule? Why is it that a young person, a woman re-entering the labour market, an immigrant, or someone who had to stop working because of illness and is re-entering the labour market should not be entitled to unemployment insurance under reasonable conditions?

Supply

They are required to have worked 910 hours, or 26 35-hour weeks. Anyone the slightly bit familiar with the labour market will know how difficult it is to find right from the start a job that provides 35 hours a week for 26 weeks in a row, not to mention a first job in the case of someone re-entering or entering the labour market.

This is the kind of cut provided for by the bill. The question applies to everybody targeted by this bill. And I will ask it again: Why is it that, in Canada, the additional \$1.9 billion in budget cuts, or the interests on the debt, should be paid for by the unemployed? Somebody will have to pay.

• (1520)

The Minister of Human Resources Development had better not say: "Suggest an itty bitty reform. What might suit your fancy?" We do not want to have to chose among those who are going to be deprived even more of already meagre resources.

Do you know that of all the OECD countries, Canada is one of those lagging behind with regard to social expenditures? This, according to the latest statistics I found in a 1994 OECD document using 1990 figures, that is before what I would describe as the drastic cuts made cumulatively by our conservative and liberal governments. Already, Canada was behind New Zealand, a country everybody is looking at with fear, according to their point of view, mine anyway.

Although Canada has nothing to brag about in terms of social spending, it has decided to make the unemployed pay for what it calls an additional deficit reduction effort. Millions of people are affected. Even if we fail to do our job and mobilize in sufficient numbers to prevent the minister from going a little crazy, he should at least be forced to withdraw his bill because it cannot be properly redrafted. There are just too many major changes compared to the legislation now in effect.

If we fail to mobilize, Canada will let the burden of the debt and the interest on it fall on those who are least able to afford it.

However, if the minister agreed that the system's effectiveness is just as important and that the UI plan should not be cut any further but that we should sit down with businesses and organizations in order to get the most out of the money invested, he would be taking a step in the right direction, and we would have proposals to make.

The current situation is totally unacceptable not only because of the millions of people who will be affected but also because of the social and economic impact of these cuts.

We will never say it often enough: since the Liberals, who were tearing up their shirts over the two cuts made by the Tories—

which, compared to the cuts made or proposed by the Liberals, were rather minor—came to office, they have deprived the Quebec economy of \$735 million a year for 1995-96, 1996-97 and every subsequent year.

• (1525)

How much was cut in the Atlantic provinces? Funding has been cut by \$640 million each and every year starting in 1995-96. This bill adds to these cuts, these reduced benefits, this shortfall in money required to pay rent, to buy groceries, to feed the children, to provide ordinary people with an ordinary standard of living.

This new bill adds \$630 in cuts to Quebec and, according to the minister's own figures, \$344 million in cuts to the Atlantic provinces, for a total—and this will be this Liberal government's legacy—of \$1.375 billion per year in UI cuts by the time the program ends in the year 2000. It will be \$974 million in the Atlantic provinces, whose economy is flourishing, as we all know.

Earlier, a minister asked if the opposition thought the \$300 million allocated over a three-year period to assist with implementing the system is small change. My answer is: that is right. Indeed, as far as the Atlantic provinces are concerned, I fail to see the connection between taking \$974 million out of the local economy every year and the fact that the provinces would receive 40 per cent of \$300 million over three years. It is really not the same thing.

You know, in a region, when a business that used to pay \$5 million in wages closes down, one wonders how this will affect the local economy. So, when I learn that the Atlantic provinces will receive \$975 million less every year, I dare say that the government did not weigh the economic impact, or the social impact, of its decision. What are those individuals who will have to do without UI benefits because they do not qualify or are being cut off supposed to do?

They will spend less, naturally. That is an economic impact in itself, a radical impact. But they will need a minimum of money. They may turn to their parents for assistance, for a while, turn to their friends, for a while, live off their savings, for a while, but eventually, they will be forced onto welfare. Someone must always pay the price; in this case, it will be the individuals and their families. And it will not be those who are the wealthiest or who are best able to pay the price, and the same is true of the provinces.

If all those who worked seriously on this bill came out and said that the government should withdraw the bill and start over, they would be right. The whole UI system, which was built over many years and, to a great extent, by the federal Liberals, in their early days—let us call this period phase one—this whole building is now being blown away.

Supply

● (1530)

It was blown up, like in the movies. The building was blown up and then the government started all over again. There is still a pillar here and there. Therefore, it is difficult in these conditions to say: "We will make an amendment here or there". It is unfortunate that the government does not listen more.

This bill will be harmful to the country's economic and social life. It will hurt. It puts Canada into a mould which, based on what I have seen, a large number of Canadians do not want. This is a fact. So, I ask again: why set these additional \$1.9 billion cuts as a deficit-related objective? Why do it on the backs of those people?

Instead, why not ask how to make the program more effective, how to help those regions where there is concern that people will end up relying on UI benefits? There is indeed a real danger, but the real issue is: how can we change current economic conditions?

When I first joined the human resources development committee, some senior officials showed us the findings of their research on how the unemployment insurance program was used in the various provinces. I guess I am not allowed to show these findings here, but it would be interesting for all Canadians to see these documents, since the two successive reforms are explained through the use of graphs.

In fact, it is an open secret that the eastern provinces, starting with Quebec—but not as much nowadays—and mostly the Atlantic provinces, "get more" from the unemployment insurance system than they put in, especially because of seasonal work and of the ups and downs of the economy. Throughout the world, the economy seems to be shifting from east to west. This is occurring in the United States and elsewhere.

There was a sort of redistribution, which had gained some acceptance, but which some economists have vehemently decried. However, the cuts made under this accelerated decrease in the redistribution process taking place through the unemployment insurance program, without the investments needed to create more jobs—and I am talking about the situation in the Maritimes, in Montreal, in the lower St. Lawrence district and in all the areas with a high unemployment rate—will result in the weakening of our social and economic fabric.

There is no short cut. None at all. The provinces are unable to take up all the slack. Families will not invest their savings. As we know, Canada has a serious debt problem. Savings have decreased. The people who are not yet getting their pension but will soon be are increasingly worried. With the unemployment rate remaining high, everyone is feeling insecure and quite worried. These cuts will only increase our sense of insecurity and make the work of those who fight crime even more difficult.

● (1535)

Canadians must face reality. This is the challenge here. The problem is not with the protesters who earn too much, or with Bob White who earns too much and organizes protests. That is not the problem.

The problem is that the minister does not seem to realize the long-term and very serious economic and social consequences the decisions he is about to make will have. So, when I see him get mad at the protesters, not to mention the prime minister who, in a very unfortunate incident, actually assaulted a man who was protesting against this so-called reform of the unemployment insurance system, I cannot help but feel sad. This is not the right way to do things.

The right way is to find out how we can, with the resources at our disposal, help to ensure the usefulness and social well-being of our fellow citizens. This is what a country should be about. This is why I want to build my own country.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I will be sharing my time with the member for Guelph—Wellington.

I want to first thank the opposition for an opportunity to talk about something I consider a very important issue. That is, of course, the reality and honesty of making laws and going forward with decisions that affect a lot of people.

It is a pretty curious scenario we find ourselves in. The Bloc members say that they are sovereignists. They talk about how everything needs to change and how the status quo in Canada is a failure. At the same time, there is a motion before us that argues, in most cases, for the status quo. They do not have a proposal but they want the government to withdraw the bill. They do not want to put proposals on the table because they would just like us to listen to the people who will come before the committee.

As a member of the committee, we are certainly going to be listening to the witnesses. However, we are also asking the people across the way to give us some ideas and proposals of their own. The minister said that he looks forward to members of Parliament doing their jobs and putting forward proposals.

I find it quite curious that the Bloc wants to break up Canada because it does not work, but, on the other hand, does not seem to have any ideas about UI reform.

We have seen all sorts of polls and results from the department and people who have gone across the country asking Canadians about the proposals and what they reflect. The consultations, of course, do reflect a consensus in the country.

I am not a big fan of polls, as one might imagine, because they are just a snapshot of what people are thinking. However, these polls are so overwhelming that I thought I had better lay them out for the House this afternoon. For some reason, members across the way seem to suggest that 90 per cent of Canadians are opposed to UI reforms, when in fact some 77 per cent are in favour of UI reforms and in favour of major changes.

I have mentioned in the House many times that I come from rural northern Ontario where there is a very high unemployment rate. It is as high as that of some places in Quebec and in Atlantic Canada. We have not had any of the demonstrations that the people across the way talk about.

I asked myself why that was. There are as many seasonal workers in Ontario as there are in Atlantic Canada. As a matter of fact, there are more. We have to ask if the people of Atlantic Canada are different from those in Ontario. Are they different in Quebec than in Ontario? Are they different in B.C.? Quite frankly the answer to that is probably, yes. We are all different because we have different needs, objectives and different economies.

● (1540)

I can understand why the minister would bring up one of my old friends, Bob White, who is a unionist. As you know, Mr. Speaker, I am a unionist and have been one for many years. I worked in the railway industry and I had a lot of friends in the union.

The problem with the Bob Whites of the world and one of the reasons I get very distressed about the role of labour in Canada is the fact that people like Bob White have moved the union movement into a corner from which it cannot escape.

People have stopped listening to some of the union leaders because they are now involved heavily in political parties. There are groups in Quebec which are supposed to be representing workers but are more interested in representing the separatist movement and its cause than about whether individuals have jobs.

There are unionists who spend half of their time at NDP conventions and less time negotiating with government and business in trying to help solve some of the problems.

No wonder people such as myself and the Minister of Human Resources Development become frustrated with the union movement.

Of course, now Bob White and his friends have organized a demonstration which suggests this bill is not good, that we should scrap it and start all over. That is the furthest from the truth. There are some improvements which need to be made. However, when we asked the majority of Canadians: Do you think we need to make these changes, their answer was overwhelmingly, yes.

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The issue that concerns people the most is increasing the qualifying period for new entrants. Youth are a major concern. Hopefully the committee will receive proposals, not only from the folks across the way but also from government members, on how that issue might be dealt with.

Sixty-seven per cent of Canadians agree with reducing benefits for frequent users. Seventy per cent of Canadians believe it would be a good thing to move from weeks to hours. Seventy-four per cent of Canadians believe that part time workers should be allowed to qualify.

Then there is the question of implementing job transition funds. The suggestion was made this morning that it was not a big issue and that we were just trying to buy people's silence by putting forward a transition fund. Try telling that to the 80 per cent of Canadians who believe that a job transition fund is a very good idea.

With respect to low income Canadians, 82 per cent of people say that assisting low income families should be a priority. That is reflected in the bill.

I am having a difficult time, not only with what the Bloc is suggesting, but also with the lack of ideas from the Reform Party. The only Reform suggestion so far was that it should be a true insurance program. In the survey results we have received from the majority of Canadians, that is not what they want. They want a progressive package which helps Canadians get back to work in one fashion or another.

I can understand why the Reform Party is so low in the polls. It is far away from the reality of what people really want. Every time the Reform Party brings a suggestion to the House it is basically refuted by Canadians who argue that it does not make any sense.

For the first time 500,000 part time workers will be insured. Is that a bad thing?

The Bloc leader suggested today that first hour coverage, which would be for part time workers, is a bad thing. I am quite surprised. The unionists are trying to protect part time workers. Society is revolving around part time workers more and more every year. I am surprised that they would be opposed to that. I wonder who they are representing: their union bosses or the people who are going to be stuck in the situation of working part time.

Two hundred and seventy thousand workers will receive, on average, three extra weeks of benefits. The Bloc does not care about that. Bill C-12 will create up to 150,000 new jobs because of behavioural changes within the bill. Again the Bloc does not seem to be concerned about the unemployed whether they are in St. John's, Vancouver or Rimouski.

Supply

• (1545)

Bill C-12 reduces premiums by \$1.3 billion this year alone, money that can be used to create jobs. The Bloc does not seem to care about that either. Bill C-12 allows women who have left the workforce to raise families to access employment benefits for the first time. The Bloc does not seem to care about these women either.

Quite frankly, I am amazed at how little Bloc members seem to care about the important aspects of this bill. Bill C-12 will refund premiums for \$1.3 million low income workers, including 920,000 who pay premiums today. The Bloc does not care about increasing their take home pay either.

In the few minutes I had, I wanted to mention these issues. The minister has said publicly to all members of the House that there are areas of concern with the intensity rule, with the gap, with low income Canadians, with the divisor rule. All those issues have been targeted as something to which the government is prepared to find better solutions or answers if people can come up with some proposals.

I ask the members opposite this. Instead of playing political games for the sake of trying to break up Canada for their own political gain they should come up with some proposals that can be looked at in committee and will hopefully improve the bill even further than it goes already.

The Acting Speaker (Mr. Kilger): There are five minutes for questions and comments. I would like to get both members on the record so—

[*Translation*]

Therefore, I would like the questions to be as precise as possible in order to give every member an opportunity to ask a question or to make a comment.

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, following the speech just made by my colleague from the government, I will say that, in the riding of Charlevoix as in the rest of Quebec, people do want a reform of the unemployment insurance program, but not at the expense of the most disadvantaged. The minister is confirming what the Bloc Québécois has been saying, namely that the government intends to reduce its deficit at the expense of the most disadvantaged.

Members will recall that, last year, the unemployment insurance fund had a \$5.5 billion surplus and that, this year, the government anticipates a surplus in the order of \$5.3 billion. It is not true that there is less unemployment; in fact, there is more. The problem, and the reason why there is more and more money in the unemployment insurance fund, is the increasingly difficult access to the program. With the new reform, seasonal workers who work, for example, 15 hours a week will have to work 45 to 50 weeks in order

to be eligible for UI benefits. In other words, these workers will no longer have access to the program.

People find it increasingly difficult to qualify for unemployment insurance and are forced to go on welfare.

Also, with this unemployment insurance reform, the benefit period for people who are eligible is reduced. Therefore, over a 52-week period, with a qualifying period, a person often has to rely on welfare before he or she goes back to work. And not everybody is eligible for welfare. Often times, people have to sell assets that they have accumulated over many years.

Does my colleague recognize the fact that the unemployment insurance fund is entirely paid by workers and employers and that the government cannot appropriate that money since it is there to help people in case they lose their jobs? Does the member recognize that the UI fund is an insurance for workers and that, if the government uses it to reduce its deficit, it is taking something that does not belong to it?

[*English*]

Mr. Nault: Mr. Speaker, I will answer quickly so my friend from the Reform can ask his question.

The Bloc continues to perpetuate a myth. First, we all know that the UI fund is not general revenue. It does not go into the general revenues of the government. In fact last year it was in a deficit. When the Tories were defeated, the fund was in pretty rough shape and was in deficit by some \$3 billion or more. This year finally that deficit has been turned into a surplus. It is projected there will be a fairly large surplus this year.

• (1550)

Mr. Speaker, you will recall because you were here—I am sure some of these members that were not here would not have read the *Hansard* as closely as they should have—that premiums had to be increased significantly during the last recession because there was no surplus in the EI account. It is our intention not to let that happen this time.

There is no interest or legal capability of the government to take that money and pay off its deficit. It is used as a benchmark for how the EI account is doing, whether it is in a deficit or a surplus position.

For the Bloc to continue to say that the government is paying off the deficit on the backs of the poor is completely false and erroneous.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I want to point out that this member has made some statements that are totally false.

For two years I was the critic and dealt a lot with the unemployment insurance fund. When he says that we do not make sugges-

tions I would like to refer him to *Hansard* and have him read *Hansard*. He says that the Bloc is not reading it; neither has he read *Hansard*.

If he would go back to 1994 and 1995 he would see the speeches I delivered in the House. There were 14 to 17 points in some of those speeches that provided the government with suggestions of what it could do to reform the unemployment insurance fund. To my knowledge very little of that advice was ever taken. If it had been taken the unemployment rate would be 1.5 per cent to 3 per cent lower than it is today. Those were excellent suggestions which have fallen on deaf ears. The government should take heed.

Has the unemployment fund not become a slush fund for some other government projects that have very little to do with insurance? We Reformers have a problem with this. The government was taking funds from EI and using them for things other than insurance. I do not think it can be denied that is the case.

Mr. Nault: No, Mr. Speaker, I do not deny it. Quite frankly I welcome it. Any worker who understands a global economy, any worker or any parliamentarian who has spent time looking at our major competition in the world, will know that every labour adjustment program in the world is funded by its workers and its employers; every major labour adjustment program in the world is very progressive, not passive, not a straight insurance program where somebody is just given a cheque to stay home.

They are given a helping hand to try to retrain, to prove themselves and get back into the workforce. If the member calls that some kind of slush fund for friends of the Liberals, he should talk to the people about how they feel about that part of it.

I know Reform members have made a couple of suggestions. I heard them today: straight insurance program, nothing else to it; take it out of the hands of the government, give it back to the employers and the employees; government should have nothing to do with it. As a unionist I can say that I would be scared to death if it was taken out of the hands of the government and given to the private sector because there would be no insurance program if that was ever done.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I rise to speak to the motion introduced by the hon. member for Roberval. While I am pleased to have this opportunity to share with the member and the House the accomplishments of the Liberal government, I am disappointed that once again the opposition's only effort is to ignore the positive and focus on the negative.

I would hope that prior to introducing this motion for debate the hon. member and his colleagues had discussed the proposed changes to unemployment insurance with their constituents. I have worked closely with the people of Guelph—Wellington in offering constructive proposals for genuine change in unemployment insurance.

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I am particularly grateful to Jerry Wilson of the International Brotherhood of Electrical Workers and Joseph Maloney of the Building and Construction Trade Department who have worked with me in this regard. Their suggestions, proposals and guidance have been of great assistance to me and I thank them for their work on behalf of workers across Guelph—Wellington and all of Canada.

• (1555)

I would suggest that any member in the House take the time to meet with some of these people. They have lot that they can help and share with each of us.

Let me remind the hon. member that it was a Liberal government that first introduced unemployment insurance in Canada. In July 1940 the Minister of Labour, the Hon. N. A. McLarty, guided the bill through Parliament. It was established to provide insurance against unemployment and to form an employment service.

The bill was introduced during a time of war following the great depression. It responded to the changing times of the 1940s and it gave protection to workers and their families that never existed before.

It is this Liberal government, with the work of Minister of Foreign Affairs and the Minister of Human Resources Development that wishes to afford better protection and we have offered concrete proposals which respond to the same difficult and changing times which faced the government of Mackenzie King.

I find it ironic, however, that the opposition parties criticize the government for its work on behalf of young people, women, seasonal workers and immigrants. Let us examine their record on behalf of these Canadians they seek to protect in this motion. Let us look closely.

We know that introducing employment insurance eligibility based on hours worked will help Canadians working in the building and trades industry, students and young people who rely on part time work for their employment.

Most important, we have made concrete proposals to assist young people in all of Canada, every province. Guelph—Wellington is the home of the University of Guelph. Many of our young people stay in our community to study and we attract hundreds of students from across Canada. This government is offering them more flexibility in repayment to make post-secondary education more accessible. We have introduced job focused internship programs and Youth Service Canada in co-operation with the private sector which has provided much needed assistance in the transition from the school to work.

What have the opposition parties offered? The Bloc tells young people that their future lies in the uncertainty created by a divided country. The Reform tells young people that their future will be

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better by destroying the social programs that make Canada great and some day our future will be brighter.

Young people in Guelph—Wellington realize and they tell me that they have hope in a united Canada and in bettering social programs, not destroying them.

What have the Liberals done for women? Our proposals will provide greater assistance to low income families. Two-thirds of the claimants who will receive the family income support are women. Our record includes a new pension system that will mean that nine out of ten low income senior women will be better protected. Changes to student loans will allow expanded relief for women in doctoral studies.

What do the opposition parties have to offer for women? The Bloc offers uncertainty and discourages investment which can help women find employment and the Reform's discussion on women's issues in 1990 concluded that there are no women's issues. That is what the Reform's report found. The women in Guelph—Wellington will disagree.

In my work with representatives of the building and trades unions I brought forward their support for an employment insurance program based on hours worked. They wanted this proposal and the Liberals have responded. This is a positive step forward for workers who generally did not benefit from the previous UI system. With the changes announced by the government 45,000 more seasonal workers will be eligible for assistance.

The minister listened to the building trades. They have concerns which need to be addressed further and I acknowledge that. We will continue to work positively with them. This is a positive first step and it is concrete. You can see it and you know what is being proposed.

• (1600)

What do the opposition parties have to offer seasonal workers? Is the Bloc offering a first step, or a step into the uncertainty created by the breakup of Canada? Reform offers \$15 billion of further cuts to social services, services which would benefit seasonal workers and their families.

Finally, the Bloc has expressed concern regarding the results of our proposals on immigrants. I welcome its concern for new Canadians and those who come to Canada to seek a better life.

Our proposals, along with the measures announced in the budget, and the emphasis on jobs and growth will give Canadians, whether they have been here for hours or generations, hope for their future.

The Bloc tells new immigrants that it wants to break up the country. Reformers believe that immigration should be based on economics alone. Reformers do not like policies based on compassion or need.

I recognize that our efforts to improve the unemployment insurance system will not eliminate unemployment in Canada. I recognize that but it is a good first step.

Guelph—Wellington, as part of the country's technology triangle, offers the best workforce in this country. We are known for quality, dedication and hard work. A national unemployment rate of 9 per cent is unacceptable to Liberals. While we have created over 600,000 jobs, we recognize that there is more that can be done and more that needs to be done.

The employment insurance reforms are made in the interest of protecting the very groups that this motion claims we are hurting. The simple fact is that young people, women, seasonal workers and immigrants, for that matter all Canadians, are better protected by the Liberal Party.

The Bloc offers only uncertainty and discourages investment that is needed to keep Canada strong. It discourages foreign markets. It makes everybody uncertain. It somehow believes that economies are built on policies that destroy rather than on commitments which build.

Reformers believe that if social programs are cut now in order to reduce the deficit, more could be spent on social programs in the future. That is like suggesting we burn down the house in order to make room for the furniture. If Reformers get their way there will be no social programs and no medicare.

This motion deserves to be defeated. It shall be defeated by the encouragement of the people of Guelph—Wellington who support our efforts to build programs that offer hope, protection and opportunity.

[*Translation*]

The Acting Speaker (Mr. Kilger): With all the interest shown in the speech by the hon. member for Guelph—Wellington, I will recognize one Bloc member, the hon. member for Longueuil, and one member of the Reform Party.

I will ask you to take two minutes each, and then the hon. member for Guelph—Wellington will be asked to respond.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I would just like to point out to the hon. member that a consensus was reached some years ago now in Quebec. The unions and the bosses, the Liberals and the present Parti Québécois government, all have reached the consensus that manpower training is primarily a provincial matter and one that ought to be handled by Quebec, by the Quebec Department of Education.

What is being noticed now about the unemployment insurance program is that several billion dollars are being taken from unemployment insurance contributions, and no one yet knows where that money is going to end up. We see this as a new method of taxation, a tax in disguise. Employees are taxed, employers are

taxed, for unemployment insurance, but we are not yet clear what you are planning to do with that surplus money.

• (1605)

What we in Quebec are hoping—and Quebecers are unanimous in this, whether unionists, employers, the previous Liberal government or the present government—what we have been demanding for years is that this surplus in the unemployment insurance fund, made up of employee and employer contributions, be ploughed back into manpower training, and that such training be delivered and administered by the Quebec Department of Education, which is best placed to provide training tailored to the needs of our businesses and our unemployed workers.

Now, one more question. How can it be that both employers and employees are asking, since they are the contributors, why they are not the ones to administer unemployment insurance and manpower training funds? I would like to know what the minister's thoughts are on this.

[*English*]

Mrs. Chamberlain: Mr. Speaker, I have talked to several labour union people and government people in Quebec and I would not concur at all that everyone agrees that Quebec should have exclusive jurisdiction over these surpluses.

I would also like to point out to the hon. member that many provinces across Canada are being governed by many different people. I find more and more people across Canada, and especially in Quebec, who are saying: "We need the federal government. We are worried by some of our current leaders today in all provinces. We know that each time a government changes there are different philosophies, there are tides and waves to the right and left". However, there are many people in the trenches who are really anxious for the federal government to have a very strong presence in Canada and which will assure Canadians that certain programs and safeguards such as medicare will stay in place.

That is why the Liberals and the federal government pledge to do their very best for all Canadians, including those in Quebec.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I was quite interested to hear the hon. member for Guelph—Wellington contend that the Liberal Party is the only defender of social programs in Canada. I suppose it is not too surprising that I disagree.

I find it most amusing, contradictory in fact that the member would hold Reform Party members up as those who would not defend social programs.

I would like to take the member back to 1993. In our literature, we suggested that with regard to old age security, family income

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should be taken into consideration. At that time we used the figure of \$54,000 for a household income.

How would the hon. member explain how the Liberals can possibly be the great defenders of social programs for the elderly and those who have trouble fending for themselves when they criticized our policies at that time. Now they have reduced social programs on a household basis down to a ceiling of \$45,000, some \$9,000 less than the Reform Party advocated in 1993.

Mrs. Chamberlain: Mr. Speaker, it is very easy to explain a lot of these things. We have seen right wing governments and their legacies in several provinces in Canada. The Reform Party wishes to use a figure of \$54,000, but it does not talk about the fact that it would look at user fees for everything. It does not talk about the fact that it would use a two-tiered health care system. That \$9,000 would soon be eaten up and there would be nothing left for those people

In the last budget we protected seniors. We promised new programs so that social services will be available.

With due respect to the hon. member, I have to tell him that right wing governments will absolutely choke Canadians if we allow them to progress.

• (1610)

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, it is my turn to rise in the debate on Bill C-12 on unemployment insurance, which the government is trying to rename employment insurance. I think, if the name is going to be changed, it should be "deficit insurance" in order to reflect the real change.

Earlier, I heard the parliamentary secretary admit, in response to a question by a Reform member, that indeed it could eventually be used for the deficit. I think some information has to be provided on this point. Up to now, there has been an accumulated deficit. The unemployment insurance fund had an accumulated deficit of \$11 billion.

Perhaps we need to understand the background of this accumulated deficit of \$11 billion. Where did it come from? It dates from the time of the Conservatives. We cannot attribute it to the Liberals opposite, because it predates 1993. It dates from fiscal 1991-92. That is the very year that followed the government's withdrawal, when Mr. Valcourt was Minister of Employment. It withdrew and decided not to put a penny more into the UI fund.

Subsequently, surprise, surprise, there was a deficit in the fund, which grew to \$11 billion. The Conservatives proposed a bill in the House, a reform, an initial reduction. I do not have enough time this afternoon to go back over all the speeches of the former members of the opposition, who are now across from me in the House.

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The present Minister of Human Resources Development called it a scandal when Mr. Valcourt announced the cuts. However, what did this government do when it came to power? It passed Bill C-17, which led to a cut in eligibility. We must remember that it reduced unemployment insurance from 60 per cent to 55 per cent of insurable salary. It shortened the periods. This made it possible, in two and a half years, to recover the \$11 billion deficit in the fund. In December, a few months ago, officials of the Department of Human Resources Development confirmed there was no longer a deficit in the fund.

It would have been possible to go on with Bill C-17, and it was to be expected that we would have a surplus similar to what the Minister of Finance had estimated last year, some \$4 billion. The following year, the surplus would have been more than enough. But what is the Liberal government doing instead?

It is proposing a new reform, further cuts to UI benefits, limited eligibility, reduced benefits for a lot of groups—and I will show that it is so. But the government is going a step further.

Once the deficit has been made up, why does the government keep on cutting? It wants to pay down the country's deficit, the federal government's deficit. That is unacceptable, because the unemployed are not the ones who caused the federal government's deficit. There are various other factors. The unemployed should not be the only ones to pay.

We, in the opposition, are often accused of manipulating the figures. All these figures are in the last budget brought down by the Minister of Finance, who announced a surplus of at least \$4.3 billion for 1995-96. In 1996-97, the surplus will be over \$5 billion. Adding that amount to the \$4.3 billion, we get \$9.3 billion in two years.

• (1615)

The following year, he deposits only the contributions, not the surplus. Since more people contribute to the fund, the contributions are going to generate record revenues of \$19.5 billion. And if the trend continues, you are going to have in 1997-98, a surplus of about \$6.3 billion. This is quite a lot of money.

These three amounts added together make an enormous surplus. We know this is correct: \$4.3 billion plus \$5 billion plus \$6 billion come to a total of \$15 billion. Is the government going to keep that surplus in the fund somewhere? No. It is going to use it, and it is clear that it intends to use it to repay Canada's debt.

People may sometimes feel unemployment insurance is for others. Some say: "The unemployment rate is about 10 or 12 per cent in Quebec". A lot of people are not affected. At present, the unemployment rate may be 10 per cent but last year, 14 per cent of

workers in Canada received unemployment insurance benefits—14 per cent. That is 2,124,000 individuals.

We are not talking of some small isolated village in Charlevoix. We are not talking about a village in the minister's riding. Two million recipients is the equivalent of the whole population of Montreal. Efforts are being made to minimize the figure, but the number of unemployed individuals will be 2,124,000.

On average, this represents \$540 per capita, even if we count those who were not able to collect benefits. But more important, 3.2 per cent of the total income of all Canadians comes from unemployment insurance. The government wants to cut benefits for families, claiming that it will stimulate the economy; and yet we know, for instance, that, according to my calculation, at the end of the day this would represent for MIL Davie workers, in my area, \$1.4 million a year over 5 years for 435 claimants on average. This is money they will not have for groceries and the rent, and money that will not be available to those who want to do business in this area.

Sometimes, people who talk about unemployment insurance are called socialists. The money I am talking about is money business people in a given area will not have access to. People do not see that, but afterwards, they realize that it makes sense.

This is a problem created by cuts, because what we have here are cuts. The unemployment insurance fund surplus is the result of cuts. If 30 per cent of the cuts are going to affect Quebec we, in the Bloc Quebecois, find this outrageous. Thirty per cent. We only represent 24 and some per cent of the total population. And yet, 30 per cent of the cuts will affect Quebec. As early as this year, 1996-1997, Quebec will lose \$400 million. This is an 8 per cent drop since last year.

We are told this is insignificant. These are not cuts. But an 8 per cent drop is a cut. I will give you some figures for last year; in Quebec, some 754,000 individuals—right now there are 435,000 claimants—but last year they were 754,000 who, at one time or another, were on UI. This is a lot of people.

I am only talking about Bill C-17, I said nothing of the impact of the next reform. Within two years, Bill C-17 has resulted in a 25,749 increase of the welfare roll in Quebec. This means shovelling the deficit into the province's backyard at a time when Quebec is already in a predicament because of previous cuts. It should be pointed out that exactly 25,749 individuals are on welfare in Quebec.

• (1620)

Mr. Nault: This is due to the referendum.

Mr. Dubé: The parliamentary secretary claims that the referendum had an impact on the unemployment rate in Quebec. So let us

see what happened in the other provinces. Did the referendum adversely affect Ontario also? Ontario will lose \$400 million next year. This means 6 per cent less for Ontario.

Was British Columbia, which is far from Quebec, also affected by the referendum? There was no referendum in that province, but it will still lose \$165 million next year, a decrease of 9 per cent.

The four maritime provinces together will lose \$220 million. Newfoundland will lose \$85 million. Was there a referendum in Newfoundland? Oh yes, there was one on the question of catholic or secular schools. Could that be the cause of unemployment in Newfoundland? There was a referendum so maybe the parliamentary secretary will want to repeat that the situation is due to the referendum. However, Quebec sovereignists have nothing to do with the Newfoundland referendum.

New Brunswick will receive \$65 million less, an 11 per cent decrease. For Nova Scotia, it will be \$55 million, 8 per cent less. Prince Edward Island, which is sparsely populated, will still lose \$15 million because of the reform proposed by this liberal government.

I can hear the member saying: "The opposition members is using figures that he manipulates". These figures come directly from the deputy minister. He presented some impact studies to the Standing Committee on Human Resources Development, but only because we had requested them. So I am quoting figures from that document. I am not inventing these data. I do not even read figures in the newspaper. These figures come directly from the Department of Human Resources Development. These must be good figures. I hope so, otherwise we are wasting our time.

I just reviewed the figures from a geographic point of view. However, I also searched these same papers by sectors. Let us start with the projections in the forestry sector, which is of particular interest to my colleague for Charlevoix and other areas. This sector will receive 21 per cent less, not only in Quebec but everywhere in Canada, 21 per cent less. The mining sector will get 17 per cent less.

In the construction sector—there is actually a strike in Quebec—cuts in unemployment benefits for construction workers will amount to 16 per cent. In agriculture, 15 per cent less, and in transportation, 12 per cent less.

Because there are cuts almost everywhere, government services will not be exempt. In Ontario alone—and the figures I have predate the announcements of the Harris government, which means that it will be much worse—at the present time it is already 11 per cent less. For hotel workers, 9 per cent less. In finance, 8 per cent less. In commerce, 8 per cent less and in all the other sectors, that I reported, also 8 per cent less.

I looked for one sector which would benefit from the changes. I took the document and I studied all the sectors, one by one, and I

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did not find a single one which would benefit from the changes. Everybody loses. All sectors of economic activity are losers, whichever they are. And the government would like us to believe that it is a good reform, when everybody is losing. If one group was a loser and another one the winner, while others would remain unchanged it would be fine. But no, all the sectors, according to the government's own figures, are losing.

Mr. Landry: This is unacceptable.

Mr. Dubé: As my colleague for Lotbinière just said, this is unacceptable.

That is why our leader this morning brought forward a motion asking that the Liberal government withdraw this bill. I could go on; I could go into this more thoroughly. As the official opposition critic for youth, my special concern is the fate of our young people.

Since the Liberal government took office, it launched a youth employment strategy. The speech from the throne waxed eloquent on youth employment. I notice that when the Liberal Party came to power, the unemployment rate for young people under 24 years of age was 17.5 per cent. What is the present rate? It is 17.2 per cent. There has been a 0.3 per cent improvement, and the government wants us to find that acceptable. The government tells us it will double the number of federal summer jobs.

• (1625)

I looked at the statistics; \$60 million were spent and the government raised it to \$120 million. It is doubling it. The Conservatives had provided about the same amount, that is \$104 million the first year. But when the Liberals came to power, they cut it in half. So, they are raising it a little higher than the level it was at two years ago. I do not call that a visionary strategy, but something that goes up and down. The only expression I can think of is a yo-yo strategy. The government is reinstating things it had abandoned last year and is coming back to the same point. But to whom is it offering that money? To students. Students are not unemployed people, they go to school and find summer jobs. That is quite all right. I have nothing against that. But does the government think this will change the unemployment situation for our young people? No, Mr. Speaker.

What does the government do for young people? It says to them: for new unemployed people, the reform has now done this. In some areas, the qualifying period for UI benefits was 300 hours, that is 15 weeks at 20 hours per week. What is the situation now, or rather, what will it be after the UI reform is passed? It will be 910 hours. And that will be not only for young people, but also for women, immigrants, all newcomers on the labour market. They will need 52 weeks of work at 15 hours per week to qualify for unemployment insurance.

Yet, a change was brought in by the Reform Party. Before, those who worked less than 15 hours per week did not contribute to the

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UI system. Now, they will contribute as of their first hour of work, but it is not sure that they will qualify.

There is another shameful measure that the government has introduced. It has reduced the benefit ceiling, that is the insurable income, from \$42,000 to \$39,000. By doing this, the Liberals will save \$900 million as soon as the measure is implemented. Now, as I just mentioned, the fact that people who work 15 hours per week or less must contribute to UI also allows the government to save \$900 million. So, the government saves in one area in order not to reduce contributions to UI for those who made \$39,000 and more, but at the same time, it makes people who work 15 hours per week and less pay more. There is a social choice here.

When I was listening to the throne speech, I heard: "We will give more help to those who are in need". What is the first bill that is being introduced in this session? We are doing just the opposite. We reduce the contribution of those who earn more than \$39,000 and make those who work less than 15 hours a week contribute just as much. This is unacceptable. It is another reason why we, as the official opposition, want the government to withdraw this type of reform.

The parliamentary secretary said a little bit earlier today that the opposition was not suggesting anything. I am saying this: Why change things and make low income earners, women working part time, young Canadians who are hard hit by the unemployment, contribute? The government recognized that in the speech from the throne, but at the first opportunity, in its first initiative, it does exactly the opposite. The government members say one thing and do the opposite. Members will recall that when the Liberals were in the opposition, they condemned Mr. Valcourt, the previous Minister responsible for the Unemployment Insurance Act and now that they form the government, they do the opposite, they continue on the same path.

It is sometimes difficult to ask people to stop and explain to us their frustrations in terms of what is happening. This government is a master of contradiction. It announces the opposite of what it intends to do. Other examples were given during the last few weeks, the GST, for instance. But as far as unemployment insurance is concerned, the present government condemned Mr. Valcourt' cuts, then continued on the same path. Even after succeeding in eliminating the deficit in the unemployment insurance fund, it still continues on the same path.

• (1630)

Meanwhile, employer contributions are being reduced. I would have supported this. We did not object to a cut in employer contributions. But why reduce employee premiums from \$42,000 to \$39,000? To sweeten the pill, because the benefit ceiling is also falling. That is why I see this as a lose-lose situation.

People previously entitled to the \$448 maximum benefit will now receive only \$413 a week. For someone with a family to

support, this is not much. Workers at MIL Davie and those working in construction, industry and big business are all affected by this. They will all be affected by the new minimum.

If they are unfortunate enough to be working for a seasonal or cyclical business like construction, they will also be affected by the so-called repeat claimant rule, that is to say, instead of receiving 55 per cent, their benefits will be reduced by 1 per cent for every claim. For example, someone collecting \$448 will see his benefits go down, first, to \$413 a week and, after the fifth claim he has to file because he works for a cyclical business and must go back on unemployment, to \$375 a week. They are trying to sweeten the pill by telling us that this is a good reform.

At a time when people earning \$100,000 stop contributing and banks, with record profits of nearly \$5 billion per year, cut back their staff and make massive layoffs while at the same time making record profits, we are expected to grant the government its wish to have job creation now rest with large business, is that it? That is outrageous.

We in the opposition will not stand for it and we will do all that we possibly can to have the government withdraw its bill. I sit on the Standing Committee on Human Resources, and the parliamentary secretary can rest assured that I will spare no pains to propose corrections and amendments to make sure that the people of Quebec and Canada, the unemployed, the young, women, immigrants and everyone involved are not penalized. The 2.2 million people who received UI benefits last year can count on the Bloc Quebecois, the official opposition, to make sure it does not happen.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, in the speech made by the hon. member's leader, the comment he made was that the Bloc is opposed to the new system of every hour counting, what we call the hours based system.

The present system is based on weeks where one has to work so many weeks in order to qualify. With a system in which every hour that one works counts, some 270,000 workers will now qualify for an additional three weeks of benefits because they will now be given full credit for all the hours they work. About 45,000 workers in seasonal industries not eligible for UI will now qualify for EI. I would like the member to explain to the House why the Bloc is opposed to moving to an hourly system where every single hour counts.

In a region like mine and a region like yours, Mr. Speaker, this affects every single member. Members are trying to suggest that seasonal workers are fishermen and foresters. This country's biggest seasonal industry is construction and construction workers work long hours when they can. It is just the way it is in the construction industry. They work 16 to 18 hours a day when it is nice out, when the sun is shining and it is not raining. Every single hour an individual works will qualify. He may only work eight

weeks but is working 60 hours a week during those eight weeks. He will qualify under the new system but will not qualify if we stay with the old system.

• (1635)

I would like an explanation as to why the Bloc is opposed to the hourly system. Everyone I have spoken to thinks it is a tremendous improvement for the average worker in Canada.

[*Translation*]

Mr. Dubé: Mr. Speaker, I have a couple of things to say. It is truly extraordinary that, each week—and the minister again complained about that today, as do people in his region—demonstrations are held every Sunday afternoon in his area, with some 2,000 or 3,000 people taking part.

The hon. member from Fredericton sat with us on the human resources development committee and we accompanied him. The three of us went to Bathurst last year and people, not just unions, made that point. I remember in particular four single mothers telling us that if what was being contemplated became reality, it would be terrible for the economy of the Caraquet region, Acadia in particular, but also the maritimes as a whole.

I know I will never convince the member opposite with this answer, but—and this is what people in these regions understand—that in itself should be enough to reconsider the issue. In fact, before he became parliamentary secretary, the hon. member said that he would ask the former human resources minister, who is now Minister of Foreign Affairs, to make these corrections. In other words, he recognized the situation.

In a recent statement, a colleague of yours, the member for Madawaska—Victoria, who is now acting speaker, said that if the bill was not changed, she would not be able to support it. I know that many government members have the same problem. Of course, the hon. member for Madawaska—Victoria is now Acting Speaker. Because of this, she may not have to vote. But I do not wish to get into a debate on this matter.

I also object to the idea that taking into account the number of hours will improve the situation. The parliamentary secretary is saying that this will encourage those who have jobs to hustle to accumulate the highest number of hours. In other words, in the forest or tourism industry, for example, one would work two jobs at the same time in order to add up hours as quickly as possible.

As critic for training and youth, I say that this stiffens the competition for young people, women, part-time workers, and those who have a hard time finding what I might call “McJobs”.

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Young people already have a hard time finding such jobs and, with this system taking hours into account, they will face even stronger competition against those who already have jobs, who are more experienced, and who have a better knowledge of their work environment, to add up hours of work.

In the so-called leisure-oriented society we have been promised for the past 20 years, we see exactly the opposite. People must work 60 or 70 hours for fear that their company will shut down in two weeks. Is that what the parliamentary secretary calls progress? I doubt it and I say that it is an unacceptable incentive for people to take on those jobs. This is another reason why the Bloc Quebecois is asking for this bill to be withdrawn.

[*English*]

Mr. Nault: Mr. Speaker, the member did a great job of dancing around the question. I can understand his reluctance to try and deal with it. I am aware that his party is trying to dance between two interest groups, one which is in favour of the hourly system and another which is not. Let me put it to him based on questions from some women in his caucus over the last couple of days relating to women's issues.

The vast majority of part time workers are women who do not fall under the present system and do not get any benefits. I happen to know some of them. Some are related to me, very close family members who work part time and do not have benefits because of the present system.

Is the member of the Bloc telling me that his party's position is that the vast majority of women who do not come under the present system should not be able to pay into the system and get benefits when they need them because his party has a couple of union friends who do not agree with the hourly system?

• (1640)

[*Translation*]

Mr. Dubé: Mr. Speaker, this is one of the problem with the government's arguments. It refers to circumstances like these, to ask if we are against that on an individual level. Finally, we have to admit that, for instance, some women who could not benefit from UI before might benefit from it now. It is possible.

But what is more likely is that we will see again the inequity condemned by the parliamentary secretary. I would like to quote, for instance, a document from the department which says: “In 2001-2002, the decrease in women's benefits will reach 9 per cent and will represent a \$560 million loss”. In my answer, I refer to government's figures.

Supply

Here, the government admits that women will lose \$560 million in benefits. It is in black and white, and the parliamentary secretary would want me to say that this is an improvement.

I invite him to read the reports of his own department; he will find the answer there. It is detrimental to women, to everybody, but mainly to women. I hope that this answer will satisfy you. I invite you to have a look at the document, on page 8, and in particular at Part A which deals with the effects on governments.

The Speaker: My dear colleague, as you know, you must always address the Chair rather than addressing another member directly.

I would ask the member for Charlevoix, who has the floor, if he wants to speak on debate, or ask a question or make a comment.

Mr. Asselin: Mr. Speaker, on questions and comments.

The Speaker: You have two and a half to three minutes.

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, first, I would like to congratulate my colleagues from the Bloc Québécois on their excellent work, particularly the party's critic, the member for Mercier, the member for Lévis and the member for Kamouraska—Rivière-du-Loup. I congratulate them on the excellent work they are doing on the human resources development committee.

I assure you, members of the Bloc Québécois who represent us on the human resources development committee, that there are many unemployed workers and low income families. These people expect you to defend them very well in this House, and at all times, because you have the chance to remind the government that it was elected by them and that it made promises in the red book. In it, the Prime Minister committed himself and his team to job creation.

We remember what the Prime Minister said about creating "jobs, jobs, jobs" as well as reducing the deficit. It is important to remind the Prime Minister as well as the Minister of Human Resources Development of those words.

I will also ask the committee to remind the Minister of Human Resources Development not to eliminate the deficit at the expense of the most disadvantaged, but rather to consult the auditor general's report, which indicates clearly to the government exactly where all the wastage of public funds is occurring.

I would like to say to the member for Lévis, who made a very fine speech on seasonal workers, in particular, that there are many seasonal workers in my riding of Charlevoix. Many of them work up to 15 hours per week, for a maximum of 10 to 12 weeks.

Tourism is developing in Charlevoix. We know that summer is very short so, unfortunately, those workers can not qualify for UI.

In my riding, there are also more and more people with innovative ideas and goodwill who want to create their own job. These people invest everything they have earned during their lifetime to create their own business. Unfortunately, there again, the government found the arm's length relationship rule to prevent such investors who are ready to create a business from being eligible for UI after the summer season.

I would like to ask my colleague from Lévis if they tried to bring that arm's length relationship rule to the minister's attention. It is important for Charlevoix because there are many seasonal businesses there. I am thinking, for example, of a landscaping company in which a woman from Charlevoix, her spouse and her brother-in-law invested but, because summer is so short, they are not eligible for UI benefits. Right now, they are getting dangerously close to welfare.

● (1645)

I ask my colleague from Lévis if he intends to defend—

The Speaker: I am sorry, but I must interrupt the hon. member. The hon. member for Lévis has only 10 seconds left. You can answer by yes or no.

Mr. Dubé: Mr. Speaker, the answer is yes, and with all of our energy.

The Speaker: That is a good answer.

* * *

[English]

MAIN ESTIMATES

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to discussions I believe you will find unanimous consent for the following motion. I move:

That notwithstanding the order made on Thursday, March 7, vote 130 of the main estimates for the fiscal year ending March 31, 1997 of the Department of Canadian Heritage be withdrawn from the Standing Committee on Canadian Heritage and deemed referred to the Standing Committee on Government Operations; and

That vote 140 of the main estimates for the fiscal year ending March 31, 1997 of the Department of Canadian Heritage be withdrawn from the Standing Committee on Government Operations and be deemed referred to the Standing Committee on Canadian Heritage.

(Motion agreed to.)

**SPECIAL JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS**

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on another pursuant to the same round of discussions that occurred between all parties the second motion is the following. I move:

That a special joint committee of the Senate and the House of Commons be appointed to develop a code of conduct to guide senators and members of the House in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven members of the Senate and fourteen members of the House of Commons be the members of the committee, and that the members of the Standing Committee on Procedure and House Affairs be appointed to act on behalf of the House as members of the said committee;

That changes in the membership of the committee on the part of the House of Commons be effective immediately after notification signed by the member acting as the chief whip of any recognized party has been filed with the clerk of the committee;

That the committee be directed to consult broadly and to review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That evidence adduced in the first session of the 35th Parliament by a special joint committee on the code of conduct be deemed to have been laid upon the table and referred to the committee;

That the committee have the power to sit during sittings and adjournments of the House;

That the committee have power to report from time to time to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That quorum of the committee be 11 members whenever a vote, resolution or decision is taken, so long as both Houses are represented and that the joint chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the committee be empowered to appoint, from among its members, such subcommittees as may be deemed advisable and to delegate to such subcommittees all or any of its powers except the power to report to the Senate and to the House of Commons;

That the committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the committee make its final report no later than June 21, 1996;

That, notwithstanding usual practices, if the Senate is not sitting when the final report of the committee is completed, the report be deposited with the clerk of the Senate and shall thereupon be deemed to have been presented to that House; and

That a message be sent to the Senate requesting that House to unite this House for the above purpose, and to select, if the Senate deem advisable, members to act on the proposed special joint committee.

• (1650)

(Motion agreed to.)

Supply

SUPPLY

ALLOTTED DAY—WITHDRAWAL OF BILL C-12, AN ACT RESPECTING
EMPLOYMENT INSURANCE IN CANADA

The House resumed consideration of the motion and the amendment.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, it is my pleasure to share my time with the hon. member for St. Boniface. My first comments respond to the last couple of interventions from the other side.

There was reference to the social security review and a trip members of the HRD committee made to Bathurst one Saturday afternoon following the social security review. I remind the hon. member for Lévis that at the time many of the representations from Bathurst asked us to convert the measure for eligibility for unemployment insurance from weeks to hours.

It is a very well received change in most corners, business, labour and seasonal workers. I am surprised that recollection fails the hon. member, that he was not aware of how important that change is to the seasonal industries and to our region.

Similarly, another comment was made with regard to the need to defend the interests of the less fortunate in society. I bring to the attention of the members of the Bloc that for those people who would earn less than \$26,000, the outcome of the changes even before the amendments that have been promised is an increase of 11 per cent in benefits.

I think it is very important to recognize that while there are things that need to be amended in the bill, which I will speak to, let us not forget that by throwing out the bill, withdrawing the bill, an awful lot of good things will go with it. For that reason I cannot support their motion.

I remind the House what those changes need to be so that the record is clear in terms of some of the commitments that have been made, some of the statements by colleagues particularly from Atlantic Canada and Quebec. We need to fix what has become known as the gap, basically the way benefits are calculated.

As the bill presently reads, that calculation would be done on the basis of the last 14, 16 or 18 consecutive weeks. If you work in a pattern that sees spaces between periods of work all of those spaces would have the effect of decreasing benefits unduly, and that change needs to be made. I look forward to participating in the committee's hearings to make some suggestions as to how that might be done.

The divisor is an instrument that would allow the government to separate the measure of eligibility from the measure of calculation of benefits. That can be a good thing if it is used to allow people easier access to unemployment insurance in some instances while at the same time protecting the system from the possibility that some people would assume that access is their ultimate objective.

Supply

We have to be careful to make sure the divisor is not so great as to have a negative impact on the rate of benefits as a result of those calculations. It is very important that be attended to. Originally the discussion was around a divisor of 20. That would mean that if someone were eligible for unemployment insurance with what would be the hourly equivalent of 12 weeks of work, that would be divided by 20 and the result would be a very low rate of benefits. However, if the divisor were small enough—I will be participating in the discussion with the committee on that as well—it could be a helpful tool to allow people easier access to the system.

• (1655)

The final point is the intensity rule. It is very important to recognize the difference of the intensity rule as it is applied to people with low incomes as against the intensity rule as it is applied to people with high incomes.

In order to explain this it is necessary to understand the two principal objectives of the new employment insurance program. The first objective is to insure people against the loss of work or income replacement in the case of loss of work. The second objective is to offer income support or an income supplement in various areas where people simply cannot put together enough work, time or wages to sustain a family over the course of an entire year. Those two objectives are fundamental to unemployment insurance.

The income supplement objective has been hijacked by many people who apply the rules which allow the income supplement at very high income levels. People who are making \$60,000 and \$70,000 are the exception. I would want to be accused of using those exceptions to beat up on people who are blameless. However, there are people who have taken the annual supplement component of the UI program and who are using it to give themselves supplements. Very often they are not individuals. Very often they are businesses. Very often they are governments and large organizations which use that possibility to supplement incomes which do not require a supplement.

It is very important to understand the two functions of the unemployment insurance program. We can challenge the annual use of the system by people with high incomes. I doubt there are many Canadians who would disagree with that sentiment.

Despite the fact there are changes which need to be made, and I have every confidence they will be made, I want the House to know why it would be wrong to withdraw the bill at this time. There are many things in the bill which will help the people who need help, whether in the Atlantic region, in Quebec or any place with seasonal industries such as tourism, the resource area or in construction.

Before I get into that subject I thank the former minister, the present minister, the HRD committee and its members from all sides of the House. It has been a very vigorous debate, one which has flushed out beyond most people's expectations. In my constituency we have had forums going back almost two years on the issue. It is very important to Atlantic Canada. It is very important to my riding. I am thankful that so many people in my constituency have been engaged in the debate.

What are the good things in the bill we cannot afford to withdraw? The shift from weeks to hours; anyone familiar with seasonal industries will realize that when those industries work they work long hours. Consequently if a person works 70 hours a week, in this system that is worth two weeks. That is very important.

It is important that everyone recognize that to withdraw the bill would be to withdraw a provision which would allow 270,000 people three more weeks. On average in Atlantic Canada it would mean two more weeks. It would also make the system available to half a million Canadians who cannot now get into the system.

On the low income protection, if a person makes less than \$26,000, with the new legislation they could claim up to 80 per cent. It is very important to recognize that provision would be gone with the withdrawal of the bill.

The high income clawback is a good thing. It takes out of the system all of those people who are making large amounts of money. They are the exception, but they are there. There are people working year round at minimum wage, paying premiums so the money can be given over to people making much more money on an annual basis. I believe that is wrong.

• (1700)

The employment provisions contained in the bill will take 39 programs to 5 and make them much more flexible. They will be administered by local communities which is another improvement.

Finally, the macro impact of this change in our region is significant, even though I support many of the provisions. Having said that, we have a transition fund which will allow us to make the adjustment. Generally speaking, it would be a genuine shame, subject to the amendments that I talked about, for our region to have this bill withdrawn.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened carefully to the speech made by my colleague from Fredericton—York—Sudbury, with whom I have worked on the human resources development committee.

The question that comes to my mind following his speech is how will we get out of this situation? We know and people in the Maritimes know as well that this bill contains many important elements that are unacceptable. As of today, neither the minister nor the government have given us a clue as to which amendments will be proposed.

After reading the bill, we would be tempted to say that, if we have to accept this legislation in its present form, if we have to take the whole package, we would rather have nothing at all. We would rather have no reform than have the one contained in this bill. Nobody in Canada would be against a reform that would propose an active job creation policy. Nobody is against giving people an opportunity to work more or helping the regions that have seasonal industries to diversify. Why is there not, in this reform, an active job creation policy?

Where are the economic diversification measures that would help seasonal workers instead of penalizing them, accusing them of not wanting to work or saying that it is their fault that they have that kind of job? The government could have proposed a policy that would have given the regions that have seasonal industries a period of 5, 8 or 10 years to adjust their economy. If the situation has not improved at the end of that period, then it can draw the necessary conclusions. But there has to be an adjustment period.

I want to raise another point. At the end of his speech, my colleague talked about a new program, namely the transition job fund. Let us be realistic; we had a decentralized program, the job development program, which allowed each employment centre to make its own decisions, to make adjustments based on a local approach, and now, with the new transition job fund, each project has to be approved by the minister. We have gone back to the stone age in terms of decision making. Does the member really think that this is an improvement? Does he not think that the government should withdraw this bill rather than go through with it in spite of all the criticism it draws, especially in Atlantic Canada?

[English]

Mr. Scott (Fredericton—York—Sunbury): Mr. Speaker, I thank the hon. member for Kamouraska—Rivière-du-Loup for the questions.

The first questions put were: Where are the amendments? What are they going to look like? I am a bit astonished, at this point, that anybody would not know what these amendments are going to be. I have a hard time distinguishing between the bill that is going to be and the bill that is in terms of my speaking on it. We have talked about these amendments so much. We have to fix the gap. We have to fix the divisor. We have to fix the intensity rule. I do not know how much clearer I can be.

As the member is a member on the committee, I think he knows exactly what I am speaking about. We will have an enjoyable three weeks attending to these things.

Supply

As far as confidence in whether or not these changes are going to be made, the member will recall how much resistance there was to two-tiered UI in the green book during the social security review. It is gone. The member will recall how much resistance there was to experience rating which is having one's premiums based on the likelihood of one drawing unemployment insurance. I am sure the member for Kamouraska—Rivière-du-Loup realizes how bad it would be for his region and my region if that were to happen, notwithstanding the fact that the Reform critic on HRD is quoted in a New Brunswick paper this morning as saying that is exactly what we should be doing, restoring this back to original insurance principles, which I can only say would be absolutely devastating to Atlantic Canada, period.

• (1705)

We are going to be delivering the programs that create jobs in the communities to the communities. In my case, there is a human resource development office in Fredericton that will be making the decisions. I am sure that taking these decisions out of Ottawa and larger centres and giving them to the communities is exactly the kind of progress we want. It was suggested during the social security review that we need to bring more flexibility into the system.

A significant number of times during the social security review people came before us and said: "The biggest problem with the program is that you have to be getting income benefits in order to get employment benefits". We have changed that. Now people will be eligible for employment benefits even if they are not drawing income benefits. That is another reason why we cannot support this motion.

[Translation]

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I would like, first of all, to set the record straight and, second, to bring a matter up for discussion.

You are probably aware of the fact that the Employment Insurance Act provides for the modernisation of the Canadian unemployment insurance system, which is 50 years old, and for the revision of federal employment programs. In fact, the Employment Insurance Act will establish a two part re-employment assistance system.

First, the revised insurance benefits. Income support will continue to be provided on a temporary basis to recipients while they are looking for work. The benefits were revised to give more value to the work effort.

On the subject of hours, the insurance system is based, not on weeks of work but on total hours worked.

Supply

As for earnings, each dollar earned is taken into account in the benefit calculation. The higher the total earnings during a reference period of 16 to 20 weeks, the higher the benefits paid upon becoming unemployed.

Regarding the intensity rule, as you know, the benefit rate will be gradually reduced based on the number of previous weeks of benefits.

Finally, as regards the family supplement, this new supplement will raise the benefit rate of low income families with children. This means that claimants whose family income is lower than \$25,921 could see their benefit rate increase by 7 per cent on average.

Second, the active employment benefits. The 39 programs which are currently centralized will be replaced with an employment benefits program focusing on set goals.

It is estimated that 400,000 individuals will receive direct assistance in their job search through the five measures put forth: wage subsidy, income supplement, self-employment assistance, job creation partnerships and development grants and loans.

These five measures will be tailored to individual needs and will support the jobless in their efforts to return to work. These are flexible tools, which will be tailored to meet the needs of local communities as well.

Our goal is to ensure that everyone is treated with fairness. We want the population as a whole to be treated fairly. Low income families with children will get increased protection, thanks to a family supplement. This is one example.

Here is another one: some of the new rules will be applied gradually to give individuals and communities time to adjust to the new situation.

Third, jobless people in regions with a high rate of unemployment will need fewer hours to be eligible.

People earning \$2,000 or less per year will get a refund of their premiums through the income tax system. Small businesses will be eligible for a temporary refund if the amount of the contributions that they pay over the next two years increases significantly.

• (1710)

All claimants will be allowed to work on a temporary basis and to earn at least \$50 per week without their benefits being affected. The program will take into account all the hours spent working. Regions where unemployment is high will get proportionally greater support.

These measures are designed to facilitate the program's implementation, to be fair to all Canadians, and to be receptive to the needs of regions and communities.

Mr. Speaker, I would now like to share, with you and with members of this House, some comments made regarding this bill. I am not referring to comments made by members of the opposition parties, but by people who look at this legislation with an independent mind, if you will.

Raynald Langlois, president of Quebec's chamber of commerce, said: "As regards vocational training, the proposed legislation provides an interesting approach to reduce, if not eliminate, useless and costly overlap".

Yvon Charbonneau, a member of Quebec's national assembly and a former union leader, said: "At this point, the Quebec government's responsibility is to go to Ottawa and start negotiating directly and immediately".

Here is another quote: "The Conseil du patronat du Québec feels this is the first true federal overture in the manpower training sector. Consequently, the CPQ hopes that Quebec will agree to hold real discussions on this proposal with Ottawa". This from Ghislain Dufour, chairman of the Conseil du patronat du Québec.

There are other headlines and comments. *Le Soleil* stated: "A good test for the good faith of the Government in Quebec". And Jean-Jacques Samson, in *Le Soleil*, stated: "The minister's plan is an invitation for provincial governments to negotiate an agreement on labour which will be a good test of the good faith of the Government of Quebec".

Jean-Robert Sansfaçon, in *Le Devoir*, said: "Under the new plan, claimants with children whose family income is under \$26,000 will become eligible for benefits of up to 80 per cent of their salary. This is an excellent measure". Alain Dubuc, in *La Presse*, commented: "The minister has broken the wall of inertia and has launched the process of change".

Jean Jacques Samson, in *Le Soleil*, stated: "The new employment insurance proposed by the minister was designed to reduce costs, indeed, but it has many other merits, the main one being that 500,000 part time workers will become eligible. This measure is well adapted to one on the new realities of the labour market".

There is more. The *Ottawa Citizen* stated that the plan is "reasonable, practical and urgently important". The *Financial Post* stated: "The federal government has taken some much needed steps in re-orienting the UI system. There are many positive features with the minister's proposals". The *Winnipeg Free Press* stated: "Responsible and fair".

The *Halifax Chronicle Herald* stated: "The minister has recognized the needs of the poor in Canada by providing additional benefits to those with family incomes of less than \$26,000". Sharon Clover, vice-chairman of the Canadian Chamber of Commerce: "These changes go a long way toward needed improvements, removing some features which previously had been a disincentive to work".

Supply

[English]

What about other regions of Canada? It was stated in the *Ottawa Citizen* that the minister's plan is "reasonable, practical and urgently important".

The *Financial Post* stated: "The federal government has taken some much needed steps in re-orienting the UI system. There are many positive features with the minister's proposals".

The *Winnipeg Free Press* stated: "responsible and fair".

The *Halifax Chronicle-Herald* stated: "The minister has recognized the needs of the poor in Canada by providing additional benefits to those with family incomes of less than \$26,000".

The vice-president of the Chamber of Commerce, Sharon Glover, stated: "These changes go a long way toward needed improvements, removing some features which previously had been a disincentive to work".

I have indicated clearly what this particular piece of legislation is all about. I have quoted people who are not members of the opposition, who were there in part to embarrass the government, to try to destabilize whatever project it brought forward. I have quoted neutral third parties who have looked at it with a detached eye. These are the kinds of comments they have made.

• (1715)

If I have more time, I have much more to say about this. May I have an indication?

The Speaker: I am sorry, but the member only has about 25 seconds.

Mr. Duhamel: Mr. Speaker, in 25 seconds I can reiterate that I would welcome questions from my colleagues with respect to the descriptions I have shared as well as the quotes I have put forward. These were not from members of the opposition, but from people who have looked at this with some objectivity. Perhaps they would like to share the views of their own champions on this issue.

[Translation]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would like to ask a very broad general question of my hon. colleague from St. Boniface concerning the nature of employment at this time throughout the world. We are aware that the problem affecting Canada and Quebec is not peculiar to ourselves. One has only to look at the rising unemployment levels in virtually all of the usual industrialized countries at the present time to realize that the nature of work is in the process of being totally redefined.

We understand that there is an increasing trend toward robotics and computer assisted design, which means higher production,

better products, and fewer and fewer people involved. This is a fundamental problem. We will recall Henry Ford's saying in the early years of this century: "When I start production, I will make sure that my workers earn enough to be able to purchase what I am producing". Today we are doing the very opposite. At the very moment that companies are recording the highest profits, they are laying off the most people, and in the medium term, within ten years or so, there will be a fundamental problem everywhere in the world: no one will be able to afford the products available for sale any more.

My question to the hon. colleague is a general one, therefore. He has kept abreast of this issue since entering the House, and therefore during several mandates now. I would ask if he does not think that the time has come on the international level for countries such as Canada to start redefining the concepts of work, wealth and production?

Mr. Duhamel: Mr. Speaker, first, I would like to thank my colleague for his question, which I consider of prime importance. Yes indeed we must study more and discuss open-mindedly the whole concept of work, the way we work and the way we used to work. We must look at the changes that have occurred not only in Canada, including Quebec, but throughout the world.

It is true that things are done differently, dramatically so. This is no doubt the reason, and I want to share this with my colleagues, that, the government's speech from the throne promoted job creation primarily in the sense of ensuring our finances were in order. But we did the same in the budget. We want to be sure we create a better climate for creating jobs, which is what we want for all the Canadians we represent.

But I come back to the key point my colleague made. Yes, indeed, we must examine, we must look and we must consider what the future holds, because, like him, I think things will be different again. If we look at the last decade, we can see a major change. And if we look ahead into the next decade, I think there will be as many changes.

This is why I support this bill in principle. We are well aware it can stand improvement. But, we also know that it meets certain needs today. I will give you two quick examples. When we include the people working part time, we meet their needs. There are other measures, however. Some should perhaps be added; some should perhaps be improved. But as my colleague said earlier, certain adjustments will be made.

However, I entirely agree with him on the fundamental issue. We have to look at what is happening, what has happened and what will have to be done in addition to what we did to improve things for workers.

• (1720)

The Acting Speaker (Mr. Kilger): The hon. member for Kamouraska—Rivière-du-Loup has the floor. I hope his question will be brief.

Supply

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Indeed, it will be very brief, Mr. Speaker.

How is the member for St. Boniface going to explain to a person who received \$400 a week, who worked 42 hours a week for 10 weeks, that, after January 1, 1997, the amount to which he or she will be entitled will be divided by 16 weeks and that—because the work is seasonal—benefits will be cut by 50 per cent and the benefits collected will be \$125 per week? What is fair about that system?

Mr. Duhamel: Mr. Speaker, I would like to further consider that. If my colleague has clear and precise suggestions to make in this case as well as others, the government and the minister would be quite ready to consider them.

We, on this side of the House, are very open-minded and ready to remedy any inequity.

[*English*]

The Acting Speaker (Mr. Kilger): Prior to resuming debate it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mackenzie—Grain; the hon. member for Delta—Canadian waterways.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, two years ago in the first throne speech of the 35th Parliament the government promised to make Canada's social security system responsive to the economic and social realities of the nineties.

After two years of extensive and expensive travel by the Standing Committee on Human Resources Development and countless expensive studies and testimonies by bureaucrats and experts, the cosmetic changes to the unemployment insurance were a real letdown. After listening to Liberal doublespeak for the last two years I cannot say that I am surprised.

Canadians are realizing the government's idea of an action plan really only amounts to a play on words: employment insurance or unemployment insurance. Only the name has changed. The program will remain as unworkable as ever.

Consider the goods and services tax. Scrapping the GST in Liberal terms means changing the name to the federal sales tax.

The Liberal definition for maintaining universality for old age pensioners seems to be combining the old age assistance plan and the guaranteed income supplement plan to come up with a seniors' benefit that most seniors will not qualify to receive. This is truly amazing since the Liberals scoffed at the Reform Party's 1993

election proposal to base seniors' benefits on family income. At least under our plan we suggested that benefits be reduced when family income reached the level of \$54,000. Under the new Liberal seniors' benefit, couples whose total income exceeds \$45,000 would see a drop in their pension benefits.

The member for Guelph—Wellington suggested that parties to the right of centre have a difficult time coming up with social programs. She should look at the province of Alberta. Its main problem at the moment is what to do with a budgetary surplus. When we as taxpayers and as government are paying out some \$48 billion a year in interest that severely handcuffs the government to come up with any social programs.

Canadians are catching on that Liberals make great election promises which unfortunately are very conveniently forgotten immediately after the votes are counted. When it comes to legislation they also fail miserably. Bill C-12 is a prime example of this.

It is hard to imagine how the government could come up with a plan that could anger so many people. The consensus from all sides is that this is a flawed bill. Despite the musings of the new Minister of Human Resources Development that he will sweeten the bill, it will be another step backward for those Canadians who want to reduce their dependence on government social programs. The government somehow thinks it can win votes and maintain its popularity by perpetuating the social welfare system. Insurance means insurance, whether it is called employment insurance or unemployment insurance. The reason this bill should be withdrawn is that it does not resemble insurance in any way, other than the fact that it needs to have premiums paid into it.

• (1725)

Let us talk about insurance the way Canadians understand the concept. For instance, if you own and operate a motor vehicle you are required by law to purchase and maintain insurance on that automobile. If you have an accident or if the car is stolen you receive some monetary compensation. Also if your house burns down and your insurance premiums are paid up, you would be entitled to some monetary remuneration as long as you did not set the fire.

The unemployment insurance program is not a true insurance plan. It includes wage supplement programs, training programs and other add-ons that drain the resources of the employers and employees who fund the program.

The day the Minister of Human Resources Development unveiled his long awaited proposal for reforming the unemployment insurance program, Statistics Canada reported that full time employment fell by 64,000. In reply to my colleague opposite who

says that government creates jobs, this shows exactly the converse. The number of people with jobs dropped by 44,000 to 13.5 million in November. This is the worst monthly performance in more than three years. The proportion of young people in the labour force is at a 20-year low of 61 per cent.

In answer to these problems and in an attempt to look like its two-year review is worthwhile, the Minister of Human Resources Development announced \$800 million for training benefit programs and another \$300 million for disadvantaged areas. One has to wonder if these new programs are nothing more than slush funds set up to provide temporary jobs just in time for a new election.

The former Minister of Human Resources Development said that the jobs fund could be used to support local infrastructure projects. Does this mean that there may be more make-work programs and expensive projects for seasonal exploits like perhaps bike paths or exclusive boxes in sports stadiums or perhaps a canoe museum?

The government brags about replacing 39 centrally controlled programs with five benefits. What it really did was camouflage old ideas into a new package. Shades of the GST, more renaming and more repackaging.

When I asked the Minister of Human Resources Development in December about changes to the delivery of training programs, he said that we really should be transferring resources to the people, to the private sector, to communities. I would like to know why the government does not transfer labour market training exclusively to the private sector where the marketplace can create real jobs and that way Canadians can look forward to training that is specific to the economy and the jobs that they may be entering.

How does the minister reconcile his department's continued involvement in training programs when the Prime Minister announced that labour market training would be the sole responsibility of the provinces? The provinces will have to enter into agreements with the federal government on programs and their delivery and if they do not sign a deal with Ottawa no federal training money will be spent there. Instead the money will be earmarked for other programs for the province in question.

This is an arcane idea that somehow the government believes that it can keep provinces in line by manipulating the purse strings.

When the Liberals last revamped unemployment insurance in 1971 it was a tool to redistribute income on both class and regional lines. This time it has brought in a \$3 million job fund designed to create new permanent jobs in disadvantaged areas.

• (1730)

What it really amounts to is a pay off to Atlantic Canada premiers so they will not complain about being short changed by not receiving complete control over training programs.

Supply

The hon. member for Mississauga West complained that Ontario was tired of supporting less prosperous provinces. In that case she should support the Reform plan to turn UI into a true insurance plan.

Bill C-12 will generate huge tax revenues of over \$1 billion but it will increase business costs and it will kill off the creation of part time jobs. The government is still trying to make it look as though it is fulfilling its red book promises of jobs, jobs, jobs.

When will the government realize governments do not create jobs, governments are good at creating debt and that taxation is the killer of jobs? It will be about the time that hell freezes over and Satan learns how to play hockey.

The 7 per cent payroll tax on part time workers will be used to fund the \$800 million of employment benefits. It did not take the private sector long to figure out that it was to bear the brunt of yet another tax grab. As it stands, the provisions of the legislation will have a detrimental effect on both part time employers and their employees.

Take for example the fast food industry. An owner-operator of a quick service restaurant in my constituency told me his costs would increase by 30 per cent if Bill C-12 is passed into law. He employs 90 people, many of whom are students working to defray university tuition costs. He says his customers are very price sensitive. In other words, he is unable to raise his prices. He will have no choice but to cut back on employee hours and reduce the number of new people he hires in his business. Taxation kills jobs. He went on to say that implementing the payroll tax would run counter to the government's job creation objective.

As I said earlier, the real killer of jobs is high taxation. Small business people realize it, students are coming to grips with it and soon Canadian voters will tell the Liberals they have had enough taxation.

Incredibly generous benefits introduced by a former Liberal minister were left basically unchanged until the mid-eighties when attempts to tighten the system were met with cries from the left and social activists. The Tories backed away from the far reaching reforms which were required, reforms which should have taken place at that time.

Now as a result of procrastination by governments for 20 years we have a Liberal government saddled with a \$579 billion debt, a debt which will have grown by \$100 billion after three years of this Liberal government. It still has a social conscience that it finds extremely difficult to finance.

There is the old saying that if something is not broken do not fix it. However, the employment program is broken beyond repair. When that happens we have to park it and start over. The government only has one option: scrap it. I mean really do away with it. It should not harmonize it and it should not change its name. It should replace it with a new system that provides

Supply

Canadians with a true insurance plan to protect them in times of temporary job loss.

The amendment put forward by my colleague from Calgary Southeast should be supported by all members of the House if they have the best interests of Canadians in mind.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened attentively to the hon. member's dissertation.

● (1735)

I heard him say scrap the UI bill. I heard him say scrap the GST. I wonder what else he wants to scrap around here. I do not hear much about responsibility of the Reform Party. I do not hear it saying for \$15 billion with GST revenue where that money is to come from; 'poof' out of the air I suppose.

The bottom line says harmonize and make it fairer for small and medium size businesses. I travelled on the committee across the country and that is what people in Alberta, Saskatchewan and in the maritimes told us. That is what we will do as a government.

The hon. member remarkably starts talking about UI and how people are looking for jobs more and more everyday neglecting that this economy is creating jobs as we are talking here today. The reason why there are more people looking for jobs today is what is called labour force participation rate. It means as one person gets a job there is a second person who has given up looking for a job two years ago and suddenly decides they want a job too and then joins the labour force and starts looking for a job. That is good. That is positive.

People are saying there are jobs being created and I will go out and look for one. That is positive. That is not negative.

We talk about the cost of small and medium size business. The government reduced the unemployment insurance rate from \$3 per \$100 to \$2.95 per \$100. That is good. That is positive. That reduced small and medium size business costs and is employing people. Let them increase their employment.

The hon. member talks somebody in his constituency who will end up paying more UI, and that may well be if he is hiring students. What he neglects to mention are the people working in part time employment, possibly less than 15 hours a week, who never could access the system before. He is saying it is quite all right that those people cannot access the unemployment insurance system. He thinks it is fine that because they chose part time work they have to pay benefits but have no way of receiving them. He thinks that is a fine situation.

The bottom line is this legislation attempts to make a connection between getting people back to work. It gives them an incentive to find work. It even gives them incentives to get a lower paying job

if they have to do that. It provides a top-up credit to them to access new employment to get people back to work. That is not something you scrap, that is something you applaud. I wonder if the speaker could address some of these issues.

Mr. Johnston: Mr. Speaker, I would be delighted to reply to my hon. colleague.

He asks me how I will come up with the \$16 billion the GST generates. It was the Liberal Party that went door to door in October 1993 and said it will scrap it, abolish it, throw it away.

The question should be asked of the Prime Minister and particularly the Deputy Prime Minister how they will come up with the \$16 billion. It is not my question to answer.

The hon. member makes the point of the five-cent reduction in premiums. That is five cents, one-twentieth of 1 per cent; five cents on every \$100 of earned income. We were told this huge reduction, five cents on \$100, will produce 25,000 jobs. That must be the new math, the Liberal math perhaps.

Following that reasoning, why do we not bring down the premium a full percentage point and create half a million jobs? We could reduce it 2 per cent, 3 per cent. We would have to import people to fill all the jobs in this country if we followed the reasoning of the members opposite.

The member opposite says we can create jobs, and maybe we can. Private industry can create jobs, private enterprise can. I do not believe for one minute that governments can create jobs. Every government over the last 25 years has said it would create jobs and that it is capable of creating jobs. If this is true we should all be working at two or three jobs.

● (1740)

I think the problem is being attacked from the wrong end. If we did not have to pay \$48 billion in interest to the international bankers every 12 months, \$4 billion a month in interest, we would be able to fund social programs, unemployment insurance and medicare to the fullest extent. If the government had followed the Reform plan it would be sitting over there debating what it would do with the surplus next year and not about how it is saddled with all this.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, under the EI changes and the family supplement some 350,000 claimants and low income families will be guaranteed a supplement. That works out that all claimants and low income families with children will average 7 per cent more in benefits.

I ask the member if he thinks that is a bad thing for low income Canadians and whether his party agrees that is a necessary step under these legislative changes. Does he think we should scrap that

as well and leave low income Canadians to drift in the wind, as some of the issues he put forward today suggest?

Mr. Johnston: Mr. Speaker, let me clarify one thing. I did not suggest for one minute that we should let anything, to use the hon. member's words, drift in the wind.

I am suggesting that whether a low or a medium income earner or wherever one may be in the earning ability we would all benefit if we could lift this millstone of debt off our necks. This is something the Liberal Party has not address. If it really wanted to do something, not simply for low income earners but for every resident, it would get control of the debt and start living within its means and cut those interest payments down. The money that would be saved could be put to all kinds of wonderful uses.

[*Translation*]

The Acting Speaker (Mr. Kilger): The member for Mont-Laurier—Sainte-Marie has the floor on a point of order.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Laurier—Sainte-Marie, Mr. Speaker, not Mont-Laurier. I would be pleased if it were the case, it would be very nice, but I am not that much of an expansionist.

Today, we held up the proceedings of the House because of a motion brought forward by the Reform Party. I ask for the unanimous consent of the House to continue with the debate on the official opposition's motion until 8 p.m. at the latest, on the understanding that the question be deemed to have been put at 6.15 p.m., as stated on the Order Paper, and the recorded division deferred until tomorrow, at the end of the sitting.

I consulted with the Liberal Party, which agrees with this proposal. I did not have time to consult our colleagues from the Reform Party. There would be no delaying motion. This would simply give members who wish to speak to the official opposition's motion the possibility to do so.

I ask for unanimous consent of the House on this proposal.

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we have no objection. We are prepared to give unanimous consent, as the opposition House leader said, that the debate not go any later than at 8 p.m., with no calling of quorum or presenting of delaying motions, and that the question be deemed to have been put and the recorded division deferred until tomorrow, at 6.30 p.m.

[*English*]

Mr. Johnston: Mr. Speaker, if I could have the assurance there would be no votes or quorum calls I would have no objection to the debate being extended until 8 p.m.

Supply

The Acting Speaker (Mr. Kilger): The member for Laurier—Sainte-Marie gave his assurance there would be no quorum calls, no dilatory motions and that the vote would be deferred until tomorrow at 6.30 p.m.

• (1745)

Just to wrap this business up, the debate on the official opposition motion today is being extended no later than 8 p.m. with no quorum calls or dilatory motions. The question will be put and the vote deferred until tomorrow at the time of adjournment at 6.30 p.m. Is it agreed?

Some hon. members: Agreed.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I will be sharing my time with the member for Etobicoke—Lakeshore today.

It gives me great pleasure to speak to the employment insurance reforms in the legislation that has been put forward by the Minister of Human Resource Development. This legislation is appropriate and is an improvement over the system currently in place. This legislation deserves the support of the House.

I will deal with some general principles upon which I believe the legislation has been formulated. These principles are worth enunciating in the House to make it clear exactly what it is the government is trying to accomplish.

The first principle is a recognition that the best social program one can have is a job. Beyond all else that is the best way of securing one's financial future and is the best social program that can possibly exist.

The second principle is that as a government and as individuals here in Parliament, we need to create an environment in the private sector that allows business in general and small business in particular to create jobs.

The third principle is we need to design programs which encourage rather than discourage people to work.

The fourth principle, and one the government has demonstrated over and over again on the various pieces of legislation it has brought forward, is that the benefits should be directed to those who are most in need. That is an appropriate principle to build reform on.

The fifth principle is we must recognize that the deficit we have as a government and a nation is too high. It simply is not sustainable in the long run.

Those are principles our government has looked at in formulating not only this legislation but many other pieces of legislation. They are good principles and ones that definitely need to be followed.

Supply

All members in this House should recognize as I certainly do that an employment insurance system has to be more than an income support program. One of the members from the third party who spoke in the House said it should be a stop gap measure or a temporary income support for times of difficulty.

That might have been an appropriate approach 30 or 40 years ago. Back then most unemployment was of a very temporary nature and individuals who lost their jobs would be re-employed in a number of weeks or months down the road when the supply and demand equalized out. That is not the case today. Today many people who are unemployed find themselves in that position not because there has been a temporary lack of demand for a product or service but because their jobs have permanently disappeared.

It is important when designing a program that it have more than the income support component. It must have a job creation component. It must help individuals become re-employed. They must be able to develop new skills and find new jobs so they can re-enter the workforce. It is not appropriate to simply concentrate on income support alone in today's environment.

• (1750)

The EI program is certainly one that helps in the area of job creation. It does it in three ways. First, it does it through a series of employment tools. The minister announced the employment tools which go along with the program. They will assist in the area of job creation. Second, contrary to what the hon. member from the third party mentioned in debate, this EI program is going to help small business create jobs. Third, the EI program will provide incentives that will lead to increased employment.

This reform is calling for an additional \$800 million in revenue for employment tools. That is on top of the \$1.9 billion which is already being spent in that area. A significant amount of new money will be spent on employment tools. These tools are more than just handing out a dollar to someone hoping they have a temporary job for a while and then when it is gone it is not to be seen again. These tools are designed to help people obtain long term employment and to create sustainable economies in the areas in which they work.

Many of my colleagues have gone into some detail on these but I will enunciate them here. There are wage subsidies and earning supplements. The self-employment initiative is one that is already in place but which is going to be expanded. It is one I personally believe in. It assists unemployed individuals and provides them with the tools to start their own businesses which not only will employ themselves but possibly will employ others.

There are job creation partnerships which provide valuable job experience for the individual. At the same time they work on creating infrastructure that leads to permanent jobs. There is going

to be some specific assistance to areas of high unemployment as well. The employment tools are an important step toward increasing job creation.

There is assistance to small business. I want to correct an impression that might have been left by my colleague from the third party when he suggested that small businesses do not like this reform. I had an opportunity to read the latest bulletin put out by the Canadian Federation of Independent Business, a very well respected business organization. It terms the employment insurance program as a hard won victory for small business.

To suggest that small business is opposed to this reform is inappropriate. Small business is in support of this reform because it does reduce payroll taxes not only in terms of the rate but in terms of the maximum insurable earnings. More important, it provides a simplified system for small businesses to keep track of their employees' records of employment.

Too often small business people spend so much of their time dealing with paperwork and basically trying to adhere to government regulations that they are taken away from doing what they do best which is running their small businesses, creating wealth and creating jobs. I am not going to deny that there are some businesses that might face increased costs through this program. They will receive rebates from the government in order to ease the transition if they are faced with higher costs.

We have talked about some incentives to help individuals. Obviously the way the program is designed now, the more they work the more their benefits are. They can earn up to 25 per cent while staying in the system. Lower income Canadians will be eligible for enhanced benefits. It is also important to point out that 500,000 part time workers who were not eligible for UI under the existing program are going to be eligible. That is an important reform.

In wrapping up I want to refer to something which occurred in question period yesterday. It had to do with the exchange which took place between the hon. member for Mercier and the human resources minister. It dealt with the issue of how we were coming along with EI reform. The hon. Bloc member suggested that the minister could not seriously be looking at changing things because we did not see any more money in the budget.

• (1755)

I know the hon. member cares deeply and is committed to this process. However what that showed was a mindset from back in the 1970s and 1960s where something was fixed simply by throwing money at it. That is not necessarily the way to deal with things. Things are fixed by creating something better by being innovative in the approach. Simply throwing money at a problem is no guarantee that it is going to be fixed.

It spoke volumes for the perspective being presented that an absolute relationship was trying to be made that if we do not spend more money then we cannot be doing something positive. That is not a legitimate way of looking at it. This reform shows that through innovation and a new approach we can accomplish something positive and something that works well.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the member for Parry Sound—Muskoka says that the principle, the main goal of this reform is to encourage people to work. But where are the jobs? Could he tell us where to find them? I do not know where the Liberal government is heading with this reform. It is doing things even the Tories did not dare doing. As far as I am concerned, this is tantamount to aggression. It is a frontal attack against workers, the unemployed and labour.

Earlier this afternoon, during question period, I was deeply distressed when the Minister of Human Resources Development viciously attacked labour leaders, especially Bob White, the CLC president.

I come from organized labour and I am proud of it. I know Mr. White, he is a dedicated labour advocate. He has served Canadian workers well. Internationally, he was the head of the Canadian Auto Workers Union for years. He has lead historical battles on behalf of auto workers.

I ask the member where is the government headed with this reform? Why make cuts? What is the logic of cutting unemployment insurance benefits when the fund has a surplus? What is the logic of cutting benefits the government is not funding? Where is the logic in all that? Answer me, please.

[English]

Mr. Mitchell: Mr. Speaker, if we want to talk about logic to suggest that you have a program that simply provides income support and does not provide tools to help create employment, that is an illogical argument.

To answer a specific question about jobs that the hon. member asked, let me tell him about jobs. Let me tell this House about jobs. There have been 650,000 jobs created in this country since this government came to power. That is an answer about jobs. We can talk about the 150,000 new jobs that Statistics Canada just reported which have been created in this economy in the last three years.

We could talk about what our government has done to ensure that the fundamentals of our economy are right so that job creation can occur. Perhaps we want to talk about the fact that inflation is at its lowest sustained level in 30 years and we want to talk about that.

We could talk about the fact that interest rates in this country have come down by 3 percentage points in the last year and that

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this is stimulating job growth. I think we want to talk about that fundamental.

We can talk about the fundamental that the borrowings the federal government is having to make is going to drop to \$13 billion this year, \$6 billion next year. The best of the G-7 nations. We are not crowding out the private sector any longer so they are able to have the necessary moneys to invest in new jobs.

What we have is inflation down, interest down, government borrowings down and job creation up. That is what we are talking about with jobs.

• (1800)

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I am pleased to join with my colleagues in this debate and to address one aspect of the discussion that came from the opposition which spoke to the fact that women would be disadvantaged by this reform.

The changes to UI will benefit women. The changes to UI and the arguments that are made on the other side are far from the truth. The new system is designed to smooth out inequities. It is much more inclusive than the old one. The whole idea is to make the system more relevant to today's workplace, to extend the coverage to more people and to shift the emphasis toward employment.

The EI system will mean that all part time work will be insurable. Women represent 70 per cent of part time workers. In fact, 270,000 women in part time jobs will have their work insured for the first time.

Under current UI rules there is a so-called ceiling of 15-hour weeks that affects many part time workers and therefore many Canadian women. To avoid paying premiums employers restrict them to less than 15 hours of work a week. I think most of us know that story. However, with employment insurance premiums will be paid on the first dollar earned, enabling individuals to ensure much more of their work and encouraging employers to provide additional hours of work for part time workers.

In addition, the eligibility and the duration of benefits will be based on all the hours a person has worked in the past 12 months. This simple change may encourage employers to offer part time employees more work and encourage individuals to accept more part time work because it is now insurable. It also means that many women will be eligible for benefits for the first time.

Women currently make up about 70 per cent of Canada's part time workforce. By insuring all part time work, 270,000 more women will now have their work insured. In addition 700,000 women with very low earnings will receive a full premium refund.

Many women hold down more than one part time job trying to make ends meet. Most of these multiple job holders currently do not qualify for UI and often only some or even none of their work is insurable. Under this new system every hour worked counts. Again

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many of these multiple job holders will be eligible for insurance benefits for the first time. Maternity and parental benefits will continue to be a fundamental support for women and families.

One of the overriding features of these reforms is that they are fair and balanced. Employment insurance is designed to strengthen the social safety net, to provide added security for those who need it most, among them women in low income families and single mothers.

Benefits for single parents and low income families with children will actually increase thanks to an innovative family supplement to top up their benefits. Single parents, most of whom are women, will receive an average 10 per cent more than they currently do in benefits. Overall, claimants in low income families with children will receive about 7 per cent more in benefits.

The new rules mean that low income women will be able to increase their weekly income while claiming benefits. Changes brought about by this bill mean that Canadians, both men and women, will be able to earn up to \$50 a week without having their benefits reduced.

A general analysis shows that employment insurance measures will have a positive effect on many women, particularly those in low income families. With employment insurance what counts are results, getting unemployed Canadians back to work as quickly as possible. Perhaps the best new measure for women are five basic employment benefits. My friend who spoke earlier mentioned those employment benefits, measures that have been tested for results.

• (1805)

One cornerstone of the reform is to move from a passive to an active approach to re-employment by investing \$800 million of the savings in employment benefits. These innovative employment benefits will provide women with opportunities to establish themselves in today's workplace, that will help them increase their earnings and most important, that will help them build a bridge back to employment.

Access to these measures will be extended to anyone who has had a claim for insurable benefits in the past three years and to those who received maternity or parental benefits in the past five years. Women re-entering the workforce after caring for their children can use employment benefits to make the transition to work. For example, wage subsidies to employers can help level the playing field for people facing disadvantages in the workplace, like women.

Studies show this approach works. It can mean an increase of \$5,000 a year on average in earnings. Income supplements will increase the incomes of people who might be reluctant to take

lower paying jobs. These projects help unemployed single parents get back on their feet and gain new experience.

I can quote stories of individuals who over the many years have worked at low paying, temporary and part time jobs. For them it has been a struggle. They can take advantage of some of the new initiatives to do well for themselves.

I can boast of a Toronto woman who took advantage of a federal program to help budding entrepreneurs create their own future. After losing her job as a psychotherapist, Sheena Singh used her own funds and talent to create a multicultural calendar promoting greater understanding between different cultures and ethnic groups.

With self-employment assistance she turned her calendar into a full fledged business. Sheena's calendar is now sold across Canada and her orders have doubled for the coming year. She tells us: "My ultimate goal is to have one of these calendars in every home in Canada and the United States".

The self-employment assistance program has already helped more than 34,000 Canadians start their own businesses, injecting about \$188 million into the economy. Not only will EI enhance opportunities for women but it will also create work. EI reforms are expected to generate between 100,000 and 150,000 new jobs.

Fairness and opportunities for women have been improved by strengthening employment equity legislation. Women are being helped to break through the barriers into non-traditional jobs. One and a half million dollars will be contributed over three years to a project to help female youth find work in trades, technology and the so-called blue collar jobs. At the same time a new national employment service will tell women where the jobs are. Across Canada job centres, self-serve computer kiosks will help match unemployed women with suitable job openings.

Canadians want to work and they have told us that they want a system that makes work pay. A government cheque every two weeks is not enough for many Canadians. They are working hard to find new job opportunities and adjust to a changing economy. They want programs that get results.

Employment insurance will get more unemployed women back into the workforce as quickly as possible and boost their earning power. That is why \$300 million is being invested in a three-year transitional jobs fund, targeted at regions that suffer from high levels of unemployment. This fund will encourage partnerships between provinces, communities and business to create new sustainable jobs. Canadians have long held the idea of sharing the load, of helping each other through difficult times. It is fundamental to the vision that created this country. Employment insurance taps into the spirit of shared strength to help get more Canadians back to work.

It is important that the opposition parties understand the benefits that are in the programs, especially the benefits that will come to women as a result of the new changes.

• (1810)

[Translation]

The Acting Speaker (Mr. Kilger): The honourable Alfonso Gagliano, Minister of Labour and Deputy Leader of the Government in the House of Commons, on a point of order.

Mr. Gagliano: Mr. Speaker, I believe that you will have unanimous consent for the House to proceed with the debate on the adjournment proceedings immediately after the speech of the member for Kamouraska—Rivière-du-Loup, and afterwards to resume debate on the motion now before us, pursuant to an order of the House adopted earlier today.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion moved by the honourable Minister of Labour. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Debate is resumed with question period.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to the speech from my colleague. She talked about the situation of women which, according to her, would be improved by the new system.

I would like the hon. member to answer the following question. For instance, in my riding, some women are finishing their degree in nursing or in recreation techniques. According to the information they received, with the unemployment insurance reform, when they enter the system they will have to work 910 hours a year, which is the equivalent of 26 35-hour weeks, while previously, with the system currently in place, they were eligible for benefits after 20 weeks at a minimum of 15 hours a week, that is to say after 300 hours.

Could the hon. member explain to me what is the advantage for women, and for men, when anyone entering the labour force goes from a system requiring 300 hours of work to be eligible for benefits to a system requiring 910 hours? If we had applied the same rules as before we would have said: "Now we require the equivalent of 20 weeks of 35 hours" and we would have talked about 700 hours. Young people looking at these figures get the feeling that they are being taken for a ride. They are required to work even longer than the 20 weeks required before. They will have to work 910 hours.

Are we not encouraging the underground economy? The young worker who has tried to work 910 hours during a given year and realizes at the end of the year that he or she cannot reach that number, especially if he or she works in an area of seasonal employment, will be simply encouraged to work underground and

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offer employers to work outside the rules, because the rules are neither acceptable nor viable for that person?

[English]

Ms. Augustine: Mr. Speaker, we are starting the whole process of debate on the bill, which the hon. member has been working on in committee.

I want to focus on the fact that women's groups and others who have looked at the draft legislation have all commented on the positive aspects of the bill.

To ask me in one minute or so to define the finer points of the bill is not giving due consideration to the fact that the House is spending time on the details of the bill. However, it is important to note that groups such as the New Brunswick Advisory Council and others across the country support the move from weeks to hours.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very pleased to participate in the debate today because, it is worth repeating, the opposition motion asks that this House require the Minister of Human Resources Development to withdraw Bill C-12, an Act respecting employment insurance in Canada, from the Order Paper immediately and go back to the drawing board, since this reform hits young people, women, seasonal workers and immigrants hard.

What is the first question we can ask ourselves? Why is the opposition asking the government to withdraw the bill as a whole?

• (1815)

Could we not be satisfied with some cosmetic changes? The first reason is that there is an error in the title of the act. They speak about employment insurance, although nowhere in the program is there an active employment policy which would guarantee to people who are losing their job that they will be able to find another one. The objective of this program is absolutely not to guarantee a job to people. It is to define the rules under which they will be entitled to unemployment insurance benefits.

So, right at that moment, the government made the choice of saying: "We will use a popular term that responds to the concerns of the people, to the fact that they want jobs, but basically, the contents of the bill will not reflect the reality." Right there I think the bill is unacceptable.

Another reason why it seems important to us that the minister withdraws his bill is that it was said everywhere that people who were complaining about the bill were professional agitators, people who were doing that professionally. I can tell you that the people that I met in public meetings in Trois-Rivières, Saint-Pascal, Rivière-du-Loup, Pohnégamook, almost 1,000 people who came throughout the day during the protest, were not professional agitators.

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They are people who were asking questions because, for the last 5, 10 or 20 years, they have been working in a region with a seasonal industry where they must sacrifice their lives to manage to get by. In Trois-Pistoles, it was not the president of a national labour body who was asking questions. It was young people who asked me: "How is the 900-hour thing going to work? Does it mean that, in order to qualify for UI, someone who lives in Trois-Pistoles and has managed to work 300 or 400 hours in his region in the summer will have to move to Montreal to work the rest and chase hours of work everywhere, so that he will no longer want to live in his home town?"

By its action, the government wants somewhat to ensure that the market will empty the regions. People are aware of that. It is not a sociologist or someone with a very theoretical approach who came to talk to us about that. It is people who feel it in their daily lives; they want to stay in their own environments and they find this unacceptable.

The people in Saint-Pascal mostly talked to me about benefit calculation, which is arousing a great deal of anger. People must understand what this means. In the future, someone filing UI claims year after year will need 420 hours of work to qualify for benefits. He may have worked 42 hours a week for 10 weeks for a total of 420 hours. However, starting in January 1997, benefits will be calculated by dividing the total not by 10, the actual number of weeks of work, but by 16.

You can imagine what that does to benefits. This cut is totally unacceptable. For example, a salary of \$400 a week divided by 16 weeks will result in an average benefit of \$250. And, after a few years, the benefits of seasonal workers will be slashed by 50 per cent. This means that some people will go from a \$400 weekly salary to a UI benefit of \$125 a week. I do not know if you can imagine the consequences. This is less than welfare.

The proposed reform would systematically impoverish people. These people are wondering: "If they are doing this and if we are really in a difficult financial situation, we might be willing to do our share. But are others doing their share?" Yet, they hear about the tremendous increase in the banks' after-tax profits. They also hear that the UI fund is probably not in such bad shape, since it runs an annual surplus of \$5 billion, which now comes from the pockets of employers and employees.

As for the surplus at the end of the year, insurance plan managers normally look at annual costs and see if rebates could be given to policy holders. They look for ways to humanize the system. In the case of a dental plan, for example, managers see if additional services can be provided. Not so in this case. Instead of looking at the UI system to find ways of helping people in difficult situations, the government has decided to use the surplus as evidence that it has succeeded in reducing the deficit.

It is in fact a hidden tax, and this is the negative side of this reform. The members across the way often claim that people want a reform.

• (1820)

When asked in a survey if they are for employment insurance reform, people are likely to say yes. But ask them, for instance, what they think about the current situation, and they will tell you that, right across eastern Quebec and the Maritimes, everyone agrees that, if the government keeps it up, it will have hell to pay.

This should have happened only after the next elections, and everyone will have been penalized by then, but now there is a chance that the government might withdraw the bill. Luckily, we have a new minister. He could take the time, as suggested in our motion, to go back to the drawing board and see if it would not be possible to go about it differently, so that the public can see that a real effort is being made to create jobs.

To ask regions that depend on seasonal industries to tighten their belts, so to speak, with measures such as these, while at the same time not providing any government support to help these regions diversify their economies is to penalize the workers, who are the producers in these regions and whose products often benefit larger centres, among others. This is therefore an unacceptable reform, and it appears essential to us that it be amended.

The reform, as it stands, is also disrespectful. In Pohenegamook, what was on the minds of the people there, was the fate of forestry workers. They asked me: "What is going to happen to us? We are jobbers, contract workers. Our job is to cut trees in a certain area. Also, the number of weeks is calculated differently." In the context of this reform, no one has been able so far to respond to these people. No one has been able to tell them what their coverage will be starting next summer. This is unacceptable to me.

I think that the government make a major mistake when, last December, it decided to skip the second reading debate through some procedural device. The bill was then referred to committee, at which stage we will hear the testimony of experts and look at what amendments could be made, but the merits of the issue were never debated. This is why the official opposition must spend the whole day on this issue today, because there has been no debate in the House, and we could not deliver the message we have received since December, when the terms were made public, indicating that Canadians were terribly disappointed with the reform being proposed to them.

The hon. members from the Maritimes are certainly asking the same questions as we are. Let us hope that they will carry enough weight in the government to have it drastically change its reform. More than two or three minor changes are needed here. Canadians

want the reform to be replaced with an approach which is really focused on productivity, on the realization that, even in times of economic growth like today, even when government members are right in saying that 100 000 jobs have been created in Canada, the fact is that these jobs still exclude many people, either because they are young and just entering the labour market or because they are 45 or 50 years old and losing their jobs due to the implementation of new technologies.

The government must not only ensure that these people are still able to feed themselves, but it must also see that they are retrained, that an active employment policy is in place, and that productivity gains are being redistributed among workers, so that they can be proud to produce interesting things. So, what would a constructive employment policy include? After all, opposition members are often told: "You criticize a lot, but what would you suggest to improve the situation?"

The first thing that we should do is to remove the obligation for employees to work overtime. That should immediately become a social value. The government should say: "Our priority is to bring the unemployment rate down to 6 or 8 per cent today". We are told that the deficit should not exceed 3 per cent of the GDP. I challenge the government to set similar goals regarding employment and to act on them.

• (1825)

The government must realize that, in two or three years, its performance will be evaluated not only in terms of productivity, but also in terms of how it made sure that every working-age person living in Quebec and in Canada has a chance to work and to support his or her family on the territory where that person lives.

There are ways to achieve that. For example, we could make good use of the productivity gains made through the use of new computer technologies. Someone, somewhere is making additional profits. Some of these profits are made by banks.

Why are there no measures to ensure a constructive employment policy? Thus, if banks want to keep the savings they made through technological change, they would have to use it for job creation, but not necessarily in their area of activity. Why not require them to make a social contribution allowing for bank profits to be used to create jobs for people taking care of seniors at home?

The issue requires innovative solutions, but there are none in the present government proposals. The budget speech only provided for a technical committee on taxation, something that will have effects after a year or two whereas the problem is today.

I will give another example. Officials in the public and quasi-public sectors could be encouraged to facilitate work time reduc-

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tion. Has there been any action in that regard as part of a full action plan or a concerted action plan by the government? We could remove the right for retired government employees to work for the government while receiving retirement benefits. There are many such situations in the public service at present. I am sure the national capital area, the Ottawa area, would benefit a lot from that.

Young people graduating from the CEGEP de l'Outaouais and young people already on the labour market could be very productive, and that would be very beneficial to society.

I want to raise another issue. It may look a little farfetched, but it is important to me. Why not start taxing robots? Why not tax what is bringing about job reduction for workers who lack specialized training? Why should we praise a business that is introducing new technologies while laying off workers without seeing to it that those people can find another occupation? Some measures should be put forward in that area, but they are nowhere to be found in the government proposals.

For the government, reform means cutting. We think the goal of reform should be to improve the lives of those who cannot find a job, and try to give them more opportunities to get back in the system and find a new job as quickly as possible, and not put them in a position where they periodically have to go back on welfare.

When a young student who has just finished school gets the message that he has to work 910 hours in the coming year, he might as well tell his employers that he will join the underground economy and that he will manage better that way. When our society sends out a message like that, you cannot claim to have done what you were elected for. Remember your slogan was "jobs, jobs, jobs".

If the Conservatives had been elected to form a new government, given the platform they ran on, they would do just like the Liberals, and we could always say that they are simply carrying out the program they were elected on, and that we have to live with that and try to manage as best we can. But we are now faced with a clear case of false representation. We have been told that the government would create jobs, but it is just riding the wave of economic growth, a growth that does not necessarily create jobs. The government will even do worse than that: with the reform fully in force, it will rake in \$2 billion more, at the expense of those who fund the system.

That is quite something. Our system is funded by the employers and the employees, but they have no control over its operation. They are not the ones who decide how it should develop. Instead of having a \$5 billion surplus in the unemployment insurance fund, would it not be possible to reduce that surplus to \$3 billion and to inject the remaining \$2 billion in the economy by lowering the contribution paid by the employees and the employers?

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• (1830)

Since we are continually reminded that job creation is best left to the private sector, would it not have been a good way to ensure that jobs are created? Why insist on creating this situation? Well, part of the answer resides in the constitutional dossier. In the last few years, the federal government has had little money to spend on areas of provincial jurisdiction. So, with the surplus in the unemployment insurance fund, the government has found a way to continue to interfere in the area of manpower training. With the surplus it has set aside for itself, it will be able to spend and to say to the community organizations and to everyone who wants to get some training: "We have the money, so we get to set the standards. In fact, we think we should become the Canadian Department of Education."

This is basically why the government has planned a surplus in the unemployment insurance fund, but it also wanted to use the money to hide the fact that it has not reduced its expenditures in order to fight the deficit. No, instead it is maintaining its expenditures at their current level and ensuring that the top civil servants, with their vision which dates back to the seventies, can keep carrying out their activities, thanks to a hidden tax known as the unemployment insurance fund.

This is why the workers, the young people, the women, the seasonal workers and the immigrants have told us and keep telling us day in and day out that this reform is unacceptable and has to be withdrawn by the government. If not, we have to ensure that several major changes are put forward.

In conclusion, let me summarize their arguments. They say that the 910 hours expected from the young people and the required hours of work in the future are totally unacceptable, as is the penalty for seasonal workers. A lot of things like that are brought to our attention, but, in fact, the real problem is that this reform is based on principles which are, in themselves, unacceptable. Under these circumstances, the government now has a very courageous decision to make. It must acknowledge that this reform proposal, which was developed by top federal civil servants, is not what Quebecers and Canadians want. Today, the Official Opposition has made that message even clearer and I think the government will have to take responsibility if it does not come to the same conclusion as the opposition.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, first I want to congratulate my colleague for Kamouraska—Rivière-du-Loup for his presentation. He demonstrated the weaknesses of the UI "reform" plan in such an eloquent manner that government members had to blush, if Liberal members can blush at all.

In the few moments at my disposal, I would like to make some comments about the government's attitude regarding this reform and especially that of the Minister of Human Resources Development.

Twice today the minister showed quite well how he feels about this reform. First, when he took part in the debate, this morning, he offered his philosophy on the reform, which can be summarized this way: "Finally, yes, this bill must be improved upon; so, if someone has suggestions to this end, they should make them." As if, as Minister of Human Resources Development, he was not responsible for this issue and did not himself have to propose amendments to the bill.

He also said during his presentation that, due to his long experience both at the provincial and federal levels of government, he was aware of the needs of the people. So, acting as a know-it-all, if I may say so, the minister tells us on the one hand that he is aware of the needs of the people and, on the other hand, that he wants us to come up with some good ideas, that he might take them into consideration.

• (1835)

What is worse, though, is the attitude that the minister showed and reiterated during the question period, when the hon. member for Mercier reminded him of what he said only a few hours ago when he criticized the demonstrations being held and a union representative in particular. He named individuals, which is rather uncommon on the part of a minister, saying: "These individuals who come from New Brunswick, from my own area, are trouble-makers. They like to use their Sunday afternoon to create problems for the government. These people do not know what to do on Sunday afternoon, so they look for demonstrations to go to". He added in the House: "The President of the Canadian Labour Congress, Bob White, who earns more money than I, was also there as a political agitator. He is only interested in rousing the public against the government. He is not interested at all in helping ordinary folk."

If I had had the chance to ask him when he made that comment in the House, I would have asked the minister, who is an elected representative—just like Bob White is—whom he was speaking for. Was he speaking for the banks, which made exorbitantly high profits last year and will be making even higher profits in the coming year? Whom is the Minister of Human Resources Development talking for?

We must ask that question because he is the one who will give its soul to that reform. If he is convinced that the UI beneficiaries, the people who protest against his so-called UI reform, are people who have nothing better to do on Sunday afternoon or who are loafers,

do you really believe that his reform will benefit the workers? To ask the question is to answer it.

People who listen to us, those who heard the minister will understand that this is a big joke, that the government's only objective is to claw back the money to reduce its deficit. There are very simple calculations to be made and I challenge the minister to prove that they are false. With the measures already taken in past years the government can cash every year a UI surplus of \$5 billion to reduce its deficit, and we agree with that. But it takes that money directly in the pockets of the unemployed while, it is worth repeating, banks alone register profits exceeding \$5 billion. What should be done to improve the UI reform? To ask the question is to answer it.

Instead of criticizing the union leaders and the thousands of people in the Gaspé Peninsula, the Maritimes and all over Quebec and Ontario who demonstrated against his reform, I would prefer to see the minister restrain himself and propose amendments which would make the bill more acceptable.

Mr. Crête: Mr. Speaker, my colleague made me think of something when he asked where the minister's position comes from. It is often said that the opposition criticizes for the sake of criticizing.

• (1840)

When we look at the positions taken by some people, for example by the municipal council of Pohénégamook, a small town located in my riding, which says that it is fiercely opposed to this reform because it does not respect regional economies which are based on seasonal activities and because the 910 hour minimum requirement to be eligible for benefits is unrealistic, these judgments come from people with a lot of common sense.

Several elements of this reform will result in a drastic reduction in regional economic activity. That is why such a solidarity has developed. Opposition to this reform does not come only from UI beneficiaries, but also from regional boards of trade, community groups and business people.

Once the government cuts the money available in a particular region, this will result in significant job losses because when people have less money to buy cars or to pay the rent, when they have to move away, this has an impact on the economy of a region. If we want Canada and Quebec to be a fully developed country, these kinds of reforms have to be put aside because they are not in line with the vision we must have of what the development of a country like Quebec or Canada should be.

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ADJOURNMENT PROCEEDINGS

[English]

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

GRAIN

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, on February 29, I raised a question directed to the new Minister of Transport. I pointed out that the grain shipment this year was the first when we had almost complete deregulation, and the use of two fully privatized railways has been abysmal.

Grain movement in the previous crop year to mid-February was 21.4 million tonnes. This year with the new system in place the railways have moved a mere 15.1 million tonnes.

I asked the minister what he was prepared to do to make the circumstances improve. He pointed out there had been some cold weather. There were three weeks of cold weather but that would not account for even half of the discrepancy between the amount moved the year before and the amount moved this year.

In my own research I discovered that vast parts of prairie Canada have a shortage of rolling stocks in locomotives. I have checked with the railways, which admit this. They point out that they perhaps will have to bring some locomotives and cars back from the United States.

I am sure the Minister of Transport even though he is new will quickly be apprised that the rates they can charge for the same cars and locomotives in the United States are considerably more than they can charge in Canada with the current ceiling on rail shipment of grains in Canada.

The U.S. rail system has dramatically increased their fees for service because they understand that grain prices are higher and they are simply charging everything the market will bear. There has been a rapid and radical increase in fees charged to farmers and shippers in the United States. Our railways are down there trying to take advantage of this, meanwhile shorting our ability to export grain and the ability of our farmers who produced a very good crop of excellent quality in prairie Canada.

There should be very little to stand in the way of rapid movement because virtually every district in western Canada has produced top grades of wheat and barley. It is not a problem to put together a full 104 or 108 car trains of one grade to be moved to the terminals at port.

Wheat and barley are under the wheat board and a system of pooling is used so that all of the train can be dumped at one

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terminal even though some of the grain may have belonged to a different company. A book exchange of grains is used to speed up the turnaround. Turnaround time on wheat board grains is double or more than double the turnaround time for a similar car of non-board grains. Some of the specialty crops have turnaround times that would make one weep. They take three to four times as long as wheat board grains.

• (1845)

As well, the country elevator system has not been awfully co-operative. It took advantage of the new deregulation and filled its elevators late last summer and in the early fall, at least in northeastern Saskatchewan where I come from. Most elevators report that they are about half full of non-board barley, open market barley, for which the elevator companies have not yet found a buyer.

This is clogging the system. There is less than half of the space to handle this year's crop. The farmers are beginning to despair of being able to deliver what was a very good crop in this crop year when prices are high. I wish the Ministry of Transport and the new minister would take this into account and take action as quickly as possible.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I want to thank the hon. member for his intervention. It gives me an opportunity to expand on the position espoused by the Minister of Transport in his response to the hon. member in question period on February 29.

I have a few words to say about the movement of grain for the current crop year, which is down from the same period last year. However, to be fair to the hon. member for Mackenzie, there are a number of reasons for this.

Movements were extremely low in August and September of this year because of low carry-over stocks. Grain traffic did not really pick up until the end of the harvest. By contrast, in 1994 there was plenty of grain to move and the system was at full capacity in August and September.

Weather, as previously stated by the Minister of Transport, has also been a factor this year. There were heavy rains on the west coast in December and January. Beyond the temperatures the hon. member spoke about, there were also mud slides and of course track outages. These things take time to repair.

The prairies also experienced three weeks of record cold, as the hon. member enunciated, which slowed deliveries to the country elevator system and rail deliveries to port. Fortunately the system is catching up. Vessel line-ups at Vancouver are expected to be at normal levels very shortly.

In spite of the slow start and unfavourable weather conditions, it is anticipated that the entire crop will be moved this year.

One of the objectives of the grain transportation reform announced last year was to create a less rigid and more efficient grain transportation and handling system. A number of positive initiatives have been announced by industry since western grain transportation reform was implemented. We believe even more benefits will be achieved as structural changes take place.

Grain farmers are enjoying the benefits of high world prices for their product. I am sure the hon. member for Mackenzie will agree with me when I say that we all want to be sure that their grain gets to market promptly and at the lowest possible cost.

CANADIAN WATERWAYS

Mr. John Cummins (Delta, Ref.): Mr. Speaker, in 1985 when a U.S. coast guard icebreaker transited Canadian sovereign waters in the Arctic without permission, the Prime Minister said that the government of the day and Canada had been humiliated by the action.

In B.C. there is a strong sentiment that Canada has been humiliated by U.S. legislation which declares the inside passage of British Columbia an international waterway. Yet the federal government, as in the Quebec referendum, has failed to speak up for Canada.

The issue was before the U.S. congress in 1995 and at no time did the government speak up for Canada and publicly make the case for Canadian sovereignty. In fact, the U.S. congress passed the bill on October 24 and an amended version of the same bill passed the senate way back on June 30, yet there was silence from the Liberal government.

"The bill", according to the *Congressional Quarterly*, "is the result of a fishing dispute in which the Canadian government imposed an \$1,100 fee on U.S. vessels that pass through Canadian waters between Washington and Alaska. This was an act U.S. officials regarded as inconsistent with international law".

• (1850)

That being said, there is no foundation for the claim that the inside passage is an international waterway. The Americans acknowledged as much in 1846 when they signed the Oregon treaty.

Now is not the time to diminish Canadian presence on the inside passage by shutting down lighthouses and contracting out weather information from American satellites controlled by the U.S. government. We must maintain our presence in the passage at this time.

It is also not the time for ministers to turn these critical decisions over to senior coast guard officials who, in discussing the lighthouse issue, said: "We don't have to accept what the minister said". We need the minister to be tough, to give no quarter on the sovereignty issue but to recognize that the challenge to our sovereignty is at heart a fish dispute.

We should not be suckered into a school yard brawl over this issue. We must give reason a chance to work. We know what does

not work. We tried fish wars in 1982 and again in 1994 to no avail. We have tried the transit fees. We have tried normal diplomatic channels. In fact, we tried mediation with a well respected international mediator, all to no avail.

We need a fresh approach to solve this fisheries dispute and ultimately the sovereignty issue. In that fresh approach what we should do and what we must do is recognize that when we are dealing with our American cousins on this we are not dealing directly with the American government. There are four groups that have a veto, including the states of Oregon, Washington, Alaska and the native tribes of the Pacific northwest.

The solution to this problem will not be found in Washington. It will only be found on the west coast. To achieve a solution, it is my view that we must appoint someone who has the confidence of British Columbians, who understands the issue and who will bring this dispute to a resolution.

To that point, I suggest that the government appoint John Fraser, Ambassador for Environment, to deal with this issue to protect Canadian sovereignty and to get to the root cause of this, which is in fact a fisheries dispute between Canada and the United States.

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the hon. member for Delta for his question. He has shown a keen interest in issues of fisheries for a considerable number of years.

I would be happy to put to rest some of the concerns that he expressed. In no way is the Canadian government humiliated or does it feel humiliated by what has happened.

Some legislation has been passed by the United States congress which makes certain assertions, which are no more than assertions: first, that American vessels have the right of innocent passage through the inside passage of Canada; second, that Canada violated international law by imposing transit licence fees in 1994; and third, that Canada should compensate the United States, in essence reimburse the transit licence fees applied in 1994.

The statement in the American legislation does contain some errors of law which can be easily corrected and fears put to rest. It is also interesting as an example of what might be called the King Canute approach to international law. It is beyond the competence of a national legislature by national legislation to establish a right in international law. It just cannot be done and frankly there is no need to be too concerned over that.

As to the errors of law, they are very simple issues here. The right of innocent passage, to which the U.S. legislation refers, applies under international law to what is called the territorial sea. The territorial sea in the region concerned is measured from the

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base line, the low water mark, on the west side of Vancouver Island. The inland passage is in fact part of Canada's inland waters or internal waters. It is not subject to the United Nations convention on the law of the sea. International law does not apply to it. It is within our province to control and regulate it, to apply transit fees. We have every right under our law to do so. There is nothing in international law restricting our right to do so.

• (1855)

The inside passage is not part of Canada's territorial sea which is measured, as I have said, from the west side of Vancouver Island. It is part of Canada's internal waters. There is no right of innocent passage, as it is called under international law, through our internal waters. There is no prohibition under national law against our imposing a transit fee in the case concerned.

We have made the following points to the United States government. Canada is not in violation of international law. The waters of the inside passage are Canadian internal waters and no compensation will be paid.

The statements in the United States congressional legislation are interesting but they are simply findings or expressions of opinion of congress. They do not constitute anything more for purposes of international law. In particular they do not authorize an intervention by U.S. coast guard vessels into Canadian waters.

I should remind this House and perhaps the U.S. congress that under the United States constitution and under the separation of powers it embodies, it is for the President of the United States and not for congress to assume responsibility in the execution of foreign policy. The findings in the U.S. legislation are mildly offensive to Canadians but they only express an opinion.

There have been calls on this government to reintroduce the transit licence fee in response to the refusal of the United States to respect the larger Pacific salmon treaty obligations to Canada and the failure to respect the United States role in the maintenance of the Pacific salmon stocks. We also have to refer to the recent failure of the Pacific salmon mediation process.

However, I am happy to tell this House that negotiations are proceeding. There will be a Pacific salmon commission meeting on 1996 fishing arrangements and also a bilateral meeting between our Minister of Foreign Affairs and the United States Secretary of State, Mr. Christopher. Both are scheduled for later this month.

This government will not reintroduce the transit licence fees while these initiatives are under way. That would be an error. However, all options remain on the table. They are under study and if appropriate they will be used.

Supply

The Acting Speaker (Mr. Kilger): If I might take the liberty of a brief intervention on the matter of the adjournment proceedings. I did not interrupt the parliamentary secretary given the importance of the subject matter being raised by the hon. member for Delta.

However, as we continue our work in this new session I want to remind the House that presenters have up to four minutes and parliamentary secretaries on behalf of their ministers and the government have two minutes to reply. I would not want us to stray too far from that. As a matter of fact we should not stray at all from those limits. Understand that today I made an exception, but I would not want the House to interpret that we would take that same latitude at each and every occasion. I would ask you to be mindful of that in the days to come.

[Translation]

Pursuant to order made earlier today, the House resumes consideration of the motion of Mr. Gauthier, the member for Roberval, and of the amendment of Mrs. Brown, the member for Calgary Southeast.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—WITHDRAWAL OF EMPLOYMENT INSURANCE BILL C-12

The House resumed consideration of the motion and of the amendment.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, it is certainly my personal privilege to stand in the House today to speak on this opposition motion which should definitely be rejected.

Once again we have a very curious spectacle. The Bloc Quebecois, the party that says it wants to change this country irrevocably, the party which says that separation is the only solution to solving all of the social and economic problems facing Quebecers, is making an impassioned plea for the status quo in Canada. This is the party that is suddenly the champion of the downtrodden worker in New Brunswick, Ontario, Alberta and British Columbia? I do not think so and neither do many Canadians.

• (1900)

What the Bloc's argument comes down to is that we should simply shelve any thoughts of changing or improving the old unemployment insurance system, the program with all its inefficiencies and all the unfairness. We should just ignore proposals which came about after a lengthy process of consultation and consensus building with thousands of Canadians right across the country.

The game plan of the Bloc Quebecois members is not only transparent, it is extremely cynical. It is transparent because we all know the real reason they are opposing this legislation. They simply do not want to see any improvements in any legislation that would make the country work better. They have a vested interest in failure and it shows. Failure. It shows in all their arguments.

Modernizing the employment system for all Canadian workers, lowering premiums, making it work better, expanding it to include more people, encouraging more people to work, making the system sustainable into the next century for all Quebecers and for all Canadians are not objectives the Bloc members could support. Not today, not tomorrow, nor ever and for a very simple reason. A better employment insurance system for all Canadians including Quebecers weakens their cause for separation. And this is the party which sees everything through that particular lens.

How could the Bloc possibly support the idea that 350,000 low income families across Canada will now get an extra income supplement under this new legislation? That is what this bill will do.

How could the Bloc possibly support the proposals in the bill for the first time to ensure the work of upwards of more than 500,000 part time individuals in Quebec and across Canada who are not now part of the system?

How could the Bloc agree with a bill that will give some 270,000 seasonally employed Canadian claimants an additional three weeks of benefits?

How could the Bloc be in favour of a bill that is conservatively predicted to create upwards of 100,000 to 150,000 new jobs in the country? Many thousands of them would be in Quebec.

How could the Bloc support a bill that will lower premiums for workers and employers to the tune of \$1.3 million and which lets employers put their share, more than \$760 million into creating new jobs for Quebecers and for all Canadians?

How could the Bloc agree with a bill that makes special provision for women who have been out of the workforce raising families to help them get back into the workforce and have access to employment benefits?

Why would the Bloc be in favour of a bill that will expand coverage of the program to include 97 per cent of workers but at the same time return contributions to more than 1.3 million very low income workers, including 920,000 who pay premiums today?

Why would a separatist party support a bill that is going to give 300,000 small businesses in Quebec and across Canada a premium refund of up to \$5,000 over two years?

How could a separatist party give its support to a bill which has a series of active employment measures, including wage subsidies, earning supplements, self-employment, community job partnerships, to pave the way for more Quebecers and Canadians to get

back into the workforce? These are programs which will be developed directly with the provinces.

I guess if I were a separatist, heaven forbid, I would probably not want to see this bill go through either or anything else that might improve the employment situation in this country for that matter. The plain fact is the bill is good for workers and for the economy and we will prove that.

I think the real cynicism of the party opposite shows itself in this motion. What the Bloc is saying is that it does not want Canadians or Quebecers to talk about trying to improve the bill in our committee.

We have to come to terms with how we modernize our outdated unemployment system so that it reflects the realities of today's working world because that world has changed just as profoundly in Quebec as it has in the rest of Canada and across the western world. Fewer and fewer people work in the traditional nine to five pattern for which the old UI system was created. More and more people work part time or in multiple part time jobs. They are not fully covered under the current plan with its rigid rule of weeks worked. Since every hour worked will now count toward eligibility for benefits, workers will have incentives to accept available work.

• (1905)

The opposition says the new program is unfair to young people, women, seasonal workers and immigrants. What does this new measure really mean for youth? Four out of ten part time workers are young people. With an unemployment rate of 16 per cent, nearly double the average of all other workers, this bill is going to help thousands of young people who are caught in the 15 hour trap. Many employers use this 15 hour system to avoid paying premiums. That denies our young people benefits when the work runs out. This bill will be especially helpful for youth.

Young people also need support to make that all important school to work transition. For this reason we have invested in the intern programs working with business, local communities and educators. We have also invested in youth services to help young people get the experience and skills they need to find jobs. The government has announced that funding for summer jobs is going to be doubled from \$60 million to \$120 million. It will be committed over the next three years to help young people get into the job market.

The opposition says that women are being penalized. Again, this is not true. On average, women currently earn 70 per cent of what men earn. They make up 60 per cent of minimum wage earners. The new arrangements recognize these facts and make a real attempt to turn that situation around in several ways.

Two-thirds of those who qualify for the new family supplement will be women. This supplement results in low income single parent families receiving 10 per cent more than they do today.

Supply

Women returning to work after having received maternity or parental leave benefits will have access to the new re-employment benefits for a full five years. Very low income women will be eligible for a premium refund.

What about new Canadians? The opposition claims they are being punished. Again, it just is not true. Asking for a slightly longer initial attachment to the workforce in the first year before being eligible for benefits just like everybody else is not wrong. Again, it is only the first year. In the second and following years if they have some attachment to the workforce they will have lower qualifying periods. They will also have access to re-employment benefit tools.

More good news for the home front. There is going to be a very positive impact on the social assistance caseloads within the provinces. At the moment 45 per cent of social assistance recipients have also been UI claimants within the last three years. Many are UI exhaustees. These individuals will now have access to the new re-employment measures which will help get them back into the workforce and will help reduce provincial social assistance roles. Many people are going to be very happy with this legislation.

Canadians expect us to come up with better answers and so do Quebecers. My suggestion to the opposition members is that they should join in that process, work with their colleagues who are members of our standing committee and help us come up with the right solutions. I sincerely hope they can put aside their ideological goals and help us deal with the task of creating a new and better system of unemployment insurance protection for all Canadians. This motion should be defeated.

[*Translation*]

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, I shall try to be brief; I see others wanting to speak. I am itching to respond to the hon. colleague across the way. I think he is still a bit blinded by the aftermath of the October 30 referendum debate.

The referendum is settled. That is not the issue today. I have two little questions for the hon. colleague across the way. In his speech he mentioned that the new bill would entitle seasonal workers to up to three weeks additional benefits. I would like to see him do a demonstration of A plus B equals C for this, because that is not what people have understood the reform to mean.

• (1910)

A second little question of arithmetic. He says that young people would be better off with this new reform, because now they will have deductions taken off from the very first hour they work. They had to work fifteen hours in the past before deductions started, but 910 hours divided by 15 makes about 60 weeks. First of all, when will they be eligible to apply for unemployment insurance? Second, students are deemed not to be available for work. If young

Supply

people study full time in the winter and work only on weekends, will they have enough time for entitlement?

Did they state in this unemployment insurance reform that it will allow students to collect unemployment insurance while still at school? I think that the hon. member was talking through his hat. He was perhaps just a bit too blinded by the political option I am defending, but I would remind him that what we wanted to discuss today was unemployment.

[English]

Mr. McCormick: Mr. Speaker, certainly I want to reply to my hon. colleague from the Bloc.

I am not influenced by the results of the referendum but I am influenced by many Quebec friends and many Quebec colleagues. Great Canadians. Great Quebecers.

When the SSR review toured the country, in 35 days we had hearings in 27 cities, ten provinces, two territories, the eastern Arctic, and many locales in Quebec. People asked for the same thing and Quebecers were no different. They are Canadians who want an opportunity to work and make a contribution to this country.

I would gladly ask the member to read out the list of people in his province who do not want the same opportunity as what they have here.

The second question concerned students and the 15 hour system. Many students I know personally work at two part time jobs. I believe that after this legislation is passed the "Mc" companies will offer more than 15 hours to these students. I am sure many of these students will have the opportunity to work 30 hours a week. We will find that this legislation will be of great benefit to all Canadians including Quebecers.

[Translation]

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the opposition for giving us an opportunity to give more explanations regarding important issues, by presenting motions which always surprise us, as they surprise others, by their incisive and unexpected nature.

[English]

I thank the opposition for giving me the opportunity to speak about youth, the generation which is next in line and which literally represents the future of our country. The future is of concern to all of us but there is no question that it is of even greater concern to young people.

[Translation]

It was the case for us when we were young, but it probably is much more so for young people today. They feel more bound by the choices made by their elders and they have a greater interest in the

decisions taken in the present legislative process. This is why there is great interest among young people for the debates we are holding and the positions we take.

I find it unfortunate that the opposition, with all due respect to my hon. colleagues, is taking advantage of young people's uncertainty about the future, which is quite understandable, to heighten that uncertainty, increase their nervousness and to arouse passions. They want to give to the most vulnerable groups in our society the impression that the major reforms proposed by the government are aimed at them.

If there is one group which will benefit from the major reforms launched by the Government, it is the young people. If one group should one day be grateful to us for having taken the necessary steps to control the deficit, it is the young generation. And if there is one group in our society for which employment insurance will be beneficial, it is, once again, the young people.

[English]

Young people will benefit like our own generation has from the major social security programs the generation before us established 30, 40 and 50 years ago. Many of those programs in their original form no longer meet today's needs and that is certainly the case when it comes to unemployment insurance.

[Translation]

More than 80 per cent of Canadians agree that the present system is flawed and must be redesigned.

• (1915)

One thing is sure, if we do nothing, we are guaranteed of leaving our children a house mortgaged to the hilt, as Jean Paré wrote last year in *L'Actualité* on the very subject of social program reform.

Employment insurance offers an affordable system that continue on into the future. We have already explained why, under the bill, the eligibility requirements are increased for those newly arrived on the labour market. It would appear that young people tend to leave school earlier if they have relatively easy access to UI benefits.

[English]

If young people do not have an adequate education they often embark on a cycle of dependence on unemployment insurance or even welfare. We want to encourage young people to work rather than to depend on UI. We want to encourage personal responsibility, training and development. With these goals in mind it is not in our interest to have a system that does not encourage young people to get a good education.

[Translation]

In many respects, the young will benefit from the new system. With eligibility calculated according to accumulated hours of work, the insurance plan will be extended to 500,000 workers who

are not currently covered: those working part time, those in two or more small jobs and those whose job profile changes frequently.

In the job market at the moment, many of our young people find themselves in one of these categories. Of the 1.3 million low income workers who will have their contributions returned, nearly half are young people under 25. For the young, the new rules mean, in the end, a program cut of 8 per cent compared with 11 per cent for workers as a whole.

[English]

Young people constitute a priority for the government, made clear in the speech from the throne and in the budget tabled by the Minister of Finance.

[Translation]

As the minister said, our young people are, along with technology and trade, one of the three areas in which the government is going to invest more, because these areas are of crucial importance for improving employment and increasing the number of jobs now and in the future.

These initiatives are designed to create a leverage effect in the private sector and in our communities. The government is thus going to increase from \$60 million to \$120 million its contribution towards summer job creation for students. Furthermore, in the speech from the throne, the government called upon business and upon political and community leaders to join the efforts of the federal government to find new ways of helping our young people to find jobs.

[English]

It is in the interests of all Canadians to see to it that young people have every possible opportunity to participate in and contribute to the national economy.

[Translation]

Our young people must regain their confidence in the future. To that end, we must create new opportunities, and create jobs for all the workers in Canada. It is not up to the government to create jobs, but it is among its immediate responsibilities to generate a favourable climate for job creation. The best way to do it is to, first, stop the government from getting deeper in debt and control the deficit, as I said before. The budget that the government just presented shows that there is reason to hope, on this front.

At present, interest rates are low, the inflation rate is barely at 2 per cent and the overall unemployment rate is under 10 per cent. These are certainly favourable conditions for economic recovery and job creation.

Supply

[English]

As the Prime Minister said, it is now up to the private sector to do its part. It is in this way that the country's economy will move ahead.

[Translation]

This is how we will regain control. This is how we will manage to put our house in order so that our young people can regain confidence in the future.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, we must be living in two totally different countries. Go walk in the streets and talk to young people who have just graduated. Today's unemployment rate among young people is the direct result of our current system. It ranges from 15, 16, 18, 20 to 25 per cent, depending on the region.

• (1920)

Does this proposed reform carry a message of hope to our young people? Will asking them to work 920 hours the first year in order to qualify for unemployment insurance be a message of hope for them? Do they see that as an incentive to start a family? For someone graduating with a degree in land use planning or working in wildlife conservation, for all those working in recreation and tourism, who are seasonal workers by definition, is there in this reform a message to the effect that they have a future, that we trust them and that they will go places?

As for the refund, does the member realize that only young people earning less than \$2,000 a year will receive a refund? Two thousand dollars, that means 10 weeks at \$200 a week. Therefore, most of those who work during the summer will not receive a refund because they will have earned more than \$2,000 during the year. They will contribute to a plan but will never receive any benefits in return.

I agree with the member on one point, when he says that one solution is the reduction of the deficit. It is true, it is very true, provided we cut where we should really cut. If we say we reduce the deficit by having a surplus of \$5 billion in the unemployment insurance fund, we end up with the opposite of what we wanted.

In conclusion, I ask why does the government not set a goal for the reduction of unemployment as it did for the deficit? Why did it not say: "We are going to try to be, in two years time, at 6 per cent, or 8 per cent or 4 per cent, depending on what we consider to be full employment; this will be our primary objective as a government, and we will make sure that unemployment is decreased to that level". Then, the employment insurance system would have deserved its name. Given this, would the hon. member have arguments that could convince me to change my point of view, to see the situation differently, when the message which seems to be given to our young people is: "If you get good training, you will

Supply

have a good chance to find a job but, unfortunately, if you cannot enter the system correctly you will be condemned to rely, year after year, on social assistance?"

Mr. Patry: Mr. Speaker, I thank the member for his questions. The first answer is yes, there are very concrete measures in the government bill. The first, most concrete measure is that premiums for businesses will be reduced, which will help to create jobs. It is estimated that 150,000 new jobs will be created under this new system.

On the member's second proposal concerning unemployment insurance surplus, I want to tell him that in 1990 the unemployment insurance fund had a surplus of \$2 billion and with the recession that followed it became a deficit of \$6 billion. We do not want to have to deal with the same problems that we faced in 1993 and 1994. So, what the government is doing now is taking preventive measures. We are trying to prevent problems in the future.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to rise today and I will not tell you anything new by saying that I sincerely believe the government has no choice but to withdraw Bill C-12, the so-called employment insurance bill that I would rather call destitution insurance bill.

It has no choice, if for no other reason than the one that people do not want this bill. So the government, simply to respect democracy and the people who elected it, must go back to the drawing board, as is suggested in the motion of the Leader of the Opposition, my colleague from Roberval.

People do not want this bill and this reform. I am not talking only about people who are directly affected, that is, the current beneficiaries. I am talking about people in general. I am talking about editorial writers, unionists and workers. Lise Bissonnette and Jean-Robert Sansfaçon of *Le Devoir*, the FTQ, the CSN, the CEQ, the CSD, the Bishop of Bathurst, the Canadian Labour Congress, mayors of Acadian villages, labour councils in Edmundston and the regions all agree that the government's proposals are simply unacceptable.

• (1925)

Provincial politicians have also condemned this reform. Why? Because it will increase the number of welfare recipients for whom the provinces are directly responsible. They are simply impoverishing the provinces by transferring these cases to them. This is called shovelling into the provinces' backyards.

There will be less money for the unemployed. For example, after Phase I of the reform, the Quebec government reported last May an additional 10,000 welfare claims for April alone. Again, it is precisely in April that the provision reducing the eligibility period

came into effect. In Quebec, this means an additional 10,000 welfare claims.

This is no coincidence. Those people deprived of their UI benefits went straight to welfare. Why? Because they could not find jobs. In fact, a document from the Department of Human Resources Development foresaw exactly the direct impact of the new program, stating that total benefits would be cut by \$735 million in Quebec and that it could cost provincial welfare programs between \$65 million and \$135 million. This is clearly stated in the document itself.

To fend off the sharp criticism that would surely be directed at the federal government, the document went right on to say that, to counterbalance these measures, other job creation initiatives were being implemented: the infrastructure program, the youth service corps, the young trainees program and strategic initiatives related to social security.

What does this mean? It means duplication and overlap. I must point out that the document also stated that these measures, along with the \$800 million invested in strategic initiatives, would act as a countermeasure to the budget proposals. In short, they expected all hell to break loose, so to speak. They knew full well that it would not go down easy this time around, that the public was not going to swallow this new bitter remedy. Once again, the government ignored provincial jurisdictions, and particularly what the Quebec government and many other social stakeholders in Quebec are asking for, that is to say, that full financial control be restored to Quebec so that we can have a real job creation policy.

As window dressing, new programs were established in areas of exclusive provincial jurisdiction. How wasteful. What a waste of time and energy, energy wasted in particular on giving once again false hopes.

We know that half of the 808,000 welfare recipients in Quebec are in fact chronically unemployed. Instead of creating employment, the government is turning out welfare recipients. How encouraging for the future. That is why the public does not want anything to do with Bill C-12, and that is not an understatement. As evidence of that, you need only recall the many protests that have been covered by television and the newspapers since December.

When my colleague from Mercier said the reform was pure nonsense, I remember that government members told her that she did not understand the so-called reform. So, considering all the protests that have been held since December, or since the government revealed another aspect of its so-called reform, hundreds of thousands of people have taken to the streets. They demonstrated not only in Quebec, but also in New Brunswick, in Nova Scotia, and elsewhere. Are there any members in the House who have not been informed by their constituents of their objections to this awful system that I would call the employment insurance light?

Supply

• (1930)

In fact, the newspapers gave extensive coverage of the trials and tribulations of a Liberal parliamentary secretary from Acadia, who was bluntly reminded that he should look after his voters' interests. As the 400 protesters chanted in Montreal, on February 26: "That reform will not go through". This is what they were saying.

The Wednesdays of shame will continue until the government finally understands the message that people, in their wisdom, have been trying to convey for two years. The poor, the young, as well as women and the unemployed have given enough. They should not have to pay for the deficit. The Bloc Québécois agrees with them. The time has come to set up a true job creation program, instead of trying to catch those who cheat, instead of, as Angéla Vautour put it, "making bad people out of good people", instead of saying that protestors are separatists disguised as unemployed workers. The time has come for people to understand what really motivates this government, other than the reduction of the deficit, of course.

Not too long ago, the President of the Treasury Board made a slip of the tongue that was reported by journalist Michel Vastel. The formula is very simple. Here is what the President of the Treasury Board had to say: "First, we will reduce federal transfers to the provinces by \$7 billion. This will force the provinces to make cuts in their social programs. We will wait for Mr. Bouchard's government to make its cuts. Those cuts are going to hurt, and the provincial governments are the ones that will pay. Then we table a seemingly nice budget, the recent budget, which does not appear to impose new constraints on taxpayers. We come out looking like a good father sparing his poor children." That is what the President of the Treasury Board said.

"Finally, after the provinces have juggled with the new constraints we have imposed on them, after they have given the bad news to their citizens, our government will launch a massive publicity campaign to explain to taxpayers that we are the only government capable of protecting them, of defending them and of guaranteeing them a minimum of adequate services and benefits. QED."

They will wait for the Quebec government to table its budget in order to demonstrate that the federal government, like a good father, will provide small grants, bypassing the provinces, to community networks and to individuals, while Quebec is dealt a \$7 billion cut through the Canadian social transfer and while the unemployment insurance program is also cut by \$640 million. It was cut last year, and it will be cut a further \$650 million.

This is impossible. They forgot one thing: the people will not be fooled. They forgot the people's wisdom. They forgot the wave of revolt that is sweeping the country.

I hope that the government will listen and will not be content with implementing minor reforms in this bill, but will withdraw it and recognize the validity of the motion put forward by our colleague, the hon. member for Roberval, who asked that this bill be withdrawn.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I have listened with a great deal of interest to the speech of my colleague, and I was deeply touched. I think that she got to the bottom of the problem.

The opposition motion says in part that the minister should go back to the drawing board, since this reform hits young people, women, seasonal workers and immigrants hard.

Could the hon. member elaborate a bit more on the situation women have to face when they enter the workforce for the first time or when they return to the labour market after raising their family? What is the situation going to be if this reform is carried out? Will they be able to get benefits or, like the motions says, are they going to be hit the hardest by this reform?

• (1935)

Mrs. Gagnon: Mr. Speaker, I appreciate the question asked by my colleague, because it deals with an issue I did not have time to address during my speech. Yes, women will be penalized. Why? Because 70 per cent of all part-time jobs are held by women.

We know full well that, under this unemployment insurance reform, part-time workers are penalized. Anyone who works fewer than 15 hours a week—and this is often the case for many women who have to spend many hours at home, because they have two roles to play and have to take care of their children—does not qualify for UI benefits, even though that person has paid his or her premiums. To qualify, that person would have to work 60 weeks a year. As you know, Mr. Speaker, there are only 52 weeks in a year, unless the government has done something about that in this bill.

So, I think that women will be penalized and that young women will have a hard time finding a first job. With the job insecurity we hear so much about, it will be tough for them to qualify if they have to work 910 hours a year to do so.

Again, what they would need are more stable and longer-term jobs. Given its lack of vision, what is the government offering in terms of job creation? In its first budget, there was the infrastructure program, but in its second budget, there was nothing. At least, it had included a so-called job creation strategy in its first budget.

I deplore the fact that there is no job creation proposal especially for women, who make up 52 per cent of the population. So, we think that this reform will penalize women, because it is targeting workers who claim UI benefits too often. Since women are affected

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by job insecurity and hold part-time jobs, I think this reform is unfair and will be carried out again at the expense of the underprivileged.

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, as several of my colleagues have said again and again today, the purpose of this debate is to ask for the withdrawal of the new Bill C-12, the old Bill C-111.

Why do we ask for this bill to be withdrawn? First, because we feel it penalizes the very victims of the job shortage, that is the unemployed. As described here and as we saw when Bill C-111 was introduced, these measures are a direct attack on the very victims of the lack of jobs.

Since every Canadian did not follow our debates all day long, I will try to summarize these measures in three points. First, there is the eligibility rule invented by the former Minister of Human Resources Development, that is, a total of 910 hours or 26 weeks of work.

As I said, I come from an area where seasonal work is everybody's fate. It is difficult to work for more than 10 or 12 weeks. By the way, I remind the House that it is biology which decides that lobster cannot be fished for more than 10 weeks. Any more than that would deplete the resource. Thus, Mr. Speaker, you will allow me to be surprised that the minister has not addressed this rule yet and said that it must be objected to.

The second rule, which I called the penalty rule in my constituency, concerns the intensity. Anybody who receives unemployment insurance benefits for at least 20 weeks will see his or her benefits reduced by 1 per cent. Every time you receive benefits for 20 weeks, these benefits will be reduced by 1 per cent. This means that in about three years' time, seasonal workers will be denied 5 per cent.

The third point, which always needs to be explained, is the calculation method. The minister proposes to use a fixed basis. When the required number of hours is reached, it will immediately be divided—and this is the calculation method—by 14 weeks.

• (1940)

But it is by 14 weeks within a given period, once you have done your 420 hours. However, it is possible that people have been unable to work within this given period.

What about seasonal workers? If they work in early spring, in April and May in the case of fishing and again in the fall in another type of fishing, the entire summer period would not be included. That means that, once the 420 hours have been reached, the division to determine the value of benefits will have to be by the

number of weeks the individual has not worked. This is unacceptable.

For this reason, we feel that this is unacceptable and we ask that this bill be withdrawn.

Why do we have difficulty meeting the objectives set out by the Minister in this area? I said earlier in this House that the premises are all wrong. For us, in our language, reforming the situation of the victims of job shortages means improving it. In this case, as I just said, coming from the new Minister for Human Resources Development, reform means cuts. And this is an indication, an order given to him by the Minister of Finance who, last year, said in his budget that the government wanted a cut of about 10 to 12 per cent—which means a cut of about \$1.5 billion dollars which will be passed on to the recipients.

In the meantime, we realize there is a discrepancy as regards to the revenue generated by the UI fund, that is, premiums from workers and employers will generate a surplus of some \$5 billion, for this year alone.

You will understand our surprise. Considering the equation I just did, it is clear that the problem is not about a lack of funds. They want to streamline. So to reduce or eliminate the problem, they want to hit those who happen to be the victims over the head.

I would have thought that alternative measures would have been proposed, precisely because UI benefits are dependent upon regional unemployment rates. I would have thought that measures to stimulate employment would have been devised.

The government cannot do here what it blames large companies for doing. In the throne speech, the Prime Minister, who thought he had delivered the goods, admonished big business, telling them: "Now that we are starting to meet our deficit reduction target of 3 per cent of GDP, it is up to businesses to create jobs."

But what are big corporations doing? My colleague from Roberval also mentioned in his address in response to the throne speech that major banks cut around 3,000 jobs, even though they posted record profits of \$5 billion. I do not have a detailed list, but it is in that order of magnitude. Bell Canada too made profits and cut workers.

I have nothing against profits, but I want to draw the attention of the House to the fact that the government, the Minister of Finance cannot put its fiscal house in order as does a corporation, whose sole purpose in life is to generate profits. Here we are dealing with real people who depend on our decisions. The minister must absolutely take this into consideration. We are asking him what will the people deprived of unemployment insurance get in exchange? Nothing.

It is the same in the fisheries sector, and I cannot wait to meet the new Minister of Fisheries. What can the people excluded from this program expect? We are going to ask some people to define what is the core of the fishing sector, that is to say to define who is going to be excluded, who is going to be declared surplus. But what can the excluded people expect? Nothing. The government seems to be renegeing on all its social responsibilities, but there is one that it must assume.

On the same point, the minister often tells us that he intends to act in a certain way or is forced to act that way, because of “public opinion in the rest of Canada”. The minister comes from Acadia and I come from the Gaspé and he tells me: “Public opinion in the rest of Canada wants me to streamline and cut in these areas”. I am sorry, but I think that what most Canadians, like most Quebecers, want is action.

• (1945)

People will not be fooled. They know full well that, with the UI reform which is going on, the minister might, at some point, reduce their UI premiums in a fit of generosity, but that, meanwhile, social assistance budgets will have to be increased and the provinces are the ones that have to pay.

If the provinces are forced to increase their share of taxation, to tax the same people who said they are tired of paying for the unemployed, we are going in circles. Nobody addresses the real issue. We could say that following this policy is like burying one's head in the sand. At some point, we must face the problem et roll up our sleeves.

I took a lot of notes today and I noticed another small point. It seems that the government wants to ram Bill C-12 through. I must remind the House that the former Minister of Human Resources Development has been talking about a reform for more than two years, but it was only before Christmas, just after the referendum, that we began to get an idea on the kind of reform he was considering. The victims, the people directly concerned by this, did not wait long before expressing their opposition.

What is the rush when the minister has taken two years to think about how and where to cut? How is it that everything has to be done between now, in early March, and July 1? Does the minister realize that the unemployed do not have secretaries to defend their position? I believe he is going at this a little too fast.

The minister also talked about sensitivity. I just said that it will be the same people who will be affected if we reduce unemployment insurance premiums, if we reduce deductions which will be levied on this, it will be the same people who will have to contribute more to their province for social assistance.

I would like, through the House and with your help, to address the people who are fortunate enough to be working today, the

Supply

directors and owners of businesses. They are fortunate to be working, and I am happy for them. I am asking them to put pressure on the Minister of Finance and the Minister of Human Resources Development so that the government uses part of the savings obtained at the expense of the unemployed to stimulate the economy and, above all, to put into practice what it preached after October 30, that is decentralization.

The problems in the Gaspé Peninsula are not quite the same as in Toronto or Montreal. I believe the time has come, in this matter, for the government to start thinking about decentralizing standards or things that will help workers by stimulating their local economy, in the Gaspé or in Acadia. I believe they have to use the right words to say it and the right means to do it.

At present, we do not see that kind of sensitivity. For all these reasons, I support my colleague from Roberval, and I hope that the government will withdraw this bill if it really wants to improve the situation of the unemployed.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to ask the member for Gaspé a question as it relates to the gap. That is a very important issue. He has many fishermen in his riding who work different portions of a season and therefore have a gap.

The minister has made it very clear there is some concern in various regions based on that issue. He has signalled to all members of Parliament, especially to one member who spent a lot of time on this issue, the member for Fredericton—York—Sunbury. We call it the Scott proposal because it was made by one of our members.

The proposal is basically structured like this. Instead of allowing those gaps to exist, people on UI would be allowed to go back 26 weeks. In any one of those 26 weeks they would find 12, 14 or 16 weeks in order to qualify for UI.

• (1950)

This proposal has been bounced around by some members as a solution to the gap. So far we have not found anyone except for that member who has done that amount of work on the gap.

I ask the member for Gaspé if he has any proposals or if he thinks the Scott proposal would deal with that problem in regions like his, particularly in industries like the fishing industry where there are significant gaps.

What we are saying is if you needed 12 or 14 weeks to qualify you could go back 26 weeks to find those weeks and it would not matter if there was a gap of 2 weeks in between, and then you found another 4 or 5 weeks.

Supply

The interest I have in this is that the minister has signalled that we are looking for solutions to this. I want to make it quite clear to the opposition and the public that there is no intention of throwing the bill out and starting from scratch.

A significant amount of work has been done on this bill. There are a lot of good parts to this bill. There are a few problems we are trying to deal with. One is the gap.

I want to know from the member for Gaspé whether he agrees with the Scott proposal or whether he has one of his own that could help with that problem, which he suggests is one of the reasons we should scrap this legislation presently in front of the House.

[*Translation*]

Mr. Bernier (Gaspé): Mr. Speaker, I am glad to see that my words have made the new Parliamentary Secretary to the Minister of Human Resource Development aware of the existence of the riding of Gaspé.

To give more information to the hon. member, I will say that, in the riding of Gaspé, which covers the Gaspé Peninsula and the Magdalen Islands, the unemployment rate is about 18.9 per cent, and 43 per cent of the labour force is ready and willing to work. That means that even if we are told—and I do not know exactly what “gap” means, but I will read the translation later on. For the moment, areas like mine must be considered disaster areas because of the lack of jobs.

Then if we compare the definition of “disaster area” with that of “developing area” I think that the necessary emergency measures must be taken.

Where will the fishermen and even the construction workers find the missing work weeks? It would be very difficult to force people from the Gaspé Peninsula to expatriate themselves to Toronto or Montreal. Unemployment rates are already high and employment opportunities are few in those cities. I do not think that this is the solution.

People want things to be done locally, they want to energize their communities. That is what we are doing right now in the fishery. There has to be streamlining, and that will be done. Different things must be done, but there is no forum to allow people to make their views on this known, at the present time.

I remind the parliamentary secretary that the federal fisheries minister is still responsible for license management, a responsibility that Quebec had claimed. It worked very well before 1984. It could be a way of helping the economy of my region.

I ask the parliamentary secretary to inform the fisheries minister that it could be a good solution. What would we do with that? We have to think about changing the marketing system and, for that, we need to have control over licenses.

There are other types of industries that need some adjustment. People in the Gaspé Peninsula want decentralization. There are still areas in Canada, like forest and mine management, that need to be decentralized. There are areas from which the federal government must withdraw.

First, in the absence of a reduction in the unemployment rate, we ask that the present system be maintained and we ask, and here you will get the support of all people concerned, for constructive measures. We see no constructive measure in this Bill. What we see is that you are using insurance to reduce your deficit. But what about measures which will really revitalise this area? There are none and it is regrettable. I would be ready to work with you, whatever my allegiance. For the time being, we are still a part of Canada and my riding is among the most severely affected by that plan.

• (1955)

I don't know if this answers the questions of the parliamentary secretary, but welcome to the Gaspé. It could be a good area in which to launch something.

[*English*]

Mr. Nault: Mr. Speaker, what the hon. member asks is very similar to what I always ask when I stand up in the House. I come from a region very similar to his in a lot of respects. It is not part of the Torontos of the world or the Montreals; it is in the outlying regions.

The hon. member might not have had an opportunity to read the bill in its entirety. There are two areas I want to ask him about.

There is the \$100 million investment program to create jobs at the local level. There is also the \$300 million job fund for high unemployment areas such as his and mine. I think that will be very valuable in helping us create jobs or put together programs and policies of a local nature.

If he looks at the bill very closely he will also note there are five tools over which the local areas will have control, including the one he represents.

Another aspect of the bill is very important to the hon. member because he signalled that UI is a problem but social assistance is probably a bigger problem. In the new bill 45 per cent of the social assistance population will be eligible for re-employment initiatives. It never existed before that people on social assistance could qualify for measures which would help them to return to the workforce.

Does the member not think these are major improvements for his region, which has high unemployment and a large population on social assistance, similar to my region?

Supply

[*Translation*]

Mr. Bernier (Gaspé): Mr. Speaker, the few measures contained in the program, referring to a \$100 million project, are for all of Canada.

I would like to draw the parliamentary secretary's attention to the real impact of the cuts and of the implementation of the new employment insurance program, as they are calling it, in our region. According to the figures given to the people in the Gaspé employment centres, according to indications in the Minister of Finance's budget, the cuts will reach \$17 million in my region alone, the Gaspé Peninsula and the Islands. This is for HRD, Human Resources Development, alone.

As for the fisheries, the new Minister of Fisheries and Oceans is maintaining the increases in fishery charges. This represents a tax bite of some \$50 million for the minister across Canada.

The rule of thumb is that Quebec's share of fish landings is about 10 per cent. This will be another \$5 million taken out of the Gaspé and Magdalen Islands region, given our share of fish landings in Canada. So we are losing \$17 million from human resources development, and \$5 million from the Department of Fisheries and

Oceans, for a total of \$22 million in the first year, starting on July 1st.

In return, what share will I get of the \$100 million that he says will be spent throughout Canada? This is just one riding out of 295. It may well be the worst off of them all, but it still has to make a contribution. Could the parliamentary secretary ask the Minister of Fisheries and Oceans to slow the pace? Could he ask this minister to withdraw the bill, because it is another hard blow for us?

I have no choice but to demand the withdrawal of the bill. The hon. member's arguments did not convince me. I understand there is pressure from financial circles, but they do have a social responsibility. They cannot behave like private enterprise that just has to keep making profits. We have human lives to protect, we must get them up and running again. It is unfortunate, indeed, but I still want it withdrawn. However, I shall again be interested in debating with you, once you have withdrawn it.

The Acting Speaker (Mr. Kilger): Pursuant to order made earlier today, the amendment by Mrs. Brown (Calgary Southwest) shall be deemed to have been put to the vote, and the division thereon demanded and deferred until tomorrow at 6.30 p.m. The House stands adjourned until tomorrow at 2.00 p.m.

(The House adjourned at 8.00 p.m.)

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