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OFFICIAL REPORT
(HANSARD)

Thursday, May 2, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, May 2, 1996

The House met at 10 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

The House resumed from May 1 consideration of the motion that Bill C-217, an act to amend the Criminal Code (protection of witnesses), be read the second time and referred to a committee.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I believe you would find unanimous consent for the following motion:

That the vote on Bill C-217, scheduled to have taken place this morning, be further deferred until Tuesday, May 6 at the conclusion of government orders.

(Motion agreed to.)

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

PETITIONS

TAXATION

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to rise in the House today to present a petition from my constituents of Hamilton—Wentworth calling on Parliament to refrain from implementing taxes on health and dental benefits.

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 24 will be answered today.

[*Text*]

Question No. 24—**Mr. Milliken (Kingston and the Islands, Lib.):**

What docking facilities, operated by the Department of Transport, are used to provide ferry services to islands in Canada and what are the costs of operation, maintenance and repair of such facilities (*a*) in dollars and (*b*) as a percentage of similar costs for all docking facilities owned and/or operated by the department in Canada?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, Transport Canada advises as follows.

Ontario is the only province in which Transport Canada operates docking facilities to provide ferry services to islands.

In the Ontario region of transport there are five ferry operations that provide services to islands. The five ferry operations are listed and pertinent information is included.

Tobermory to South Baymouth (Manitoulin Island): Manitoulin Island is accessible by Highway No. 6 of the provincial highway system, therefore the residents of Manitoulin Island do not depend solely on the ferry for access to the mainland. Because of the highway access, the Manitoulin Island operation may not be a good example for a cost comparison. It should also be noted that the ferry to South Baymouth is operated by the province of Ontario, Owen Sound Transportation Company Ltd. and it operates for only six months of the year.

The following maintenance and repair costs have been incurred at the Tobermory/South Baymouth sites:

Tobermory/South Baymouth:

1990-91	Wharf repairs	\$4,500
1991-92	Wharf repairs	\$129,200
1992-93	Wharf repairs	\$396,300
1993-94	—	—
1994-95	—	—
1995-96	Electrical Repairs	\$500

Kingsville to Pelee Island/Leamington to Pelee Island: The Pelee Island residents rely solely on the provincially operated ferry for

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access to the mainland. The operator of the ferry operations is the Owen Sound Transportation Company Ltd.

The ferry structures at Pelee Island, Kingsville and Leamington were rebuilt just recently in a joint federal-provincial government agreement that was made under ministerial agreement signed in December 1992 by Transport Canada and the Ministry of Transportation and Communication. The project started in 1992 and was completed in 1995. The Transport Canada share for this project is shown below:

Kingsville Ferry Terminal	\$2,285,000
Leamington Ferry Terminal	\$3,663,000
Pelee Island Ferry Terminal	\$4,868,000

Millhaven to Stella: The Amherst Island residents rely solely on the provincially owned ferries for access to the mainland. The ferries are operated by the township of Amherst Island. The following maintenance and repair costs have been incurred at the Millhaven and Stella sites:

Millhaven:	1990-91	Timber crib repairs	\$22,000
	1991-92	Wharf repairs	\$46,000
	1992-93	Wharf repairs	\$359,000
	1993-94	Wharf repairs	\$356,000
Stella:	1991-92	Wharf repairs	\$34,000
	1994-95	Wharf reconstruction	\$37,000
	1995-96	Wharf reconstruction	\$443,000

Wolf Island to Cape Vincent, New York: The Wolf Island residents rely on two ferries for access to mainland. The Kingston ferry provides year round service; however, Transport Canada provides no infrastructure for this operation. The Horne's Point ferry is a privately operated international ferry to Cape Vincent, New York. The following maintenance and repair costs have been incurred at the Horne's point ferry structure:

Wolf Island:	1991-92	Wharf repairs	\$39,000
	1994-95	Wharf repairs	\$50,000
	1995-96	Wharf repairs	\$432,000

Moosonee to Moose Factory Island: Moosonee school children rely on the privately owned ferry for transportation to and from school each day. The ferry operates from ice out, usually the first week of June, to freeze up, usually the last week of October each year. Also the ferry service provides access to the hospital that is located on Moose Factory Island. The alternative access methods to the island are freighter, canoe, helicopter and in the winter, cars, trucks and snowmobiles.

The following maintenance and repair costs have been incurred at the Moose Factory site:

1990-91	Annual service contract	\$14,250
1991-92	Annual service contract	\$25,250
1992-93	New timber floats	\$23,000
1992-93	Annual service contract	\$8,750
1993-94	Annual service contract	\$23,000
1994-95	Float modifications	\$2,500

In all cases mentioned above Transport Canada owns the main structure for the ferry operation, but it does not own the ramps for the loading and unloading of vehicles and passengers. Part (b) of Question No. 24, making a percentage comparison to other marine structures may not be a fair comparison because the structures are substantially different in load requirement and overall size. Also, the location of a structure can have a dramatic effect on the yearly maintenance cost, i.e., ice conditions, wind and wave action, as well as current speed or flow.

[English]

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

The Acting Speaker (Mrs. Ringuette-Maltais): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EMPLOYMENT INSURANCE ACT

The House proceeded to the consideration of Bill C-12, an act respecting employment insurance in Canada, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mrs. Ringuette-Maltais): There are 221 motions in amendment standing on the Notice Paper of the report stage of Bill C-12.

Motion No. 9(a) cannot be proposed to the House because it is not accompanied by the recommendation of the governor general. Standing Order 76(3) requires that notice of such a recommendation be given no later than the sitting day before consideration.

The other motions will be grouped for debate as follows.

Group No. 2: Motions Nos. 1, 2 and 3.

Group No. 3: Motions Nos. 4, 5, 6, 200 and 201.

• (1010)

[Translation]

Group No. 4: Motions Nos. 7 and 8.

Group No. 5: Motions Nos. 10 and 10A.

[English]

Group No. 6: Motions Nos. 17, 18, 20 to 25, 35, 36, 72, 73, 171, 173 and 189.

Group No. 7: Motions Nos. 75 and 76.

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[Translation]

Group No. 8: Motions Nos. 80, 81, 92 and 93.

Group No. 9: Motions Nos. 111, 112 and 113.

Group No. 10: Motion No. 128.

Group No. 11: Motion No. 188.

[English]

Group No. 12: Motions Nos. 191 and 192.

[Translation]

Group No. 13: Motions Nos. 214, 215 and 219.

Group No. 14: Motions Nos. 216, 217 and 218.

Group No. 15: Motions Nos. 9, 11 to 16, 19, 26 to 34, 37 to 71, 74, 77 to 79, 82 to 91, 94 to 110, 114 to 127, 129 to 170, 172, 174 to 187, 190, 193 to 199, 202 to 213.

[English]

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ) moved:

Motion No. 1

That Bill C-12 be amended by replacing the long title, on page 1, with the following:

“An Act to amend the Unemployment Insurance Act.”

[English]

Mr. Boudria Madam Speaker, on a point of order, in order to enable MPs as much as possible to speak to the motions, rather than listening to motions being read to us, there might be consent that all the motions whose numbers have been recited just now by Madam Speaker be deemed to have been moved, seconded and proposed to the House. If the House gives its consent to that we could spend our time debating the actual text of the motion rather than listening to the titles being read to us.

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP) moved:

Motion No. 2

That Bill C-12 be amended by deleting Clause 1.

Mrs. Francine Lalonde (Mercier, BQ) moved:

Motion No. 3

That Bill C-12, in Clause 1, be amended by replacing lines 4 and 5, on page 1, with the following:

“1. The Unemployment Insurance Act is amended by adding the following to paragraph 6(2)(a):

“has, during the person's qualifying period, held insurable employment or insurable employments numbering at least the number of weeks”

2. The Unemployment Insurance Act is amended by adding the following to paragraph 6(2)(b):

“has had an interruption of earnings from his employment or employments”

3. The Unemployment Insurance Act is amended by adding the following to paragraph 6(3)(a):

“has held twenty or more weeks of insurable employment or employments”

4. The Unemployment Insurance Act is amended by adding the following to paragraph 6(3)(b):

“has had an interruption of earnings from his employment or employments.”

5. The Unemployment Insurance Act is amended by adding the following to paragraph 6(2)(c):

“less than fourteen prescribed weeks that relate to employment or employments”.

She said: Madam Speaker, before cutting into the short 10 minute period allotted, I would like to ask why Motion No. 9A was not accepted. Could I get an answer on this?

• (1015)

The Acting Speaker (Mrs. Ringuette-Maltais): In support of the Chair's decision, I would like to quote citation 246(3) in the fourth edition of Beauchesne:

246. (3) The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private members but also on ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the royal recommendation to new or supplementary resolutions.

I trust this answer is acceptable to the hon. member.

Mrs. Lalonde: Madam Speaker, this excerpt from Beauchesne's explains the absolute limits to which the opposition is subject in a debate such as the one on unemployment insurance reform. Given the fact that you reject the amendment, your interpretation of the article just read implies that in no way can our proposed amendments have the effect of changing the amounts of charges and expenditures, even though the main point of the debate on the unemployment insurance reform concerns precisely this issue.

This extreme constraint means that the opposition can only refer to the current act, since the primary purpose of the bill is to lower contributions for workers earning between \$39,000 and \$42,400, to eliminate contributions from major corporations regarding such amounts, thus reducing the tax base, to increase the tax burden of

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those who currently do not pay unemployment insurance contributions by making them pay such contributions, and to force these small earners who will now pay contributions to make up for the \$900 million shortfall, for the gift that the government is giving to major corporations and workers earning between \$39,000 and \$42,000 per year. Indeed, the idea is to make up for this loss by making those who currently do not contribute pay premiums, that is people who work between one and fifteen hours per week, even though most of them will not be eligible for unemployment benefits. The rest of the reform provides for cuts, so as to meet the objective of \$1.9 billion set out in the budget. You will understand that, in this context, the opposition is bound and gagged, utterly.

This bill, whose title shamefully refers to employment insurance, provides absolutely no assurance to workers that they will have a job even if they collect benefits, which is not a sure thing; in fact, no one is certain to collect benefits, because there is no right of appeal regarding employment benefits.

• (1020)

The bill's title does not even correspond to reality. Moreover, we claim, and we have every evidence to support our claim, that not only does the bill not guarantee a job, nor promote job creation, but also that it is anti-job.

It does not promote job creation because it reduces interregional subsidization. It will make the poor regions even poorer. When I talk about regions, I mean the regions with seasonal work and high unemployment rates. I mean the Gaspé peninsula as well as the Atlantic provinces in general, but also the Montreal area.

I would like to read from a brief submitted by some very important people, Robert Morrissey, the minister of economic development and tourism, and Jeannie Lea, the minister of education of Prince Edward Island. Their brief states: "In Prince Edward Island, the net loss in unemployment insurance benefits would thus add up to over \$15 million and increase to \$24 million by 2001-2002. Such large losses have a major impact on an economy as small as ours, although Prince Edward Island ranked first for job growth in 1985".

Even though the cuts are somewhat reduced by the amendments, cuts are the hallmark of this bill. They will have an impact on the whole economy. If the minister of the economy in Prince Edward Island, a province that ranks first in job creation, can claim his province cannot cope with \$15 million in cuts, what could be said of cuts in the Montreal area, where they will represent \$500 million if the 1994 cuts are taken into account?

This is the equivalent of the definitive closure, in just one region, of dozens and dozens of businesses. The impact on the economy will be staggering, and the social impact will be just as severe, because those who are excluded, many of whom do not get benefits, will be forced to make greater contributions.

That is what they told us time and again. They also expressed their opposition through demonstrations and sometimes desperate protests. We can say one thing: If the government felt it had to make minor amendments, to the tune of \$365 million on total cuts of almost \$2 billion, it is because of the despair expressed in those demonstrations.

We should not forget that those who were able to take part in demonstrations were people who were organized and could see the immediate impact on a whole area. Isolated individuals who have unstable jobs, who fear for their job or are already unemployed, and those who are on welfare, feel helpless in their isolation and do not know how to join in demonstrations. What we have here is a far cry from an employment insurance plan.

That is why we, in the Bloc Québécois, want and urge the minister to take the time to develop a real reform that will not attack those already in trouble, like Prime Minister Chrétien used to say—I am sorry, I should not be using his name—the former Liberal Leader of the Opposition, who was Jean Chrétien, the present Prime Minister, about a previous reform that was much less drastic than this one, this so-called reform that has already made \$2.4 billion in cuts in unemployment benefits since 1995.

• (1025)

Thus we will show the Prime Minister and the Minister of Human Resources Development how they should take great care of that instrument, which was most effective during the 1981-1983 recession and the most recent one, but which will be less and less so because its stabilizing effect will be less and less effective. This is true of the economy as a whole, but even more so of individuals.

How many people in our society do not even have minimum security? Their only security is unemployment insurance, which allows them to continue hoping to get another job. Therefore, we have no right to change overnight this essential instrument of social and economic stabilization.

[English]

Mr. Geoff Regan (Halifax West, Lib.): Madam Speaker, I rise today to speak on the bill regarding employment insurance.

Over the past two years, the government has carried on extensive consultations in relation to matters of social policy, in particular the question of the unemployment insurance system which will now be called employment insurance.

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It is very fitting that the new name of the system is employment insurance. We do not talk about having death insurance although we only get that insurance when we die. It seems reasonable not to call it unemployment insurance since the idea to be reinforced is that of people having employment, not unemployment. We want to assist people in achieving employment, which is what this bill is all about.

The bill is about helping people to get jobs. It is also about strengthening work incentives. I do not believe this bill is perfect which is why I am glad that the human resources development committee over the past number of weeks has had a chance to look into the bill, to hear witnesses and to discuss possible ways to change it.

Two other members and I have brought forward amendments. There are over 200 motions to amend the bill. I believe many of them will go through and will improve the bill substantially. It is important that fairness is ensured in the system through these changes.

This bill will also help workers adjust to changing economic times. One of the most important changes to the employment insurance system will be the process of counting hours of work rather than counting weeks of work. That seems to be a more reasonable and accurate way to measure work. Most people work according to the number of hours per week.

In Atlantic Canada this change will mean that the vast majority of workers, for example, those in seasonal industries who often work more than 35 hours a week—some as much as 70 hours per week—will now get full credit for the hours they work. That is a very important change that will benefit people in Atlantic Canada.

It is also important to realize that under the new bill every hour and every dollar counts toward people's benefits. That is a change from the past. Before, whether you had 16 hours a week or 80 hours a week, it meant the same thing. That is surely not an accurate way to measure work or what will be insured. The new system will improve on that substantially.

For example, consider a person in the construction industry, which is usually a seasonal industry. During the summer months, the heavy months of work, people will often work up to 70 hours a week. People in that sector will benefit from these changes. A week in which they work 70 hours will mean the equivalent of 2 weeks toward eligibility.

One of my original concerns about the bill was the way it dealt with the divisor. The divisor is the number of weeks by which people's income is divided to determine what is their income.

That is then multiplied by 55 per cent to determine what their benefits are.

• (1030)

The problem I had with that was that under the original bill in the highest unemployment regions people were required to work three or four weeks beyond the eligibility period. Let us say it was the equivalent of 12 or 14 weeks. In the 12 week areas they would have to work the full 16 weeks, and about 17 weeks in the 14 week areas in order to get the full benefit, whereas in the areas of lowest unemployment where it would be easiest to get additional work they would have to work no further weeks of work.

It is similar to saying that in the areas where it is toughest to get additional work, that is, the areas of highest unemployment, an incentive is needed to get additional work and there is supposedly no need in the areas of highest employment where it is easier to get additional work. It would have meant hardship for the people in Atlantic Canada and in other high unemployment regions across the country. I felt it was very important that we remove that kind of hardship from the bill.

By the same token, there were various groups, even unions in some cases, who came forward to say that it was true that there were some people who, after getting their 12 weeks of eligibility, would stop working. They would arrange to get themselves laid off or whatever. I do not think it is a big number of people but they exist. We have been told by those people and others that an incentive is needed for people to work a little extra, to ask them to stretch a bit but not to ask them to go off a cliff.

I put forward the idea that instead of having the addition of four weeks in the highest unemployment areas and the addition of zero weeks in the lowest, it should be a flexible eligibility plus two weeks period for the divisor.

This is a complicated subject. Many people will find it a little complex and hard to understand. The point is that it will be fairer across the board for all Canadians. It will mean that the divisor period will follow the rate of unemployment.

As the unemployment rate in an area goes down and it becomes easier to find work, people will have to work a little longer to get their full benefit. As the unemployment rate in an area goes up and it gets harder to get those extra weeks of work, they will have fewer weeks to work, maybe one or two, obviously depending on the nature of the unemployment rate, to get that full benefit.

That is an important measure. It will have a cost to it. It will mean \$95 million will go back into the economy. It is a very important measure particularly in the areas of highest unemployment which would have been unduly harshly impacted on by the bill as originally written.

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I am delighted the government has accepted my proposal. The minister has put forward an amendment which requires a royal recommendation since it involves the spending of funds. He has also put forward proposals by my friend from Fredericton—York—Sunbury and by one of the members from Toronto.

He put forward an amendment in one case regarding the gap or the question of weeks of zero employment. This would have been very problematic in some areas. There was another relating to exempting people in low income families from the intensity rule. That is a very important measure. The other measure will give people who are working while on UI a credit toward their next term on UI and a credit in relation to the intensity rule.

Those are very important measures which will substantially improve the bill. I do not claim that this system will be perfect. I have never seen a government system that is perfect. I once heard someone say that the thing about all human institutions is that they have human failings. We are probably never going to create a perfect institution.

The idea is to improve the situation as much as possible. Certainly, the change from a weeks based system to an hours based eligibility system will dramatically improve the employment insurance system for the majority of people who are claimants in my region. That is very important.

There was another thing that was very important to me about this bill. When I first learned about the proposals on this bill last summer, one of my biggest concerns was that there was a reduction in the amount of funding going toward this. I recognize that there was an increase in the cost of the program from \$8 billion 10 years ago to \$20 billion today.

• (1035)

My constituents have said that people should not be making high incomes year after year and also drawing as much as \$10,000 in UI year after year. People are very strongly against that. I told the Minister of Human Resources Development it seemed to me that if we were going to change the system, the way to do it was to take it out of the high end, not the low end.

The result is that people in low income families will end up getting about 14 per cent more because of what has been brought forward with the family income supplement. It is a very important progressive measure in the bill. It will mean that those low income families who depend on unemployment insurance will get a boost, a little more than the regular 55 per cent that others will get.

It also means that for the vast majority in the middle the system will be maintained in a very positive way. But the fact is, for those who make \$50,000 or \$60,000 a year there will be a reduction because the employment insurance benefits of those people will be clawed back. The vast majority of Canadians will strongly support that change. It is one I certainly support. This is a very progressive measure.

We saw changes to the unemployment insurance system by the previous Conservative government which simply slashed and cut. It increased the number of weeks required to work and cut the amount of benefits and that was it. That was not the proper approach. The system needed vast reform which we have done. It will be a very strong and much better system.

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, this bill which has come before the House probably represents one of the most technical of all the pieces of legislation we have had to deal with in this session to date. Indeed, the social and fiscal implications for same will be felt for many decades to come.

Certainly the amendments the Reform Party of Canada is bringing forward will add a positive element to the debate. In terms of reasoned amendments, we have put forward 10. I mention that because I do hope members on the government side will look at the amendments we bring forward in the true spirit of co-operation, but also with the intention of participating in the debate with some reasoned thought and proposals which we feel do have validity in today's workplace.

I would like to read into the record some elements of the definition of unemployment insurance, as our party sees it. The whole definition of unemployment insurance has changed radically under the bill. We have moved away from the notion of true insurance based principles. It is important for us to acknowledge that fact.

The employment insurance bill which we continue to debate today has taken us very far away from what UI was intended when it was originally designed. Today, as we have heard from hon. members on the other side of the House, EI is thought of as an income supplement and not as an insurance.

The Liberal minister of labour in 1940 when he was supporting the concept of individuals caring for their own unemployment situation, quoted from a report that went way back to 1919 when Manitoba Chief Justice Mathers said:

We recommend to the 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 do agree with the sentiments of the then labour minister who was concerned that UI be used to get people from one job to another, to support them for that short transition time before they went into the other job.

• (1040)

The minister of labour at the time was also concerned that UI would never become a way of life for people and that measures would be taken which would indeed avoid people becoming heavily reliant on that kind of subsistence. To make his point he quoted from a report by the Civil War Workers of Great Britain who said:

—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 worker and assists and encourages them to supplement it by provision made industrially through an association.

It is exactly this original intention of what unemployment insurance was meant to provide and what it was meant to mean that has slipped away from us in these major changes the Liberal government is bringing to the House today and on which we will vote in just a few days.

For many in Canada today, UI has indeed become a way of life. For too many people UI is that dole to which the then labour minister referred. With the new changes to UI the Minister of Human Resources Development has announced there are over \$1 billion of training programs for areas of high unemployment. This is exactly the kind of dole that history in the past has repeated and cautioned us to not endorse.

As I was reading the executive summary of the bill, I was struck by a number of elements. The first one that made me certainly question the relevancy to unemployment insurance and work was the statement that “income support is provided in a way that reinforces work”. I have asked questions on that statement many times and there is no one who has suggested or has even come close to explaining exactly how income support can provide a way to reinforce work. To me they are two discrete and very different things.

The executive summary went on to say: “It also permits simplification of the reporting requirements for employees and premium collections”. I am going to read from a very real life example which is from the Canadian Restaurant and Food Services Association. We are seeing that indeed simplification is not on when it comes to this industry.

The result of the change with respect to the conversion to an hours based system from a maximum weekly insurable system has major financial implications for employers and especially part time

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employees in Canada’s food service industry because so many of our part time students work in this area.

Using the 1996 premium rate of .0413, human resources development officials have estimated the cost to this one industry alone, the food service employers, to be \$35 million. This is certainly higher than what the Canadian Restaurant and Food Services Association had originally estimated. It represents a 17 per cent increase on employer contributions of approximately \$211 million.

Once again I ask: How does the statement “it also permits simplification of the reporting requirements for employees and of premium collection” really have any relevancy here when we understand that the impact of first dollar coverage on individual food service companies is going to fluctuate substantially depending on the percentage of part time employees working less than 15 hours per week? The nature of the reporting has become so complex that an analysis of this indicates that the employer is going to actually see an increase in employer premium costs from 15.7 per cent to 72.6 per cent.

That conversion to an hours based system not only alters the cost structure of some companies disproportionately, it also results in competitive distortions within the industry. It also creates a huge backlog of extra effort administratively for these businesses. That is something which I believe requires a great deal of clarification on the part of the Liberal government.

• (1045)

I understand my time is coming to an end, but there is another contradictory statement here. We look at two terms here: wage subsidy linked with reduction of dependence on income support. Those two statements are made in the same paragraph in the executive summary. I hope that over the course of this debate I will be able to come back to these elements of the executive summary because they are not the same thing. They are contradictions in terms. They also have great implications for the unemployment insurance scheme as it has been developed by the Liberal government.

On that note, for this time, I will close.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I am very pleased to have the opportunity to participate in the debate on Bill C-12.

I would like to make some comments at this stage on the changes proposed to the original bill and in particular to the costs associated with the changes.

It is important to focus on the amendments which were made in committee. They are based on all the hard work that the committee has been involved in, going back two years when the committee of human resources development was sent across the country to hear the views of Canadians, then when the bill was introduced in its

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first phase to where we find ourselves today. It is some 140 days since we have had hearings and went clause by clause in committee. We find ourselves in the House today dealing with amendments at report stage of this bill.

The increased costs of the three main amendments to Bill C-12 that have been accepted by the government will be offset by adjustments in other areas. The amended bill will still mean that a total of \$1.2 billion will be saved by the year 2001-2002 which is a gross savings of \$2 billion minus the \$800 million that will be reinvested in re-employment measures.

Hon. colleagues should by now be familiar with the amendments proposed because the members who have proposed them, at least from the government side, have been very up front with them, have sent them across the country and to their own constituents.

The first amendment is the provision to lessen the impact on workers in all industries who have gaps in their work and earning patterns. The fixed period for calculating benefits under the original proposal was considered to be too harsh for workers in this situation.

Now all claimants will be able to use a full 26-week period prior to making a claim to calculate average earnings. Average earnings over this period, excluding gaps, will determine the level of benefits. What it means is that workers could have several weeks of breaks in employment during this 26-week period without having their benefits reduced due to these gaps in employment. This change will increase benefit payouts by about \$246 million for workers with unstable work patterns.

The second amendment changes the way the average is arrived at and the way the benefit is calculated with those with only the minimum number of weeks. My colleague in the Liberal Party spoke to that issue which is what we call the divisor.

Under the original proposal the divisor was set at three or four weeks above minimum entrance requirements in high unemployment regions and between zero and two weeks above in low unemployment regions. Therefore, individuals in high unemployment regions with the least opportunity for finding additional work exists would have been greatly penalized by these measures.

However, the purpose of having a divisor that is higher than the minimum qualifying requirement is to encourage people to take extra employment and try to work more than just the minimum required to qualify.

However, a balance between providing incentives and ensuring fairness had to be found. With the amendment of my colleague which is supported by the government and the Minister of Human Resources Development, I believe we have been able to do that.

Consequently, the government has agreed to an amendment that will set the divisor at only two weeks plus the minimum number of weeks necessary to qualify in all regions, that is, a minimum divisor which ranges from 14 to 22 weeks depending on the unemployment rate in the region. It will thereby retain the incentive to work, but will be fairer for those in truly difficult situations. People will have a 26-week period in which to find the weeks needed to maximize their benefits. This proposal will have a positive impact on benefit payments for workers in high unemployment regions and little impact elsewhere across the country. The new divisor will increase benefit payouts by about \$95 million.

• (1050)

The third main amendment is the new intensity rule. Under this rule people who draw on the system year after year will see a modest reduction in benefits. All future claimants who have received 20 or more weeks of regular benefits within a five-year period, beginning with the new bill when it is passed into law, will have the weekly benefit rate of their next claim reduced by 1 percentage point, from 55 per cent for every 20 weeks they have been on claim. The maximum reduction will be 50 per cent of weekly earnings for someone who has received more than 100 weeks of benefits over a five-year period.

The amendment the government has accepted is to exempt from the intensity rule those individuals with very low incomes who have children. That threshold has been set at \$26,000 or less. Approximately 350,000 claimants qualifying for the family income supplement will not be subject to this rule. We should keep that in mind when some 2.4 million Canadians collect unemployment insurance each year. This exemption of the intensity rule for some 350,000 people is a significant improvement. It is a way for the government to ensure that the poorest of the poor are not affected. Quite frankly, they do not need an incentive to work. Being poor, I am sure, is enough incentive for anyone to try to find a job.

While the intensity rule will reduce weekly benefits somewhat for those who use the system frequently, those with the lowest incomes who are most in need are protected. It will increase benefit payouts by about \$24 million for 188,000 claimants in low income families who otherwise would have been affected by the rule.

Taken together, the three amendments will increase the payouts to individuals under the employment insurance program by roughly \$365 million over what was proposed in the unamended Bill C-12. That shows how important committee work is. When members make proposals, even though they have a significant cost factor, when proven to be fair to the people we are trying to help and protect, the government has reacted very favourably.

Now for the other side of the ledger, the changes that will be made to tighten up the system to reduce expenditures to offset the

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increased payouts I have just mentioned. Those have to be put in perspective. [Translation]

The scope of potential cost reductions is very wide. For example, if 50 per cent of EI claimants collect just one week fewer benefits the savings would be \$300 million in one year. Think of it. One week with no benefits for individuals who happened to find an extra week of work would save the system some \$300 million which could be used in other areas.

What the government is planning to do is tackle three longstanding problems of the old system in order to reduce costs and to make the operation of the system fairer for all those who contribute to it. One of the major problems is that there has been an inefficient early use of all means available to help claimants get back to work as quickly as possible. In too many cases there is a tendency to simply fill out the forms and mail out the cheques without a concerted effort to ensure that the individual claimant has help to find other employment. That will no longer be the case in employment offices across the country. Now the question will not simply be: "Where do we mail the cheque?", it is going to be, "What do we need to do to get you back into the workforce right now?"

In addition to other services provided to those who are looking for work, a new and ongoing series of group information sessions will be provided to claimants in specific categories. These include claimants in demand occupations. For example, those who have skills that employers are looking for, repeat claimants, past fraud claimants and those affected by structural changes who may face long periods of unemployment.

• (1055)

At these sessions claimants will be informed of all the services available to help them get back into the workforce rather than remain on benefits. These include the electronic hiring hall, which we have all heard about, and will include the computerized job search system which was introduced in the last number of years.

Approximately 400,000 unemployed workers every year will qualify for a very flexible and innovative series of new measures which will help more people get jobs. These include wage subsidies, income supplements, self-employment assistance, skills, loans and grants and community job partnerships.

These changes in the bill are intended to save a significant amount of money. It is estimated by the year 2001-2002 if we get more proactive in helping people find a job, we can recoup the finances put back into the system with the three amendments that the members have made and the government has accepted.

That is the rationale for these amendments at this point. I hope to speak more on those amendments as the day goes on.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, we have finally made it. We still had not had the opportunity, four months after the introduction of the bill, to examine this issue in detail, but we will now be able to do so thanks to the Bloc amendments included in the first group of motions. How can the bill before us be entitled an Act respecting employment insurance in Canada, when all it provides for really is a lot of amendments to the Unemployment Insurance Act?

Let me try to explain. During the 1993 fall election, voters told us that they thought employment should be the first priority of the federal government. They wanted seasonal workers to have the opportunity to work during the winter, they wanted workers between 45 and 50 years of age affected by technological change to have access to other jobs thanks to productivity gains, and they wanted female workers to be able to make the most of their potential and skills.

The government took the message the Canadian voters sent it and turned it into what is now improperly called an Act respecting employment insurance in Canada. As we have heard this morning, some members believe that this bill will encourage people to work a bit longer. They started with a bill and said: "We will call it employment insurance". An employment insurance ought to help everyone get some work and help workers who lose their jobs find another one as soon as possible, so that their full potential is used.

Instead, what we have is a bill where workers who lose their jobs get their knuckles rapped, since they are told they will be encouraged to work longer, because if they do not, they will get no unemployment insurance. This is a punitive approach that is out of step with the current employment situation in Canada.

This title was given to the bill in answer to the public's expressed wish to make full use of human potential, but the bill is just a smoke screen, since its content has nothing to do with reality. The reality is that this reform bill offers no guarantees in terms of jobs. It also denies the workers the benefit of an income between jobs.

Unemployment insurance was established in 1935. I would like to quote what Prime Minister Bennett said about it in a speech: "A series of measures that are part of a comprehensive plan aimed at reducing the present social and economic inequities and at distributing more equitably the benefits of capitalism between the different groups in our society and the various regions will be submitted to you". This is the basis of the UI program as we know it today.

Now, let us look at the content of the employment insurance bill, to see if it still meets that goal. Canadians and Quebecers can be proud of that goal. Experts who appeared before the committee told

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us that the UI program is the best program to stabilize the economy during a recession.

The amendments to the UI program being brought in by the government will do exactly the opposite: they will reduce this stabilizing effect and it will be a step backward that will eventually lead us to a situation similar to that of the Depression of the 1930s. The UI program was established at that time to help us overcome the crisis and to soften the effects of recessions. I will give some examples of the adverse effects of this bill.

● (1100)

The first thing that is not good for job creation is the lowering of maximum insurable earnings. We are encouraging businesses, big corporations in particular, by giving them a present, to hire people who can earn more than \$39,000, who can do lots of overtime, because above \$39,000 businesses will not pay premiums anymore. So given the choice between hiring someone at \$39,000 and asking him to do more than \$10,000 worth of overtime in one year and hiring a part time worker, what will the company choose? To realize economies of scale, the big corporation will say: "Instead of paying \$10,000 to 10 part time employees, we will pay overtime instead, which will make for corresponding savings in terms of unemployment insurance premiums we will not have to pay".

When a government suggests such measures in a bill, it cannot call it employment insurance. In fact, it is an anti-employment bill. We cannot give such a title to a bill. At least, the government should have had the decency to consider it as a series of amendments to the Unemployment Insurance Act, and let us determine whether or not they are in accordance with what the people want.

Another significant element is that everybody will have to pay premiums from now on, starting with the first hour of work. The principle of making everybody insurable can be interesting, but it means that many people, including students, will pay premiums.

We heard representations by restaurant owners associations, people who are responsible for McDonald's franchises and others, throughout Canada, and who cannot be accused of not trying to protect the economy. They told us it would have a major negative impact on student employment. Once again, there is a negative impact on employment. So, we cannot say it is an employment insurance bill.

The other element, maybe the most tragic one, at least in my riding, is the way they are killing regional economies. Next year, in my riding, the changes will take away \$10 million from the economies of Kamouraska, Rivière-du-Loup, Témiscouata, Les Basques and the surrounding area. In Lower St. Lawrence, it will be \$20 million.

And you would have me believe that those cuts will create employment? How could that be? How can the government guarantee that these savings will be used to create new jobs? There is no way it can because it is using the UI fund to supplement its budget. It is using it to show the world that Canada's deficit is not that high, but that does nothing for job creation. So, it is not an employment insurance bill but an anti-employment bill, a bill representing a step backwards for all unemployment insurance rules. I for one think it is unacceptable.

Another example of the negative impact of the so-called employment insurance bill, which is just an amendment of the Unemployment Insurance Act, is the rule prescribing 910 hours of work for new entrants to the labour force. Just think, previously, a new entrant needed 300 hours of work to be eligible, that is 20 weeks at 15 hours a week. From now on, it will be 910 hours.

What effect will that have on new entrants, on young people entering the labour market? After trying for a year to accumulate 910 hours, young people who just graduated from school in applied ecology, in animal health, in tourism, in recreation or in any other field related to seasonal industries will realize that this 910-hour requirement cannot be met. By imposing such a requirement, the federal government is encouraging those people to do clandestine work and is forcing them onto welfare.

Do you think you are encouraging high school, college or university students to work when you tell them that the job they will get after graduating will lead them straight to welfare? This situation is unacceptable, and it is totally misleading to say that this legislation is about employment insurance.

What should the government have done instead? It should have introduced a true reform and not seize this opportunity to tighten all eligibility requirements for unemployment insurance. For this to be a real employment insurance bill, the government should have included in it the right or the obligation to set a goal for reducing unemployment, just as it did for the reduction of the deficit. It said: "We will bring the deficit down to a certain percentage of the GDP". If the government really wanted to address the problem of unemployment, should it not have included in this bill a goal for reducing unemployment so that all government action could be geared toward this goal? There is no such thing in the bill.

● (1105)

Are there measures in the bill to encourage job-sharing? Are there employment oriented tax incentives? No. All the government has come up with is a technical committee to evaluate the effects of taxation on employment. Before you know it, we will be in the next recession and we will still not have found any solution, although we will have had the opportunity. If the object was to come up with an employment insurance bill, to define and produce rules such

that businesses are encouraged through taxation to keep employees, to train them, to ensure that they will continue to work for them rather than leave.

It should also have included incentives to reduce overtime. But the opposite is true, as I explained with respect to maximum insurable earnings. Here again, there is nothing favouring job creation, in particular by reducing overtime.

Another thing that could have been done was to increase the effectiveness of training. This means doing the right things in the right places. Why can the government not understand that people throughout Quebec are saying that the waste in this sector is outrageous, that the fact that both governments are operating in the same sector is unacceptable?

Madam Speaker, you are indicating to me that my time is up. I will conclude in one minute by saying that this bill is not an employment insurance bill, but a bill to amend the Unemployment Insurance Act, unfortunately for the worse, as the basic criteria are no longer even met. The result is that unemployment insurance is becoming a luxury in our society.

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, I was expecting to speak a little later today in this debate. But seeing that our friends across the way, and those next to us, have decided to pass, I shall jump in now.

It is somewhat strange to see the Liberals, now they are in power, adopting an attitude so completely opposite to their attitude when in opposition. Without going over all of them we could say this is unkept promises week.

It would be worthwhile repeating a certain number of points relating to unemployment insurance. First of all, I would like to quote the present Minister of Human Resources Development, during the debate on the Borrowing Authority Act on May 1, 1989. He said: "The point I am trying to make, which many of us will have to look at seriously, is the whole notion of trust and credibility. Canadians are prepared to share the burden, if they think it is being done fairly. Unemployment insurance, family allowance, and old age pensions are a sacred trust. We must not allow the trust of Canadians to deteriorate to a point where they become cynical. I have listened to people talk about New Zealand, the United States, and about other countries and how they do it. This country is very special in how it deals across the board with men and women in every part of the country. There are basic standards, basic programs, universal programs, and programs that allow people to deal with their future with some degree of security". Those are the words of the present Minister of Human Resources Development.

Better yet, I will read from a 1993 letter addressed to the Mouvement Action-Chômage by the present Prime Minister, who was the Leader of the Opposition at the time. I think the whole thing needs to be read.

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Thank you for your fax indicating your opposition to the legislative measures taken by the government to change unemployment insurance.

You have my assurance that the Liberal Party shares your concerns about this attack on the unemployed, and we also do not believe that the recent superficial amendments change the fundamentally unfair nature of these measures in any way.

I shall skip the next paragraph since it only gives statistics. He goes on to say:

In light of the gravity of this crisis, the Liberals have called upon the government—Conservative at the time—to take steps to encourage economic upturn and job creation. Yet, according to the Minister of Finance, he will not only continue the same taxation, monetary and trade policies which have plunged us into this recession, but will also dump on the unemployed under the pretext of reducing expenditures. . . .

Liberals are appalled by these measures. By reducing benefits and penalising even more workers who voluntarily quit their jobs, the government shows it cares very little about the victims of the current economic crisis. Instead of addressing the problem at its core, the government picks on the unemployed. Besides, these measures will have disturbing consequences because they will discourage workers from reporting harassment cases and unacceptable labour conditions.

Finally, rest assured that Liberals will continue to demand that the government withdraw this unfair bill. As Leader of the Opposition, I appreciate your taking the time to let me know your position on this issue.

● (1110)

This letter is signed by the current Prime Minister. It was signed, it is not something he said on television. As we know, the Prime Minister is rather inconstant in that regard, but it is there, he signed it. I do not know if I can call him by his name. I cannot, but the letter bears his signature.

I also reread several speeches. I could, for instance, talk about the speeches the current chairman of the human resources development committee made in the House. If I may, since you are now in the chair, Madam Speaker, I would like to refer to a statement you made in February, when you said that if the bill remained in its present form you would not be able to support it. You are now in the chair. I simply wanted to mention it.

If you felt uneasy about this bill I can tell you that many members from the maritimes were—

The Acting Speaker (Mrs. Ringuette-Maltais): I would remind the hon. member that the Chair is not to be involved in this situation. Please continue your debate.

Mr. Dubé: Madam Speaker, I wanted to take every precaution, but if it still creates a problem, I withdraw my words if that is necessary.

Nevertheless, even after the amendments, I question the members opposite because, last week, we had 40 hours of debate in committee, three quarters of which concerned the motion on time allocation we opposed. We opposed it because we wanted to use all

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our time to study this important bill. I recall especially clause 2, which contains the definitions.

To prove the merit of our point of view, I pointed out that a number of clauses required more than five minutes just to read them. I did not go very far. I chose clause 5 to make the simple point that it took over five minutes to read it. In fact, it took me 12 minutes to read clause 5. So we fought over this and that was the end of it.

This is the second time in this legislature, under this Liberal government, that the work of a committee has been gagged. Here we are at report stage. Unfortunately, we were told that the opposition was not making any amendments. Out of the considerable number of small amendments we submitted—I just want to point this out—, only one—I know because it was mine—on “community agency” was agreed to, despite all the hours we spent trying to respond to the minister’s invitation to present amendments. All the amendments by the member for Mercier and the member for Kamouraska—Rivière-du-Loup were defeated.

Obviously, all the government amendments were accepted. My amendment concerned only two words. The three amendments presented by the Liberals have a budget impact; we are told that there are \$365 million in improvements. I say, so much the better. However, a half measure is a compromise. Something that is unacceptable is unacceptable.

Just to make a point—you cannot be half pregnant. You are either well and truly pregnant or you are not. When a measure is unacceptable, it is not by improving it somewhat that you make it more acceptable. You just make it a little less bad, that is all.

• (1115)

So this is more or less what we were offered. I also remind the House of what was done last week, concerning another bill, to make the maritimes accept the GST agreement. A \$960 million goodie was given to offset GST, in the hope of making the maritimes support the bill.

I could quote speeches of present government members when they were in opposition. There are many of them and I could as well remind them of all those who came before the travelling committee and submitted briefs. I even call on Liberal Party members to ultimately reconsider their project. Since I have only 30 seconds left, it is important to recall the Prime Minister’s letter. Please read it again and think about it while there is still time. This is an unfair, regressive and anti-job measure.

Mr. Yvan Bernier (Gaspé, BQ): Madam Speaker, this is a sad day. The debate on the Unemployment Insurance Act—now called employment insurance by the government—is coming to an end. I am trying to find out exactly where in the documents before me, in Bill C-12, the way jobs will be created is defined.

I cannot see it anywhere. That is why I cannot understand why they want to change the name. I think the purpose of this bill is rather to change the old Unemployment Insurance Act. To call it employment insurance is deceitful. I have publicly and repeatedly proclaimed that this has nothing to do with employment insurance. Rather, this bill—whose real purpose is to reduce operating costs, benefits, the number of beneficiaries, who are the victims of the lack of jobs—is a kind of deficit insurance for the government.

Let me explain. I have certainly said so before, but I will say it again. Sometimes, when you say something often enough, people in this House eventually understand. With the serious—and hidden—cuts it has made, the government is going to save nearly \$5 billion on the backs of victims of the lack of jobs. The governing party was rather straightforward about it. The purpose of this bill is solely financial. They should have called it deficit insurance. I think Canadians would understand that, they would see that the government is trying to address the deficit. Instead they save money at the expense of the unemployed and call it employment insurance. This is not making much progress.

Yet, as my colleagues have often pointed out many of the members across the way used to be form the opposition. I suppose they were closer to their constituents then. I suppose they listened more then. So, what happened the night of October 25, 1993? If I am allowed a joke, should not the members opposite carry the warning “best before October 25, 1993” since these elected representatives are making cuts on the back of their constituents?

I am saying that because I feel a little sad. I am looking at the members from the maritime provinces, I know that many of them were paid a visit by their constituents during the holidays. I can see a few smiles, but I know that things got pretty rough some evenings, and these members were not smiling then. I fear for them when they go back to their constituencies for the next recess. People watch TV, listen to the news and they can see that not too many changes have been made to this bill. They can see that the much criticized irritants are still in there for the most part. I cannot understand why it remains so.

• (1120)

I would like to mention something which just came out in the media—since he is no longer a member of this House, I can mention his name. Mr. Brian Tobin, the former fisheries minister, is said to have made the following statement: “The reform of Unemployment Insurance, which is aimed at reducing benefits paid out to claimants, deals a severe blow to Atlantic Canada where thousands of fishermen, loggers and other workers are relying on this federal program to supplement their seasonal income”.

I have not had the time to read the whole thing yet, but we know how high and mighty Mr. Tobin can sound; I am happy to see that

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he has now come to his senses and appears ready to stand up for people in his province. Is he now going to preach common sense?

He has acknowledged that people who go on UI have to do it to supplement their income because there is no other way. Naming a few noble occupations, he recognizes that in the maritimes people cannot work year-round at their job.

Madam Speaker, you and I, since we are stuck here in Ottawa, we cannot fish to feed ourselves. We cannot cut our own firewood. Somebody else has to do it for us. Why is it that these people are being hurt? Will each one of us here think about it when we light a fire in our fireplace tonight? Will each of us think about that the next time we buy fish? Will we think about those who will be bludgeoned by this bill and, as fellow Canadians and consumers, will we say: well, fish was not too expensive today and the federal government is really picking on fishermen.

I want to warn all consumers and all fish eaters, especially now that spring is back and that the lobster season is upon us. I like to give the following example: the next time you go out to buy lobster or fish, would you be ready to pay five times the current price for the product? If you are not ready to do so, I warn you that there will be serious social upheaval. Those who agree to catch and sell the fish, those who cut the wood for your fireplace, are limited to about ten weeks of work in the year, not because they are lazy, but because nature makes it so.

How many times will we have to repeat it? I can only feel sorry. How come people dare to say the truth only when they get out of the House, out of government? Who is the real boss in this business? Who? How come, when people cross over to the other side of the House, they do not see things in the same light? When will Canadians and Quebecers have representatives in this place who will use common sense and listen to the population, whatever happens?

All the people we heard, the unions, said: "Yes we recognize that something should be done". They were willing to lend a hand. I acknowledge that as opposition we protested, but we also tried to lend a hand. What is truly missing is the partnership, the spirit of co-operation, which is necessary for a far reaching reform. The government needs co-operation, the government needs everyone to believe that the program is being changed for the good of everybody.

• (1125)

To participate, people need to see a spark. They need to know that they will be listened to. They have to feel that, at the end of the process, they will not be scorned, that maybe the government will succeed in meeting part of its objectives and, as for themselves,

they will see something in the bill that they recommended. But such is not the case now.

Therefore, you will understand that on each and every motion I will get up in this House, as long as the government will allow me, and express my disagreement loud and clear. I hope that eventually people across the floor will understand. Between individuals of good will there is always the possibility of an agreement. I will continue to play the parliamentary game, to hold out my hand, but eventually the people will remember what is going on and they will let the members on the other side know when the time comes.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Madam Speaker, I am pleased to speak to the important Bill C-12.

Before I start, I would like to give sincere congratulations on behalf of the members of the Bloc Québécois caucus. I would like to congratulate my colleagues, the hon. members for Mercier, Lévis and Kamouraska—Rivière-du-Loup for the remarkable work they have done and continue to do in denouncing this bill.

I am not telling you anything new by saying these colleagues have worked day and night. Day and night, that is saying something. Indeed, they were subject to the insult of the guillotine by this federal government.

What we are talking about here is once again the credibility of a government. With all the outcry surrounding the GST across Canada, which has led to Sheila Copps' resignation, we see once again that, depending on whether you are in opposition or in government, the language is different. About us, you could say: "You, of the Bloc, we could give you exactly the same attribute". No, Madam Speaker, because we, of the Bloc, were elected here to defend the interests of Quebec, and that is why we present candidates only in Quebec, in order to play our role of representatives of the interests and defence of Quebec.

We will not be able to contradict ourselves once we are in opposition and once we are in power, because we will always be in the opposition for the time we are staying within Canada.

I would like to go back to some statements that were made earlier by members of the Liberal Party. On February 18, 1993, the hon. member for North York, while in opposition, was protesting against the first unemployment insurance reform by the Conservatives and mentioned in a speech he made here, in the House of Commons, a demonstration that had taken place in Montreal at minus 25 degrees. "Those were not lazy, freeloading people. They were not sitting home watching videos or skiing in the Laurentians. They were demonstrating against an unfair government that does not have a plan to help them get back to work."

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To continue quoting the hon. member for York-North: "We were shown the real world that day at the demonstration, a world of frustration, anger and hopelessness. The government's response has been scornful and insulting. The government called the demonstrators separatists."

The last person who called demonstrators separatists was Sheila Copps, the former member for Hamilton East. It is therefore obvious how scornful this government is. This was doubly evident in the statements made by the present Minister of Human Resources Development, then Minister of Transport, at an official dinner in West Park, when he commented on the whole issue of railway labour negotiations. Today, this same person is expected to protect the interests of the unemployed and, to some degree, the financial interests of workers. He stated:

• (1130)

[*English*]

Railway workers with grade eight or nine education cannot be blamed for negotiating excessive labour contracts.

[*Translation*]

This same person is now Minister of Human Resources Development. Is this not edifying? This statement was an insult to the 62,000 railway workers in Canada. This same minister was in opposition on May 1, 1989. It was an insulting thing to say. After that, should one wonder why Canadians have lost faith in politicians and politics? Why are Canadians so fed up? Well, faith and credibility must be deserved, they cannot be bought. Deserving them takes years, but they can be destroyed in a few moments. Ask Sheila Copps, she knows something about it.

This same Minister of Human Resources Development said on May 1, 1989, and I quote: "The point I am trying to make, which many of us will have to look at seriously, is the whole notion of trust and credibility. Canadians are prepared to share the burden, if they think it is being done fairly. Unemployment insurance, family allowance and old age pensions are a sacred trust. We must not allow the trust of Canadians to deteriorate to a point where they become cynical. I have listened to people talk about New Zealand, the United States, and about other countries and how they do it. This country is very special in how it deals across the board with men and women in every part of the country. There are basic standards, basic programs, universal programs, and programs that allow people to deal with their future with some degree of security".

After that, how can we have faith in this minister, who is responsible for getting this reform through and who has the effrontery to call it employment insurance, when no encouragement is given to employment.

I do not want to use the time of my colleague for Québec, who is our critic on women's issues, but I remind her of what appeared in the daily *Le Soleil* this morning. I am sure she has read it. On page A-10, on the subject of unemployment insurance reform, the title reads: "Women get it". The article goes on to say: "A coalition of women's groups is criticizing the unemployment insurance reform on the grounds that it would put part time workers—primarily women—at a disadvantage. The new method of calculating eligibility for benefits would limit these workers' access to the plan, according to the coalition, at its press conference held on May 1. According to a spokesperson for the Fédération des femmes du Québec, people working fewer than 35 hours a week and women seeking maternity benefits will lose out".

In conclusion, I would like to say that the Bloc Québécois is not opposed to social program reform. It defends the consensus reached in Quebec to the effect that the province alone must be responsible for manpower and job training. In order for it to do so, Quebec must take control of all manpower policies and budgets. They must be the responsibility of the Government of Quebec—unconditionally.

Until there is political sovereignty in Quebec, our party will continue to call for the withdrawal of this anti-worker, backward and anti-development legislation.

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, I am pleased to rise this morning to speak to Bill C-12. I have done so on several occasions and I would have liked the government to accept the amendments proposed by the Bloc Québécois to improve this piece of legislation.

• (1135)

No later than yesterday, in a committee, I met the Secretary of State for the Status of Women; she told me this bill was good for women, sensitive to people working part time and that they were going to benefit more from UI.

I welcome this opportunity to speak this morning because, as my colleague for Beauport—Montmorency—Orléans said, yesterday, women, major women groups in Quebec and Canada, the Fédération des femmes du Québec, the National Action Committee on the Status of Women, the Canadian Daycare Association, the National Association of Women and the Law condemned this unemployment insurance reform. These women came to tell the government this bill was going to penalize women. Why? Because 69 per cent of women have part time jobs. Of these 69 per cent, 40 per cent could not find a full time job and 20 to 30 per cent have family responsibilities. They are the ones who are going to be penalized.

The Secretary of State responsible for the Status of Women claimed to be very sensitive to women's economic situation. She cited alarming figures on women's poverty, on equality between men and women, since we know that it is men who hold full time jobs, who usually work more than 35 hours a week and who will

receive UI benefits. Linking benefits to the number of hours rather than the number of weeks will penalize this category of working women—and working men since young people are included.

Second, part time employees working the same number of weeks will receive benefits for a much shorter period. Their benefits will be reduced and they will have to work for longer periods.

What about women who work less than 35 hours a week? For women working in part time jobs for 15 weeks, one year will not be long enough to qualify for unemployment insurance. Part time workers will pay the same premiums as full time employees, but their benefits will be only half of those received by full timers.

This government should be ashamed of introducing this bill; it does not care about women's economic situation, about the situation of women who work part time, about the situation of women who had to spend several years away from the workplace. What will they have to do to qualify? What will these women and young people going back to work or looking for their first job have to do? They will have to work harder in an economic context where jobs are scarce.

Those who work part time may do so by choice, but they may also be unable to find full time jobs.

What about those who will have to change jobs periodically because they cannot get full time employment? They, too, will be penalized. Why? Because they will not be lucky enough to hold full time positions.

This bill would create two classes of workers. That is why women are outraged by it and want to condemn it. This is a major setback for the status of women. Requiring people to work twenty-six 35-hour weeks makes it twice as hard for them, and women will not be able to meet that requirement; it will mean 910 hours of work a year, at a time when, as we all know, it is hard to find a full time job.

• (1140)

Quite often, people will have to work for more than one year just to qualify. That is why I am very pleased to see that other organizations besides the Bloc have made the same analysis, organizations that the government might find more credible than us and that will be able, we hope, to convince the government that its bill, in its current form, will not help to improve the fragile financial situation of both women and young people.

I would also like to remind the government of the loss of the Canadian advisory council on the status of women, which could, on a day like today, point out to the government that it is going in the wrong direction. In fact, I reminded the minister as recently as

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yesterday that it was her government that abolished this major advisory council that could recommend government priorities on the status of women.

There are two categories of unemployed workers. Members of the first one who often claim unemployment insurance benefits will be penalized. Their benefits will be reduced by 1 percentage point for every 20 weeks. So, they will have to work longer for less. In the meantime, the government is setting aside for itself a very generous \$5 billion fund at the expense of contributing employees and employers. Employees thought they were insured, but that insurance no longer exists because the federal government, which does not contribute to the unemployment insurance fund, is keeping these \$5 billion to reduce its deficit or to give out a few small grants as it pleases in order to make its presence felt in the provinces.

The government is also insensitive to the consensus in Quebec to regain control over the budgets for manpower training. In fact, it used the name employment insurance to interfere even more in job training and policy control. This is exactly the opposite of what was requested by Quebec's social and economic community, and that includes not only the Bloc Québécois, not only sovereignists, but also federalists who want a true employment policy.

To create a true employment policy, one must have the necessary budget. This government increases its spending power, which is a shame since unemployment insurance is funded by the provinces but it is the federal government that tells the provinces what kind of programs and what kind of measures must be implemented to help those who cannot find a job.

I would like this government to respect the purpose of unemployment insurance, which is to ensure that workers will receive benefits while they are without a job. In tough times, we should do the opposite. If we did not have any money, if we did not have a surplus, I would understand why the government would want to establish such criteria, but not when it is keeping \$5 billion to spend as it pleases.

• (1145)

[*English*]

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Madam Speaker, I am pleased to speak on the report stage of Bill C-12, an act to amend the employment insurance act.

I want to speak on the intensity rule. The government believes steps had to be taken to protect the integrity of the employment insurance system, to ensure the millions of workers who contribute premiums continue to have confidence in a system which is both equitable and sustainable.

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In seeking a solution which is fair and balanced I have proposed two very necessary amendments to Bill C-12. I am pleased to stand before the House today to report on these two amendments and to encourage opposition support for these two necessary amendments. These amendments will increase fairness and will help those people most in need. Those are the people the opposition members also should care about.

The first amendment I proposed would exempt claimants in receipt of the family income supplement from the intensity rule. This would affect claimants and families with annual earnings of \$26,000 or less.

The second complementary amendment would see the provision of a credit to those who receive a reduced benefit as a result of working while on claim. An example of this would be if individuals claimed benefits for 24 weeks but due to working while collecting benefits their actual benefits are reduced by 50 per cent. These individuals would then be assumed to have accumulated only 12 weeks of benefits for the purpose of the intensity rule. Therefore the next time they file for employment insurance benefits they would not be affected by the intensity rule.

When considering this legislation we examined carefully ways to introduce reforms that are fair to people facing hardships. We tried to maintain incentives that would encourage people to take work when it is available, while at the same time ensuring all regions in the country are treated fairly and equitably.

It is worthy to note that to achieve this balance and fairness minimal cost is involved. We sought a way to ensure this legislation would help those people most in need. Other amendments to Bill C-12 will bring changes to the gaps in earnings, to the divisor, which will mean people with low incomes and in high unemployment regions are not punished for circumstances often beyond their control.

As a part of this package of amendments, my colleagues agreed with me the intensity rule change was necessary. I believe that rule was treating too harshly low income families, particularly those living in high unemployment regions. Under the original proposal the intensity rule would reduce the benefit rate by 1 per cent for every 20 weeks of regular benefits collected in the past five years up to a maximum of 5 per cent.

The family income supplement will benefit 350,000 Canadians. I consider this supplement to be one of the many positive features of this legislation. It will ensure that claimants most in need of assistance will have the means to fulfil their family responsibilities. It will mean that low income claimants, perhaps with young families, will be able to obtain employment insurance benefits worth up to 80 per cent of their work income instead of the 55 per cent normal benefit rate.

Having fought for and won the inclusion of this basic income benefit level for low income families, I did not want to see this value undermined. We did not want to subject vulnerable members of our workforce to an intensity rule that would erode the value of their benefits by as much as five percentage points.

Studies show that 188,000 claimants, or 54 per cent, receiving the family supplement would be affected by the intensity rule.

• (1150)

While accepting the importance of maintaining the integrity of our employment system, it is important that we exempt family supplement recipients from the intensity rule, therefore protecting those Canadians most in need. To my mind, any family living on an income of under \$26,000, which is the threshold for the family income supplement, has because of its difficult circumstances, sufficient incentive to take whatever work is available.

The object of this reform is to help Canadians find and keep work. By exempting them from this rule, these claimants would on average see their total benefits increase by \$128. Overall benefit payouts would increase by \$24 million.

The family supplement, by providing a somewhat larger benefit to low income claimants with children, will mean a bit of extra money available for those individuals to spend on such things as child care, in order to participate in employment benefits or to take additional training that would lead to a good job.

We have also recognized the intensity rule is meant to provide an extra incentive for people to work as much as they can. It is a reality that many people work while they are collecting insurance benefits. Over a period of time claimants on EI may collect half of what they are entitled to because they may have earnings from part time work or small jobs.

Under the initial bill, if a claimant collects 50 per cent of what the claimant is entitled to collect while on EI for 24 weeks, the entire 24 weeks would count when the intensity rule is applied to this person's future claim. We have agreed this part of the intensity rule is not only unfair but is an unintended disincentive to work. My Liberal colleagues have agreed with me on this.

My second amendment to Bill C-12 would give people credit for work while on claim. By changing the intensity rule to account for work while on claim, we are encouraging claimants to accept whatever work is available, whenever it is available. This recognizes the principle that no matter how little or how much work is actually available, it has to pay people to work.

The vast majority of people would rather be working than receiving benefits. I see this change to the intensity rule as a positive and fair measure. Claimants subject to the intensity rule who work while on claim will earn work credits which will be prorated to reduce the impact of the intensity rule on future claims.

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This amendment will encourage a trend toward a greater work effort creating more jobs for Canadians.

These amendments agreed to by my Liberal colleagues show that if we fix the gap, if we adjust the divisor, if we change the intensity rule, we will have a better bill. We will do something for Canadians.

I am encouraging support from my opposition colleagues. We will come a long way to increase fairness in the employment insurance system both to individuals and to regions, to provide additional incentives to work, recognizing the lack of work opportunities in high unemployment regions.

An amended Bill C-12 with the gap, the divisor, the intensity rule all amended will create a system that will help create more jobs, that will help get more people back to work, that will support the federal job strategy. An amendment to the intensity rule will, most of all, create a system that is fairer for those in the workforce and for those who are not.

I urge my colleagues to please support these amendments, which will make this a fair and equitable bill for all Canadians in the workplace.

• (1155)

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, here we are again discussing Bill C-12, a bill which in committee was subjected to time allocation, or at least limited debate. I would not be very surprised if we came up with another time allocation motion some time today to speed this bill along.

The name has changed. I suppose that was thrown in as a sort of an appeasement to the Reform Party. We kept saying unemployment insurance should be more like employment insurance. It should be more like insurance.

The Liberals said "maybe we will just change the name and that will give the illusion that we have actually made an insurance policy out of this, that the emphasis now will be on employment rather than on unemployment".

Insurance means insurance whether it is called unemployment or employment insurance. That is perhaps the reason the bill should go back to the drawing board. Maybe we can get it right. In its present form it does not really resemble insurance in any way.

Let us talk about insurance in the manner with which most Canadians are familiar. If you operate a motor vehicle, for instance, provincial law requires automobile insurance be purchased and maintained. If you have accidents regularly or if your car is stolen and you have to utilize insurance, you will find your rates will be increased according to the compensation paid by the insurance company.

If it were a true insurance policy, why would it include training programs and make work programs that really are not make work programs at all? Anybody who benefits from the make work programs as they stand now are the bureaucracies.

As far as training, we have heard from our colleagues in the Bloc they are most anxious to take over the manpower training provincially. If the government were to seek this, it would find the provinces agree that job training would be an area in which all provinces would be interested.

When I asked the minister of HRD last December about changes to the delivery of the training programs, he said we really should be transferring resources to the people, to the private sector, to communities.

If the minister agrees with that philosophy, if the provinces are willing to take on the training, if the private sector is willing to get involved, what is the stumbling block? The opposition certainly is not holding the government up on this. Why does it not go ahead and transfer these properties to the provinces where they would readily be accepted?

How does the minister reconcile the department's continued involvement in training programs when the Prime Minister announced that labour training programs would be the sole responsibility of the provinces? This is very difficult for me to understand.

A group of people in the fast food industry in my constituency wrote to me. They were very concerned about some of the provisions in this bill. One constituent basically said his costs will increase significantly if Bill C-12 becomes law. It is well on its way to becoming law.

This operator employs around 90 people, many of whom are students, part time workers. They are still going to school. Part of the idea is that they earn enough money to defray part of their university tuition. He said: "My customers are very price sensitive. I will have no choice but to cut back on employee hours and reduce the number of new hires in my business". He went on to say that implementing this payroll tax runs counter to the government's job creation objectives and is inconsistent with its position that payroll taxes kill jobs. As a matter of fact the government's position is that by reducing the premiums by five cents per \$100 of wages earned that thousands of jobs would be created.

• (1200)

In light of the fact that the fund is predicted to increase to an \$8 billion surplus this year, why will the government not reduce the premiums by \$1 per \$100 and create millions of jobs? I am using the government's map here. If one reduction of five cents per \$100 will create so many jobs, why not create 20 times as many jobs? Why not go that route?

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The Minister of Finance and other members of the government have admitted that the real killer of jobs is high taxes. Taxation is the killer of jobs. This gentleman who runs a fast food business in my constituency agrees with that statement but he cannot understand why the minister, the committee and the government does not see fit to reduce payroll taxes even more, bearing in mind that there will a huge surplus in this fund.

What possible reason could the government have to maintain such a high surplus? It says that times are not going to stay as good as they are. Perhaps the government is just creating a cushion for the downturn in the economy and the resulting jobs that may be lost. I do not know about that. Perhaps some creative bookkeeping is going on there. It seems to me that there never is a time when there is a surplus that one can actually put one's finger on. These surpluses seem to flow back and forth, and mostly forth into general revenue.

We are confronted today with over 200 amendments. If we debate those amendments one at a time, it is certainly going to take a lot of time. However, it will be time well spent. We should be able to debate this bill so that we actually dissect it. Eventually we will wind up putting it back together in a form that will be acceptable to Canadians, not only to the people who have to use UI from time to time but to those people who are employing the workforce of Canada.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I rise to speak today with great regret and sadness at the direction being taken by Bill C-12, an act respecting employment insurance in Canada.

First of all, I would like to speak about this government. The federal government has brought in time allocation, allowing only 10 hours to study these numerous amendments to a regressive, anti-employment, poverty creating bill whose effects are complex.

• (1205)

This government wants to rush its reforms through on the backs of workers and the poor, while relieving the more fortunate members of our society of the social and financial burden. Its often arbitrary measures, which do not respect the democratic right of opposition members, make it more difficult for us to do the job for which we were elected.

I would also like to draw attention to an excellent article that appeared today in *Le Devoir*, that is a very good analysis of the situation that Bill C-12 will create. This article says that the reform is part of a policy that consists in using the unemployment insurance fund to finance a growing number of activities other than the payment of benefits.

I invite the public to take the time to read it. It will give them a very good idea of what Bill C-12 is going to mean for us.

The article can be broken down into eight sections: 1) constitutionality; 2) federal jurisdiction; 3) federal disengagement; 4) the federal government's financial participation; 5) the disadvantaged; 6) a regressive tax; 7) the provinces' responsibility; and 8) the conclusion.

I will read parts of the article to give members an idea of what it is about. First of all, this article was written by lawyers specializing in social law, meaning that we can easily use it as a reference. On constitutionality, the article says: "The employment insurance bill is part of a policy which consists in dipping into the unemployment insurance fund to finance a growing number of activities other than payment of benefits. Not only is this injurious to a growing number of contributors' right to benefits, but its constitutionality is far from certain as well".

In the second part of the article, to which I would give the title "federal jurisdiction", we can read the following: "In 1940 when the provinces consented to having this social insurance scheme placed under federal jurisdiction, as an exception, the constitutional amendment was to be precisely worded so as to turn over to the federal level only the creation and administration of an unemployment insurance plan".

The third part deals with federal disengagement. It speaks of "disengagement of state responsibility with respect to the unemployed, coupled with a growing use of the unemployment insurance account for purposes other than payment of benefits".

The fourth part deals with financial participation: "In 1977, various measures relating to job sharing, job creation and training were introduced into the legislation, and these were funded from the financial contributions of the federal government to the UI fund for the purpose of paying for those measures in future".

Succinctly, what the article tells us is that the federal government sloughed off its responsibility at some point. Initially, it was paying for the measures it imposed upon us, while now it no longer contributes to the UI fund. Only the employers and employees do.

On the subject of the disadvantaged, we can read as follows: "Moreover, a 1990 study commissioned by the Quebec department of manpower and income security concluded that female single parents were particularly affected by these legislative changes to the unemployment insurance program. A large number of these women would have to go on welfare".

• (1210)

Regarding the regressive tax, they write: "By using UI premiums to pay for things other than benefits, the federal legislation turns them into a regressive tax due to the fact that the maximum pensionable income is \$29,000 a year. With regard to provincial responsibilities, not only does the federal government interfere in

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areas of exclusive provincial jurisdiction, such as manpower and social assistance, but it does it with money collected as UI premiums, and not through its spending power. When it comes to unemployment insurance, Parliament's responsibility is to collect premiums in order to compensate insured workers should they become unemployed. It cannot use this money for other things, thus depriving contributors of the protection they are entitled to".

The conclusion reads as follows: "This new direction taken by the plan is more harmful to certain members of society. From now on, some will be excluded from the plan, among them a majority of women and young people. Because of their precarious position at the bottom of the labour market scale, women and young people are especially affected by the current restructuring of the labour market, which has resulted in higher unemployment. Any decrease in basic UI coverage, especially tightening the eligibility criteria, is particularly harmful to these groups".

In short, these experts, these lawyers specialized in social law, give a very good summary of all the elements, all the cases brought to your attention. The bottom line is that Bill C-12 will do much more harm than good.

This sums up the many hours the Bloc Quebecois spent questioning the government. Why? Why introduce a bill aimed at cutting benefits, a punitive bill that does not take the new labour market into consideration? Why reduce the insurable maximum earnings from \$42,380 to \$39,000, at a cost of \$900 million to the fund? Why? Why should workers earning \$39,000 or less and their employers be the only ones sharing costs between them, especially since the surplus is being used to reduce the deficit?

Why introduce this fixed period mechanism to determine earnings, if not to cut benefits? Why introduce the intensity rule, if not to penalize workers whose jobs are not permanent and who are having a hard time making ends meet by working on contract or taking temporary, part time or, again, seasonal jobs? Why cut insurable weekly earnings and annualize premiums?

This unfair, regressive, anti-employment bill creates poverty and discriminates against women and young people. It creates a strong tendency to increase overtime and cut wages at a time when the social and economic impact will be devastating. It completely overlooks the strong growth in self-employment. If the bill changes the system's name from unemployment to employment insurance, why is the \$5 billion surplus being used for something else than job creation?

• (1215)

In conclusion, this bill is a faithful reflection of this government. It touches on everything yet solves nothing.

[English]

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I rise at this time because of what I see are points raised by members opposite which are off the mark especially relative to manpower training. I want to set the record straight as it relates to Bill C-12.

The Government of Canada does recognize that labour market training is a responsibility of provincial governments, linked to their responsibility for education.

The proposed employment insurance act, Bill C-12, provides for a range of employment measures which opposition members well know are to help unemployed Canadians find and keep work. These measures could include: wage subsidies, income supplements, support for self-employment, partnerships for job creation and skill loans and grants. In line with the government's commitment to training, skill loans and grants will only be implemented with the consent of the province concerned, including Quebec.

This bill is a major step beyond the path of the UI program of the past. It focuses on jobs in providing unemployed workers with the tools they need to get back to work. One of the great strengths of the bill is that it clarifies more than ever before federal responsibilities in this area. It commits the federal government to work in concert with the provinces and territories to help people find jobs.

With employment insurance, the federal government will phase out training purchases, apprenticeship programs, co-operative education and workplace based training. Any employment measure that involves training such as skill loans and grants to individuals will only be used in a province with the province's consent.

The Government of Canada will seek formal agreements with each province on the design and delivery of the new employment benefits to harmonize these with provincial programs and eliminate overlap and duplication. These agreements might take many different forms depending on the priority of each province. If a province wants more control, the bill allows the federal government to delegate administration of federal employment measures to a province or even to fund provincial programs in place of federal ones if they achieve the same results.

Results are what really matter to Canadians, no matter who delivers the employment benefits. Flexibility, co-operation and partnerships are the key to getting results.

Employment insurance through Bill C-12 allows new partnerships to develop and evolve for the future. It will lead to a more effective labour market development better matched to local market realities. It will get rid of wasteful overlap and duplication. It will focus all our resources and energies on the real challenge at hand, helping Canadians find and keep jobs. That is the important purpose of manpower training. It is to give people the skills so they can have the skills in place to attract business to their province and

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regions, and then have the opportunity to take on those new jobs in the marketplace of the future.

Canadians want their governments to work together. Employment insurance reflects the commitment of the Government of Canada to work with the provinces, a commitment to a federalism that will work for all Canadians.

• (1220)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I listened to the hon. member for Malpeque, but I did not understand the allusion he made to the bill at the beginning of his comments. I will simply remind him that, when his government formed the opposition and the former Conservative government proposed an unemployment insurance reform, Liberal members made a big fuss to show that they could not support the Conservative government.

Today, this bill includes just about the same measures. Today, the Liberals feel that these changes are appropriate, while before they fought them tooth and nail. This is a case of double standard; the Liberals' outlook changes depending on where they sit in this House. Such is the true face of this government.

When legislation is introduced, it should apply to all concerned. However, this bill will not apply to all jobless people in this country, since more than half of them will not be eligible for unemployment benefits. More than half are excluded. What will happen to these people?

These 50 per cent will find themselves in pretty dire straits, and will include people from all groups, including young people, women and single parent families. Again, what will happen to these 50 per cent of unemployed people who will not be eligible for unemployment benefits? They will end up on the welfare rolls, of course.

And who will have to pay for this reform? The taxpayers in every province concerned. Consequently, in Quebec and elsewhere in Canada, governments will have to increase social assistance budgets to deal with this new problem.

If the bill is passed, it will be disastrous for the country as a whole. Year after year, my region and my riding win the prize for the highest unemployment rate in the country. On behalf of my constituents, I have to say that enough is enough. We can no longer tolerate this situation.

The unemployment insurance issue has much more to do with the current lack of jobs. Did the members opposite propose programs, initiatives or ways to create jobs? No. The government

prefers to introduce measures such as this one, which, incidentally, will not cost it anything, since employers and employees are the ones making direct contributions to the unemployment insurance fund.

• (1225)

Of course, all the money collected does not necessarily go to those to whom it belongs, the people who contributed. A fair proportion of it is even used to reduce the deficit and the debt of our country. That is something the people in my riding will not put up with. What the people want most is a bill or programs that will create jobs. The bill before us does not deal with the real challenge we face concerning our social programs. The real challenge is, of course, to create jobs.

How do you expect our young people to complete their education in a decent fashion if we do not make it possible for them to find a good job when they graduate, not a precarious and low paid job like we see too many of these days, but a worthwhile job? They should be able to get jobs that will allow them to work enough hours to earn a decent salary, enough to pay back their student loans and live normally. By that I mean being able to take on new responsibilities, such as having a family of their own and being able to provide for their children's education. I do not mean having children just for the sake of having children and not giving them anything, or just leaving them with a debt and deficit; I mean giving them the collective tools they need to grow and prosper.

In my region, this bill has been criticized by community, humanitarian and social groups, by workers, by unions, by less organized people, by everyone. Does the government not hear all these people? Despite what the government would like the public to believe, these people are not all extremists, they are not all militants and they are not all lazy. They are not all separatists either. There are federalists who have opposed this legislation.

Why are we unable to reach those people across the way? Why do they not listen to their hearts instead of engaging in a reform that will involve so many technicalities that the most experienced officials will have difficulty finding their way through them? They will have difficulty solving problems that are submitted to us on a regular basis. We are the ones who deal with people who have problems and who do not know where to go to be treated fairly.

In closing, I would like to share with you an experience from the Saguenay-Lac-Saint-Jean region. Alcan workers there have implemented a formula that creates jobs, and I urge the government to take advantage of that experience. It is a job sharing formula that will create, in the short term, close to 110 jobs and, of course, many indirect jobs.

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• (1230)

If the job sharing formula initiated by Alcan workers was applied to all businesses of 20 employees or more in Quebec, it could create 120,000 direct jobs.

The government could follow this example and implement a job sharing formula without dipping into the unemployment insurance fund. We could then spend the unemployment insurance fund surplus. I am sure all Canadians would support such measures which would help us create jobs.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to speak at report stage of Bill C-12 concerning unemployment insurance, or, if you prefer, to use the government's misleading terminology, the bill concerning employment insurance.

At this stage, I would like to remind you of the Bloc's position concerning unemployment insurance reform and its transformation, as if by magic, into an employment insurance program. Like the majority of Quebecers, like the majority of Canadians who have already demonstrated their dissatisfaction with the planned reform throughout the country, like the witnesses who appeared before the human resources development committee, 75 per cent of the witnesses, 75 per cent of the briefs submitted to the committee, we are strongly opposed to Bill C-12.

We are asking, and we will continue to ask until the last possible minute, because that is what Quebecers and Canadians want, that this bill be withdrawn, scrapped, and that there be a real unemployment insurance program, a real program concerning the job market, a real comprehensive policy combining the income security needed by men and women who may find themselves unemployed, which can happen anytime to anyone, with job training and active employment measures.

In other words, it is important to come up with a real unemployment insurance reform corresponding to the present job market, and to ensure that people who find themselves in this unfortunate situation are able in the short or medium term to re-enter the job market with lasting results.

What the reform presents us with is not really that. We are faced with an unfair bill. A regressive bill. An anti-employment bill. We are faced with a bill with the potential to create more poverty than it alleviates.

Changing a bill's name from unemployment insurance to employment insurance is easily done, but the reality is that employment has never been a concern of this government. The precarious job situation has never been the focus in any way of this government's concerns, nor has the unemployment situation been the object of any really serious efforts by this government.

How can this government have any real credibility, when even the Prime Minister stated some months ago to a select audience in Toronto that he considered Canada's unemployed to be lazy beer-drinkers?

• (1235)

How can we think that this government can focus in any way whatsoever on the situation of the least advantaged in society, when only a few weeks ago the Minister of Human Resources Development told us that those demonstrating their displeasure with the government were extremists, separatists? I would remind you that such displeasure was being shown even in his own riding, that there were demonstrations in his riding, unless of course his constituents include sovereignists and separatists, or were supported by them.

But for him it boiled down to that: people were extremists because they would not stand still to have their legs chopped off, as Bill C-12 proposes, or separatists, or what the Prime Minister called lazy people who ought to be out working instead of demonstrating. So that is the vision of this government as far as the most disadvantaged members of society are concerned.

This bill which, among other things, raises the number of hours worked required in order to collect UI, while decreasing the amount of benefits considerably, ought to simply be withdrawn. The government must admit that it has made a mistake with this. It needs to get back to the drawing board, to rework a real employment insurance plan, one which suits the work force's needs.

The other day, I was listening to the Minister of Economic Development for PEI, Robert Morrissey. He said that for Prince Edward Island alone, the loss of revenue for the 1996-97 fiscal year would be \$15 million. This is a disaster for such a small province.

I was discussing this issue with my colleague from Kamouraska—Rivière-du-Loup and, according to him, the Lower St. Lawrence area, where under-employment is most serious, will lose \$20 million this year if the minister's bill is implemented.

I remind the House that last year this government had already deprived Quebecers and Canadians of about \$2.4 billion by shamefully slashing UI funds, benefits paid to the most needy in our society.

Bill C-17 we considered last year was less harmful than the reform proposed today, so you can imagine the results if it is implemented. I remind members that, in Quebec alone, some 46,000 people were totally excluded from the labour market last year because of the policy of restraint already announced in the finance minister's budget.

I find unacceptable that a government which ran on the promise of job creation and supposedly on the basis of a social vision for the most disadvantaged, could take 46,000 people out of the labour

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force with the stroke of a pen, by adopting brutal measures that did not meet the needs of the most needy of our society.

Meanwhile, this government prides itself on having built up surpluses in the UI fund. It boasts about accumulating a minimum of \$5 billion annually from employers' and employees' contributions. What is this government doing with this \$5 billion, when it has dipped into Canadians' and Quebecers' pockets, literally robbed them of more than \$2 billion since last year along with another several hundred million dollars this year with new measures? During this time, it takes an accumulated surplus of \$5 billion annually to reduce its deficit so that the Minister of Finance appears to be a good manager by controlling the course of the deficit. This way of operating is unacceptable.

And when things start to heat up, and the lid on the pot is lifting, the government has three courses of action. It tries to buy people, just as the Minister of Finance did recently with the three maritime provinces when he offered \$961 million for a pseudo reform of the GST, which has really left his government squirming of late.

• (1240)

When buying people does not work—I hope the people of the maritimes will not be foolish enough to swallow the GST reform, take \$961 million in compensation and permit a reform that will spell catastrophe for their community in the coming years—this government becomes cynical, gets carried away and tries to trick people as to its intentions or its actions.

We heard all that was said by the Minister of National Defence in response to questioning on the many scandals in his department and by the Prime Minister in an attempt to convince us, Quebecers and Canadians, that he had resolved the problem of the GST, when the problem remains intact, even with the resignation of the Deputy Prime Minister. And when that does not work either, the government has a third approach to getting or trying to get people to swallow what it is pushing and that is by gagging the opposition and this Parliament.

Since last week, we have been gagged three times and thus prevented from debating, until basic issues like Bill C-12 die.

The first gag was applied to this bill, and the time for members' debate in the House of Commons was limited. This time serves to help Quebecers and Canadians, who are being had by this government, understand that it says one thing and does another. The second was applied to Bill C-31, which included a section on the scandalous agreement between the federal government and the three maritime provinces on the GST. The third was applied to human rights, and a gag was also imposed on that debate yesterday.

This way of operating is unacceptable and we are voicing, through this analysis at report stage of Bill C-12, our dissatisfaction with the intentions of the government in its shameful reform of the unemployment insurance system.

[English]

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I am pleased to speak on this bill and have an opportunity to correct the record. I feel it necessary also to reflect on the comments of my colleague opposite. At some point all discussion has taken place. Canadians expect government to get on with the business of doing business. I do not think closure in this case is an unacceptable measure.

Some questions have been raised about why the government is funding employment measures through the employment insurance fund. It is important that people recognize that these are active measures that help Canadians prepare for, find and keep jobs. These measures are a long term investment in the reduction of unemployment which I believe are a legitimate way to spend contributions collected from employers and employees.

The federal government is mindful of the responsibility it has to safeguard the EI fund. Therefore there are some legitimate eligibility requirements. There is access to the fund. Ceilings to the fund will be put in place, and checks and balances to make sure there is an accountability framework to ensure monitoring of the results. Some of the consolidated revenue fund moneys will be available for groups or individuals who may not be eligible for EI funded measures such as youth and aboriginals.

There are two other areas I will speak on, the issues that have been raised with regard to the new employment insurance system, and how it will impact on women and low income parents. A great deal of misinformation has been spread on this issue.

Let us set the record straight and get some facts on the table. Mothers and low income people will benefit from the employment insurance system the government is proposing to put in place. Employment insurance is much more inclusive than the old system. Under EI, all part time work will now be insured, which is a major boost to women who comprise nearly 70 per cent of the part time workforce.

For the first time about 270,000 women who hold down part time jobs of fewer than 15 hours each will have their work insured. Under EI all the hours count toward a claim. Consider women who work at several jobs, perhaps three jobs of 13 hours a week each. Their take home pay would be based on 39 to 40 hours. They will be fully insured if they suddenly become sick or they take parental leave or should they lose one or two of those jobs. For those women who just work 13 or 14 hours a week that income is critical to the

success and the livelihood of their family. They too if they lose that job will have EI benefits. That family will continue to have a source of income while she goes out and looks for a second job.

• (1245)

EI provides opportunities for women to increase their work by lifting that 15 hour glass ceiling. Some people want to work more than the 15 hours but some employers restrict part time workers to fewer than 15 hours to avoid having to pay premiums. That is not acceptable.

EI provides special help for mothers and low income parents. It recognizes the importance of providing income protection to women who are raising families. The family income supplement for low income families with children will raise weekly benefits up to 80 per cent of average earnings. By the year 2001 when EI is fully implemented, they will receive 12 per cent more than they do today.

The changes which I am going to discuss next are as a result of one of the backbenchers who has made a difference here in the House, the member for Etobicoke—Lakeshore. She brought in several worthwhile amendments at the committee stage and she should be commended for her work on that front.

Because of the amendments of the member for Etobicoke—Lakeshore the intensity rule will not apply to 108,000 women who receive the family income supplement and have a history of past use. The intensity rule reduces the benefit rate by 1 per cent for every 20 weeks of regular benefits claimed over the past five years.

Because of the amendment of the member for Etobicoke—Lakeshore single parent families, most of whom are headed by women, with incomes below \$26,000 will receive an average of 13 per cent more benefits under EI. More women will be able to continue working while on claim. All claimants will be able to take temporary work and earn at least \$50 a week without reducing their benefits. We provide that encouragement to people to add to their family income.

Women who earn \$2,000 or less a year will have any premiums they pay refunded through the income tax system which is another important change.

EI will mean that more mothers and low income families will be eligible for employment benefits to help get them back into the workforce. I am constantly faced with cases in my riding where people cannot get back in. They do not have access to those opportunities because they were not receiving in the past.

Women who return to work after caring for children will have access to EI special employment benefits if they have collected parental benefits or maternity leave in the past five years. Under EI women who have exhausted an EI claim within the past three years

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will be eligible for help through these active employment benefits. About 45 per cent of social assistance recipients currently in Canada will meet these eligibility requirements. These will make a difference for people. EI's employment benefits will help low income Canadians and women re-entering the workforce to acquire the skills that they need to find work.

Jobs for Canadians is the fundamental objective of our federal job strategy. We campaigned on jobs and growth. We are trying to create an environment where businesses can go out and create jobs, where people can get themselves skilled so they can be the best employees and they can find meaningful work.

These employment benefit measures that we are talking about have been field tested with great success. They are proven to help women who have been unemployed for long periods to get back into the workforce and increase their earnings. The best social security system we have in this country is a job. These tools will help women to boost their earnings. They will contribute to their job stability and blaze new trails in non-traditional occupations.

For example, the targeted wage subsidies to employers can help level the playing field for people facing disadvantages in the workforce, like women. Studies show that this approach does work. It can mean an increase of \$5,000 a year on average in earnings. Of course child care support will be available for women receiving employment benefits. That is something I welcome as great news.

One of the things we talked about was the employment benefits and how this new system will help people get jobs. About 400,000 unemployed workers each year may qualify for new employment insurance benefits, things like these wage subsidies or self-employment assistance, things that have been tested and proven to help people get back to work.

• (1250)

Part II of Bill C-12 sets out the basic principles for these employment benefits and measures but they will be highly flexible. They will be easy to use. They will be easy to adapt to an individual's needs and circumstances. They will focus first and last on getting results no matter how they are delivered.

That is something all members of Parliament face every day in their constituencies. Some remarks from people are: "I am just falling through this system. I just missed this eligibility requirement. If only I had this, then I could take this program. I am taking a program that is completely unspecific to what I want to do in the future but it is the only thing I am qualified for and my family needs this income".

These EI changes will make a difference to them. The old programs as I have implied are rigid, inefficient or just do not work. They will be eliminated. Instead, we will have a simpler set of tools designed to work at a grassroots level.

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Importantly, and I think constituents are looking for this kind of co-operation, we are putting the old turf wars behind us and concentrating together with the provincial governments on getting Canadians back to work. Bill C-12 commits the Government of Canada to work in concert with provincial and territorial governments in delivering employment benefits to Canadians.

New partnerships in delivery arrangements will match employment measures to local labour market needs and will eliminate the overlap and confusion over delivery by different levels of government. That will mean more effective help for unemployed Canadians. Is that not what we are here for?

Bill C-12 also sets the foundation for a better, more effective national employment service, the information and advisory service that currently helps about two million Canadians a year. A stronger, automated job information and labour exchange will tell people where the jobs are. More effective job search services will help insurance claimants return to work as quickly as possible.

This is the kind of employment insurance system Canadians want and it is the kind of system they need. It is more active. It will get results. It is what Canadians have been asking us for. It is an affordable, stronger, modernized system that focuses on jobs. It will do a better job of helping Canadians. It will help to keep Canadians working. Surely that is the fundamental objective of the federal government's jobs strategy and something all of us should be committed to.

I urge my colleagues to pass this bill with great speed.

[*Translation*]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, I am pleased to take part in the debate on this bill at report stage and also to join forces with the Bloc members who worked so courageously on the Standing Committee on Human Resources Development.

This appears to be "forget about past promises week" for the government. After the GST and after a free vote on such a fundamental piece of legislation as the one adding sexual orientation as a prohibited ground of discrimination, when the government had promised a party vote and instead let its members vote freely on the bill, now we are asked to swallow hard and let this unemployment insurance reform be rammed through the House.

I am pleased to join in the debate because, on April 9, I held a special information day in my riding on UI reform. About fifteen organizations took part in this review of the reform, based on government material. Most groups told us that this reform could in no way be considered a possible basis for changes to the plan.

As usual, the government would have us believe that it is driven by the determination to reform social programs. However, this was

not part of its election platform. Sometimes, you have to read between the lines instead of only looking at broken promises such as the scrapping of the GST; the Prime Minister does not seem to know that scrapping does not mean harmonizing, he remains the only one to believe he is right when his own finance minister and deputy prime minister, under public pressure, have made amends.

• (1255)

Besides, a very interesting statement of the Minister of Human Resources Development was quoted in *La Presse* of March 16, 1996. The article said: "The Minister of Human Resources Development is willing to consider all the women's groups' concerns about the unemployment insurance reform, but he warned everyone that any amendment to the plan would have to be implemented within the existing financial framework". There you have it: what counts is the financial framework and not the reform. The article went on to say: "The government intends to fully respect the financial parameters set for the unemployment insurance reform".

Before I talk about unemployment insurance as such, I would like to say a few words about the five proposed measures which will replace the 39 back to work programs.

All the organizations I have consulted reminded me that there is a certain amount of cynicism, if not hypocrisy, in this amendment. In the throne speech, it was said that the federal government was committed to transferring the responsibility for vocational training back to the provinces.

We reminded the government about the consensus in Quebec and about the minister who, at the Quebec conference on economic development, tried to call the Quebec organizations to order, even saying that the Conseil du patronat du Québec was not part of the consensus. The consensus is very real and it applies not only to all vocational training measures but also to all active unemployment insurance measures.

Therefore, it must be said again that, first of all, the official opposition and all interested parties in Quebec want Quebec to have exclusive jurisdiction over all vocational training and manpower training policies.

All the organizations consulted said it is clear that the purpose of the reform is to cut a further \$2 billion, and that this government is behaving exactly like the previous Tory government: it is cutting social programs in order to reduce the deficit.

When he announced \$300 million worth of changes in the amendments, he said that would be offset by stronger re-entry measures. If he had so much confidence in his measures for re-entry into the labour force, why would he cut unemployment insurance? The number of unemployed would go down by itself and so would program costs. But no. He has so little confidence in his measures that he will cut the program anyway, to be sure to

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save \$2 billion. These measures are not fair and should be condemned.

As to the insurance program, it is clear to us that it is a social program reform done at the expense of the neediest in our society, that is the unemployed, welfare recipients, the young, women and new entrants. On the whole, the unemployment insurance reform, as proposed, is unfair, regressive, job-killing and poverty-inducing. Eligibility requirements have been tightened. In order to be eligible to the program, people now have to work 420 and 700 hours, instead of 180 and 300 hours, more than double what it was.

For their part, new entrants to the labour market will need three times as many hours of work, that is to say 910 hours, to be eligible for the program. There are therefore two categories of unemployed: ordinary unemployed and frequent unemployed. And it no only applies to the regions; it also applies to people in Montreal, to self employed workers and part time workers.

I started in the labour force in a weekend corner store job to pay for my studies, and I feel affected by that. We are not talking only about workers in the regions, Montreal will also be affected by these measures.

Those who received payments in the past will see their benefits reduced from 55 to 50 per cent, in negative increments of 1 per cent for each 20-week period of benefits previously received. On the one hand, we are told that every hour of work will count, even the first 15, to allow these workers to have access to unemployment insurance but, on the other hand, we are making eligibility rules so tough they will not have access to the program.

• (1300)

It says that the first \$2,000, those who earn \$2,000 and less during the year will be able to receive a tax refund. The weakest, the neediest in our society will have to finance the federal government for one year. How nice. People will have to work longer to receive less benefits and for a shorter period. It is the low income people who will suffer the most from the implementation of these measures.

As for setting maximum insurable earnings at \$39,000, that is another nice measure. The workers who earn the most will be given a tax cut because they will no longer have to pay premiums above the \$39,000 threshold, but the people who work 15 hours or less will be taxed. Strangely, the premium cut for some people is roughly equivalent to the new premium for others. That is strange. And to top it all off, this measure is being called a job creation measure.

The hon. member for Kamouraska—Rivière-du-Loup has said it well; business people would do well to have employees earning more than \$39,000 work overtime, because they will no longer

have to pay premiums, rather than hiring a part time worker for whom they would have to pay premiums. That is regressive and anti-employment. The more the worker will earn money, the more his premium rate will decrease, because he will no longer pay any premiums after reaching \$39,000. That is a gift from workers who earn more than \$2,000, but who are unable to qualify because of the number of hours and of the other measures, to workers who earn more than \$39,000. A real nice gift.

The cap of \$39,000 on maximum insurable earnings is also a gift to capital intensive businesses, at the expense of labour intensive businesses. It is more interesting to have fewer employees than to have more. Finally, small businesses are being penalized.

The reform encourages people to do overtime. The idea is to reduce the work week to reinforce job creation. This bill goes totally against the current. The unemployment insurance reform will put undue pressure on the reform of employment, which is already precarious. Jobs, jobs, jobs, a lot of jobs will be cut. Nice program.

The new measures, by reducing the benefit rate, by taxing workers starting from the first hour, by establishing more stringent eligibility criteria while making certain people ineligible, are also contributing to an increased transfer of the unemployment insurance clientele toward social welfare. And the government is dumping its responsibility in the provinces' backyard, as it did for transfer programs. The Liberal government is not taking its responsibilities. This is "forget about past promises week", the week of consummate hypocrisy. Good show.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am pleased to take part in this debate on the amendments to the former Unemployment Insurance Act which, ironically, as everyone knows, will now be called the Employment Insurance Act. This in itself is indicative of the government's cynicism, a government with a long experience in that area. This is a textbook illustration of how supposedly serious and responsible commitments made by this government during the 1993 election campaign were never fulfilled. Indeed, this is another perfect example of the Liberals modus operandi.

• (1305)

Before going any further, I want to congratulate my fellow Bloc colleagues who worked very hard on this issue, particularly the hon. member for Mercier, the hon. member for Kamouraska—Rivière-du-Loup, as well as my friend and colleague, the hon. member for Lévis, who worked literally day and night to fight this cynical bill, which goes against public interest.

Several members have already said, and so will others, that this is an unfair, regressive and anti-employment measure. It has

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nothing to do with employment insurance. It does not promote job creation: it promotes poverty.

This measure is quite simply patterned on what the Conservatives intended to do, had they remained in office. It is based on the most petty neo-Liberal movement, a movement that targets the poor and excludes an increasing number of people, not only in Quebec, in Canada and in America, but all over the world, a movement that must be scrutinized, analyzed and criticized, because a measure such as this one, given what is involved, will be followed by others, even though it goes against public interest, or the interest of humankind, as Victor Hugo said.

We can never overemphasize the fact that this is a cynical change. My comments will deal more specifically with one aspect of this major overhaul that is not only of local interest, in fact it is more of a technical nature. I am referring to the restructuring of the employment centres network, more specifically the UI and employment offices in my own region of Mauricie. My speech is for my constituents in the riding of Trois-Rivières who are the victims of an arbitrary, irresponsible and indefensible measure, all this because of the fluke election of the Liberal candidate in the riding of Saint-Maurice, who is now the Prime Minister of Canada and who was before the member for Beauséjour.

The member for Beauséjour, who was Leader of the Opposition at the time, back in March 1993, wrote to a movement for the defence of the poor in the Montreal region, regarding the attitude of the Conservative government, whose example he now follows. The letter, dated March 26, 1993, had the official letterhead of the office of the Leader of the Official Opposition:

Liberals are dismayed by these measures. By reducing benefits and penalizing even more those who voluntarily quit their job, it is obvious that the government cares little about the victims of the economic crisis. Instead of going to the root of the problem, it targets the unemployed. Moreover these measures will have disturbing consequences.

This is what the former member for Beauséjour and Leader of the Opposition, who has since become the member for Saint-Maurice, the riding next to mine, wrote in March 1993. This is totally beneath contempt. The proposed measure is unfair to residents of the Mauricie, since it targets people who are already in trouble. Those who are unemployed, who are on welfare and who want to improve their lot must work at it, they must go the employment centre. However, in the case of the Mauricie region, it was decided that the regional centre, which was formerly in Trois-Rivières, would be moved to Shawinigan. This is unacceptable.

If you look at the Notice Paper, you will see that I asked four questions on this issue. I will read these questions, regarding which I hope to get an answer soon.

The first one is: "Can the Minister of Human Resources Development indicate what recommendations were made, by the

committee analysing the restructuring of service points in Quebec, on the advisability of locating the regional Canada Human Resources Centre in Shawinigan or in Trois-Rivières?"

● (1310)

Here is the second, No. 21 in the Order Paper of March 12, 1996: "Can the Minister of Human Resources Development tell me whether representations or interventions were made by officers, employees or other persons from the Privy Council or the Office of the Prime Minister to officers, employees or officials from Human Resources Development Canada, in order to ensure that the regional Canada Human Resources Centre would be located in a municipality in the constituency of Saint-Maurice rather than in Trois-Rivières?"

Question No. 22: "Can the Minister of Human Resources Development tell me whether, as part of its restructuring of service points in Quebec, Human Resources Development Canada carried out comparative studies on the advisability of locating the regional Canada Human Resources Centre in Shawinigan or in Trois-Rivières and, if so, what were the findings of those studies?"

And fourth and last, Question No. 23: "Can the Minister of Public Works and the Minister of Human Resources Development tell me the rent and rent-related costs of the Human Resources Development Canada premises in the Bourg-du-Fleuve building on rue des Forges in Trois-Rivières, as compared with the anticipated costs of the Department's moving to, arranging, and settling into new premises to be located in the Shawinigan area according to the government's plan?"

According to what I have been told, the government will be answering these questions in the next few days. We would hope that, upon receiving these questions, both political and administrative staff understood that the government's proposal to locate the human resources centre in Shawinigan rather than in Trois-Rivières is contrary to the public interest, that this decision is unfair and shameful, and that this project is cynical and shameful.

Not only was it made without consultation, but also it is contrary to the opinion of every group that reacted to it in our area. The mayor of Trois-Rivières has fought a good fight, followed by the Chamber of Commerce, the Federation of Senior Citizens and the regional federation of caisses populaires. Moreover, some 25,000 citizens indicated their disapproval of that project in writing. Based on the information at its disposal, the public service union also decried this project. It does not make any sense, it goes against the best interests of the public, it is a disgrace, and we will continue to condemn this project.

Particularly as the hon. member for Saint-Maurice was kind enough to tell his voters last week, in his latest householder, that

the new regional centre will open its doors in his riding, but more precisely in Shawinigan-Sud. Those of you who are familiar with the area will know that it will also serve residents of the Saint-Maurice riding. Because the focal point in that riding is Shawinigan and not Shawinigan-Sud, constituents of the hon. member for Saint-Maurice will have to go from Shawinigan to Shawinigan-Sud without adequate public services to get them there.

We believe, and the minister responsible for regional development in Quebec also knows it full well, that this decision is unjustifiable. The minister also knows this is a totally arbitrary decision that does not take into consideration the history of the area or the travel pattern of residents. We will never stop decrying what we believe is still only a project, because we still hope the final decision has not been taken yet.

According to the information we have, officials are not aware that a decision has been taken. Everyone believes this is still only at the planning stage and we hope the government, and the Prime Minister who is behind all of this, it is pointless to try to deny it, will see reason and make a sensible and wise decision. Given his age and his vast experience, he should be able to set things straight and see to it that the people of the Mauricie region have access to all the services they are entitled to.

• (1315)

[*English*]

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I have a procedural concern. The bill has gone to committee and yet it still comes back to the House with a horrendous number of amendments. I believe there 220 amendments, which gives one cause to wonder when a bill is not a bill and whether the House of Commons is actually rewriting the bill. It makes one wonder what actually happened in committee to resolve some of these difficulties which would have provided a more streamlined bill for the House.

I am also concerned with the name change of the bill. I have two concerns. The first is about changing the name from unemployment to employment. I also question the term insurance. If changes were to be made, why was the term insurance not included?

With regard to the contents of the bill, we have started in practice to move away from the concept of insurance. The insurance policies of today are sophisticated tontines, things from our past. This does not seem to be a true insurance policy as was originally conceived to address the needs of the unemployed. It was originally intended to get us over that period of time until we could get back into the world of employment. I question whether we are actually discussing an insurance concept.

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The change in terms from unemployment to employment reminds me of the health care realm in which we have a health care insurance policy. I am very pleased to see it is still addressing the concept of illness. When I am ill I know I have a health insurance policy that will allow me to get the kind of treatment I need. When the concept was changed in health care from an illness to a wellness approach, it was specifically applied to the department, not necessarily the actual insurance component of the health care regime.

The same principle is being used here, but it is not being applied to the department; it is actually encroaching on the insurance program or a program of the department. By changing the term from unemployment to employment we are expanding the parameters of this jurisdiction. We are getting more officially into things like education and health care. We have already tended to move that way with training programs.

We may be going further down the road toward duplicating services that should be provided by other jurisdictions. The health component involved when a person is unemployed should be under the health care organization.

I have some difficulties in changing the term unemployment to employment. It could be interpreted in ways that lead to a great expansion of services under this insurance act. This would take us further away from a true insurance policy.

Another concern I have is with premiums. We tend to establish categories based on geographic location or income, and we address those in need, which takes me one step further. Regardless of financial position, when we are suddenly employed there develops a need. When we work we develop a lifestyle our income will support. When that income is gone it has an effect on our lifestyle. We become in need to maintain it. I do not think that is what we are talking about here.

• (1320)

We should maybe look at Maslov to identify what needy means. I tend to think of needy as the basic principles which come out from Maslov such as food, shelter and clothing. These are essential to all people. When it comes to looking at benefits, this is the classification that should be front and centre. When we speak of needy, what is immediately conjured in one's mind is that somebody is needy in one of those three areas, versus just saying needs. Whatever our income, we develop an appropriate lifestyle and when the income is no longer there, we are in need to maintain that lifestyle. That is a totally different issue than what we are talking about here.

It is becoming extremely technical. I am still struggling with my income tax. It is at a point now where I am not capable of doing it myself and I have to shop around for the best deal in town. We are beginning to get a similar process here by coming up with various categories, conditions in various areas of the country, income and so on. There are all these different categories. We should be

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looking at the elimination of some of these categories, not the creation of more, while addressing the basic needs of the unemployed.

One category that jumps to mind immediately is the regional category. Obviously there is a financial difference, depending on the area of the country, for example north-south. It is more much more expensive to meet the basic needs of food, shelter and clothing in the north than it is in the south. I am sure if we address that in relation to the benefits, obviously there would be a monetary difference.

We can look at maternity benefits before and after birth. I do not see the rationale of differentiating between a natural parent and an adoptive parent. A baby is a baby, and it does not matter whether a baby is adopted or born of natural parents. That child still has the same needs. I was under the impression that these maternity benefits were originally applied to address those needs of the child because the mother is in the working world. That does not change if it is an adopted child. The baby still needs the adoptive mother just as the natural mother would be needed.

I would like to get back to the insurance component. I looked at the auditor general's report of 1994. He quotes from a study the Department of Finance. He refers to unemployment insurance as a disincentive to employment.

I do not see anything in this act which would really discourage people from going on unemployment insurance. I agree with the auditor general and I would like to see some of the amendments pass. Some definitely address this issue. We could stand here all night and illustrate various examples where the unemployment insurance act has been taken advantage of.

• (1325)

There are some major concerns. The name change is one. By going from unemployment to employment we are expanding the parameters of what is to be provided under that. A rose is a rose by any other name; I may be misquoting, but it is still unemployment insurance no matter what we call it.

[*Translation*]

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, I am pleased to have the opportunity to rise today, not to say that this is a good bill but to give some support mainly to the three Bloc members. I am talking about the hon. members for Mercier, Kamouraska—Rivière-du-Loup and Lévis, who, for almost two years now, have been fighting long and hard on behalf not only of their constituents but also of all the people of Quebec and an

important part of the people of Canada, for those who will fall victim to this unemployment insurance reform.

This is totally absurd. We are faced with a government that is not living up to its promises, as we have seen many times this week. Liberals had promised to scrap the GST, but they did not deliver. The Minister of Justice and the Prime Minister promised to vote as a party on the issue of sexual orientation as a prohibited ground of discrimination, but they did not keep their word.

On the one hand, they do not keep their promises and, on the other other, they do things they did not promise to do. Among other things, they are undertaking a reform of the unemployment insurance system even though, as mentioned by my colleague for Trois-Rivières, the Prime Minister, when in the opposition, fought against the unemployment insurance reform proposed by the Conservatives.

The Bloc Québécois' fight goes back to the fall of 1994 when the Minister of Human Resources Development started a huge consultation process throughout the country on a reform proposal.

We could speak of reform then because we did not know yet what would come out of these consultations or what kind of a bill would finally be introduced in the House of Commons. So Canadians were consulted. Our three colleagues travelled across Canada with the Standing Committee on Human Resources Development. In the end, 80 per cent of the witnesses heard by the committee were against the reform proposal as it was then formulated. More eager to please the government than the people, the standing committee prepared a report, which, of course, was not in accordance with what the people consulted had said. That is why the Bloc Québécois presented a dissenting report.

Since then, especially since the 1995 budget speech, we have seen a series of government measures aimed at pulling the government out of fields of activity where it had been present for many years. In many cases the Bloc Québécois supported such measures, and I am thinking in particular of the privatization of airports and air traffic control. We agreed on the principle.

In the present case, the government is doing exactly the opposite. It has not contributed one cent to the unemployment insurance fund since 1991. So if there were one sector the government could privatize and where it could say to employers and employees: "Since you are the only contributing to it, we are asking you to manage the unemployment insurance program", it is this one.

• (1330)

Why is the government doing the opposite in other sectors, for example with navigation aids? The Coast Guard is trying to get users pay the bill. Why did the government not do the same with unemployment insurance? For a very simple reason, the government discovered, following the 1995 budget, in which there were important cuts to UI eligibility and benefit payment criteria, that

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unemployment insurance has become an extremely productive cash cow. Therefore why privatize such a cost effective program?

It will even further reduce benefits so that claimants will receive lower payments, and make it more and more difficult to receive unemployment insurance by imposing stricter conditions. Furthermore, it will make sure that everybody pays into it, even those who do not have the slightest chance of receiving benefits one day.

Realizing this was an extremely important revenue source, the government would have us believe it is reforming the unemployment insurance program. But what is it truly doing? It is in fact draining the UI fund in order to reduce the deficit.

This bill will have extremely harmful results. Because it is afraid Canadians will discover more harmful features, the government decided to limit debate. A time limit was imposed on the Standing Committee on Human Resources Development so the government could steamroll passage of this bill.

The bill will have extremely negative consequences particularly because it is going after the people most in need, those who are most vulnerable. It is an attack against seasonal workers and part time workers, which necessarily means women because they represent a high percentage of that category. It is an attack against entrants and immigrants who have been here for a few years and who, for cultural or other reasons, obviously have more difficulty than others entering into the labour force.

The most vulnerable workers will be affected the most. They will be forced to contribute to unemployment insurance from their very first hour of work. This, in itself is not bad. We could even say it is a good measure had the government not already raised the eligibility criteria. These people are forced to contribute from their very first hour of work, but the eligibility notch is raised so high that we can be sure many contributing workers will never be eligible—some say one million of them.

Making part time workers, students and so on contribute will bring \$900 million into the unemployment insurance fund, and what makes that measure so perverse is that it will allow the government to give that money to the richer workers. We must remember that maximum insurable earnings, which were set at \$42,500, will be lowered to \$39,000. That means that the government took \$900 million in the pockets of the poorest workers in order to give it to the wealthiest, when it could have raised that maximum instead. It was at \$42,000. Why not set it at \$50,000 or \$60,000? It chose not to. It preferred to take the money from the poorest workers, those most vulnerable. For that reason alone, this bill is a perverse and antisocial measure and, unfortunately, if it is passed, we will have to pay a social price for it in the years to come.

• (1335)

[English]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I am very pleased to speak on this bill which will help many Canadians help themselves. There are going to be very positive results.

When members speak about employment insurance, sometimes I do not think we tell enough. It is not just workers who will be affected by this new income support system. The business community will also be affected. From the testimony before the standing committee we know that for the most part business is quite supportive of employment insurance.

I would like to take a few minutes to explain to the hon. members some of the implications of EI for people in business. Employment insurance is one component of the government's job strategy. The government has made it abundantly clear that its number one priority is to create a positive economic climate in which the private sector can generate growth and create jobs.

There are a number of strategies to fulfil that commitment. Among them are some of the provisions in Bill C-12. Since it is the business community, especially small business, that creates jobs in this country, it is vital that EI measures enable business people to do just that.

The government has heard on more than one occasion that the effect of escalating UI premiums discourages job creation. Business has seen increased premiums as a tax on jobs, a tax the government imposes during a recession, which is obviously the worst time that this could happen. However, it has no choice. It is obligated by law to pay benefits when the UI account is running a deficit. That same obligation will apply with the passage of Bill C-12.

The answer is quite clear. When the economy is doing well a reserve will be built in the EI account. In that way funds will be available to pay for benefits during a downturn in the future and premiums will remain stable. Premiums will not have to rise when business can least afford them because there will be a cash reserve to draw on.

Some members opposite have criticized the government's plan to build a reserve in the EI account. They come up with bogus and misleading statements about how the government is going to use the reserve to pay down the deficit, which is not true because the reserve has no impact on the deficit over the long term. Insurance funds can only be used for purposes spelled out under the act: insurance benefits, employment benefits and their administration.

Government Orders

There are positive signs for the business community. When economic indicators are positive, business is better able to preserve jobs during tough economic times and create new jobs when there is an upswing in economic activity. In the future we must ensure that these fundamentals are always there.

I hope all members agree that we want a stable premium rate for the new EI program. Let us look at the implications of the proposed new rates which is down from \$3 last year to \$2.95 this year. With this rate, more than two-thirds of small firms will pay the same or less in premiums during 1996 compared to 1995.

While a decision is yet to be made, when EI brings in first dollar coverage in 1997, and premium rates are reduced further, the impact on small businesses will be even more beneficial.

While the Minister of Finance has assumed a \$2.90 rate in 1997—I hope it is much less than that—for planning purposes in the last budget, the actual rate will be set at the end of this year.

• (1340)

As well, as stated by the Canadian Federation of Independent Business, about 30 per cent of their membership, small and medium sized businesses, will also benefit from the premium reductions associated with the reduction in the maximum insurable earnings.

The government has not forgotten these small business people who will experience some adverse affects because of this new legislation. These hard working men and women will be helped to adjust to EI through a two-year premium relief program. The program will begin in January 1997. It will coincide with the introduction of first dollar coverage and the calculation of MIE earnings on an annual basis. Here is how it will work.

An employer whose UI premiums in 1996 are less than \$30,000 will be eligible for a premium rebate. Employers who face an increase of more than \$500 can have up to 50 per cent of the increase rebated in 1997 and up to 25 per cent in 1998 to a maximum of \$5,000 a year rebate. This measure will provide premium relief to about 30,000 small businesses. This year the reduced premium rate and the lower maximum insurable earnings will save business \$730 million in premium payments.

As well, individual employers will pay \$520 million less in premiums in 1996, enabling them to retain more of their income which also helps the business community. It gives people more spending power. Those are significant savings and members opposite should give them due consideration.

The business community is also pleased with the proposed employment insurance system because it goes a long way toward reducing the administrative burden of the current UI structure.

Beginning in 1997, premiums will be collected based on total earnings and total hours from the first dollar and the first hour. That means employers will no longer have to track weekly wages and hours and maintain very complex files in order to determine when, and how much, premiums are payable each week.

As well, business people describe the record of employment as an absolute nightmare to administer. I have spent many hours late at night filling out ROEs. I would probably make a small mistake on some line and whether I did or not, the government always seemed to be sending them back.

The present system has been a real nightmare. The one-page form comes with a 35-page instruction manual. The weekly reporting system often means that employers must report earnings differently than their own pay periods. It has been a jungle.

Under the EI, the record of employment will be more like an employer's payroll. Employers will only have to report an employee's first and last days of work, total earnings and total hours. As well, the ROE can be used for post-audit verification.

With the changes I have outlined, plus the other provisions of Bill C-12, it is estimated that once fully implemented, the new employment insurance system will reduce administrative costs for businesses by between \$100 and \$150 million annually. That is a lot of money that could be used to create sustainable employment.

I am absolutely certain that once people get through a period of adjustment, employment insurance will prove to be one of the most productive pieces of legislation that this House has ever passed. It will be good for business and, in turn, it will be good for Canadians who are striving to become self-reliant, contributing members of the community.

To close, I would like to quote Tim Reid, president of the Canadian Chamber of Commerce, during his appearance before the standing committee: "We are pleased to see that the government's overriding goal in revamping the unemployment insurance program is very much in line with the Canadian Chamber's business expansion and jobs for Canadians".

I encourage the opposition parties to quit misleading Canadians on the benefits of Bill C-12. I encourage them to get behind this progressive legislation.

Government Orders

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I am pleased to speak today to what the government is calling employment insurance, which I consider not only unemployment insurance, but, alas, an unemployment guarantee. Let me explain why.

One element of the bill before us proposes to lower maximum insurable earnings from \$43,000 to \$39,000.

• (1345)

This will have major macro economic effects, which I have never heard mentioned either in this House or in committee. You are no doubt aware that people earning more than \$39,000 but less than \$43,000 will have more disposable income, whereas at the other end of the spectrum, the low wage earners, who in the past were not insured, now will be. But, they will be because they will be contributing to unemployment insurance.

Their disposable income will shrink. When we look at individual cases, this seems insignificant. However, when we look at the big picture, at the figures as a whole, we realize we are talking about hundreds of millions of dollars, indeed billions of dollars coming out of the pockets of low wage earners and going into the pockets of high wage earners. This will mean macro economic consequences for retailers, businesses and industry. Let me explain.

The low wage earners, with less disposable income now, will spend less, not for luxuries, they never had the means anyway, but for life's basic necessities. The high wage earners, with more disposable income, generally, will be able to buy luxury items.

What does this mean? How will this flow of money affect Canada's economy? Very simply, the economies of provinces with more low wage earners will centre on immediate need products, whereas in the economies of the provinces with higher wage earners, business and industry will develop around luxury items. Regions will become polarized based on people's average salary.

What this bill is doing is shifting wealth, and we have to face the fact, because incomes are not equal coast to coast. There are regions in Canada, in Quebec, less well off than others, where there are more low wage earners than in other regions where there are high wage earners.

With this new plan, the government is transferring several billions of dollars from areas with only low income earners to areas with high income earners.

I ask you: What do you think this is going to lead to in three, five or ten years? Poor areas will become poorer and the rich ones will become richer. The laws of macro-economics are that simple and obvious. You cannot play with these numbers and believe that the results will be simple and easy to arrive at.

I have never seen in a committee, or in the House, someone showing us an econometric model of the consequences of the implementation of this system. One should not rush into such a

decision. This is not the kind of decision you want to make hastily, and yet this is exactly what this House is going to do with this bill. There will be consequences.

• (1350)

The government is going to push some regions into poverty to the benefit of others which will get richer. When a country creates poor and rich regions, eventually it does not maximize its potential. It will eventually have to pay a price for it because rich areas will have to help keep poor areas economically active. The law of consumption, the great law which allows businesses to sell goods to consumers, will be faced with an impossible equation.

You see, if people can no longer afford to consume, how will businesses be able to produce goods and make a profit? Somebody forgot that businesses cannot afford to be only profitable, efficient and productive, they also need a market. Their market is made up of people like you and me, people who are listening to us and who have to earn a living day in and day out, and be left with enough money to be able to treat themselves to some of the niceties of life. And yet, what we are doing with this bill is transferring billions of dollars from the pockets of the poor into the pockets of those who are better off.

Let us imagine for a moment that the government is implementing one of the recommendations made by the Bloc Québécois and that everybody contributes to the UI fund regardless of any maximum insurable earnings. We would then be able to keep the UI fund in the black and provide adequate benefits to those in need, while reducing premiums and correcting inequities between the haves and the have-nots, between prosperous regions and disadvantaged regions. This solution would not be nearly as harmful and may even have a positive impact, while those who introduced this bill clearly did not assess its potential negative consequences.

I would also like to talk about seasonal work. Seasonal industries represent an important component of the Canadian economy from coast to coast. If you attack the seasonal industry in a region or in all regions, you will weaken—not you personally, Mr. Speaker, but the government, which I am addressing through you—the country's economy as a whole.

The bill before us may well undermine seasonal work. Any weakening of seasonal work would have negative consequences for the regions affected. Preventing this essential component of our economy, which provides us with fruits and vegetables at certain times of the year and offers us winter sports, from running properly would hurt the Canadian economy as a whole.

As consumers, seasonal workers who can no longer support themselves throughout the year will have less to contribute to the Canadian economy. As a result of this reduced consumption, a business somewhere will be stuck with surplus inventory and forced to cut production and then to lay off non-seasonal workers.

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We see what this could lead to. Sooner or later, attacks against seasonal work will become attacks against permanent jobs.

• (1355)

We are falling into a bottomless pit. It is not the first time this government and the previous one have committed basic errors in strategy. I will not talk about former minister Lalonde's national energy policy, a catastrophe for which we are still paying the price today. I will not talk about those policies which, year after year, have led us into a hole that is \$560 billion deep.

I will talk about what we are doing here today, which is gambling with a sum of about \$16 billion. In essence we are gambling because, until now, no other country in the world has dared take the measures we are about to take, that is to estimate insurability not based on the number of weeks worked, but based on the number of hours. What will be the consequences? I do not know, nobody here knows, and not only does it concern me, I find it totally unacceptable.

Before going any further with this bill, the government should have the decency to build a comprehensive econometric model to measure the consequences of this legislation. Then we could make the necessary adjustments or the necessary change of course, as the case may be, to achieve the desired results.

Only 40 per cent of unemployed Canadians are covered by the unemployment insurance plan, which is not much. It is not an employment policy. In a case like this, I can only wish the government not only withdraw its bill, but that it withdraw from the area of employability and transfer this responsibility to the provinces, especially Quebec which has been waiting for that for a long time. It is ready to assume this responsibility with policies that will be beneficial not only to Quebec, but to the rest of Canada as well.

[English]

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

STATEMENTS BY MEMBERS

[English]

MARTIN STREEF

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I take this opportunity to congratulate Martin Streef of my riding for being named the Ontario Region Outstanding Young Farmer for 1996.

While still in high school, Mr. Streef established in 1977 Streef Produce Ltd. with his four brothers as partners. Starting from

scratch, the company is now one of the largest potato producers in Ontario and operates five farms on 1,500 acres in Oxford and Brant counties.

It is refreshing to see young farmers rising to meet the challenge of today's marketplace. Mr. Streef has shown that hard work does pay off and serves as example to other young farmers planning an agricultural career.

On behalf of the House I extend my congratulations to Mr. Streef and the other seven regional winners who will compete at the national event November 13 to 17 at the Royal Winter Fair in Toronto.

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[Translation]

INTERNATIONAL WORKERS DAY

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, yesterday, May 1, we celebrated International Workers Day. On this occasion, we must take a moment to reflect on the situation of workers on the eve of the 21st century.

Production methods, as well as the nature and conditions of work, have changed considerably over the past century.

Still today, over 90 per cent of the population consider work the primary activity of human beings.

The challenge facing us over the next decade is to give all men and women who so wish a chance to perform a function in our society that will allow them to realize fully their abilities and that will encourage their autonomy and self development.

Hats off to workers everywhere.

* * *

[English]

HUMAN RIGHTS

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, the first principle of the Reform Party of Canada as stated in our blue book is: "We confirm our commitment to Canada as one nation and to our vision of Canada as a balanced federation of equal provinces and equal citizens". I affirm that belief. This is why I was so deeply offended at the attempt by CBC Radio to portray my comments to a radio station in my riding as being discriminatory against gays and lesbians.

I wish to assure the House I believe that gays and lesbians have exactly the same rights as every other Canadian.

For whatever reason, CBC Radio decided not to include in its report the following statement: "I don't say that you have to sit at the back of the bus or that you can refuse to hire them on the basis of their homosexuality. I don't think that is acceptable. But they

have the same protection under the charter and the human rights act as all other Canadians”.

I also said in the same interview: “We don’t accept or encourage discrimination against anybody because they are homosexual or they are gay”.

* * *

HOPPER CARS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the federal government has put its fleet of 13,000 hopper cars up for sale and has begun a process to establish the criteria on which bids will be accepted. There are a number of things that should be considered.

First, the government has to realize that the critical issue in this process is the allocation of these cars. Although ownership is important, it will take an efficient system of moving those cars to grain collection points and then to port to make the issue of actual ownership relevant.

Second, since it is clear that producers are going to be asked to pay the full cost of the existing fleet as well as the replacement costs as the fleet ages, it is important for the government to realize that producers are justifiably correct in their demand to be included in the ownership and allocation process.

Third, it is important that the government indicate whether its intention is to make money off this sale or if its intention is to relinquish jurisdiction and influence over the cars.

The criteria for the sale and for the bidders will depend on the answer to that question.

* * *

RCVC WESTERN FITNESS ROOF

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, young people today are faced with many challenges. What they learn during their school years is crucial for their success as adults.

Twelve young women from Saskatoon learned this past weekend that with desire, hard work and perseverance dreams can come true. I speak of RCVC Western Fitness Roof, a volleyball club from Saskatoon.

The dedication of these young women under the superb coaching of Frank Enns and his assistant, Roxanne Deptuk, was rewarded when this team won the gold medal at the Western Canadian Midget Women’s Volleyball Championship in Victoria. This team not only captured gold, but went through the entire season, including this tournament without losing a match.

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Congratulations to them all.

* * *

[Translation]

GOODS AND SERVICES TAX

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, yesterday, the Deputy Prime Minister of Canada announced her resignation as the member for Hamilton East, because the government has refused to fulfil its election promises.

The resignation of Canada’s Deputy Prime Minister is yet another flagrant example of how the federal Liberal government has thumbed its nose at the voting public by refusing to scrap the GST.

First, the member for York South—Weston was kicked out, and now the member for Hamilton East finds herself leaving the ranks of the federal Liberals. What is the Prime Minister waiting for to state publicly that he and his party made a mistake in promising taxpayers that they would abolish the GST, as the finance minister admitted last week?

The credibility of all members of Parliament has suffered. What is the Prime Minister waiting for to admit his mistake?

* * *

[English]

GRAIN HANDLING

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, task forces, inquiries and consultations can only be effective if the government is willing to act on their recommendations. Over the last two years the government has commissioned no less than three studies into the movement of grain through west coast ports, but nothing has changed as a result of all this work.

Workers, farmers, producers, shippers and manufacturers are worried. Work stoppages cost millions of dollars. Markets are lost and reputations are damaged. The clock is ticking. Is the government willing to stand by and wait until there is another labour disruption requiring back to work legislation for the umpteenth time?

There is an option. The west coast ports inquiry recommended final offer selection arbitration as a tool for settling labour-management disputes.

I suggest that the time has come for the government to relinquish control. Give labour and management the mechanism to solve their disputes and meaningful settlement will result.

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• (1405)

MISSING CHILDREN

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, May is Child Find Canada's annual Green Ribbon of Hope month. Canadians are asked to wear a green ribbon as a symbol of hope for the safe recovery of missing children.

The green ribbon of hope originated at Holy Cross Secondary School when Kristen French's friends and teachers wore the green ribbon to express their hope for Kristen's safe return. Sadly, Kristen did not return.

It is every parent's nightmare to learn that their child has been abducted. Yet for too many families this nightmare becomes a reality. In 1995, 55,749 children were reported missing in Canada. This includes children who were abducted by a stranger, by a parent and children who ran away.

I represent a community which has been forever scarred by the tragedy of a missing child. Christopher Stephenson was just 11 years old when he was taken and lost his life at the hands of his abductor. For the Stephenson family the horrors of child abduction have left a permanent mark. We must make every effort to ensure that another family does not experience the same trauma which the Stephenson family has had to endure.

I urge Canadians to wear a green ribbon.

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THE LATE JOHN DICKEY

Mr. Russell MacLellan (Cape Breton—The Sydneys, Lib.): Mr. Speaker, it is with sorrow and a sense of loss that I rise today to offer my condolences to the family of John Dickey who passed away on April 27 at the age of 81.

John served our country with distinction throughout his life. As a veteran of the second world war, as an outstanding lawyer and as the member of Parliament for Halifax between 1947 and 1957, John epitomized intelligence, integrity and commitment. He was an active member of his community and was respected by anyone who had the privilege to be acquainted with him.

John had a great many friends not only in Nova Scotia but throughout Canada and the rest of the world. He was devoted to his family. I know my colleagues join with me in extending sincere sympathies to his wife Joyce and their six children. He will be greatly missed.

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, recently, on April 29, 1996, a demonstration was held in my riding to show the dissatisfaction of the public with the unemployment insurance reform.

The demonstrators included people from unions, community groups, teachers' associations and women's groups. These people denounce the unfortunate effects that this reform will have on their daily lives and deplore the fact that the government is not going after those who have the money, the more fortunate members of our society.

The demonstrations, which were held in various locations in Quebec and in Canada, are sending a message to this government, and it has no right to turn a deaf ear to these people who are only claiming their due.

The federal government is not doing its homework. It should not, therefore, be surprised, that the public is not giving it a passing grade.

* * *

[English]

STRATFORD FESTIVAL

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, last week people across the world celebrated the birthday of the late William Shakespeare, the greatest playwright of all time. On the heels of this celebration I cannot think of a better occasion to remind Canadians about one of the jewels of Shakespearean theatre, the Stratford Festival.

Heading into its 44th season, the Stratford Festival has become a true success story. While most arts groups rely heavily on government funding, only 8 per cent of the festival budget is derived from government funds. This funding is minimal compared with the estimated \$100 million in economic benefits derived from the festival for the city of Stratford and the over \$25 million in taxes generated for the governments.

I wish all those associated with the festival another successful season. I encourage all Canadians to visit my riding and take in a performance during what will surely be another fabulous season. For my colleagues in the House of Commons, I have placed a festival program in their desks for their use.

* * *

SENTENCING AND PAROLE

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, recently I hosted two town hall meetings in different parts of my large riding of Algoma to discuss a wide variety of issues with my constituents.

A number of them voiced their serious reservations about how we deal with those who perpetrate particularly violent crimes which lead to life sentences upon conviction. Of concern was section 745 of the Criminal Code which provides for a review of life imprisonment sentences for first degree murder after 15 years. This can be the case if they apply under the faint hope provisions of Canada's parole legislation.

I agree with my constituents that this can sometimes send the wrong message about our justice system and the seriousness of murder.

• (1410)

I call on our government to address this issue by amending the Criminal Code to provide society and especially the victims of crime with assurances that life sentences given to those who are the most violent have little likelihood of being reduced.

While I am supportive of maintaining the faint hope provision for most offenders, I would ask that judges when sentencing have the authority to remove the faint hope review for certain criminals.

* * *

[Translation]

HON. MEMBER FOR NANAIMO—COWICHAN

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, as a member of an ethnic minority, I strongly condemn the racist and homophobic remarks recently made by the former whip of the Reform Party.

After making amends by apologizing before this House, the hon. member for Nanaimo—Cowichan dug himself in deeper by saying in a televised interview with Don Newman yesterday that his worst fault was to be too honest and too direct in answering questions.

Not only was the hon. member thinking what he said, but he learned from his blunder that he had been too honest in letting people know what he really thinks deep down inside.

Given what he said, the people of Quebec and Canada have a right to expect Reform members to reveal all their prejudices before the next election.

* * *

[English]

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the government's plans to change the human rights act are being rammed through Parliament without allowing members the freedom to air their concerns. Most Canadians would like to see both sides of the issue presented fairly in Parliament but that is not going to happen.

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Tuesday's debate on the bill was limited to a mere three hours through the use of closure. Committee debate will be limited by closure. Even Liberal members of Parliament are muzzled by their own party. Two days ago I asked permission to share my speaking time with a Liberal member but was denied permission by the Liberal Party in this House.

These momentous changes to the human rights act will have far reaching effects for all Canadians. They deserve a thorough debate in our Parliament and in our society where everyone can freely speak their mind.

It is shameful that the Liberal government would use its majority to slam the door on honest debate and freedom of speech in this House.

* * *

RACISM

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, history teaches us that racism and intolerance must be challenged wherever it raises its ugly head. Attempts to dismiss racist comments as mistakes are too superficial. They ignore a pattern of intolerance that requires more serious attention.

There is a pattern of statements from members of Parliament in the Reform Party about aboriginal people that is very hurtful because of their intolerance and racist roots. For example one member compared reserves to south seas island resorts in an attempt to ridicule aboriginal land claims. There was a statement made by the hon. member for Athabasca where in reference to the aboriginal people he said:

The Europeans came to this country 300 years ago and opened it up and settled it and because we didn't kill the Indians and have Indian wars, that doesn't mean we didn't conquer these people. If they weren't in fact conquered, then why did the aboriginal people allow themselves to be herded into little reserves in the most isolated, desolate, worthless parts of the country?

There is no room in Canada or in Parliament for intolerance of this kind.

* * *

[Translation]

HON. MEMBER FOR QUÉBEC-EST

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, yesterday, the hon. member for Québec-Est made a derogatory comment, comparing francophones outside Quebec to paraplegics in wheelchairs. I am deeply offended by this comparison.

I am a francophone from northern Ontario and proud of it. My wife, too, is a francophone; she is also paraplegic and confined to a wheelchair. Despite her condition, she, unlike the hon. member, is in full possession of her faculties; this does not make her a second class citizen, as the hon. member is suggesting.

Oral Questions

I feel that the comments made by the hon. member are an insult to all handicapped people who, like my wife, must use a wheelchair. I am asking the hon. member to apologize to all those who were hurt by his comments; that is the least he can do.

ORAL QUESTION PERIOD

• (1415)

[Translation]

GOODS AND SERVICES TAX

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister made some rather startling remarks this morning. I would like to raise them with a member of the government.

The Prime Minister said that politicians cannot be held to all their election promises, because of what he called acts of God. The Prime Minister added, with regard to his government's failure to settle the GST issue: "Sometimes, in the course of a mandate, you run into situations where you cannot deliver the goods".

My question is for the Prime Minister or whomever speaks on his behalf on this day of crisis for the government. Are we to understand that the Prime Minister is finally admitting that he and his government missed the boat in the matter of the GST and were unable to deliver the goods?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in 1990, Quebec signed a harmonization agreement with the Government of Canada. This said, it was far from clear whether the new government would continue the process.

With the first Campeau budget, the Government of Quebec not only made it very clear, but in fact put measures in place that eventually resulted in total or near total harmonization of the Quebec sales tax and the federal tax.

Now, if I understand the hon. member, because, really, an event changed the game since the election, as we have to admit, does the member think the federal government should have created a completely different tax that could not be harmonized with Quebec's tax?

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the Minister of Finance has days when he is effective in this House, but this really is not one of them. I thought, however, that he had already prepared to take over for the Prime Minister, but I realize this is not the case.

My question is serious, and I do not want an answer from him on the Quebec sales tax or on anything else. I want him to answer my question. Are we to understand, when the Prime Minister says that politicians should not be forced to sign contracts to keep their

promises, what I would like to know is, in saying this, is the Prime Minister referring to the fact that, as far as the Liberals are concerned, politicians can say whatever they like during election campaigns and then invoke an act of God to justify their inability to deliver the goods?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I admit I am just as guilty as the Leader of the Opposition, but being effective does not always mean getting excited. I think it is possible to have a debate and be effective by responding calmly to a question.

Obviously, when Quebec, representing 25 per cent of the population, decided to harmonize, it put the federal government, to some extent, in the position of not being able to harmonize any new tax it developed with Quebec. The Quebec Minister of Finance, Mr. Landry, told us at the meeting of finance ministers that we must not come up with another tax, because it was important for Quebec and its economy to have a harmonized tax. So this is what we did.

• (1420)

So I think the Leader of the Opposition will agree with me that we did the best thing for Canada's economy and, specifically, for Quebec's economy.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, there is a limit. The government is in a full blown crisis of confidence. The Minister of Finance, a few days ago, apologized for failing to deliver the goods. The Deputy Prime Minister had to resign because she did not keep a promise. The Prime Minister keeps saying he kept his promises and, this morning, he tried to tell us that sometimes we should let politicians make promises and not keep them.

I ask the government represented here by the Minister of Finance—it is not my fault there is no one else here to answer questions—whether the Prime Minister, in doing so in this day of crisis, wanted to acknowledge outside the House of Commons that the government was unable to keep its promises?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, do the members of the Bloc who said they would resign if the referendum did not pass intend to resign?

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, let him find such a statement, just for the fun of it. We have said we would be here until the referendum goes through, and it will go through some day. We, unlike others, can live with the statements we make. The problems are not on this side of the House, but on the other side.

Mr. Young: Four out of seven!

Mr. Duceppe: Do not worry about the Minister of Human Resources Development. We will find some nice statements he made about the GST in the days he debated the issue with Mr. Wilson. His turn will come.

Oral Questions

Last week, the Minister of Finance recognized that his government had made an honest mistake by promising to abolish the GST. He cannot deny it, we heard him on every TV channel. His leader was not too pleased, but the minister said it. In fact, during his career, he has made many statements that did not please his leader. Last week's admission was unquestionably one of them.

Today, following the resignation of the Deputy Prime Minister and his leader's flip-flop, I ask the Minister of Finance if he stands by his statement of last week that his government, and himself as Minister of Finance, made an honest mistake by promising to abolish the GST? Does he maintain his statement?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I not only maintain that statement but, when I made it, I was speaking on behalf of the government. That statement was endorsed by the government.

I want to take this opportunity to praise the courage and integrity of the hon. member for Hamilton East, Deputy Prime Minister and Minister of Canadian Heritage, Sheila Copps. I am also extremely confident that she will be back here after June 17, exactly in the same seat.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, this is another example of a statement made by the Minister of Finance that will not please his leader. The minister just told us that he spoke on behalf of the government. That is what he just said. Speaking on behalf of the government, he said: "The government made a mistake when it promised to abolish the GST." For three or four days now, the leader of the same government has been saying that there was no mistake. This is a good one.

• (1425)

I would like to know who speaks on behalf of the government. Is it number three? Number two is gone because she had talked too much. Who speaks on behalf of the government? Which version is right: that of the Minister of Finance, or that of the Prime Minister?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Prime Minister speaks on behalf of the government, the Minister of Finance speaks on behalf of the government, all cabinet ministers speak on behalf of the government. Not only that but, as a government, we speak on behalf of all Canadians, including those who live in Quebec. We speak for a country that is one and united.

[English]

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, Sheila Copps resigned because she broke an election promise to Cana-

dians on the GST. The Prime Minister tried to tell us yesterday that Ms. Copps had to go because she overstepped the red book.

During the last election the Prime Minister promised Canadians time and time again that he would abolish the GST, kill the GST, scrap the GST.

What is the difference between Sheila Copps' promise to scrap the GST and the Prime Minister's promise to scrap the GST?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, yesterday the member for Hamilton East, the former Minister of Canadian Heritage, stated her position with what we all thought was an enormous amount of courage.

What she stated was that the measures taken by the government in terms of the sales tax were in keeping with the statements in the red book but that in certain of her statements during the election campaign she had gone beyond that.

In those circumstances, because she is a person of tremendous courage, she resigned her seat in order to demonstrate that courage and credibility before the people of her riding.

Yesterday on television we saw elector after elector in her riding state their great confidence in Sheila Copps. There is no doubt that on June 17 the people of Hamilton East will demonstrate their recognition of the great courage, the great credibility and the great integrity of the member for Hamilton East.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, a week ago it could have been described as courage. One week later it is convenience. It has nothing to do with courage.

On September 10 the Prime Minister stated quite clearly: "There will not be a promise in the campaign that I will not keep". That is the campaign, not the red book.

On the campaign trail the Prime Minister promised Canadians he would abolish the GST. The Deputy Prime Minister made the same promise and resigned because she did not keep it.

Will the Prime Minister now admit that he, like Sheila Copps, broke his campaign promise to the Canadian people on the GST?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, how can the member, a representative of that party, talk about courage, credibility and integrity when the former chief whip of that party, who made a statement that cast dishonour upon every one of us in the House, refused to resign?

What did the former chief whip do? Did he resign his seat? No. What he did was resign as chief whip. That party changes chief whips every week.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the finance minister can try to duck election promises all he wants, but

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the government promised Canadians from one end of the country to the other he would abolish, scrap and kill the GST.

Page 22 of the red book was not good enough for the Prime Minister on the campaign trail and it was not good enough to keep Sheila Copps on the front benches.

Why does the Prime Minister refuse to accept responsibility for the promises he made during the last election? How can he expect Canadians to believe that his promise to abolish the GST was different from the promise made by Sheila Copps?

• (1430)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, Reform members stand up here every day fulminating against the GST, making statements about their preparedness to abolish it, to scrap it.

After the finance committee said it is simply unacceptable that Canada have 10 sales tax systems, how could those members stand up here and say they commend the government on its attempt to harmonize the tax with the provinces? How could the Reform Party have been so right then and so wrong now?

* * *

[Translation]

REFERENDUMS

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, according to today's newspapers, the federal government intends to show up in court on May 13 to question the right of Quebecers to decide their own future.

Can the Minister of Justice confirm this morning's news reports to the effect that Ottawa is about to intervene in court on May 13 to question the right of Quebecers to decide their own future?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, for a long time now, the federal government has been following the situation with regard to Mr. Bertrand's litigation. In his case, Mr. Bertrand has raised several constitutional issues of great significance. So, it is important for the federal government to examine the case and the issues, and that is what we are doing.

I hope to be able to make a recommendation to my colleagues in the next few days. We have not made any decision yet, but we are examining the situation.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the government is interfering with the most legitimate right of all Quebecers to decide their own future.

How can the Minister of Justice justify such a decision, because he did say that he would make it, when shortly before the last

referendum he stated that the right of the Quebec people to express their will concerning their own future was a political position and not a legal issue?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the substance of the Bertrand litigation has to do with constitutional issues. It is passing strange to my colleagues and to the Attorney General of Canada would be disinterested in constitutional issues. The Government of Quebec brought a motion and has taken a legal position in relation to the issues in the action.

It is part of my responsibility as chief law officer of the federal government to look at the issues in that case and to recommend to my colleagues and to the Prime Minister a position in relation to the case. This is not interfering with the expression by the population of Quebec of its will or its position on a question. This has to do with constitutional and legal issues, the very substance of the Bertrand litigation. That is the reason we are looking at it and preparing ourselves to decide.

* * *

SALES TAX

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, under the finance minister's plan to hide the GST in Canada he has added to the list of taxable items things like children's clothing, wheelchairs, books and medication.

Before they were elected the Liberals claimed they cared and would not tax these things. Why did they stop caring once they were elected?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, obviously when we have 10 different retail sales taxes across the country resulting in different tax bases we have to start somewhere. The general understanding was that we would start with the one common base which existed across the country, the federal sales tax base.

We made it very clear in negotiations with the provinces that we were prepared to examine this whole area and we will do so.

I have a little difficulty with the question from the member of the Reform Party who in the finance committee called for an expanded sales tax base. Perhaps the member might tell us what he would expand it to, food, pharmaceuticals and various other things?

• (1435)

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, in all of Canada second hand dealers in everything from books to jewellery to boats are fuming about the change in GST regulations that wipes out the tax credits they used to get.

The government's budget bragged "no tax increases". With the nationwide tax increases I just mentioned, is this statement, made so proudly in the budget, still true?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the federal government is not increasing its tax take. The rate stays at 7 per cent. The federal base stays the same. As a result of this there is no increase in revenue to the federal government.

If we look at what is happening in Atlantic Canada, there is obviously a substantial decrease in the tax rate as it applies to Atlantic Canadians.

I return the question to the hon. member. During the finance committee they said they would expand the base to food and pharmaceuticals. How can the member now stand up and essentially say he would tax the basic necessities of life and then criticize the government for trying to introduce rationalization into the system?

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[Translation]

REFERENDUMS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

We also learned today that the President of the Treasury Board and the Minister of Intergovernmental Affairs have also recommended to the Prime Minister that he challenge the right of Quebecers to decide their own future.

Does the minister not realize that, by denying the people of Quebec the right to decide their own future, his government is demonstrating that it has nothing to offer Quebec and that the grand plan for national reconciliation is nothing more than a big hoax?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the federal government has no intention of preventing the people of Quebec from expressing their position on these matters. This is not why Mr. Bertrand launched his suit. Let us be clear about Mr. Bertrand's case. He began it as a private citizen, and he raised important constitutional questions.

As the Attorney General of Canada, it is my responsibility to prepare and to give advice to the Prime Minister and to my colleagues on the question of participating in this case. In fact, the federal government has been made mis en cause by Mr. Bertrand. We are therefore already involved in the case before the courts. In the days and weeks to come, we will be examining the matter and deciding whether we will participate actively with the other parties before the court in order to determine the important points in the case.

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Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I am truly surprised that the Minister of Justice would give such a long winded non-answer to a very simple question. Does the government intend to challenge the Quebec referendum or not?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the referendum is not in issue in the Bertrand litigation. The court documents revealed that what is in issue is the constitutional validity of l'avant-projet de loi. That is the issue before the court, and it raises questions of legal significance.

As I have already told the House, it is my responsibility as Attorney General of Canada, having been made mis en cause in the litigation, to prepare and give advice to my colleagues and the Prime Minister, which I shall give.

* * *

● (1440)

GOODS AND SERVICES TAX

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the Minister of Finance. The finance minister in Alberta has argued that the federal minister is lowering the GST rate in Newfoundland to 5.5 per cent by throwing a billion dollar subsidy at the Atlantic provinces.

Is the minister planning to give a break to the rest of Canada by lowering the tax rate on the GST to 5.5 per cent?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the transition funding provided to Atlantic Canada does not represent a cut in the federal sales tax rate. That rate remains at 7 per cent from coast to coast.

This is a cost sharing with the Atlantic provinces. They pick up the first 5 per cent loss on their own provincial sales tax revenue. But it is a cost sharing over four years. In other words, this is transition funding. It ends at the end of four years. It is not permanent.

The kind of rate cut that the member is talking about would be a permanent rate cut. Obviously he is comparing an apple and orange. I am sorry but it is not on.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it sounds like fruit salad to me. Even if I could not sing, for a billion dollars I could learn to harmonize too.

The pay-off to the Atlantic provinces is unfair. It taxes the rest of Canada in order to subsidize taxation in another area of the country.

When will the finance minister admit that this is not a business deal, it is a political deal? The harmonization deal asks other

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Canadians to keep paying 7 per cent while people in another part of the country pay only 5.5 per cent.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, try as he might, the hon. member is not going to be able to make this stick.

It was not the federal rate that came down. It was the provincial rate that came down. The provincial rate came down because the Atlantic provinces, albeit using a certain amount of transition funding, are absorbing that cut and expect to make it up as a result of increased activity.

Let us take a look at what is being said here. The government is providing transitional funding on a four-year basis on an average to the three provinces of \$250 million a year. A cut in the national rate from 7 per cent to 5.5 per cent would cost about \$4.5 billion a year.

What the hon. member is asking for is the equivalent of \$250 million transition funding leading to a \$4.5 billion cut which is simply nonsense. The fact is in B.C., it would be \$725 million and in Alberta it would be \$485 million. The numbers simply do not stand up.

What is more important—Mr. Speaker, you want me to stop?

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[Translation]

PRICE OF GASOLINE

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, my question is for the Minister of Industry.

This minister is responsible for promoting competition. Yet, over the last month, the price of gasoline has increased by more than 25 per cent.

To protect consumers just as the American government is doing right now, what is the minister waiting for to use his powers under the Competition Act to order an investigation into the possibility of collusion among companies?

Hon. John Manley (Minister of Industry, Minister for the Atlantic Canada Opportunities Agency, Minister of Western Economic Diversification and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we will look closely at this investigation in the United States to see the results. As the member knows full well, the power of the Minister of Industry to give an order to the director of competition is seldom used. In fact, it has been used only once in Canada.

At this time, we do not have enough information to justify such an order, but if the member wants to ask questions to the director, I think he will be appearing before the industry committee. Moreover, the member has the right, with five of his colleagues, to submit a request directly to the director.

• (1445)

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the minister seems to forget that this responsibility ultimately falls on his shoulders. He himself has the power to intervene under the law.

If the minister thinks the evidence is not sufficient, why then does he not decide to launch an investigation into this since he has the power to do so?

[English]

Hon. John Manley (Minister of Industry, Minister for the Atlantic Canada Opportunities Agency, Minister of Western Economic Diversification and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I am not sure how long the line would be if we were to issue directions to hold investigations every time somebody made an allegation.

As the hon. member knows, there have been a number of situations with respect to gasoline prices that have been investigated by the director of the competition bureau. That has led, in recent months, not only to charges having been laid but successful prosecutions under the provisions of the Competition Act.

The director has also established a 1-800 number so that consumers who have concerns about gas prices can make those concerns known directly to the bureau of competition so that action can be taken where it is warranted.

Finally, I remind the hon. member that he with five of his colleagues has the ability to ask the director to investigate issues where he thinks there are facts that warrant it.

* * *

FIREARMS ACT

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Today the minister tabled the Firearms Act regulations which have 30 days of consultations. Having read the regulations, I and many of our colleagues see the need for some changes and some modifications.

Is the minister prepared to listen to representations and make changes to the regulations which we feel will make it less burdensome on legitimate gun owners?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have a strong sense of déjà vu when I answer questions having to do with the Firearms Act, but the simple answer is yes.

Today I tabled the first segment of regulations which will help implement the Firearms Act and bring its principles to life. The purpose of tabling them at this time and having 30 days before the committee is to permit us to solicit and collect reactions.

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The hon. member was kind enough to express already today some of his reactions to the draft regulations. I want to assure him and all members of the House that we will be taking note of the views of those who read the regulations and have an interest in them. We are more than prepared to make changes and adjustments in these draft regulations to deal with any reasonable concerns that are expressed.

* * *

SALMON STOCKS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

B.C. salmon stocks are rapidly shrinking. Fraser River stocks are almost gone and this year's Alaskan catch will severely hurt our northern runs. One would think the government's plan would include a strategy to save the salmon but it does not. The minister of fisheries is fiddling with licences while the B.C. fishery burns.

My question for the minister is very simple. Will his plan preserve salmon stocks in British Columbia or not?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member will be aware that a parliamentary committee has been considering the plan and it does involve consideration of a long range strategy.

In fact, as a result of fruitful discussions between the minister, the parliamentary secretary and the main stakeholders in British Columbia in the salmon industry, the parliamentary committee will be hearing expert witnesses in the next week. It will be advising on the development of a strategy.

We are faced with two problems, an immediate short run, a 1996 problem that is near crisis dimensions, and a long range one. There are all these matters. For one month there has been a continuing process of discussion with the main stakeholders. Continuing input, including input from the hon. member, will all be part of the final plan.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the delegation to which the minister's representative refers has told the committee and the members of Parliament that the measures in the Mifflin plan will not conserve salmon in British Columbia. The minister admitted as much in the House yesterday in response to a question from this party.

● (1450)

His admission flies in the face of what the minister said when he announced the plan in March. He emphatically told British Columbians that conservation was the overall objective, and now he admits it is not.

Why is the government spending all its bloated bureaucratic energy on a plan that does not stop the pie from shrinking, but just gives bigger pieces to fewer people?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member is too selective in his recourse to witnesses. We have heard many people, many strongly in support of plan, many critical. The government is open to a dialogue, to discussion, and we are considering all these matters.

As far as the industry is concerned, it has been made clear by the minister that the first priority is the conservation of the fish. But the good health of the industry is dependent on conservation. Let us get through 1996, then 1997-98 will be a more normal season.

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[*Translation*]

IRVING WHALE

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Acting Prime Minister.

Quebec environment minister David Cliche yesterday announced that, for the moment, he is unable to give the go ahead to the operation to refloat the *Irving Whale*, because federal employees have been unable to provide satisfactory answers to a number of questions, in particular four key questions on the safety of the operation.

How can the minister explain the inability of the environment department's employees to provide answers to Quebec's questions?

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.): Mr. Speaker, the Government of Quebec, through its minister, has indeed raised questions that are highly technical in nature and are related to certain studies already carried out. I assure my colleague opposite that all of these questions will be carefully studied and answered. We are confident that we have the information in hand to reply to them.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, the *Irving Whale* refloat is scheduled to begin May 15, so these answers must be received as promptly as possible, before the operation is begun.

Does the minister commit to not beginning the refloat until such time as the environment department's employees have provided satisfactory answers to all of the technical questions raised by Quebec?

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.): Mr. Speaker, the ministers with responsibility on the federal level, that is the Minister of Fisheries and the Minister of the Environment, have issued directives for federal and provincial officials to meet as

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soon as possible with a view to finding answers to all of the technical questions raised.

I assure the hon. member that these answers will be found and that, in the case of the *Irving Whale* refloating operation, nothing is being taken for granted, and every effort will be expended to reassure all those with concerns about the operation.

* * *

[English]

CANADA PENSION PLAN

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Human Resources Development.

Further to yesterday's discussion, it is becoming abundantly clear that the government's CPP hearings are a sham and that the government has already made up its mind to double the CPP payroll tax.

Consider the structure of the hearings. Only Liberal MPs are allowed to sit on the panel. Only one MP, the Parliamentary Secretary to the Minister of Finance, is attending all of the hearings, and this one MP has already said that he advocates an immediate doubling of the CPP payroll tax from 5.5 per cent to 10 per cent.

Will the minister admit the obvious? The fix is in on these hearings.

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, the Minister of Finance and I have had many discussions about this to ensure that the process from the federal government's point of view is properly conducted.

To correct the impression left by the hon. member, the member of Parliament who is representing the Government of Canada is the chairman of the industry committee but is certainly no longer the Parliamentary Secretary to the Minister of Finance, and is actually acting on our behalf.

• (1455)

Even with the flexible federalism being practised in this country, it would be impossible for one federal member of Parliament to put the fix in with 10 provinces and the territories. This is a co-operative arrangement. It can only be changed, as I recall off the top of my head, with the agreement of seven of the provinces, representing 70 per cent of the Canadian population. Not even the hon. member for Winnipeg North Centre can put that kind of a fix in.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, despite the hon. member's remarks to me, I would like to read into the record a statement made on April 14 by the hon. member for Winnipeg North Centre who said: "My own view is if we reorga-

nize the program and stabilize the contributions at somewhere in the range of 10 per cent, it would be a more adequate solution".

This amounts to an additional 5 per cent payroll tax taken from the pay cheque of every Canadian from coast to coast. Will the minister state for the record that he will not implement this, the worst of all possible scenarios?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, I keep trying to reassure the hon. member that it is not going to be a unilateral decision of the Government of Canada.

There is another side to the coin. When the hon. member who was involved in the hearing process expressed his views, I have no doubt he was saying that, depending on the need to maintain an appropriate level of support for recipients of the Canada pension plan in the future, there will have to be some hard decisions made. That was his view. As indicated in the quote, it was a personal view. However, his personal views will have to be seen through the prism of all of these hearings, with all of the provinces being involved.

At the end of the process, whatever the recommendations may be of the government and the various provincial governments involved, it will be brought to the House where all members will have an adequate and appropriate opportunity to express their views on the matter.

* * *

[Translation]

JUSTICE

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, my question is for the justice minister.

[English]

People in my riding are outraged about the placement of a convicted dangerous sex offender at Keele Street Correctional Centre. The public is justifiably concerned about the safety of their families.

In the platform book and in the throne speech the government made commitments for greater security for our communities. When can my constituents and other concerned Canadians expect tougher legislation for dangerous sex offenders?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first, I know the hon. member is aware of the measures already taken. The Solicitor General of Canada has implemented measures through Bill C-45 which could result in parole being denied altogether to certain offenders, particularly sex offenders, who must serve their full time. There have been measures in bills which I have brought forward which provide for stiffer sentences for crimes of violence.

The question which the hon. member raises deals directly with the issue of how to manage high risk offenders. As the hon. member knows, because I have told the House before, the solicitor general and I are preparing proposals for cabinet which I hope to

introduce before we rise at the end of June to deal with high risk offenders, that is, for people who may not be categorized as dangerous within Part XXIV of the Criminal Code, but who, because of their violent conduct, are at a high risk to re-offend by harming others after their release from prison. These proposals would empower the court to impose periods of supervision as long as ten years after their release.

That and related changes, I hope, will deal with the concerns that the hon. member has raised. I will elaborate on those proposals with the solicitor general in the weeks ahead.

* * *

CHILD CARE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development.

In the last federal election the Liberals promised in the red book and across Canada to implement, together with the provinces, an affordable, accessible, national child care plan. In view of the fact that there are no more federally earmarked dollars for child care under the CHST, will this be another broken promise like the GST promise, or will the Liberal government and this minister finally recognize that there is a desperate need for quality accessible child care in every province and territory in Canada? Will the minister finally live up to that promise?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, an attempt was made by the government before Christmas to try to find a way to come to the assistance of people who understand, as the hon. member knows, the need for child care across the country.

• (1500)

The response to that initiative, led by the Government of Canada, was less than warm. Governments across the country, practically without exception, said that although they recognized the need for child care, they wanted to make sure the Government of Canada understood the jurisdictional questions and that whatever the Government of Canada did it would be compatible with what the provinces saw as their needs and based on their capacity to provide resources.

I assure the hon. member we have had conversations with representatives of all governments across the country. We believe there is a very good opportunity to continue to play a national role in the provision of child care.

I look forward to working with individuals and groups, people who are interested in this matter, as well as with provincial governments to ensure the Government of Canada plays a signifi-

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cant but acceptable role in the provision of child care support across the country.

* * *

PRESENCE IN GALLERY

The Speaker: I draw to the attention of members the presence in the gallery of fellow parliamentarians of ours from Russia, a delegation of regional chairs and members of the Federation Council of Russia.

Some hon. members: Hear, hear.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to know what the legislative agenda for next week is.

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the government intends to continue consideration of Bill C-12, an act respecting employment insurance in Canada, until its completion.

[English]

If the bill is not concluded when Bill C-33, the human rights amendment, comes out of committee, we will interrupt the debate to conclude Bill C-33. Then we will return to Bill C-12.

If at some point before next week's business statement we either complete both of these bills or are, for procedural reasons, unable to consider either of them, we will call Bill C-19, the internal trade bill, followed by Bill C-26, the ocean legislation.

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[Translation]

EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, I appreciate your giving me the floor so early. Our proceedings are moving faster and faster, exactly the reverse of what we are used to from the government.

Regarding this bill, before oral question period, I was listening to my colleague, the member for Portneuf, with whom I share the same views on the negative consequences of unemployment insurance. At the end of my speech, I will have the opportunity to be more specific as to its impact on the area I represent, namely the south shore, the area of Bellechasse.

Obviously, when we talk about unemployment insurance, it always brings us back to the history of the Canadian Federation, to

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the constitutional background of this whole issue. I will go back to a time when my father had just turned 30, in 1938, and a new session was starting; 10 years later, I had the pleasure to be born, coming into a world of unemployment insurance. I will read something I wrote several years ago.

In 1938, at the start of the new session of Parliament, the government mentioned in the throne speech that it was seeking the co-operation of the provinces to amend the British North America Act to give the Canadian Parliament the necessary power to implement a national unemployment insurance plan.

• (1505)

The governor general added:

[*English*]

“My ministers hope that the proposal may meet with early approval in order that unemployment insurance legislation may be enacted during the present session of Parliament”.

[*Translation*]

That was in 1938. In fact, as early as November 5, 1937, the federal government had contacted the provincial governments and asked them their views on the principle of an amendment to the British North America Act that would give unemployment insurance to the federal authority.

It must be remembered that there was no amending formula at the time. We will see the somewhat twisted and strange way in which the federal government acted to take over control of unemployment insurance.

So, in 1937, a detailed proposal was submitted to the provinces; in March 1938, the provinces of British Columbia, Saskatchewan, Manitoba, Nova Scotia and Prince Edward Island had totally agreed on the amendment proposed by the federal government. As for the Government of Ontario, it had given its agreement in principle without expressing its views on the text submitted by the federal government. Only Alberta, New Brunswick and Quebec had refused to agree to the constitutional amendment.

It must be remembered that in 1938 the Union Nationale government, under Mr. Duplessis, whose favourite theme was respect for provincial autonomy, was certainly not about to agree to such an amendment. The Government of Quebec was undoubtedly willing to assume responsibility for unemployment insurance in due course, according to the wishes of the voters.

However, after the provinces in question rejected its proposal, the federal government did not go ahead with its plan. According to the statements made by the then Prime Minister of Canada, Mackenzie King, especially in 1938-39, although the federal

government did not want to enshrine in a constitutional agreement the principle that constitutional amendments should be approved by the provinces, it was not willing to go ahead with its proposal as long as there was provincial opposition to it.

What happened? On June 25, 1940, Prime Minister Mackenzie King made the announcement in the House of Commons that all nine Canadian provinces had finally approved the amendment proposed by the federal government. Quebec had elected a new government, the Godbout government, in 1939. Ernest Lapointe, the minister, got involved in the election campaign, saying that the Liberals were the only guarantee against conscription. As members may recall, they did not keep their promise, giving the green light to conscription for Quebecers and ignoring the results of the 1942 plebiscite. Even today, in 1996, our questions to the government remain unanswered: Would it respect Quebecers' democratic vote on the same issue today? The question remains unanswered, as it was in 1942, when the plebiscite results were ignored.

The Government of Quebec at the time paid dearly, losing the 1944 election, which saw the Union Nationale return to power. The government paid the price, but it was already too late. No amending formula, no public ratification. How did this happen? Through telephone calls—or telegraph messages at the time—or simply through an exchange of letters.

In eight out of the nine provinces—as members may recall, Newfoundland was still a Dominion at the time, a status which Newfoundlanders may or may not regret—only the cabinet had conveyed its approval in a simple letter. A two cent stamp to say they agreed with a constitutional amendment. Only the British Columbia legislature formally approved the amendment. In only one out of the nine provinces was the amendment voted on by members of the legislature.

• (1510)

Then there was a letter most likely signed by the clerk of the executive council that said: “Yes, let us amend the Canadian Constitution”. In a strong position because of this letter, the House voted an address to the Imperial Parliament asking for some amendments to the Canadian Constitution. It is important to note however that, following a decision made two years earlier, on June 17, 1936, this was one of the rare occasions where the Supreme Court of Canada stated in 1936, that the employment and social insurance act was ultra vires the powers of the federal Parliament, hence recognizing provincial jurisdiction over this area. The decision of the Supreme Court was sanctioned by the Privy Council in 1937, on January 27, 1937, to be specific.

These dates have to be mentioned, because in constitutional matters, as we have often heard and as my grandfather used to say, the Supreme Court is like the leaning tower of Pisa, it always leans the same way. Nothing has changed. It was the same in the 1930s, it was the same at the beginning of the century, and it all started in 1875, when that court was first established.

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To come back to what the Minister of Justice said earlier, when he told the House that he wants to intervene in litigation dealing with Quebec issues and with the fundamental right of Quebecers to self-determination, I sure hope that the last word over the future of the people of Quebec will remain in the hands of those, in Quebec, who have the right to vote. The right to self-determination is a question of legitimacy that cannot be restricted by any outside influence.

Following this brief overview—I have many more pages I could read on this, but I will refrain from doing so—of the situation in an area like mine, that goes from the Beauce region to the beautiful riding of Kamouraska—Rivière-du-Loup, from the St. Lawrence River to the Maine border, I can tell the House that the legislation before us will hurt. The same as in all the regions. The regions will be hit hardest. Members who represent other areas have also expressed their point of view.

It will be tough on seasonal workers, and there are a lot of forestry workers in my riding who, because of the production calendar in this industry, work a limited number of months every year and will be hard pressed to work the required number of hours to become eligible for UI benefits. They will then have to resort to welfare. Once workers get a taste of welfare, it is hard to get them all back to work.

In general, people in my area are not very rich. They are poor financially, but their wealth is in their heart, in their fundamental values. These are people who want to work, who like to work, who do not complain for no reason but who want to enjoy the same benefits as other Canadians do. However, these are people who, because of what I would call the unemployment insurance map, are included in regions that are not to their advantage.

When I see that, for unemployment insurance evaluation purposes, the people of Sainte-Apolline, in my riding, a community of less than 1,000 people where unemployment is high, where there is a forest management co-operative, are in the same group as the people of thriving communities such as Saint-Jean-Chrysostome or Saint-Romuald, in the riding of Lévis, I can say there is a problem with human resources development in Canada. We should look at this and draw up a new map that reflects reality.

People who live in the RCM of Montmagny and in the RCM of L'Islet have a lot more in common with people who live in the RCM of Kamouraska than with those who live in the RCM of Desjardins or of Chutes-de-la-Chaudière, which do not have the same dynamic and the same prosperity.

We have to be careful with statistics. What do we do when we want to get statistics? We interview people. We ask them questions about their income, about their employment status, about their

employability. We make sure to come by when people are not around, when young people are not around. I have to say that in several parishes in my riding, especially in the southern part, near the state of Maine, the employment rate among young people is extremely low and these people have left that part of the riding in droves. And the ones who come back are almost sure not to find a job.

• (1515)

So we have to look closely at these numbers. I agree with the views expressed by my colleagues in the official opposition and I will vote accordingly on the proposed amendments at report stage.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, as you have seen, this debate has injected some passion into our Liberal and Reform friends. We have seen the number of people who have risen to take part in the debate.

But, more seriously, it is with some surprise that we note that even with a debate as important as that on unemployment insurance reform, which, in several ridings represented by Liberal MPs, has led to very large demonstrations, these MPs, who were elected, let us not forget, to represent their constituents, nonetheless remain silent, probably to toe the party line yet again.

These MPs are remaining silent in the face of a bill that will hurt all, or many, of the inhabitants of their ridings, especially the MPs representing remote areas, those representing the Atlantic provinces, those who should be aware of what is going on and of the demonstrations that have taken place in their ridings.

I am very surprised to see how quiet these MPs are, but I would like to say “well done” to the members of the Bloc Québécois, including the member for Mercier, who did an excellent job in bringing to the public’s attention the hidden agenda, the effects of which would have been felt by the people of Canada and Quebec in a few weeks or months.

I think it is thanks to the work of the hon. members for Mercier, Kamouraska—Rivière-du-Loup and Lévis, to name but a few, that we can now discuss here in the House, for one day or several, a bill the government tried to sneak by us. But thanks to the work of that committee, we have the opportunity to discuss it here.

To start off, I would like to quote from a brief submitted to the committee, a brief Liberal members most likely wanted to shelve quickly. It was written by Jean-Guy Ouellet and Georges Campeau, who are not professional agitators or bad separatists, but lawyers specializing in social law, respectively lecturer and professor in the legal sciences department of UQAM.

They say in this brief, and I quote: “The bill on employment insurance—already the name is somewhat strange, and I will explain what I mean by that later—is part of a policy aimed at

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using the unemployment insurance fund to finance an increasing number of activities other than benefit payments. Not only is this policy to the detriment of the right to benefits of an increasing number of contributors to the system, but—and this is the most important thing—its constitutionality—as my colleague from Bellechasse was saying earlier—is far from being certain. By using unemployment insurance premiums, a surplus fund of \$5 billion, to finance more than benefit payments, the federal legislation is de facto transforming these premiums into a regressive tax. Because of the capping of maximum yearly insurable earnings at \$39,000, such a use of the unemployment insurance account is not only inequitable—the authors repeat—but its constitutionality is doubtful”.

Further along in the text, we can read: “The federal Parliament’s jurisdiction in the unemployment insurance sector is to collect premiums in order to compensate people in case they become unemployed”. Not to meddle into all provincial programs. Not to try to reinvent programs sponsored by the Council for Canadian Unity. It is, I repeat, to collect contributions to cover those who are insured in the event of unemployment. This is the principle of fire insurance, of theft insurance. Not reinventing the wheel, not reinventing numerous programs.

• (1520)

The conclusion reads: “It is therefore appropriate to wonder if this new direction the plan is taking, with its discriminatory effects on certain disadvantaged groups such as young people and women, does not also run counter to the equal rights protected by the Constitution”. First the authors question the constitutionality of Bill C-12, and second they question whether it does not infringe upon the equal rights protected by the Constitution.

In closing they say: “Instead of denouncing unemployment insurance fraud, the Minister of Human Resources Development would be well advised to check out the constitutionality and legitimacy of his bill before announcing it and passing it openly”. I believe this article clearly demonstrates the immoral nature of the bill presented by the Minister of Human Resources Development.

A few years ago, the present Prime Minister himself condemned the unemployment insurance reform bill when it was introduced by the Conservative government of the day. Let us keep in mind that the bill in question was far more difficult and far more harmful to workers than the one introduced now by the Liberals. However, they call it employment insurance, but this is not the case. It is not employment insurance, it is still a piece of legislation that will mostly penalize seasonal workers, along with young people and women seeking first jobs. What should be done is to set a maximum percentage of unemployment that is acceptable, and that is not done here. In this bill we should specify pro-job creation measures, and that is not done here.

I will give you an example of the way it not only does not encourage jobs creation, but it contributes to increasing the number of people unemployed or on welfare and wastes public funds. As you will recall, not so long ago, six or eight months perhaps, the government decided to redistribute, reorganize employment centres across Canada. Only a few weeks before, not months but weeks, the Terrebonne employment centre, in my riding, had moved into brand new offices in order to meet federal standards. The federal government, through the Terrebonne employment centre, had to pay huge costs for moving, a ten-year lease, purchase of material and furniture. How much? Thousands or even millions of dollars? We do not know.

Even before the official opening of the employment centre people there received a letter saying: “Sorry, but we moved you a bit prematurely; the centre will be closing soon, but we do not know when exactly”. You can imagine the atmosphere these people in my riding who want to help people find jobs must work in. Instead, their morale is undermined by a letter informing them that in six months, eight months or a year the centre will be closed and they might have to move to Sainte-Thérèse, Saint-Jérôme or God knows where. Many of them could even lose their jobs. This is the kind of motivation this government is giving to its civil servants, who are asked to help people.

I believe that if we want to help people find jobs, to reduce the unemployment rate, to find work for every Canadian, we should first make sure that government spending—I was about to say waste—is a little more effective and efficient.

• (1525)

A small business with an annual turnover of \$100,000 is supposed to have a business plan, which means a government should have one too. I will never accept that a government which is wasting money to take an employment centre, move it elsewhere while telling the employees concerned that their centre is to be closed after hundreds of thousands of dollars were spent on it—and ruining the atmosphere they work in—I will never accept that such a government introduce a bill that is harmful, dangerous and unfair for Canadians.

I say again for young people who, some day, will have to find a first job: if they unfortunately have to turn to unemployment insurance, the present system requires them to have worked 15 hours a week for 20 weeks to be eligible. The bill introduced by the Minister of Human Resources Development requires that people work twenty-six 35-hour weeks.

In other words, a message similar to the one sent to officials of the Employment Centre of Terrebonne is being sent to a number of students. It tells them: “Go to school, get an education but, let us warn you right from the start, if you have difficulty finding a job after, do not count on the federal government to help you, you will

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be on welfare. We will never help you with our new laws and our new standards". Given today's job insecurity, it is almost impossible for a student to work a minimum of 35 hours weekly for 26 weeks in his first job.

Therefore, on behalf of young people, of women, of people from the various regions, my colleagues in the Bloc and I oppose Bill C-12.

[*English*]

Mr. George Proud (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, I rise today to take part in this report stage debate on the employment insurance bill, Bill C-12. It is something I have great feelings about.

We have talked about this bill for many months, some people longer than I have. Many people on both sides of the aisle have spent many long days, weeks and months getting this piece of legislation to where it is today.

The government believes the object of the exercise is to make all aspects of the new employment insurance system fair and balanced. We have listened to the concerns raised in hearings by the parliamentary committee on Bill C-12 and we have responded by fine tuning the legislation to better respond to the reality of different job markets.

Over the last number of months one of the very important issues that has arisen is how to deal with individuals who have gaps or breaks in their employment. For example, there are individuals whose work patterns consist of some steady weeks of work interrupted by some weeks of not working, and then more weeks of work. For these individuals setting a relatively short consecutive period of weeks worked on which to calculate possible benefits could mean very low benefits.

The number of people affected is not very small. Approximately 35 per cent of all claimants who apply for income each year are affected by these gaps. That means some 850,000 Canadians with irregular work patterns who deserve access to the same protection against job loss as do those in regular jobs fell into this category.

Ten per cent of all claimants have gaps of four weeks or more. The average gap ranges from 2.9 weeks in New Brunswick to 4.8 weeks in Manitoba. We feel it is not fair to those who, through no fault of their own, have not had that steady work prior to becoming unemployed. That is why the employment benefit will be calculated in a new way. It will allow all individuals to count back 26 weeks to find their required weeks of work when calculating average income for employment insurance benefits.

• (1530)

This will enable individuals to have gaps of between four and 12 weeks without affecting their benefit levels. However, benefits will still be based on how much they earn in the 26 week period. This compromise of maintaining a fixed period of 26 weeks will maintain one of the central objectives of the new legislation, which is to increase work incentives while at the same time ensuring a better relationship between benefits paid and the normal pattern of earnings.

The 26 week period helps workers with irregular work patterns in every region of the country and in all industries from construction to the service sector. We feel that this is very important. Hundreds of thousands of Canadians in all industries suffer this problem of gaps in their employment income. They work several weeks and then are off for several weeks. The government believes that individuals should not be unfairly penalized because of this. In seeking a solution the government has had to find a balance between these two objectives.

First, a change had to be made to the old system so that there would be an incentive to work additional weeks if the work was available. In too many cases following the minimum weeks worked, an unemployment insurance claim was the first step toward finding replacement income rather than the last.

Second, many individuals in very high areas of unemployment who work in seasonal industries simply do not have the employment opportunities which would provide them with the steady work necessary to claim an adequate benefit.

It is doubly unfair in some cases. Many individuals who can only find the minimum number of weeks to qualify also have gaps due to the nature of their work, be it construction, the fishery, et cetera. Therefore, while all their hours worked would be counted in qualifying for benefits, some of their earnings would not be counted in determining the size of their weekly cheque.

Bill C-12 will allow individuals to count every dollar they have earned over the last 26 weeks prior to their claim to determine their benefit. The amounts of their employment insurance cheques will be calculated by averaging the amount earned over this period.

For instance, individuals in high unemployment areas will need 420 hours, or the equivalent of 12 weeks at 35 hours a week over the past year, to qualify. To maximize their benefits they will require two more weeks of work to get the full 55 per cent of their weekly wage. An individual in a low unemployment area will need 700 hours of work, or the equivalent of 20 weeks at 35 hours a week over the past year. To maximize their cheque they will require 22 weeks of earnings over the 26 week period.

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The government believes this is a fair and balanced approach which strengthens the incentive to work while at the same time providing equal treatment for those workers with gaps in their income. It also recognizes that individuals in low unemployment areas have more opportunities to fill the gaps with alternative work.

In moving to the hours based system of calculating eligibility and benefits for unemployed Canadians, the government wants to ensure that every hour of work counts and that it pays more to work longer where the work is available. That is very, very important.

The new system is much fairer for those who work part time and in seasonal industries. For example, those who work less than 15 hours per week will now have their work insured. Under employment insurance, 90,000 workers in part time and seasonal jobs will now be eligible for benefits. Many will qualify sooner, for longer periods and will be able to insure more of their income than before. We think this is a great improvement.

• (1535)

Entitlement for benefit and duration of the unemployment benefit payable will be based on the number of hours worked in the last 52 weeks. Those in areas of high unemployment require 420 hours as I have said. About 270,000 workers will qualify for an additional three weeks of benefits because they will be given full credit for all the hours they worked.

Many people still have the problem of gaps in their employment. They work a few weeks, are off a few weeks and are back at work again. Addressing the issue of these gaps was one of the most important areas we dealt with and was a major concern of the committee and the government. The solution in the amended Bill C-12 is to allow all claimants to count back a full 26 weeks to find the required weeks of earnings.

In closing I feel, as I know my colleagues do on all sides of the House, that we have come a long way and we have made many great improvements. Many people appeared before the committee. Even though many were opposed to the bill in general, I believe that after listening, talking, and participating in open-line shows they have seen we have done a great justice especially to the seasonal workers in bringing these amendments forward.

I salute the people who brought the amendments forward. I thank the committee for all of its work. I look forward to the bill becoming law and to getting on with the process for the people who through no fault of their own have to use unemployment insurance.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the Minister of Human Resources Development come up with a bill entitled an act respecting employment insurance in Canada. I would suggest,

as mentioned in the amendments, that it be called an act to amend the Unemployment Insurance Act because, outside of an election campaign, can the government promise that this bill is going to create jobs? I do not believe it will.

I would like to talk about the people in my riding, the citizens of Shefford and Granby, the two main cities I represent. I am always quite surprised to hear that the federal government intends to work in co-operation with the private sector and the provinces to collectively invest in job creation. You may have recognized an excerpt from the throne speech.

This point is directly connected with the promises made by the federal government to strengthen the Canadian economy and the regions by withdrawing from programs aimed at helping businesses and by making deep cuts to the unemployment insurance program. In a way that is just as contradictory, in its last budget, the federal government announced plans, for 1996-97, for an unprecedented reduction of transfer payments to the provinces, and drastic cuts in social programs, especially unemployment insurance.

In its last throne speech, the government said that the economic situation was not as bad as it seemed in this country, and that if it was not much brighter it was the fault of private businesses. In my area, 6,000 people signed a petition circulated by the Granby board of trade, asking this government to keep the employment centre in Granby open. The government ignored it. We also have organizations such as the regional development council, trades and merchants associations, which are working very hard, and I believe it is unfair for the government to be blaming these people.

Since the unemployed, students and welfare recipients have already been hurt by the reforms contained in last year's budget, the government should find other ways of getting money.

• (1540)

When will the Liberal government admit frankly that it made a mistake in choosing to pick on the have-nots of our society and that now it is leaving it up to the more affluent classes to determine what they will contribute to the overall sacrifice. How will the government force the wealthy to do their share, now that the small taxpayers are overburdened?

For 1996-97, the shortfall under the Canada health and social transfer will represent, for Quebec alone, \$765 million in lost revenues for education, manpower training and other social programs. The unemployment insurance reform will cost Quebecers another \$534 million in 1996.

This represents a total of \$1.3 billion that Quebec will not receive. The reduced unemployment insurance benefits mean less money for low income taxpayers. We all know that these benefits only pay for food, rent and other basic needs of life.

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When the federal government says it will work in agreement with the private sector and the provinces, what does it mean? How will the government do that? What practical measures, what action will be taken? Will it simply impose on the private sector and the provinces its own rules and national standards?

Let us take my region for example, and more specifically the case of Granby, the largest city in the federal riding of Shefford. Granby now receives \$30,700 in lieu of taxes for federal offices. It is quite simple, if there were no federal government, things would not change much in my riding since Granby receives only \$30,700.

Saint-Jean-sur-Richelieu, with a population slightly smaller than that of Granby and a much slower growth rate, receives \$5 million from the federal government in lieu of taxes. The amount is \$643,000 in Saint-Hyacinthe. Imagine, \$643,000 in Saint-Hyacinthe, and \$30,700 in Granby. That is what the federal government means in our region.

Not only do Granby and the region receive very little from the federal government, but now the government wants to cut a whole series of services and programs. Among other things, in Granby, the employment centre would be replaced by a service point. If this trend persists, there will be practically no federal services left in our region. Where is the rightful share of Granby and its region in the redistribution of wealth?

The taxpayers of the riding of Shefford are tired of paying and getting nothing in return from the central government. However, Ottawa is right on one point: from now on, we have to rely on ourselves, on the energy and resources of our own regional business community, without any help from the federal government. That is already what we are doing. We are not relying on the federal government which is gradually pulling out.

In the next few months, the action plan from Ottawa for the riding of Shefford will reduce by more than three quarters the number of employees in the Granby employment centre. It is ironic, but it is the truth, and I think it should be condemned here. Shortly, the majority of employees in the employment centre will be out of a job. The closing of this employment centre is an irrational, even indecent, decision. That situation is unacceptable. People and organizations in the area, including the Chamber of Commerce and the various municipalities in the riding, will never accept this situation.

Soon, the city of Granby, the regional capital of my riding of Shefford, with more than 67,000 constituents, will have only one post office and one RCMP detachment left, plus two or three other points of reduced services.

I will give the House another example, to show to what extent Ottawa is pulling out despite its promise to stimulate employment.

• (1545)

In 1994, \$386,488 were allocated for job creation for students in Granby and the area. In 1995, these funds from the Department of Human Resources Development dropped to less than \$207,000, that is a budget cut of almost half in less than a year. This year, prospects for students are a little more generous, \$257,000, but we are far from what we had before.

So, when Liberals promise to do more and better for the economy, they could not do worse. The federal government's apathy in Shefford is blatant. Even the Chamber of Commerce of Granby has proved it by circulating a petition, as I said earlier. It collected 6,300 signatures of people asking for that the employment centre in Granby be maintained, and that was refused. The petition was tabled here in the House and the response was negative. For this government, Granby and Shefford no longer exist, do not exist.

The only thing Ottawa managed to do was to unite all social and economic stakeholders, no matter their political allegiance, against the federal government's reforms and especially against the proposed unemployment insurance reform. People in Shefford have a long memory and will remember this Liberal government that does not recognize them.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I know that members of the Bloc Québécois are joining together in defending this style of management, which goes against the interests of the people of Quebec in particular.

Mr. Leroux (Shefford): And of Canada as well.

Mr. Leblanc (Longueuil): And of Canada as well. But I, Mr. Speaker, am more interested in Quebec and not as concerned about what is happening outside Quebec.

In my opinion, employment insurance is a kind of smoke screen put up by the government to show that its proposal will create more jobs than good old unemployment insurance. When one knows that the purpose of manpower training is to create jobs, one realizes that the federal government has no real intention of withdrawing from this area.

I submit to the House that this bill allows the government not to create jobs but to create a new tax. In fact, the secretary of state responsible for finance stated a few weeks ago here in this House that the new UI fund will be much bigger than in the past, since premiums are higher and benefits lower. This fund will grow significantly. There is talk of billions of dollars within five years. The secretary of state even said that this fund would be used to reduce the deficit. This would make it a new tax, would it not? Let us be clear. We—at least in the Bloc Québécois—are intelligent enough to understand this kind of thing.

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The secretary of state added that premiums were now higher so we can meet UI needs during hard times. May I remind members that we are living in hard times. I wonder how much the government will collect during good times. It should be quite a haul.

The free trade agreement with the U.S. and the rapid technological changes of the last few years have turned employability and job requirements upside down.

• (1550)

This means we must act very quickly in setting rules so that people can upgrade their skills in light of the new requirements resulting from technological change and free trade with the U.S. and other countries. This bill, this new UI reform, does not really address these issues.

The other reason I disagree with this bill is that the Liberal government has never had much credibility, especially now, and we have a hard time believing in it. I was here in this House when there was a UI reform proposal and the Liberals were in opposition. I heard Sheila Copps and the “rat pack” condemning that UI reform proposal roundly. Yet, unlike today’s reform, the one back then had it all over this one, as far as being just and fair is concerned.

For these reasons, I think the government has no credibility whatsoever to manage the system. As employers and unions have said in the past, I say to the House that the government should partially privatize the management of UI and manpower training. A private UI system, like any private insurance company, should manage the UI fund, which, in fact, comes entirely from employers and employees.

The board of directors would manage the system, and part of the training would be managed jointly by management and union representatives.

Let me explain why we should proceed that way. Given that only employers and employees contribute to the UI fund, they should be responsible for managing it. This only makes sense. There would be much less waste, there would be much less grandstanding. Like any other insurance, it would be aimed strictly at protecting employees and meeting their needs.

Here is another reason. If we make employees and employers more responsible, there is a chance they will manage everything better, otherwise they would have to bear the consequences and be forced to collect higher premiums.

Currently, there are employers who tend to lay off employees too quickly. The minute something happens, they say: “No problem. We will let them go. The unemployment insurance system will look after them”.

If an employee misbehaves, if he is late a few times, if his wife is sick and he does not show up for work, his employer is sometimes quick to fire him. This, unfortunately, often happens too easily and too quickly. Why? It is because employers count on the government or the unemployment insurance system to look after employees who are laid off.

The same is true in the case of an employee who decides to not go to work because he feels he does not have enough holidays, because he is a little tired, or for any other trivial reason, or an employee who does not work well and does not care because “if I lose my job, I can claim UI benefits”.

By contrast, if the employee and the employer had to meet all the costs involved, they would be more responsible, if only to avoid having to pay increased premiums. And if they did have to pay more, they would be more careful in the future. Indeed, an employer would then think twice before firing an employee for a trivial reason.

• (1555)

So, we could adjust more quickly and effectively if employees and employers could manage a private unemployment insurance fund, as well as part of the manpower training required to truly meet the needs of businesses, given the current and rapid technological changes, and given the free competition, particularly in North-America but also worldwide. This would result in an improved economy, something that is necessary, considering that way too many people are unemployed and live on welfare.

For these reasons, I feel that we should soon set aside the unemployment insurance program and replace it with an insurance similar to any other type of insurance, whether it is private medical care insurance, life insurance, etc., particularly since unemployment insurance meets a daily need.

Again, for these reasons, I strongly suggest to the minister that, if he wants a true unemployment insurance reform, he should withdraw from this program and give employers and employees the responsibility of managing their own unemployment insurance fund.

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, I too am pleased to speak to Bill C-12, which will surely have an impact in rural communities of Canada and in a riding like mine.

I would like to focus on two topics: seasonal workers and the number of hours they work, and the monitoring program that will be provided, first for the implementation of this new act and then, after its implementation, for evaluation of the results of this true reform of the unemployment insurance system.

[English]

The old Unemployment Insurance Act had not been revamped for 25 years. Of course with changing times and an economy which

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is taking some very different turns making it very different from what it used to be, it was a must for the Government of Canada to modernize the act.

Thousands of Canadians today are working long, hard hours without protection at all under the existing UI program. Why? Because they are working those hours for different employers and as far as UI is concerned, those hours do not count. Workers cannot get insurance unless they work at least 15 hours per week for a single employer. That is under the old system.

The new employment insurance bill changes that. It bases eligibility on hours worked and not on weeks worked. Whether a person works 36 hours a week for one employer or two or more employers makes no difference. An hour worked is an hour worked.

For example, seasonal workers often work long hours during peak season. Under this EI bill, about 270,000 workers will receive an additional three weeks of benefits because they will now be credited for all the hours in weeks they could not have used as qualifying weeks under the old system. It is a simple common sense change which is long overdue. Work patterns are changing in this new economy, which will be the second part of my presentation.

Bill C-12 is a result of a lengthy and inclusive consultation process. The government listened to what Canadians had to say about income support for unemployed workers and the kind of employment benefits that would help people get back to work. EI is indeed a result of this.

The government also relied on substantial amounts of research. Experts have looked at all aspects of how the old UI system worked. They know it can affect the behaviour of employers and workers in ways Canadians do not accept any more. It can lead people to turn down available work. It can lead employers to cycle people in and out of jobs. It is not because people do not want to work but because the system does not always work well.

• (1600)

This new bill is designed to reward work effort. It strengthens work incentives and insurance principles. It also ensures fairness by ensuring an adequate income for those in need. We are talking about those people who make less than \$26,000. They will receive a supplement.

Research gives us good reason to believe that the EI approach will be successful. People who have criticized the bill have not been able to point to the same kind of thorough, objective analysis. Now we will go a step further with a thorough, vibrant process designed to tell us if our expectations are being met in practice, if behaviours are changing as much as we expect or even more.

We will look at how the new system works in a dozen communities chosen to represent a range of labour market environments all across Canada, that is, towns with different workplaces, disciplines and domains which will ensure a good cross-section of

employees and employers and the kind of work they do for a more precise analysis. The Employment Insurance Commission will do its own research to monitor how individuals, employers, communities and local economies are adapting to the new Employment Insurance Act. We will see those results annually. Surveys of individuals, employers and community representatives will provide a third monitoring approach.

These processes will give us the required feedback to adjust the program if the evidence shows that we need to. The commitment to monitor the impact of EI is yet another example of the government's goal for a system that is fair and effective in every sense of the term.

[*Translation*]

I am pleased to take part in the debate and especially to speak in favour of seasonal workers who, in the past, did not fully benefit from the unemployment insurance system as it had been established. Many people were working long hours, but for short periods. This meant that they did not have the required number of weeks, but this new employment insurance legislation will deal precisely with this serious problem since, after July 1, the date this new act will come into force, every hour worked will count for unemployment insurance purpose. That will benefit some 270,000 Canadians. It is extremely important that this figure be clearly pointed out in the House.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, first of all, I would like to thank the hon. member for Mercier, as well as my colleagues from Lévis and Kamouraska—Rivière-du-Loup, for the excellent work they did on this issue. Never before, during the last two years and a half, have we put so much work into a bill. Of course, we worked hard on other pieces of legislation, but particularly on this one. We did so for two main reasons. First, this legislation affects all the citizens from coast to coast, and especially the people in Quebec. Second, Bill C-12 goes directly after the poor and the destitute.

That is why the Bloc Québécois has focused all of its efforts to try to reason with the government. We used some very solid arguments. I will not go over them again, we have mentioned them often enough. We have shown that this is not a good reform proposal. Today, I want to try to reach the hearts of my colleagues, and I hope they have some compassion left. In a democracy, the people are represented by those they chose to elect. But they have taken to the streets.

• (1605)

They do not want a mini-reform, they want this employment insurance bill, as it is called, to be completely withdrawn. The people who have taken to the streets are not beer drinkers, not professional agitators and certainly not cowards. Quite the opposite, these people are responsible citizens. But mostly, although these people want to work, they cannot find work year round. These are outstanding citizens. Some people in my riding and elsewhere have heard of Nelson Pilote, from Saint-Alexandre-des-Lacs, who is a tree harvester. In the summertime, he gets up at 4 a.m., brings

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his chain saw with him to the forest and works until 5 or 6 p.m. He works hard. He has a nice family, five young children.

While he receives UI benefits, from the premiums he and his employer paid, he does not do any moonlighting. What does he do instead? Volunteer work. He coaches hockey and several other sports. He teaches young children and gives them a fresh outlook on life. He is not necessarily a PQ or a sovereigntist partisan, but he puts his heart into it and he wants to live a decent life.

In Amqui, he gathered, not by himself, of course, but with the help of a few unions, 5,000 people, who came to demonstrate and ask for the withdrawal of Bill C-12 now before the House.

Also, I have a friend who is a bishop in Gaspé. He is not involved in politics either. He too joined the workers to ask, on behalf of his flock, that this bill be withdrawn because he knows that in Gaspé as in Matane and in Mont-Joli as well as in Amqui, people want to work but it is not so simple. Come and try to create jobs in our region! You will see that it is more complicated than you think.

Members are also aware that forestry jobs are the least costly to create. The Canadian government cut its \$6.5 million a year grant to the East Plan, which created jobs, good jobs. They cut it. They also want to cut funding for the Maurice Lamontagne Institute, where year after year researchers make discoveries that are published throughout the world.

It seems to me that the government is cutting funding everywhere: for researchers who give hope to the young and for the most disadvantaged people, the poorest of the poor. And for women in our areas, especially the rural areas. Women who have seasonal jobs will suffer as well as seasonal and part-time workers.

I do not want to go over all the arguments again. Members know quite well that in our areas as elsewhere in Quebec and in the Atlantic Provinces, it is almost impossible for someone who enters the workforce to accumulate 910 hours of work. Only a few will be able to do it.

Yes, I appeal to my colleagues. Let us hope that our arguments will at least touch their hearts, if not their minds.

• (1610)

It is not easy for people who want to work and who will no longer be entitled to this employment insurance, that back home we call poverty insurance, because that is right where it will lead. Someone said to me: "Do you know that if this employment insurance comes to our regions, people will be worse off in a few

years than they were during the '30s"? They will turn to welfare, of course, but they do not want to. People want to work.

You know, it is very hard on a person's morale to rely on welfare. I have known many men with families who, having lost their jobs and been on unemployment insurance for a year, have then unsuccessfully sought work and become completely discouraged. The whole family was affected. It is extremely hard for the children, and it then becomes society's problem. It is not just the individual's problem, the family's problem, but the community's or society's problem.

This is why I am appealing to my colleagues. There is still some time left. They can still vote against Bill C-12. I ask them with all my heart to think about their constituents. There were demonstrations in the Atlantic provinces as well. If we want to represent our constituents properly, how can we not listen to what they have to say? I find this tragic.

Of course, they can always say that if we do not listen to them, two years, six months down the road, they will throw us out. As you well know, Madam Speaker, in four or five years, a government in power can do a lot of stupid things, and you know that they have done their share. They are about to do it again. I think that this will be the worst yet, a terrible mistake, and it is workers, young people, women, in other words, the poorest members of our society, who will suffer the consequences. It is not just the individual who is affected, as I was saying earlier, but families, parishes, all of society. When apolitical people say that it does not make sense, I ask my colleagues across the way to sit up and take note.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I, too, am pleased to take part in this debate on Bill C-12 to express a viewpoint which resembles that of my colleagues, of course, and also that of a lot of people in the riding of Témiscamingue. In fact, next Saturday, people will hold a demonstration in the streets of Rouyn-Noranda to show their opposition to this legislation, which will affect many of them.

We have to ask ourselves some questions. This legislation is called the Employment Insurance Act. That is awfully close to being false representation because it does not deal with employment in any way. The government wanted to change the name of the old unemployment insurance plan to show that it was proposing a reform involving significant changes. There are two ways to criticize this bill. It can be criticized for what is included in it, and for what was left out of it. Let me say at the outset that nobody can oppose the idea of modernizing our social programs, of adapting them and adjusting them to the reality of the 21st century.

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I will have the opportunity, in the second part of my speech, to talk about the measures that could have been included in this bill to undertake a true unemployment insurance reform for purposes other than those of the finance minister. But even that is not very clear.

The first question I ask myself is, what is the real purpose of this reform? We know that after the first cuts made in the 1994-95 budget, there was a \$5 billion surplus in the unemployment insurance fund at the end of the year.

• (1615)

There must be no mistake, the fund is not in a state of catastrophe. There are revenues of \$5 billion more than there are expenses for unemployment insurance. Obviously, people will say there were years when there was a deficit. If we look cumulatively at it, since its inception and as we know it today, the unemployment insurance fund has a surplus of about \$1 billion. In 1996, another \$5 billion will be added to this surplus.

It cannot be said that the unemployment insurance plan was in a catastrophic state. However, the Minister of Finance made sure, in all sorts of ways, that he could take out this surplus and use it to lower his deficit. With most of his other reforms not giving any results, apart from his cuts in transfer payments, the minister decided to use the surplus in the unemployment insurance fund to provide a certain amount of revenue to reduce his deficit in the short term.

People have not got the time to put a magnifying glass to every government program. However, the unemployment insurance fund is supported by contributions from employers and employees. The Minister of Finance puts no money from the consolidated fund into it. It is paid for by employers and employees. So, to use this surplus is to steal from the unemployment insurance fund, it is to impose a sort of tax on employment. If that is what they want to do, let them say so. Let them cut contributions and add an employment tax to pay stubs. Let them explain the real things, because that is what is happening.

We could discuss the surplus for a long time, but I also want to speak of one measure in particular which goes against the present trend. Many people wonder about the way the job market is divided up. Many workers do a lot of overtime, while many people who could work are unable to find a job. How could the work be divided more fairly? Such a thing will not happen unless the government takes a number of courageous steps, sending out very clear signals that this is what it will support.

In this bill there is one measure which reduces maximum insurable earnings from \$42,000 to \$39,000. Concretely, this means that when people earning more than that do overtime work, the employee and the employer—but particularly the employer—will not have to contribute anything to unemployment insurance.

Put yourself in the employer's shoes. You have a job to be done, and you have a choice between paying a new employee, who will have to pay into the unemployment insurance fund—as will you—and paying someone who already works for you and for whom you will not have to make a contribution, if the work is done in overtime. If all of the social responsibilities of employers are defined in this way, there is a very clear message: Get people to do overtime, do not hire anyone new, it is more cost-effective that way.

The objective of people in business—legitimately and understandably so—is profit, personal accomplishment and so forth. If there is no clearer guidance, if they are not helped to discipline themselves a bit in this area, they will never of their own accord say that they are ready to divide the available work. It is our responsibility as legislators to ensure that policy orientations correspond to our realities.

This bill could have provided a good opportunity to modify contributions in the opposite direction, making sure it was more advantageous to hire new people than to pay a lot of overtime, too much in some cases. It must be understood that, in the medium term, employers would notice that those working slightly fewer hours were less tired, with fewer work-related accidents, and thus lower worker compensation contributions, and so on. But this requires a signal, something to set them off in the right direction, and there is no such thing in this reform.

• (1620)

I referred to the things that are lacking in this bill. I remember that during the debate over the free trade agreement—which I wanted, promoted and strongly believe in—there was a lot of talk about the adaptation it would necessarily bring about. For weeks, years now, we have heard about massive layoffs, job cuts in many companies. Often they are people who had held the same job for 15, 20, 25 years and who now, at 40 or 50, are unemployed, with many productive years left in them; as members of the labour force, their everyday life would be more stimulating and they could contribute to society.

Why are these people, who held a job for a long time before losing it now when we are entering a new era where technology is becoming more specific, not treated differently? Why not consider longer training or rehabilitation programs for these people and why not keep them much longer on UI?

I do not mean for the federal government to put in place its own training programs, far from it. Another thing lacking in this bill is the transfer of this area to the Quebec government and to the provinces wanting it, such as Quebec where the consensus is very obvious, and lengthening the entitlement period. You cannot go overnight from the textile industry to computer science, 25 to 30 weeks are not enough.

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We must be realistic. I say it again, nothing in this bill guarantees that our unemployment insurance plan will be better adapted to the realities of the years 2000, namely changing jobs often, many human tragedies for those who had held a job for a long time and who will have to work in new sectors. There is nothing to this effect in the bill.

During the minute and a half I have left, I would like to go back to manpower training because I find nothing more frustrating than seeing someone come to my office and say: "I am unemployed, I would like to take a course. I read in the paper that the unemployment insurance, or some other organization, was offering a course". To know whether he is eligible or not, I have to ask him 56,000 questions: "Are you on UI? Have you ever been on UI? Are you on welfare?"

This situation is due to the fact that there are two levels of government with their own structure giving their own courses according to their own criteria. Obviously, since it is managing the unemployment insurance program, the federal government's objective is to target the unemployed. For its part, the Government of Quebec, which is responsible for social assistance, gives priority to welfare recipients. And in all of this, people without any income are nobody's priority.

That is a major problem that we will not be able to resolve as long as there are more than one level of government responsible for this matter. In Quebec we resolved this problem a long time ago. We decided that it would be the Government of Quebec, but some people here are stubborn, as they say; they have a hard time getting the message, which is very clear in Quebec and which was repeated during the last socio-economic summit.

So, for all these reasons, we cannot support such a bill, absolutely not, and I conclude by inviting the people back home in Abitibi-Témiscamingue, the Témiscamingue riding, and especially those from Rouyn-Noranda—where there will be a demonstration this Saturday—to come and join us in condemning this manipulation of the unemployment insurance account and this bill, this so-called reform totally lacking in vision for the future, for the years 2000.

[*English*]

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Madam Speaker, I am pleased to have the opportunity to rise today and speak in support of Bill C-12.

I do not think anyone in the House would argue that to maintain the status quo is a non-issue. I believe the modernizing of our employment insurance system is a crucial part of the government's job and growth agenda.

The changes we as a government have brought forward more accurately reflect what works best in today's economy. EI will

continue to provide Canadians with basic income protection, as it does under the current system. It will also include a range of new employment measures to help people find work more quickly. In short, it is a system designed more effectively to meet the needs of Canadians.

I will focus my remarks today on how the bill will affect those who work in the seasonal industries. Bill C-12 will ensure that up to 500,000 part time and seasonal workers who were not covered under the old rules will now be insured. About 45,000 seasonal workers who currently are not eligible for UI benefits, despite paying premiums, will become eligible under the new hours based scheme. Some 270,000 workers in seasonal industries will receive an additional three weeks of benefits.

• (1625)

Bill C-12 also commits to a number of important active employment measures, including wage subsidies, earnings supplements, self-employment initiatives and job partnerships.

In my riding of Annapolis Valley—Hants seasonal workers make up a large and very important part of the local economy. Those employed in seasonal industries work extremely hard. If members were to talk to any one of the people in my riding I have spoken with they would say that if there were work year round they would be glad to take it. The reality, however, in many rural communities is quite different. Through no fault of their own people do not always have access to full time year round employment.

I have had the opportunity to meet with many groups and individuals in my riding to discuss this issue. In our conversations they expressed to me some serious concerns about how employment insurance would impact those who work in the seasonal industries. They asked me to bring the message to Ottawa. They said we as a government must ensure any changes are fair and do not unduly target those employed in seasonal industries.

I, like many of my Atlantic caucus colleagues, brought that message to Ottawa. I am pleased the Minister of Human Resources Development has listened and responded positively to these genuine concerns. The end result is a system that is both fair and balanced, a system which will allow more seasonal workers to qualify more quickly for more weeks of benefits.

One of the most serious concerns I have heard in recent weeks was how will the government deal with individuals who have gaps or breaks in employment, those whose work patterns consist of some steady weeks of work interrupted by a few weeks of unemployment and then more steady weeks of work.

For constituents in Annapolis Valley—Hants this is a real concern. For instance, the agriculture sector is the backbone of our economy. However, this means for many people there will be

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plenty of work available in the spring and fall but there may be gaps in their employment during the summer months.

I have also heard similar concerns from constituents who work in the fishing industry. For these individuals, setting a relatively short consecutive period of weeks of work on which to calculate possible benefits could mean very low benefits. The number of people who would have been affected is not small. It is approximately 35 per cent of all claimants who apply for income benefits each year. That means nearly 850,000 Canadians with irregular work patterns deserve access to the same protection against job loss as do those with regular jobs.

In my home province of Nova Scotia the average length of gap is over three weeks. Therefore it is not fair to those who through no fault of their own have not had steady work prior to becoming unemployed. I am pleased the minister has adopted the recommendations of the standing committee to count back a full 26 weeks to find the required weeks of work when calculating average income for EI benefits.

This will allow individuals to have gaps of between four and twelve weeks without affecting their benefit levels. Benefits will still be based on how much one earns in the last 26 weeks.

This compromise of maintaining a fixed period of 26 weeks will maintain one of the central objectives of this new legislation. It will increase work incentives while at the same time ensuring a better relationship between benefits paid and the normal pattern of earnings. This 26-week period significantly helps workers with irregular work patterns in every region of the country and in all industries from agriculture to the service sector.

• (1630)

Many people in seasonal industries earn relatively low incomes. As well, they may live in communities that offer relatively few opportunities or have relatively few skills that would lead to better paying work. I believe that the new EI system will more effectively respond to their needs.

Strong efforts have been made by the government to protect low income workers in seasonal industries by focusing on higher income workers for the savings that are essential to EI. Low income people in these industries will also benefit from a new system that focuses on helping people get work and creating incentives for people to take all the work that is available. Simply put, every hour worked will increase an individual's eligibility for benefits.

A key feature of the new system is the family income supplement. This supplement is meant to top up benefits in order to reflect family circumstances. It will bring total insurance benefits up to as much as 80 per cent of a person's average insured earnings. Across Canada, 350,000 claimants in low income families with children will be eligible for the supplement. Many will be in the seasonal industries and many will be in my riding. In Atlantic

Canada alone the family income supplement will benefit 54,000 low income families.

Thanks to the efforts of the members of the Standing Committee on Human Resources Development, I am pleased to say that those who are receiving family income supplement will be exempt from the intensity rule. I believe this is consistent with the government's overall efforts to redirect assistance to those who are most in need. This is the Liberal way.

These are just a few of the many positive elements of the legislation. I am pleased that the concerns of seasonal workers have been positively addressed in the legislation. I believe that Bill C-12 will be good for seasonal workers, good for the people of the riding of Annapolis Valley—Hants, and good for Canadians.

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Kamouraska—Rivière-du-Loup—Manpower Training.

[English]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, I have a long attachment to questions of the economics of unemployment insurance.

I was one of the first scholars in Canada to produce evidence that the imposition of generous unemployment insurance benefits raises the rate of unemployment.

All through the post-war years until the early 1970s, American and Canadian unemployment rates moved very much in unison. They never diverged by more than one-half of a percentage point. But in 1972 the system in Canada became much more generous with respect to the amount paid when people became unemployed relative to the wages they were earning, the number of weeks necessary in order to become eligible, the number of weeks paid after one became unemployed. Our system was one of the most generous in the world.

Studies have been done to explain why these differences between the Canadian and U.S. unemployment rate developed in the early 1970s and have since widened and now have settled at approximately 3 to 4 percentage points. It is not possible to explain these differences by differences in monetary policy, fiscal policy, exchange rate policy, any of the traditional measures.

• (1635)

The one that dominates the results of attempts to explain these differences is the generosity of our unemployment insurance system. This generosity has reduced an enormous amount of lost output. The idea of having a generous system is very laudable. There is no denying all of the arguments made by the speakers from

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the Bloc Quebecois. The more generous the system is the better off are the people who are receiving the money.

As people who are concerned with the welfare of all Canadians, what are the consequences of these generous benefits and the resultant increase in the unemployment rate? I have estimated that as a result of this increased generosity, a 3.5 per cent higher rate of unemployment existed than would have been if we had stayed at the levels at which we were in 1972. Then our national output would be over \$11 billion higher.

The tax take alone on that \$11 billion higher income would be \$3.5 billion. The deficit would be cut substantially and a lot of workers who are now unemployed would be employed.

When looking at reform of the unemployment insurance system it is necessary to do something in addition to what the Bloc members have been saying in all of their speeches. If unemployment insurance benefits are cut, if the cost of being unemployed is raised, certain people will be hurt. That is true. However, if that is done benefits are provided to all Canadians. The most obvious one is that the unemployment rate would be lower. Another is that output would increase and taxation revenues would go up.

What has to be done is consider adjustments to the present system which would bring about these gains in output and reductions in unemployment at a cost which would not be too high. I have four measures which I believe would be widely and readily acceptable to Canadians in order to gain these benefits.

The first and most obvious is that the system can be made less generous. Maximum benefits equal to 53 per cent of previous wages offered by our system now are at or very near the top of benefits paid by all industrial countries. However, generosity over the UI system also depends on the ease with which workers become eligible, how long they can receive benefits, what industries are covered, and so on.

It is interesting to note that in recent years the system's generosity has been reduced substantially. That was one of the conclusions reached at a recent conference held here in Ottawa. Some analysts suggested that it may now be no more generous than it was before the 1972 reform.

The pre-1972 levels are not necessarily ideal and further cuts in generosity should be considered as long, and I emphasize this, they do not impose undue hardship on the neediest.

The second measure I believe that Canadians would accept and which would bring huge benefits involves tougher measures against fraud. I have always treated with some scepticism the results of internal audits made by the system which found fraudulent claims to be about 1 per cent of all benefits paid. How did the investigators discover what are deliberately hidden practices? What incentives do they have to show that their bureaucratic and political bosses are running a system that permits lots of fraud?

• (1640)

There is evidence that my scepticism may be warranted. In the equivalent of a social science experiment, five U.S. states recently introduced systems for the positive identification of people making welfare claims. It is difficult to forge ID cards in numbers tracked by computer. They found that fraudulent claims were between 8 and 15 per cent of welfare payments according to a letter published by the *Globe and Mail* on April 8, 1996.

I have a question on the Order Paper for the Minister of Human Resources Development. In the spending estimates of the national accounts, I discovered that last year the amount of money recovered from fraud in the insurance system rose by about 3.5 percentage points or several million dollars.

I have asked the minister to explain why, in one year, there was such a dramatic increase. Was it because new measures were undertaken? What was the cause? Certainly it could not be explained by people suddenly becoming 3.5 per cent more fraudulent than they were before.

The third measure I would recommend is the elimination of specific types of abuse. I am very careful not to call them fraud. I talk about abuse.

All of us have heard about entire school boards announcing in April that the teachers and other employees of the school board would be laid off in June after classes stop. As a result of this, eligibility for unemployment insurance is established. In September, these people get rehired. That is an abuse of the system. It was never intended.

We know the story that the former Minister of Human Resources Development was bringing forward all the time. Automobile workers were constantly negotiating contracts that involved unemployment insurance benefits in their pay package. Those kinds of things can be made illegal completely and directly.

Finally, for those people who see this program and would like to have a more elaborate explanation of what is going on, there are measures available for reducing gradually the abuse that is taking place by permanent transfers to seasonal industries.

It makes no sense that the rest of Canadian workers, some of them poor, in areas other than those benefiting, that seasonal workers should be receiving, consistently year after year, six times the amount of money that they pay in premiums.

I have some ideas on how to do this. The paper is available. Please write to me at the House of Commons.

Mr. Joe McGuire (Egmont, Lib.): Madam Speaker, it is a pleasure to address the House on Bill C-12.

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This bill is the culmination of a two-year effort on behalf of the government to change, to clarify and to improve, hopefully, the unemployment insurance system of this country. It has been a very long time coming.

The people of Canada had their first look at this bill last December. Some parts of it were greeted with a great deal of anger in some areas. One of the things that really upset members of Parliament and seasonal workers in particular was the calculation of benefits and what became known as the gap. They were also upset with the divisor rule, which reduced their benefits a great deal, as well as with the intensity rule, which would penalize people who worked in seasonal industries.

• (1645)

It is unfortunate that in Canada we have winters. We do not fish or farm in the wintertime. Neither do we have much of a tourist industry in the wintertime. Most of our nation consists of seasonal industries manned by seasonal workers. They are full time workers in seasonal industries. To penalize them, which was the message they received last December, would be a very unfair way to treat them.

With the change in the cabinet, the new minister undertook to rectify those situations. The minister of HRDC comes from an area which has seasonal labour, whether it be fishing, forestry, mining, tourism or whatever. A large percentage of the workforces in New Brunswick and in P.E.I. consists of seasonal labour. In my riding of Egmont almost 50 per cent of the labour force is seasonal. To penalize them, as we would have been under the bill which was introduced in 1995, was unfair and the new minister recognized that.

The minister and the Standing Committee on Human Resources Development put a lot of work into improving the bill. They worked very long hours. There are a lot of amendments which came from members of the Atlantic caucus and also from members of the Ontario caucus, the Manitoba caucus and the B.C. caucus. As I said earlier, the country is made up of seasonal industries due mainly to its geography.

I compliment the hon. member for Fredericton—York—Sunbury. He put an enormous amount of time and concern into rectifying the bill. I also compliment my colleague from Malpeque who made an amendment which will be introduced later on that will improve the bill.

The main problem with the old bill was the gap. When a seasonal worker applied for unemployment insurance they had to count back consecutively 14 straight weeks to calculate their benefit. Oftentimes there was no work at all. Even though an individual qualified to apply, they did not have 14 consecutive weeks. In an extreme case a person could have one week and 13 zeros. That is how ridiculous the previous proposal was.

We tend to ignore or forget that there was quite a protest against these parts of the bill. Whether it was in P.E.I., New Brunswick, Quebec or Ontario, people came out to help us make these changes in the bill. I was glad to see them demonstrate their support for the changes we were proposing. They made sure we held to our word that we would change the gap, the intensity rule and the divisor.

Once a person's seasonal employment is finished, whether it is in August or October, they can go back 26 consecutive weeks. If their 14 weeks, or their 12 weeks in the case of Prince Edward Island, is within that 26 week period, they will receive full benefit for the contributions they have made.

• (1650)

This will take care of the vast majority of seasonal workers. There will be a few who slip through the cracks. As with any new legislation there is always improvements that can be made. Even though they may not be made in this bill, in the future amendments can be made to protect those people who fall through the cracks.

There may be a year of adjustment for some people who apply in July for unemployment insurance benefits. When they take the previous fall's work weeks, coupled with the spring work weeks and then apply for unemployment insurance in July, these people will be left out. They will have a year of adjustment which may be tough.

On the intensity rule, it is not a perfect solution. However, if we had all kinds of money to apply to every problem we have I suppose we would never get out of debt or never get our deficit under control.

We have to credit the minister for going back to cabinet and securing funds which will take care of the cost of the gap, the cost of the intensity rule and the cost of the divisor rule. When we add it all up there is about an extra half billion dollars put into the bill over the past month.

The intensity rule now is that if someone is a repeater but their household income is \$26,000 or less they will not be penalized. Depending on their dependants, they may be able to qualify for an extra amount of money because they are a low income earner. Those with higher incomes will be penalized 1 per cent a year for five years, which is still money and still a penalty. I believe it should still be recognized that \$26,000 in this day and age is not a great amount of money and these people should not be penalized.

UI was never designed to support somebody who is making \$60,000 or \$70,000 net income. With the clawback that situation will be rectified to an extent where in five years' time someone making \$48,000 will still be eligible to draw UI. Over that they will not be able to draw UI. I do not think anybody can argue with the fairness of that stipulation in the bill.

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I know there are a lot of other things that can be said about the bill. I compliment the committee again for all its hard work, especially the members in my province, the members for Malpeque and Hillsborough, who have devoted a lot of their time to improving the bill.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I am very pleased to speak to the amendments proposed by the Bloc Québécois. I am pleased to speak to these amendments because I have always thought that in politics, especially when talking about social programs, words are not meaningless.

I do not think we will have many opportunities to see, in this Parliament, a word as daring and as inappropriate as the one proposed by this government which, with its inflated ego, with all the superlatives and the artificial pride it is capable of and with the strength of its weight, has the audacity to call this bill that is before us today, and that has been before us for a number of weeks, the Employment Insurance Act.

Can you imagine that Canada, a country which, if we look at the statistics, has a dismal unemployment rate and where poverty is a problem—the National Council on Welfare reminded us of that last month when it encouraged us to invest \$15 billion to fight against poverty—can you imagine that Canada is talking about employment insurance?

The government is talking about employment insurance with a kind of impudence that is unacceptable for parliamentarians. What we are saying is that we will talk about employment insurance when and only when the government has finally set the stage for job creation.

• (1655)

And what do we see today? There have never been so many unemployed people. There have never been so many people wanting so much to work than at this time, and we know many in our ridings.

Each of us has a public voice. Each of us represents people. I represent the riding of Hochelaga—Maisonneuve. This riding is in the Montreal area, which has a far higher unemployment rate than the national average. Yet, today, the government would like the Bloc Québécois to be part of this play on words. But we are vigilant, we know what these words mean and we will not support a bill that, even in its title, could suggest conditions are there to create jobs. We do not accept that and we will never accept that as long as we live.

Let us look at the premise on which the debate started. Did the government ask the human resources development committee to suggest ways to develop a number of strategies leading to full

employment, with what that implies in a system where there are two levels of government? That is not the premise on which the debate started. The debate started with a \$2.3 billion cut. We cannot forget, when we analyze this bill, that it aims first and foremost to rationalize, that is, to balance public finances. Of course, we are not against balancing public finances, but we are not convinced it must be done at the expense of the unemployed.

We are in the presence of a government that, with a quite appalling regularity, it must be recognized, has tried over the last few years—since the Liberals have been in power for almost three years—with each of the successive budgets the finance minister has tabled in the House, to make cuts that were aimed at people in our society who need help.

You know what the views of the hon. member for Mercier are in this regard, how she and our colleagues who worked with her on the human resources development committee propose to put people back to work. That is what we should be talking about. But the premise we must start from is not a sense of brinkmanship, a burden of \$2,3 billion. This is not the way to hold a successful debate that will allow us to set the stage for full employment.

I do not know whether you had the opportunity to read the Fortin report. I did. According to Mr. Fortin, since 1990—I must be honest with you—the various attacks against unemployment insurance, which limit access to benefits, have exerted pressures in the order of \$1 billion on Quebec's public finances. This statement was not made by the hon. member for Mercier, the hon. member for Hochelaga—Maisonneuve or the hon. member for Verchères. The economist Fortin—who is not known for his support of sovereignty, who is not a friend of the Bloc Québécois—tabled a report saying that repeated attacks against unemployment insurance by restricting eligibility to the program had exerted such pressures on Quebec's public finances that the Quebec government had to spend another \$1 billion.

What is happening? I am surprised that this government does not understand. It is refusing to hold a debate on the real question: How can we create jobs in the conditions that will prevail in the year 2000 and the year 2005? How can we set the stage for full employment? Some countries have succeeded.

• (1700)

True, those are not continental countries. True, those countries are not as vast as Canada. True, those countries do not have two levels of government obstructing each other. But the question remains. The real issue we face in each of our ridings, whether in the scenic Lower St. Lawrence region, where you may be thinking of spending your next vacation, the riding of the Minister of Immigration, or the riding of Hochelaga—Maisonneuve, is that people are looking for jobs. And what is this government proposing to them? You may nod in agreement, but the fact remains that there is nothing in the bill before us that would help create jobs.

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Again, what the opposition finds unacceptable is that there should first have been a debate on the way to overhaul social programs and to set the stage for job creation, but not with a sword over our heads, not with the burden the Standing Committee on Human Resources Development had to carry: cutting some \$2 billion beforehand. This is not the end of the fiscal year.

It is as though a CEO trying to determine what human resources he will need in the coming years was told he had to juggle with a \$250 million burden in taxes of all kinds.

The exercise was flawed from the beginning and the official opposition cannot accept that even the title of the bill is confusing to the point of suggesting to people that this legislation includes measures to stimulate employment.

Let us talk about the philosophy of the bill. Madam Speaker, I know you like philosophy. Let us take a look at the philosophy underlying the bill. Do you think that consideration was given to the fact that there are honest people out there who are actively looking for work? How do you explain that the government targeted in a blatant and totally inconsiderate manner the so-called frequently unemployed, as if life was like a career plan, and as if people, over the last five years, had deliberately chosen to put down on their resume: "I collected unemployment benefits on two, three or four occasions".

What is the logic behind the idea of penalizing people because they used a program which they funded without government assistance? Indeed, all those who are listening must know that, in 1992, the government completely withdrew its financial support to the unemployment insurance fund.

This is quite the paradox. The government wants to limit eligibility. It tells people: "If you are frequently unemployed, if, in the last five reference years, you had the audacity of collecting unemployment insurance benefits for more than 20 weeks, it is just too bad. For each multiple of twenty, the benefits to which you would otherwise be entitled will be reduced by one per cent".

Madam Speaker, you are telling me my time is up, but let me say I am still quite upset by all this and I hope to speak again on this issue.

[*English*]

Mr. Francis G. LeBlanc (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, it is a pleasure to say a few words this afternoon on Bill C-12, the legislation to create an employment insurance system in Canada.

I have been associated with the efforts to modernize and reform Canada's unemployment insurance system for some 12 years. I was a civil servant between 1984 and 1988 in the department which

preceded the human resources development department in the area that was working on unemployment insurance reform. For the last eight years as a member of Parliament I have represented a constituency in which unemployment insurance is a very important part of the local economy. I have been associated with many of the efforts to reform the UI program and changes that have been made to that program over the last eight years.

• (1705)

Most recently, as the chair of the human resources development committee I travelled across the country examining the views of Canadians on the reform of Canada's social security system. I had a chance to talk to many Canadians about the need for UI reform and the direction the UI reform process should take.

Bill C-12 has gone through a great deal of study by the Government of Canada, by both the current and previous ministers responsible, as well as members of the House, notably the members of the Standing Committee on Human Resources Development. It represents a major step forward in the difficult task of reforming Canada's system for insuring Canadians against unemployment, for providing Canadians with support and creating conditions for stable employment and job security in a rapidly changing world.

While the changes which are represented in the employment insurance bill do not completely provide the kind of employment insurance we will need to confront our problems in the 21st century, they do go a very long way toward improving and modernizing the present unemployment insurance system. Let me make a few brief important points about what the legislation does.

Basing the new system on hours and not on weeks will create a much more flexible employment insurance system which, in today's job market, will entitle people to employment insurance much more readily than in the past. It will be fairer to seasonal workers. Many of them have concentrated weeks of work in a short time of the year. If they do not acquire the 12, 13 or 14 weeks under the existing system whether or not they work long hours during those weeks, often they do not qualify for unemployment insurance.

Changing the formula to hours allows seasonal workers easier entitlement and in a shorter period of time. It will also allow workers who can only get part time work to use those hours to build toward their entitlement. Previously in many cases if workers did not work 15 hours a week, they simply did not qualify for unemployment insurance.

It is an improved system because it will provide a much broader coverage for the labour force. It covers every hour worked, not just for those individuals who work a minimum of 15 hours a week. Providing broader coverage not only allows more people access to the employment insurance income benefits which are part of the

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program but it also allows more people to have access to the tools for re-employment which are also part of the legislation.

Those tools for re-employment are now only available to people who are getting unemployment insurance benefits. That has created a great deal of confusion and distortion in areas where people would like to take advantage of training programs but do not qualify for unemployment insurance. They are unable to access that benefit. Under this new system those benefits will be more broadly available. More support will be provided for individuals to take advantage of those tools to get back to work.

• (1710)

This new system introduces the notion of allowing people to accumulate and build their entitlement. That is a very powerful incentive to creating more stable and long term jobs especially in those parts of Canada where it is more difficult to create jobs.

The notion of allowing people to accumulate entitlement is in various parts of the bill. It starts with the basis of hours worked rather than weeks worked as a unit of account. The intensity rule is a very astute amendment by the member for Etobicoke—Lake-shore. It allows for people who are repeat users of benefits and who would have their benefit levels reduced through the intensity rule, that by working more hours during that period of unemployment they can build back up their entitlement thereby delaying the effects of the intensity rule.

A number of features in this program are directly suited to people with low incomes. It will give them an opportunity to have more than the 55 or 57 per cent of their earnings replaced through this new system. Through the family income supplements which are part of the new employment insurance system, people with low incomes will be able to have a larger portion of their incomes replaced. That is one of the progressive features of the system.

The new system recognizes the regional differences and the fact that in many parts of the country jobs are much harder to find. The system is regionally differentiated in order to take that into account. The important thing we all have to know in this House is that the fundamental purpose of this legislation has to be to create the conditions for jobs and job creation especially in those parts of Canada where jobs are difficult to create.

The unemployment insurance system cannot be a barrier or obstacle to creating jobs. If it does that, and the old system has done that, then we are fighting against ourselves. We are working at cross purposes and we are not providing the environment Canadians want and need in order to have the jobs that will provide secure incomes for the 21st century. That is why this system is an important improvement to the existing unemployment insurance system in Canada.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I am pleased to speak to Bill C-12, which is of great importance to everyone, and to support the amendments proposed by the Bloc Québécois. I would like to take this opportunity to congratulate our three colleagues from the Bloc Québécois, the members for Mercier, Lévis, and Kamouraska—Rivière-du-Loup, for their extraordinary handling of this issue.

Throughout Canada, throughout Quebec, when I meet with ordinary people, with unions, they congratulate the Bloc Québécois for the extraordinary work we have done on this very important subject. When I meet with unions in which I worked for 19 years, they are proud of the work done by our party.

It goes without saying that I am strongly opposed to this regressive, discriminatory, anti-employment, anti-worker, anti-union bill. I do not have words to describe it. It astounds me that the government remains completely insensitive to popular demonstrations and to the potential for indignation mentioned earlier by my colleague for Hochelaga—Maisonneuve.

• (1715)

I think that we have not yet seen the full potential for indignation and revolt of the people of Canada and of Quebec with respect to this bill, which will mean unprecedented reductions in UI coverage in Canada.

Yesterday, this bill was described as organized theft, because it would tighten eligibility requirements, reduce benefit periods, lower benefits, and, at one point as well, we saw increased penalties for infractions. We know, for example, that the initial penalty for voluntary termination of employment was not what it is today. Today, anyone who leaves their job voluntarily pays a heavy price under the Unemployment Insurance Act.

The United Nations has declared this international year for the elimination of poverty, but I know of no initiative by this government to fight poverty in Canada and in Quebec. On the contrary. Poverty is growing rapidly in most sectors of society, because I think the government's tendency is to listen only to business. This bill is a poverty creating bill.

In my riding of Bourassa, approximately one third of the population is unemployed. This is a much higher rate than in the rest of Canada, much higher than in Quebec and Montreal Island generally. Sometimes, I wonder if it would not be better if the unemployment insurance fund were to be managed by some other organization.

I lived three years in Belgium. The unemployment insurance system in that country is managed by the unions. It did not cost the

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state anything. Benefits are much higher. The benefit period is much longer than in Canada. I think that, in Canada, businesses and unions could manage at least part of the system, since employers and employees are the ones who pay into the fund.

Since 1990, the government has not paid a penny into the unemployment insurance fund. However, it uses the surplus, now reaching \$5 billion, to help reduce the deficit. In my view, the trend nowadays in the unemployment insurance area is to cut, to get in line with the United States, where the system is much less generous than in Canada or other countries that have signed NAFTA.

I think it is important not to pass this bill. Yesterday was May 1, International Workers Day, but let me tell you that no one in Canada and even in the world was in the mood to celebrate.

In Sainte-Thérèse, Kenworth just closed down: 900 jobs lost. What did the federal government do? Nothing. On the other hand, the Quebec government is prepared to provide financial assistance to this company to upgrade the Sainte-Thérèse plant and to develop the training program for the employees.

The CAW, the union, is prepared to sign a collective agreement and agree to labour peace at least for five years.

• (1720)

I take this opportunity to salute the labour federations in Quebec, the CLC and all unions for the extraordinary job they have also done on unemployment insurance.

Yesterday, naturally, people rose up against this bill. They are furious with the government, which is endlessly cutting everywhere, in social programs and especially in the area of unemployment insurance. Bill C-12 hits part time workers particularly hard. Most part time workers are women; sixty-nine percent of people working less than 35 hours a week are women.

This bill discriminates against women. I am pleased women in Canada are reacting against this, as they did last year in Quebec. They are organizing a march from Vancouver and the Atlantic provinces. It will begin May 14 in Vancouver and May 19 in Saint John, New Brunswick. They will reach Parliament Hill June 15, and I think all Bloc members will be there to support the legitimate demands of women: an increase in the minimum wage, the continuation of social programs and funding for day care.

Bill C-12 also discriminates against immigrants. You know, sometimes when immigrants come here with a temporary work permit they are not entitled to unemployment insurance, because they are not residents of Canada. However those who have just immigrated here must work 910 hours before being entitled to unemployment insurance and not 300 hours as before, despite their willingness to work.

For all these reasons, I strongly oppose this bill and I ask the government to declare war on unemployment and not on the unemployed, as is the case at the moment.

[English]

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Madam Speaker, it is a pleasure today to talk about the reforms to the unemployment insurance program and the development of the new employment insurance scheme.

Now would be a good time to reiterate that this reform is based on a number of broad, general principles to which the government is appropriately adhering. No doubt the best social security program a Canadian can have is a job. We have to keep that in mind in everything we do. At the end of the day the best way to ensure the security of individual Canadians is to ensure they have jobs.

We have to realize, as we certainly do in my part of rural Canada, we need to create an environment within which the small business sector can create wealth and employment.

This program goes a little further than that. There are proactive measures within the employment insurance program to help with the creation of jobs. We see proactive measures such as wage subsidies, the self-employment assistance program, which I have seen work well in my riding of Parry Sound—Muskoka, the earning supplement and job creation partnerships.

Job creation partnerships are of particular importance in a rural riding like mine where we have an opportunity to marry the need to provide experience for individuals who are temporarily out of the workforce with programs that will pursue economic development within our communities.

• (1725)

This combination of providing experience for people while they work on projects to help develop the economy of my rural part of the country, although applicable across the country, is an excellent approach to achieving the principle of maintaining support for individuals who find themselves unemployed. At the same time, it creates the infrastructure and the environment where long term jobs can be created and people will be able to find sustainable employment.

One of the things we have come to realize in dealing with reforms to the unemployment insurance program is that the situation is very different today than it was 30 years ago. At that time much of the employment created was of a temporary, cyclical nature where because of a downturn in demand for a short period of time an individual might find himself unemployed for two, three or four months.

Today that has changed significantly. Much of our employment is not the result of a temporary decline but because an industry or a job may no longer exist.

Private Members' Business

The need for a properly operating employment insurance program goes far beyond creating income support. It needs to address the whole issue of creating long term employment. Obviously this assists by working on infrastructure and by helping communities develop long term economic development goals.

The program deals directly with the small business community. In my riding of Parry Sound—Muskoka it accounts for almost all the jobs. It accounts across Canada for most of the new job creation.

It is important that we realize components in this reform program will assist the small business men and women who work every day in the riding to create wealth and employment for my constituents. The whole idea of creating a surplus in the UI fund is so we can have a stable UI rate and do not end up with a recession.

There is at least one economist in the House now who knows full well the very wrong thing to do during a recession is increase premiums to pay for the increased demand on UI.

What makes far more sense is to ensure we have a surplus so that when there is an extra demand during an economic downturn we will not have to exacerbate that demand by increasing UI premiums. This happened during the last recession.

We have also helped small business men and women with a number of other measures connected to this plan. We have a far more simplified system. Small business people become very frustrated, and rightly so, when they spend more time on paperwork and on adhering to regulations than they do doing their jobs and what they do best, creating wealth and employment.

This program, particularly the conversion to an hourly rate from a weekly rate, significantly reduces the administration cost to the small business community. This is a very positive step.

We saw a decrease in the premium rate business will have to pay. This is a positive step. Those types of taxes are job killers. It is positive that we are able to modify that rate, as is the whole idea that the maximum insurable earnings rate will give a break in terms of taxation to the small business community.

It is clear what we are trying to do with this reform. We are recognizing absolutely that the world of the 1990s is very different from that of the 1960s. It is not only an issue of income support, although that is very important and this program deals with that. This is an issue of making sure long term job creation occurs.

We are doing that by providing individual workers with a number of tools in this program. The committee had an opportunity to review those and we enunciated many times in the House that they are very positive initiatives. They will help individuals acquire the skills and experience they need to move into areas of

employment that are long term and sustainable. On the other hand, an economic environment has been created that will allow the small business community to create wealth and those jobs which unemployed individuals need.

This is an excellent reform. The members of the Standing Committee on Human Resources Development have worked hard on this bill over the last few months. I congratulate them and I look forward to seeing it passed in the House.

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): It being 5.30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

EQUALITY IN THE WORKPLACE

Mr. Ted White (North Vancouver, Ref.) moved:

That, in the opinion of this House, the government should support the elimination of section 15(2) of the Constitution Act, 1982 as it derogates from the principle of equality enunciated by section 15(1) of the Charter of Rights and Freedoms and, that the government should work towards enhancement of equality in the workplace by ending the discriminatory hiring programs that have resulted from the affirmative action provisions of section 15(2).

He said: Madam Speaker, unfortunately this motion has been deemed non-votable. This means that we will be spending about \$125,000 an hour plus to run the House but members will not be allowed to vote at the end of the process.

I have tried unsuccessfully on previous occasions to get Liberal members to correct this travesty of democratic principles. While I expect no different reaction this time, I am going to ask for the unanimous consent of the House to make this motion votable.

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): Do we have unanimous consent?

Some hon. members: No.

[English]

Mr. White (North Vancouver): Madam Speaker, once again the tolerant, compassionate, politically correct Liberals have denied the basic cornerstone of democracy, the right to vote. In fact I am sure they wish they could completely censor this motion. I do not doubt for one minute that some of them would suppress free speech in this place if they could.

Private Members' Business

Most of my Liberal colleagues across the way will decry this motion by saying that it is disrespectful of goals behind notions such as employment equity. It is often the people that support affirmative action who are the real promoters of discriminatory practices within Canadian society. They regularly avoid accountability or the need to intelligently debate the issues of discrimination and fairness, resorting instead to screams of racist, bigot and extremist. So entrenched is their ideology that they are incapable of assessing the damage to society some of their policies have done.

Section 15(2) of the Constitution is a good example. Let us look first briefly at section 15(1). Section 15(1) states: "Every individual is equal before the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability".

So far that is pretty good. Section 15(1) enunciates a legal principle that is fundamentally sound. All of us are equal and should be afforded equal protection from discrimination under Canadian law. Even vertically challenged MPs with a New Zealand accent like myself are protected from discrimination by section 15(1). The authors of section 15 should have left it at that.

The purveyors of political correctness and social engineering could not just leave it at that. In their zeal to make some Canadians more equal than others, in their misguided attempts to correct the wrongs of days long since past, they came out with section 15(2) which reads: "Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups, including those who are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical ability".

Basically if we strip away the niceties, section 15(1) says we are all equal and section 15(2) says that programs like affirmative action and equal opportunity make some Canadians more equal than others because of their race, their gender and so on. This is *Animal Farm* all over again.

• (1735)

It surely must be clear even to the most fanatical defender of affirmative action that giving a specific group of people special rights automatically reduces the rights of some other group. These programs which are supposed to encourage equality actually end up discriminating against individuals who are not part of the favoured group.

In essence, the program sends a message that it is a waste of time applying for a reserved position. To the persons who are given the special consideration, the condescending message is: "Since you cannot hope to make it on merit alone, we will lower the require-

ments for you". The whole notion is insulting and demeaning. It is completely demeaning to those who it purports to help and those it excludes.

In all of my discussions with people who could be identified as visible minorities, I have never yet met one who wanted to get a job based solely on the fact that they belonged to a special group or a targeted group for affirmative action. They want to get a job based on merit just like the rest of us do.

In other words, even most of the people who are supposed to benefit from the special treatment do not want it. That is why a recent survey of the public sector, the public service in Canada, found such unwillingness for people to self-identify their ethnic origins.

The basic premise of affirmative action programs is highly insulting and is sometimes even racist. I thought the days of Mrs. Parks in Selma, Alabama were long gone, but no. There are actually government sanctioned programs and legislation in place in Canada which makes it legal to refuse people employment because of their colour or gender. I will talk about that a little more later. This is a sad state of affairs because it borders on contempt for those Canadians who truly support the principles of equality and merit.

Let me use an analogy which explains the problem by reference to the Olympic Games. If Olympic events had affirmative action and equal opportunity programs in place, the scenario would be something like this. The International Olympic Committee would implement a program which would allow anyone to compete in the 100 meters who could run it in, let us say, five minutes. Now there is not much challenge in that so it would be a pretty open field.

However, when the race is finally run, the person who won the race with the fastest time would not necessarily get the gold medal. Instead, the gold medal would be awarded to the fastest person who belongs to a traditionally disadvantaged group regardless of whether they won the race or not. Merit would not be a factor. Frankly, it would not take more than one set of Olympic Games for top athletes to work out that they were wasting their time with a lot of training and would simply give up entering the race. It would be equally demeaning for those who were winning the medals because they would feel they were not receiving it on merit.

This type of situation is exactly what happened to a Canadian named Timothy Juliette. He recently graduated from a civil aviation mechanical engineering course with a near perfect 3.98 grade point average. Subsequent to that he was denied entry into a Department of Transport training course which would have allowed him to pursue a career in his field. He was denied access to the course because he was not a member of a disadvantaged group. More to the point, he was denied the opportunity because of his gender and skin colour, in this case white and male.

Private Members' Business

Sadly, it is all quite legal and constitutional under the present system. Section 15(2) actually allows for programs which discriminate against persons who are not women, aboriginals, persons of colour and persons with physical limitations. It is the height of hypocrisy for the government to claim that it is working against discrimination while at the same time discriminating against people who do not fit into its quotas or hiring goals.

The worst thing is that some of the most vocal of the promoters of affirmative action are so blinded with ideology that they will not or cannot see how intolerant, bigoted and extremist their demands really are. Some of the most vocal act as if they have been chosen by God to be the sole possessors of tolerance, compassion, understanding and intellect, when in fact they exhibit all of the symptoms of intolerance, a lack of compassion and understanding and an inability to see the truth.

• (1740)

A homosexual support group demonstrated against the Prime Minister outside the House yesterday because he permitted a free vote on Bill C-33. The very group the Prime Minister is trying to help demonstrated its intolerance by indicating that it wanted the Prime Minister to force MPs to vote a specific way.

Members of this group need to take a look in the mirror at the reflection of their own intolerance and bigotry. Instead of trying to rationally discuss the issue with those who are voting against Bill C-33, they showed fanatical intolerance. No wonder they drive people away from their cause.

That group thinks it should be immune from accountability and that its version of tolerance and understanding would be to force those MPs to vote the way it says. It is lip service tolerance, and as I said, those people need to look at the reflection in the mirror of their own intolerance from time to time.

I listened yesterday to the member for Vancouver Centre. She told us of the dreadful discriminatory experiences she endured as she struggled to become a doctor. I can understand how she would become very bitter and angry from those experiences. However, we cannot correct the problems of the past by focusing that anger and bitterness into revenge on others who had nothing to do with the injustices. To do so is to sink to the same despicable level as those who have discriminated against her.

On Tuesday evening in West Block there was a reception for a group of Rotary Club students who had won a trip to this region through a competition. While I was at the reception I was approached by some young white males, students who were studying hard in the hope of getting good jobs.

They wanted to express their concerns to me about the discrimination they felt working against them every time they applied for

jobs. Does the member for Vancouver Centre really want to hurt these young people? Does she really want to single them out for discrimination and denial of jobs because of the sins of the past? Could she look into their eyes and tell them that no matter how great their merit, their places must be filled by people from designated groups? Could she tell them they must be denied employment because they were born male and white?

Does she really think she can build tolerance and understanding this way? Logically the only long term outcome from that can be a backlash which would destroy all the gains made by teaching tolerance and understanding.

Education is the tool we must use, not discriminatory legislation. It was the state that legislated black people to the back of the bus in Alabama. It was the state that legislated discrimination in Germany and identified people by race, as this government is doing in the census this year. Everywhere discrimination has flourished, it has flourished because the state legislated that discrimination. Now it has happened and it is getting worse in Canada.

The member for Yorkton—Melville, who sits beside me in this House, worked for several years on an Indian reservation. Like the member for Vancouver Centre, he knows exactly what it is like to experience racial discrimination. Right here in Canada, under the noses of the members opposite, a white male living and working on an Indian reservation lived in fear for his life. I hope that at an appropriate time this member will repeat his story for the benefit of the people in this House.

Section 15(2) did not protect him from discrimination because legislation cannot change attitudes or enforce tolerance. It cannot enforce understanding. Only education changes attitudes and builds tolerance and understanding. In this regard I will refer to an incident which took place in the House earlier in the week.

On Tuesday morning the member for Etobicoke—Lakeshore, who is black, was visibly very angry after reading a newspaper report which claimed that the member for Nanaimo—Cowichan had made some discriminatory remarks under questioning by a reporter.

The member for Etobicoke—Lakeshore crossed the House and came among the Reform benches. She was yelling very loudly and was clearly very upset. It was impossible to determine exactly what she was saying. A fair bit of shouting went on back and forth between Reform members and the member for Etobicoke—Lakeshore. I was quite disturbed and distressed by the entire experience.

• (1745)

How much better it would have been if the member, before passing judgment on the basis of hearsay and a newspaper story, had demonstrated the tolerance and understanding she asks others

to display by approaching the member for Nanaimo—Cowichan and saying “is this really how you feel? Is the newspaper story correct? Is there some what we can correct this problem?”

If the member truly believes in promoting tolerance and understanding in these matters she must treat others as she expects them to treat her. This is a two-way street, and her goals will not be attained by screaming at those who can help her achieve these goals.

I am quite sad that I have to convey this message through a speech. I do so only because she appears hostile to any other discussions.

Unfortunately section 15(2) of the Constitution is helping to create an aura of anger and intolerance in the workplaces of Canada and I sincerely believe we would be better off without it.

As I said, I found the incident in the House this week very distressing. I found this entire week very distressing. I very much want to be part of a good and logical debate about important issues facing the country. I do not like being immersed in the aura of anger and intolerance which filled this place over the last few days.

I take the issues of racism and discrimination very seriously. Last year I attended a two day anti-racism conference in my riding so that I could listen to the concerns of those who had been affected and investigate whether there was any racism in my riding. I also advertised in one of my regular weekly reports for the *North Shore News* for any examples of racism that existed in my riding so that I could intervene and try to resolve the problem.

I am pleased to say that not a single example of racism has been reported to me in the almost three years I have been an MP. My constituents, like the majority of Canadians, are a tolerant lot quite capable of avoiding discrimination without the government's interfering in the process.

On the other hand, can we count as racism the fact that some school students in Richmond, B.C. have complained recently to the media that they cannot get jobs in their community because they are not ethnic Chinese and do not speak Mandarin or Cantonese? Perhaps the member for Richmond should begin addressing the problems in his riding. Can we count as discrimination the examples reported by white males who feel they did not qualify for job opportunities because they were not members of an identifiable group?

It seems these problems, which some might call reverse racism and reverse discrimination, are a direct result of section 15(2) and its associated affirmative action programs which, instead of eliminating discrimination, have simply transferred the discrimination from one group to another.

Private Members' Business

Two wrongs do not make a right. Let us get rid of these discriminatory actions of government and let us get rid of section 15(2). Let us concentrate on education as the weapon against discrimination.

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, I have a speech but I do not think I will be using it to any great extent. I would prefer to answer the comments put forward in such a callous and outrageous fashion by the member across.

He is blaming the government that the motion is non-votable. That decision is not made by the government. It is made by an all-party committee which agrees through consensus which motions are votable. If members of his own party do not agree it is worth our time, I do not suppose we should either.

• (1750)

I was in the House the other day and I witnessed the hurt and the pain expressed by the member for Etobicoke—Lakeshore at the remarks made by the member for Nanaimo—Cowichan, remarks that were all over the newspapers.

Her feelings matter. Her feelings are important. She has worked hard all her life in the face of discrimination, in the face of adversity, to build her community, to bring tolerance to society and to show all Canadians we all have a place in this country regardless of our race, regardless of our religion, regardless of the colour of our skin.

To have this lifetime of work shamelessly put down, shamelessly put to the side by the callous remarks of the member for Nanaimo—Cowichan is not acceptable. Her conduct in the circumstances was quite reasonable in comparison to members of the Reform Party.

The deputy leader and the leader would not condemn the actions of the member for Nanaimo—Cowichan but glibly sat by, saying it is all right, it does not really matter, it is not important. They say he really did not feel that way. He did feel that way. On December 14, 1994 he made the same comments in a Nanaimo paper. That is twice. He does feel that way. It does hurt the hon. member.

After that, after the apologies were made—

Mr. White (North Vancouver, Ref.): Madam Speaker, on a point of order. The member is making statements that he knows how the member for Nanaimo—Cowichan feels.

The Acting Speaker (Mrs. Ringuette-Maltais): That is not a point of order, hon. member, and you well know it.

Mr. Kirkby: After the apologies were made yet another Reform member, the member for Athabasca, on a radio program in his riding said he thought minorities should be discriminated against. A number of other Reformers were quoted as agreeing with the position of the hon. member.

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We have heard concerns expressed not by this side of the House but by members of that party about the extremism that exists within that party. It is not us. Their very own people are worried about it. These people were caned into submission in a caucus meeting. How is that for free speech? How is that for allowing everybody to express how they feel?

It is little wonder the hon. member suggests there is not a single example of racism that has been brought forward to him so that he could fix. Everybody who would be subject to racist activities knows he would not be the one to fix it.

We talk about a bill before the House that has brought an amendment to the charter of rights and freedoms to outlaw affirmative action, something that would make it so that we could not have affirmative action and programs to fix an alleviate the conditions of people who are less advantaged.

We just get finished celebrating the 50th anniversary of the end of a terrible period in our history. How did that period start? It started with talk. It started with the systematic marginalization of minorities, the people the majority thought did not matter. It went through action. We all know where it ended. Let us remember history. Fifty years is not a long time. Fifty years is not long enough in the evolution of humanity to think these kinds of things could never happen again.

• (1755)

That is why we must all be vigilant and persistent and continue our efforts to ensure equality within this great nation, to see that all citizens, regardless of race, regardless of colour, regardless of religion, are free to enjoy this country. We can all work together to build a better society in which people will be free from the types of comments and actions we have been witness to this week.

An hon. member: Where is Jag Bhaduria?

An hon. member: It was not because there was anything wrong with him. It was what he did.

The Acting Speaker (Mrs. Ringuette-Maltais): It is time we recognized the House needs to run more smoothly.

Mr. Kirkby: Thank you, Madam Speaker. With respect to the motion before the House, the bill is not in order. I suggest we not support this piece of legislation. I think it is within all our hearts and desires to ensure that all people in this society have opportunity.

This is not about special opportunity, this is about equal opportunity for all Canadians. We must ensure we use the types of measures which will fix the historical problems of the past. We must ensure that some time down the road in our future we can all have opportunities to succeed in the jobs of our choice. We must be

willing as a society to take measures to protect all individuals, whether because of race, ethnic origin, colour, religion, sex, age, mental or physical ability. We must allow all of these people opportunities in society.

Words are very important. Words can hurt or words can heal. It is time all members of this honourable House realized the import and the power of words. Let all we say and all we do bring dignity, respect and honour to all Canadians and to our shared values of tolerance, working together and justice.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, the hon. member for North Vancouver has tabled motion M-141 before this House, which shares the same political philosophy as Motion M-154 by the Reform member for Wetaskawin, which we shall be debating within a few minutes. Motion M-141 reads as follows:

That, in the opinion of this House, the government should support the elimination of section 15(2) of the Constitution Act, 1982, as it derogates from the principle of equality enunciated by section 15(1) of the Charter of Rights and Freedoms and, that the government should work towards enhancement of equality in the workplace by ending the discriminatory hiring programs that have resulted from the affirmative action provisions of section 15(2).

• (1800)

Sections 15(1) and 15(2) of the Constitution Act, 1982, to which the hon. member refers, address the Canadian Charter of Rights and Freedoms and more specifically the rights to equality within Canadian society. These two sections, which have been in effect since April 1985 and which the hon. member wishes to have eliminated, read as follows, and I quote:

15. (1) Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Subsection (2) deals with positive action programs the member for Vancouver-North would like to see abolished, and reads as follows:

(2) Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Whether the member for North Vancouver likes it or not, this in fact does not preclude legislation, programs or activities aimed at improving the conditions of disadvantaged groups based on the personal characteristics of the individuals making up these groups.

The member wants to maintain subsection 15(1), which re-affirms that everyone is equal before the law and entitled to equal benefits and equal protection under the law, but he also wants to eliminate subsection 15(2), which in his view contradicts subsection 15(1); in other words, he wants the government to put an end to

programs facilitating job equity through hiring programs the member calls discriminatory.

The Supreme Court of Canada handed down 23 decisions regarding section 15 of the Canadian Charter of Rights and Freedoms, some are better known, such as the Thibaudeau case dealing with making support payments part of income. Others, such as the Andrews case, are precedent setting. This case dating back to 1989 led to the drafting of an interpretation code for cases dealing with equality rights. In that case, the appellant was successful in contesting the need to be a Canadian citizen to be called to the Bar Association of British Columbia.

Mary C. Hurley, a researcher for the Law and Government Division of the Library of Parliament, conducted an in-depth study on equality rights guaranteed by the Canadian Charter of Rights and Freedoms: section 15 as interpreted by the Supreme Court of Canada in its decisions.

According to Ms. Hurley, the framework established in the Andrews case has so far been used as an authoritative guide in this matter and the Supreme Court's flexible analysis of the first section—of which the hon. member for North Vancouver wants a rigid, legalistic interpretation—provides for greater judicial restraint in making legislative choices in so-called socio-economic cases in which the government must weigh competing groups' legitimate demands for limited resources. But all these arguments are too subtle for the hon. member for North Vancouver.

In her outstanding analysis, Ms. Hurley goes on to say: "Equality is a comparative notion perceived in relation to other people's social or political situation. Consequently, a law is not necessarily flawed because it makes distinctions. Legislative classifications must be made so that a modern society can be administered. For the purposes of section 15, discrimination is defined as an intentional or unintentional distinction based on motives linked to personal characteristics of the individuals or groups affected, which imposes disadvantages or burdens others do not have to suffer or bear, or deprives them of benefits or advantages available to others."

• (1805)

All this information and all the arguments I have cited in describing the legal analysis framework on which section 15 of the 1982 Constitution Act is based do not meet with the approval of the hon. member for North Vancouver, who is reacting like a real political dinosaur and whose notion of equality refers to the basic reflex of fighting for life, in which the law of the jungle should replace the entire social infrastructure modern Canadian society has given itself in the 20th century.

On the contrary, affirmative action programs for historically disadvantaged groups promote equality in the workplace, to which the hon. member is referring. This equality in the workplace is paralleled by subsidies, especially to new businesses, aimed at

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helping them get over some crucial growth stages. At the collective level, social programs are designed to give everyone equal opportunities. As for transfer and equalization payments, their purpose is to help the have not provinces. All these policies seek, to various degrees, to correct inequalities that are part of nature and that influence the evolution of life in a society.

The hon. member would want to eliminate graduated taxes and go back to the natural or wild state. Social darwinism no longer has a place in modern society. Abolishing all assistance and equal opportunities programs would lead to anarchy by marginalizing several groups in society.

I understand the member's reaction. He is from western Canada, a young land, a new frontier. These descendants of pioneers have learned to rely on themselves alone. However, as a country matures and evolves, it develops its structure while also defining its social mission. Historically, most of the oldest European countries have had the strongest leftist tendencies, even though the state of their public finances sometimes forced them to go back to a more centrist position. We must evolve. Equal opportunities often reflect a country's degree of evolution and civilization. Achieving a balance between the economic and social components is a complex task. We must work at it in a gradual way, not through sweeping changes as advocated by the hon. member for North Vancouver.

If we try to abolish all assistance programs for people, many poor individuals or groups will lose hope or rebel. In this context, if the Reform Party rejects any form of gun control, is it because its members feel threatened by all those whom they deprived of any hope to improve their lot?

In conclusion, I ask the hon. member to give this some thought, to mature a little bit, and to show us the level of civilization to which he can rise. What live in an advanced country of 30 million people, at the dawn of the 21st century, not in Dawson City in 1898.

[*English*]

Mr. George Proud (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, I am pleased to rise tonight to speak in reply to private member's motion No. 141.

In his motion the member for Vancouver North asks that the government support the elimination of section 15(2) of the Canadian Charter of Rights and Freedoms. This is the section of the charter which allows for actions to balance the inequality in Canadian society, including the promotion of equality of opportunity in the labour marketplace.

The member states that section 15(2) of the charter derogates from the principle of equality that is enunciated in section 15(1) of the charter. The dictionary states that the word "derogate" means to stray from. Therefore, the member seems to be concerned that section 15(2) of the charter strays from the intent of section 15(1). Just for the record, 15(1) is the section of the charter which ensures all Canadians equality before and under the law and equal protec-

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tion and benefit of the law without discrimination. It is one of the fundamental principles on which the charter is based.

• (1810)

To address the member's motion, as far as this government is concerned there is absolutely no contradiction in wanting to ensure equality for all Canadians, as section 15(1) does, while at the same time having the capacity to act in cases where there is a need to correct inequality of opportunity for which section 15(2) provides.

It is exactly by being able to implement measures in support of disadvantaged groups that we do guarantee equality in Canadian society. This is the kind of equality that section 15(1) of the charter of rights and freedoms calls for and the kind of equality that makes Canada one of the best places in the world in which to live.

Over the years this government and other governments before it have been willing to act when it was necessary to improve conditions for certain disadvantaged groups or individuals. This is a very legitimate function of responsible government.

[*Translation*]

We are proud of our performance and of our support of the Canadian Charter of rights and freedoms, including the traditions that it reflects. We particularly support the provisions of the charter that advocate equal opportunities for all Canadians.

[*English*]

Because we believe that section 15(2) is a necessary part of the charter in support of equality, we are not in favour of seeing it eliminated.

The member's motion also calls on the government to end discriminatory hiring programs that result from affirmative action. Once again, those of us on this side of the aisle would remind our colleagues in the third party that promoting equality of opportunity does not mean discrimination for or against anyone in the workplace. It does mean however acting in a manner to ensure that there are no barriers in place which might deny some individuals or groups from having full and equal access to the same job opportunities as others in the same society.

Hon. members will recall the work we did last fall to introduce and to pass Bill C-64, an act respecting employment equity. Perhaps this is the sort of affirmative action the member from North Vancouver is referring to in his motion.

The purpose of Bill C-64 is not to promote discriminatory hiring. The purpose is quite simple and quite clear. It is to remove the systematic barriers that prevent qualified people from working, the kind of barriers that have nothing to do with merit or personal capability but have come about because of informal practices and rules that have developed over the years and can impede open access to job opportunities.

The purpose of Bill C-64 was not and is not to impose any kind of discriminatory hiring program or quotas, nor does it require employers to hire anyone who is not qualified to do a particular job. The bill specifically excludes hiring quotas or arbitrary numerical employment goals as being unreasonable.

There are no quotas, there is no hidden agenda, there is no reverse discrimination in our approach to employment equity. Merit remains the basic principle for hiring and there is no question about that. Anyone who reads the bill will see it.

It is also important to note that Bill C-64 was supported by a clear majority of members of this House, including the official opposition. Its advantages were carefully considered and recognized on the floor of the House, during committee hearings and more broadly by many Canadians.

It was during committee hearings that we heard some of the strongest endorsements of the principles of employment equity and of the value of equality in the workplace. Many of these comments came from the business community, including the business community in the member's home province. The business community understands that the world in which Canada does business is changing, that Canada has to be enlightened and forward thinking, that we need to be well positioned to attract and to employ the best and brightest people we can.

It is not just employers who support the principles of employment equity. Labour representatives have spoken in support of the direction we are following with employment equity in Canada.

The market is not always fair and equitable. It does need some guidelines and direction from time to time. We feel it is the responsibility of government to recognize when that time is and to show the appropriate leadership. This government has done that.

• (1815)

On balance, there appears a strong consensus across the country in support of what we have done. Business, labour and others support our approach to employment equity and the equality of opportunity in the workplace that it represents. There is a strong consensus, except from the party opposite.

There are still those who choose to ignore the evidence, including positive comments from the business community, from labour

representatives as well as from many others who have gone on record as supporting the principles of employment equity.

For those of us living in the real world, the very competitive real world of the 1990s, we know there are significant advantages to be gained from diversity in the workplace and by an enlightened approach to employment equity.

I invite my hon. friend opposite to consider the advantages. I also remind him that the government remains committed to its jobs and growth agenda. The underlying goal is still to get Canadians back to work. As the economic program continues to contribute to this goal there will be more jobs available.

Employers will continue to seek out the most qualified candidates for these jobs. Merit will remain the central qualification for hiring. The member for North Vancouver and his constituents should be reassured that the government is not doing anything to change that.

We do not need to abolish section 15(2) of the charter, as the member for North Vancouver has asked us to do. We need to get on with creating the kinds of partnerships that will increase the job opportunities for everyone.

Eliminating section 15(2) of the charter of rights and freedoms will not contribute to achieving the goal of this member. I do not support the motion to this effect.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, it is with great pleasure that I address this motion. First, I will make a few comments.

What is the essence of discrimination, racism, prejudice? Is it not when a label is pinned on somebody, when they are simply considered as part of a group? I find it interesting that the members pay lip service to this kind of anti-discriminatory measure while they practise it, even at the highest level.

I would like to give an example of our own Prime Minister. The Prime Minister was on a platform with four black members of his caucus. Instead of remarking on the contributions those members of Parliament made, the Prime Minister said that he was impressed with them because they smiled a lot.

If that was not bad enough, he went on to say something, possibly unintentionally, with regard to one of the black members of his caucus, a very fine person, a parliamentary secretary. Rather than mentioning the role she played behind the scenes, the Prime Minister explained that she was the woman who trotted behind him as he went into question period.

It is obvious that blacks have a long way to go in this country if even our own Prime Minister refers to their smile and their ability to trot behind him into the House of Commons. I think that is deplorable.

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For members to start throwing comments at us and pinning labels on us is the essence of prejudice. They ought to look in their own backyard before they start doing some of these things. It is too bad that I have to bring up examples like this. When are people going to start looking at themselves and look at the whole issue?

We have to look at ourselves on an individual basis. We will only overcome this problem on an individual basis. We will not do it by legislation, by putting people into categories. I wonder how Liberals feel about the comments their own Prime Minister makes.

Now I will address the issue with which we are dealing. I feel very strongly about this because I have been the subject of prejudice and discrimination from time to time. I will not give examples today. However, my constituents feel very strongly about what I am going to say today.

• (1820)

My first taste of unfairness and reverse discrimination imposed by federal government departments, federally regulated industries to Canadian workers happened to come in February 1995 when I learned that the RCMP training academy in Regina would train 426 new cadets in 1995. But the top brass, the people who running the show, decided that 112 of them would be aboriginals, 112 would be visible minorities, 95 would be women. That is 74 per cent of the total number of new recruits.

When my constituents heard about this they were outraged. I am appalled that the federal government can run such a blatantly discriminatory and racist affirmative action program and then have the nerve to call it equality.

I ask the members of the House: how can Canadians be assured that these are the best police officers for the job? Time after time the merit principle on which all public sector hiring should be based takes a back seat to the applicant's race, the colour of his or her skin, his or her gender. When Bill C-33 is rammed through the House this week or next, hiring quotas will be based on each applicant's sexual preferences and behaviour.

This one example proved to me and my constituents that political correctness is rampant, even in the RCMP. The federal government is gambling with the safety of the public. Think about it. The Liberal's hiring quotas are a higher priority than public safety.

Canadians are more concerned about having the very best RCMP officers patrolling our highways and streets than they are about the colour of their skin or whether they are a man, a woman or a homosexual. If I am wrong, I am sure I will hear about it.

To this end in the last sitting of Parliament I introduced motion M-356 which I would like to read:

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That, in the opinion of this House, the government should enact legislation which would repeal the federal Employment Equity Act, guarantee the right of all federal job applicants to be evaluated solely on the basis of merit, and withdraw all federal funding from all affirmative action programs.

When Parliament was arbitrarily prorogued for purely political grandstanding, my motion bit the dust and I reintroduced it again in March.

Motion 141 which we are debating today and put forward by my hon. colleague for North Vancouver would remove the constitutional authority that allows the government to have an employment equity act in the first place. This motion proposes to eliminate section 15(2) of the charter of rights and freedoms because it permits the government to discriminate.

Section 15(1) of the charter says: "Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination".

It is followed by section 15(2) which states that subsection (1) does not apply if: "the law, program or activity that has as its object the amelioration of the conditions of the disadvantaged groups or individuals". That section 15(2) of the charter of rights and freedoms says that it is okay for people, companies or the government to violate equality provisions of the charter just so long as they only discriminate against Canadians who are not members of so-called disadvantaged groups.

I would like to get back to the example of the RCMP for a moment. About the same time the hon. member for Port Moody—Coquitlam released information which showed that RCMP members who are visible minorities and aboriginals are also given preference in transfer placements and assignments so that they can be near their family and their own community. I have heard of many RCMP officers who have been denied transfers to even their home province, let alone their own home town.

How do these officers feel when their colleagues are being given special treatment because of their race? Police officers have a tough enough time without the hiring and transfer practices of the force creating resentments among the ranks. Dividing people into categories simply does not break down barriers. It puts more bricks on the walls that divide us. That is what it does.

I believe in true equality. The most important criteria for hiring any employee is that he or she is the best person for the job. If all the qualifications of the two applicants are equal, then I do not mind giving certain people a break. But these quotas actually promote outright discrimination. It must undermine the confidence, the self-esteem, the credibility of RCMP officers to know they got their job because they are aboriginal, or they are female, or because of the colour of their skin, not because of their qualifications necessarily. It is just like it affects an MP who is appointed by the Prime Minister because she is female.

• (1825)

How must applicants from a minority group feel whenever they meet another officer or a member of the public? Do they ask themselves: "I wonder if they think I got this job because I was the best person for the job or if they think I got it because of the colour of my skin or because I am a woman?" That is the kind of thing that happens in reality.

Employment equity and affirmative action are just legalized racism and sexism. The Liberals think the only way to achieve equality is by discriminating. These government policies and laws can do nothing but divide us. I will do everything in my power to see that they are reversed.

The government is trying to stamp out discrimination by discriminating. It is trying to enforce equality by violating the charter's equality rights. It does not even matter that the individual receiving the special status and special rights may not be personally disadvantaged, only that he or she is a member of the disadvantaged group.

We can all experience discrimination. I have had that uncomfortable experience myself. Have you ever heard so much doublespeak, Madam Speaker? George Orwell's *Animal Farm* has come to life right here in the Canadian Charter of Rights and Freedoms. This has all been cultivated by the Liberal government. Under its stewardship this is a growth industry. It is promoting this kind of thing, the very opposite of what it intends.

Now that the government has given itself this power to discriminate against Canadians, the power to override the equality provisions of the charter, Statistics Canada has come up with a question on this year's census that is blatantly racist. The bureaucrats have found the ultimate make work project. If they can identify more people in each of the so-called disadvantaged groups, they can justify more money for more affirmative action programs so they can discriminate against the rest of us even more.

I am sure the House is familiar with this. The affirmative action bureaucrats tell Statistics Canada they need more information about racists. Statistics Canada complies with the request. On May 14 the census will ask 20 per cent of randomly selected Canadians to define their race and the colour of their skin. Then recipients of the census will be able to choose from 10 categories including white, black, Latin American, Chinese.

If persons find the question racist and insulting, the government has the power to fine them \$500 if they do not answer the question correctly. Statistic Canada says that the information is used to administer programs such as employment equity and that all the responses will be kept strictly confidential. What they should be saying is that it is a blatantly racist question that has no place in the national census.

The government has the onus to prove that what it is doing is effective. It has never ever done that. Any law that is passed in this

House should be proven to be effective or it should be repealed. That is what we are proposing with this motion.

In conclusion, what gives people dignity and confidence and the feeling that they belong? Certainly it is not by being segregated into groups. It comes through being recognized for who you are and what you have accomplished.

Last Saturday I met with Grassroots Indian people in Saskatoon. The Reform MP from North Island—Powell River was the only other MP who was also there. The reporters covering the story commented that it was very interesting that the MPs who had been given a certain label as being racist were the only ones who showed up at this gathering of about 60 people. We sat there all day and listened to their concerns. We are representing those people in the House.

It is these things that break down barriers. The barriers will be broken down on an individual basis by doing our part to look at the people, each one as an individual, and being special and not belonging to a group. We will be accepted by society by the contributions we make and our achievements, not by other means which most people perceive as being discriminatory.

I hope this government will take this to heart.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): The time provided for the consideration of private members' business has now expired, and this item is dropped from the Order Paper.

It being 6.30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

* * *

[*English*]

MERIT

Mr. Dale Johnston (Wetaskiwin, Ref.) moved:

That, in the opinion of this House, the government should support the rights of all job applicants to be evaluated solely on the basis of merit.

He said: The way this motion piggybacks on to my colleague's previous motion it would appear we had it orchestrated that way, but I assure members it is simply the luck of the draw that it turned out that way.

Reformers are quite up front about where we stand on issues. Sometimes we are accused of not being politically correct, but we represent the interests of the grassroots, not the political elites.

While this motion stands in my name, it comes right from Reform Party policies. Our policies are the culmination of the grassroots process that starts in small communities within our

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ridings, then moves to the constituency level and then to the national assembly.

When election time rolls around Reform Party policies are ready. There will not be any surprises for Reform Party supporters or candidates thanks to the democratic process we follow. Liberals should follow our example instead of allowing a few advisors to publish another red book that will be tossed aside as soon as the votes are counted anyway.

Reformers believe that all Canadians are equal by virtue of their shared humanity but are not equal in terms of ability, preference and discipline. Canadians who wish to pursue a certain vocation should not face barriers of discrimination, and those with ability and discipline deserve the rewards of hard work.

Under the charter of rights and freedoms 1982, which has been quoted extensively tonight, every individual is equal before and under the law and has a right to the equal protection and equal benefit of the law without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

Without a doubt this is the most important part of the charter. The authors, however, nullified this section by adding section 15.2, giving the government the right to pass affirmative action programs. Despite this contradictory clause and despite the fact that employment equity is deemed to be politically correct, it carries a stigma and a presumption of racial or gender inferiority. The reality is equity programs do not remove sex and racial bias from the workplace. They institutionalize them.

There was a time when the abilities of women and minorities were not recognized, but times have changed; this is not 1929. Employment barriers for women, minorities and the disabled have outlived their usefulness and are now in danger of creating new forms of discrimination. This government was so concerned about appearing more politically correct than its predecessors and capturing the hearts and votes of special interest groups that it introduced Bill C-64 in December 1994.

The government hoped it would divert attention away from the real problems of Canada, namely the \$580 billion national debt.

Bill C-64 extended and superseded the 1986 Employment Equity Act. It now covers the public service, crown corporations and federally regulated private sector employees working in banks, airlines, railways and telecommunication companies. In a really invasive move it was extended to all businesses with over 100 employees that receive federal contracts.

● (1835)

While Bill C-64 does not apply specific quotas, the inspectors, auditors and those administering the legislation can make compa-

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nies comply with numerical goals. What are numerical goals? Numerical goals are really quotas in disguise.

The government ignores polls showing employment equity has lost support among Canadians. It ignored evidence presented to the Standing Committee on Human Rights and the Status of Persons with Disabilities by credible witnesses.

For example, here is what Mark Pickup, a victim of multiple sclerosis, had to say when he appeared before the standing committee: "You cannot legislate someone to accept me because I happen to be disabled any more than you can legislate someone to love me. That achieves nothing. To try to legislate such things achieves condescension at best and hostility at worst. I do not need more of either. I need less of both".

Did the government listen to what he had to say? It ignored Mark Pickup, as it ignored thousands of other disabled and aboriginal people who told the committee the old act did not serve them well.

Last June during the Ontario election campaign even the provincial Liberal leader promised to scale back the provincial affirmative action law, calling it adversarial, bureaucratic and expensive to administer. Ontario voters subsequently elected Mike Harris who promised to do away with employment equity laws. He kept his promise; but then, he did not have a red book of broken promises like my friends across the way.

In October 1995 the European Court of Justice ruled that quota schemes for jobs and promotions violate European equal opportunity laws. In the United States three decades of affirmative action programs are being scrapped.

The government employment equity law is an insult to women, to minorities and to the disabled. In the government's attempt to atone for the past, it is trampling on the present and compromising the future.

A Reform government would treat people equally and would not punish today's generation for the wrongs of previous generations. Managing diversity goes beyond the narrow confines of employment equity. We have to create a fair work environment that recognizes and attempts to meet the needs of all employees.

The role of government is not to set terms and conditions under which private companies hire employees. It is time to let common sense prevail. A diverse workforce is a plus for any businesses. The market will dictate the diversity of the staff. They will do it on their own and they certainly do not need the hassle of excessive government red tape.

For some reason the Liberal government assumes that anyone in the four designated groups is disadvantaged. That presumption is patronizing, unfair and unrealistic.

Why does the government presume it has to legislate fairness? Does the government have the corner on morality? On March 21 the president of treasury board said that in one year the participation of women in the public service rose to 47.4 per cent from 44 per cent, that almost two-thirds of the 14,000 employees hired were women, and that 56 per cent of the employees promoted were women. That is a reflection of changing attitudes and a new reality.

I want to believe they were hired or promoted on the value of the work they performed and not on the basis of artificial quotas. The public service is staffed by skilled, competent women who deserve to be rewarded for their excellence, not for their gender. They deserve better from their employer than patronizing tokenism.

● (1840)

With promotion becoming the next logical step in the equity quest, we have to ensure we do not find a new way of perpetuating the Peter principle. Long ago the philosophy behind employment equity was to raise awareness. That has happened. Now we have to let the competitive forces of the workplace take over.

I am a member of the Standing Committee on Human Resources Development. For the last two years we have been examining employment insurance. We hear about the need for programs to help people who have given up looking for work and that the job market is bleak. It is bleak enough without adding the unfair burden of numerical quotas.

The government created a new category of disadvantaged, young white males. My colleague has referred to the quotas imposed on the RCMP. During a career fair in the high school in my home town recently there were some young males who had expressed an interest in joining the RCMP. They were told they had better seek another line of employment.

Unemployment for young males aged 15 to 24 in March was 17.4 per cent. The rate for young females at the same time was 13.1 per cent, a difference of some 4.3 per cent. There is no question there are too many unemployed youth. The best way for the government to help unemployed Canadians is not through harmful equity programs but by balancing the budget, reducing the billions of dollars of debt and lowering taxes.

Special concessions undermine morale and respect. Somewhere along the way the notion of fair play vanished.

Immigrants who arrived in Canada over the centuries, our ancestors, came here because they saw this as a land of freedom and opportunity. The time has come to move into the age where all Canadians are considered equal.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, it is my pleasure to speak tonight on Motion No. 154, put forward by the hon. member for Wetaskiwin.

The motion states that the government should support the rights of all job applicants to be evaluated solely on the basis of merit. This motion is redundant. It is too narrow in scope. We as a government do not support it.

Our current practices already embody the fundamental principle of merit. It is a merit based principle which has contributed to the world class level of the public service we have in Canada. Merit is the basis of the competitive process across the federal government, a process which has produced the most capable and professional public servants who well serve the government and the people of Canada.

When individuals join the public service and when they compete for opportunities within the public service they do so on the basis of merit. To suggest otherwise undermines the integrity of the selection process and its outcome.

Clearly merit is the fundamental concept which, when applied to individuals who are appointed to the public service, is the best option. This principle is enshrined in the Public Service Employment Act. The act provides for an appointment in accordance with merit, subject to some very small exceptions mandated by Parliament.

For example, in certain special situations the act requires that we give priority to placement of employees whose jobs are declared surplus or who face layoffs. The government believes these exceptions are essential to the efficient and meritorious hiring within the public service.

The government is a responsible employer. It must be able to attract people of high quality in the future so that Canadians continue to benefit from one of the best public services in the world. The motion does not recognize this need. The motion is a straight-jacket and we cannot support it.

• (1845)

Hiring in the Public Service of Canada is governed by the Employment Equity Act. This motion does not recognize that the important principles of employment equity and merit are compatible and essential to ensure that Canadians have access to a qualified public service that is representative of all Canadians.

Our framework legislation is designed and enshrined to ensure that our staffing procedures and systems are free from systemic and attitudinal barriers. In Canada this means that only qualified persons, no matter what their race, origin, colour, sex, age or disability, can be recruited into the Public Service of Canada.

To ensure these important principles are respected, Parliament in its wisdom has given authority to the Public Service Commission to correct historic imbalances in the representation of designated group members within the public service. This is designed to ensure that Canadians have access to the public service and that it

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represents all Canadians. A smart organization will hire the brightest and the best whether they are aboriginals, women, visible minorities or persons with disabilities.

As the President of the Treasury Board said recently when he tabled the main estimates, we have a dedicated and efficient public service. We want to treat them fairly and we want them to be motivated and feel valued for the work that they do. The Public Service of Canada has always been known for its competency, integrity and hard work. We are confident that the men and women of the public service will continue to display these qualities of professionalism. The principle of merit is the cornerstone of our ability to recruit the brightest and the best.

Our existing legislative framework is a far better guarantee of the quality of the public service than the restrictive motion currently under consideration by this House. In short, Motion No. 154 is too confining and restrictive to be supported by this government. It does not recognize the importance of the merit principle and other access and representation principles that Canadians expect this government to apply in order to maintain a qualified and representative public service. All smart organizations hire people of all colours, religions and races. I cannot imagine that the Government of Canada would want to do otherwise.

In my riding of Bruce—Grey we try to represent a cross-section of the population. The very name of Bruce—Grey reflects this. Bruce is the Scottish part and Grey is the English part. I am a real anomaly. There are not many minorities. The minority we have in our police force would be women. We tried to address this imbalance and I am proud to say I was the mayor who hired our first woman officer. Now we have three or four and the imbalance is being addressed.

Systemic imbalances have to be addressed because people within society need to know that they have opportunities. As I said to the police chief, maybe if we froze time and started over with various proportions of all the different people then people would not be competing.

I understand we are in stressful times and in a period of profound change with respect to the job situation. However I am confident as one of the best nations in the world we have the ability to make sure our young people are looked after and to make sure that every person in our society is represented. Equal opportunity for all is what makes Canada the best country in the world.

• (1850)

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, the hon. member for Wetaskiwin has moved Motion M-154, which reads as follows:

That, in the opinion of the House, the government should support the rights of all job applicants to be evaluated solely on the basis of merit.

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The motion moved by the hon. member is self-evident. All job applicants should be evaluated on the basis of merit. I agree with the hon. member on this point: every job applicant should be evaluated as objectively as possible, on the basis of merit and solely on the basis of merit. In fact, this is a fundamental principle in human resources management.

But to evaluate job applicants on the basis of merit and solely on the basis of merit does not always work. Several groups in our society are penalized and not evaluated on the basis of merit by their employers. This type of discrimination is usually based on their sex, their culture, or the fact that they belong to a visible minority or have a physical handicap.

This is exactly why the federal government, the provincial governments and major corporations had to act and set up employment equity programs. Market forces unfairly penalized some groups in our society.

It is easy to apply the basis of merit to job applicants, but without deliberate interference in favour of some of the target groups, individual merit is no longer the only element to be factored in, since women, natives, the handicapped and members of visible minorities are penalized to start with. This is why these four groups were designated as target groups for employment equity purposes by the federal government in 1992.

In December 1992, an amendment to the Financial Administration Act provided the employment equity programs within the federal public service their statutory authority. However, the basic elements of the employment equity programs remained the same as the ones listed in the 1986 Treasury Board policy on employment equity. It is important to note that the legislative basis for the employment equity program precedes the election of the current Liberal government.

Merit in the awarding of a position must be based on an objective system of evaluating positions. A system of evaluating positions must describe and measure the levels of complexity, responsibility, knowledge and working conditions associated with each position as objectively as possible.

But this objective mandate must be accompanied by a social mandate within an organization, and this social mandate is generally fulfilled in the field of human resources management through the creation of employment equity programs.

The beauty of all this is that the economic and social aspects are inextricably linked and mutually complementary. Thus, employment equity programs allow talented individuals, members of target groups, to make their mark at last, with the help of the recruitment and promotion policies set up in the wake of these programs.

These people come to light and make an exceptional contribution to their employer that they would never have been able to

make without the existence of employment equity policies, because members of their particular group were excluded from the outset by the predominant or corporate culture of their organization.

We will not be supporting Motion M-154 brought forward by the member, because evaluation for a position solely on the basis of merit must not override the federal employment equity policy introduced in 1986 and recognized through legislative amendment in 1992. And in order for the principle of evaluation on the basis of merit to be as strong and objective as possible, the groups discriminated against from the outset must be recognized, so that the most talented applicants are selected, regardless of the group to which they belong. Recognizing merit alone would be short sighted and would be to lose sight of merit itself ultimately.

Where have we got to with employment equity in Canada and in the various provinces, in the public and in the private sector? The situation varies from province to province. According to Morley Gunderson, Director of the University of Toronto's centre for industrial relations, who has looked at the situation in Ontario, the public sector and large businesses have raised their female employees' salaries by 20 per cent, in order to improve the employment equity situation.

● (1855)

The corrections have been far more modest in smaller businesses. Initially, the only initiatives outside Quebec came from the federal government or businesses under federal jurisdiction. Quebec recognized male-female employment equity as early as 1976, while five other provinces followed suit in the mid and late 1980s. Equity here means equal pay for equal work.

The public sector has led the way in male-female employment equity. Generally, large businesses have inaugurated pay equity programs, but this is far from being the case for smaller ones.

The Canadian Federation of Independent Business is recommending, even to the Harris government in Ontario, an increase from 10 to 50 in the number of employees a business may have before it is obliged to establish an employment equity program. This would exclude two thirds of the workforce there.

Clearly, salary discrimination is more common in the private sector. In the federal government, the cost of establishing pay equity is currently estimated at \$1.5 billion, as the result of a decision by the Canadian Human Rights Commission. It recognized the results and the relevance of the independent study requested jointly by Treasury Board and employee unions. The federal government has given itself the months of April and May to evaluate the back pay and salary increases that would affect the pay of 80,000 female employees.

The Public Service Alliance of Canada contends that the federal government owes \$1.5 billion to 80,000 women working in six

classifications of jobs occupied predominantly by women, such as clerk, secretary and typist, key punch operators, librarians, hospital workers and educational support workers. The Alliance is calling for salary adjustments to be made retroactive to 1986.

Some unionized workers are concerned that salary retroactivity, while legitimate, will result in further lay-offs by the government. The federal government has been revelling in employment equity terms for more than 10 years, but the court decision is continually being put off.

Therefore we cannot support motion M-154 because it demonstrates short-sightedness with regard to professional or on-the-job performance. If we evaluate all job applicants solely on the basis of merit we risk eliminating at the outset talented candidates from discriminated-against groups. The present government should conform without delay to the court ruling and definitely do justice to its own employees in target groups—Natives, the handicapped, members of visible minorities and women—giving them the retroactive payments and raises they are entitled to.

Only then will we see if the government can, for once, act on what it says.

[English]

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I am pleased to speak to this motion this evening. I congratulate my hon. colleague from Wetaskiwin for moving the motion and for ensuring that members of the House and Canadians everywhere are aware of the Reform Party position regarding employment equity and merit based hiring.

There are two schools of thought when it comes to employment equity. The first is that legislative programs are necessary to fix the wrongs, especially past wrongs that were in the workforce. The second is that employment equity is flawed because it advocates hiring of individuals based on personal characteristics, not on merit. Obviously we have two schools of thought.

Relative to these opposing views is the assumption of the need for some type of affirmative action or employment equity legislation. It was thought to be an appropriate method of addressing inequities in the workplace. Much has been written about the culture of work in this regard, yet I believe that inequities that are socially engineered do not explain the vastly dissimilar outcomes different groups experience in the course of their lives.

The government attempts to dismiss the more complex elements, the nature of which is evident in Bill C-64. Conditions today are not what they were 10 or even 15 years ago. Empirical evidence and supporting information have shown that culture and education have more to do with gaps in the workplace than we may assume.

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• (1900)

I will now highlight five points which express the Reform position as I believe it to be. First, all Canadians are equal before and under the law, and all workers have the right to be free of discrimination in the workplace. I believe that sincerely.

Second, the marketplace will provide solutions to a representative workplace in the private sector. The hon. member for Fraser Valley West has spoken before in the House to this issue, and eloquently so. Businesses exercising appropriate management and personnel practices will hire people who relate well to and serve their customers well. That in itself should mean there will be openness within management to ensure employees have full access to all of the opportunities the workplace offers.

Third, the role of government is to ensure equality of opportunity rather than to determine equality of employment outcome in the public sector or beyond the public sector. Equality of opportunity, that is the role of government, but government cannot ensure equality of outcome, and nor should it try.

For example, when the NDP was in power in Ontario it made itself vastly unpopular by launching an expensive social reform, almost a revolution, in the midst of the deepest recession since the 1930s. Businesses found many ways to circumvent the new law guaranteeing equal pay to women. They placed employees on contract, forced unpaid overtime and shorter work weeks and hired part time workers. The government's employment equity campaign aimed at hiring more women, often by posting advertisements that bar men from applying, made men very angry and resentful.

Even Thomas Walkom, the Toronto *Star* fair minded Queen's Park columnist, called the decision to hire on the basis of race and sex wrong, unwise and unfortunate. Women should be given the nod when applicants are of equal merit, he argued, but excluding any group from applying is dangerous: "The government has merely succeeded in creating a new victim, the able bodied white male".

The fourth point Reform puts forth with regard to employment equity is that the workplace should be free from arbitrary obstructions to hiring and promotion. Merit must be the sole hiring criterion. I believe this and evidence has shown that a majority of Canadians believe this also. That would mean Canadians generally do not support Bill C-64, the employment equity bill. Perhaps this is why the government has chosen not to proclaim the legislation. It is a question which remains and does linger.

The fifth point is that employment equity legislation and measures which take away from merit based hiring are coercive, unfair, unnecessary and costly, and should be discontinued. To this end the

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government could go one step down the road to properly addressing the issues of merit based hiring by repealing Bill C-64.

One cannot address today's motion or Bill C-64 without addressing the issue of quotas. When is a quota not a quota? It would seem that a quota is not a quota when the former Minister of Human Resources Development calls it a numerical goal. Remember that minister was the chief architect for the government's social engineering plans for employment equity. He insisted numerical goals were aimed at getting a specified number of women, aboriginal, minorities or disabled, into certain industries and that these are not quotas even though the dictionary defines a quota as a proportional part or share required from each person or group for making up a certain number or quantity.

Why does the former minister of HRD not speak clearly and call a quota a quota? Perhaps he does not like the word because the imposition of hiring quotas for disadvantaged groups in the U.S. has created an undesirable backlash among those excluded.

• (1905)

I raise an interesting example from the United States. The American case study is curiously illogical and I believe raises questions about current hiring practices which do hint of those numerical targets.

I use an example from a small California college. At this college a form was circulated to companies wanting to do business. The letters that accompanied the forms urged that they be filled out as quickly as possible: "To allow us to continue to do business with you, equity information is being requested of all colleges". Such colleges receive government assistance in the U.S.

The supplier is required to list the percentage ownership of his business involving native Americans, blacks, Hispanics, Asian Americans and Asian Indians. To get first in line to do business with the college, any supplier must be 51 per cent owned by one of these minorities or have a business with management and daily operations controlled by one or more of the minorities. The same priority goes to businesses owned 51 per cent by women or whose management and daily operations are controlled by one or more women who own the business.

A separate bureaucracy was created to monitor this. The penalties imposed are real as well. The form states: "Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under federal and/or state law concerning these false statements".

Should we not be more interested in ridding the workplace of such repugnant misrepresentation and unfairness? When looking to hire, should we not be more concerned with what the applicant knows or what he or she may perform or what are the merits of

hiring her or him instead of using and applying filters which unnaturally dictate the outcomes of hiring practices?

Simply put, the Reform Party wants everyone to be treated equally and fairly. We want everyone to have the same access to opportunities as the next person. What we do not want to see, however, is a situation in which we are dictating what those outcomes should be. Let us rather foster equitable hiring practices.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I appreciate the chance to speak to this motion that, in the opinion of the House, the government should support the rights of all job applicants to be evaluated solely on the basis of merit.

One might wonder why we would even need such a thing. I think most Canadians would accept that as a given. When applying for a job one should only have to say "here is my job application, here is my merit, hire me based on what I can do for you".

I think most Canadians would say that sounds like the policy we should follow. Hiring by merit makes good sense from a business standpoint and an ethical standpoint. It also makes good sense in the workplace where workers would be able to say they were there because they merited the job.

Unfortunately in Canada that is not always the case. I am thinking specifically of the exceptions to merit. Most people are hired on merit but there are exceptions where the federal government said the merit principle did not have to apply.

The Federal Court of Canada stated in 1982 on the question of whether merit was important: "The requirements of the merit principle are always the same. That principle requires that the selection be made according to merit, which means that the best person possible will be found for the various positions in the public service". It said we should be hiring the best available person because that is what hiring by merit means.

Unfortunately the federal government does not follow this practice. Those watching on television may be surprised to know that. The regulations governing the Public Service Employment Act stated there were four exceptions to this idea that one must hire by merit. I think everyone would suggest that people hired for any job, especially in our public service should be hired according to merit. There are four exceptions for which merit does not have to be proven because there are provisions in the law against discrimination, geographic limitations on the jobs, the appeal process for job competitions and the considerations of merit will all be set aside in the case of the Employment Equity Act.

• (1910)

We spoke about this earlier regarding section 15(2) of the charter. The merit principle, according to the court of appeal ruling

of 1982, can be bypassed to appoint someone based not on merit but on some of the affected categories in the Employment Equity Act. We can discriminate, we can limit the application as far as geography is concerned, we can make sure that no one can appeal the eventual job allocation. The considerations of merit, the most qualified, will be set aside.

That is pretty serious stuff. Most people of both genders in all groups would say: "I am going to win this job on merit. Doggone it, I can do it, I can handle it". Right now over 50 per cent of university graduates are female. More and more post-graduates are from both genders but there is an increasing number of females. They say: "I can handle this job on my merit. I can do it. I do not need help. I do not need a special deal. I do not need the standards lowered. I can do the job". And they can. All of us know people from all groups of society who are very competent in their jobs, not based on the colour of their skin, not based on their gender, but based on their ability to do the job well.

Unfortunately, we find that these qualifications I mentioned under the Employment Equity Act allow the merit principle to be bypassed. People can be appointed as the 1982 ruling suggested who are not the most qualified but perhaps just passed the minimum requirements and fell into a category.

The designated groups according to the Employment Equity Act are aboriginal people, people of colour, females and people with disabilities. That is the description used. I do not like to categorize people that way but that is what the act does. It is pretty demeaning to say to somebody in one of those categories: "I do not think you are quite good enough for this job. We are going to have to give you a special deal because you just are not going to make it on your own".

When we held the hearings on Bill C-64, the Employment Equity Act, there was a lieutenant colonel from the Canadian Armed Forces at the table. We talked about the idea of merit.

The lieutenant colonel told me: "I went from lieutenant to lieutenant colonel because I was the best in my class. There is no way I can command respect from the people who are working under me unless I continue to earn my job. I am the best in my class. I am going to be a full colonel someday too, because I am going to top my class the next time too. If they wanted to give me a promotion not because I am the best but because I am a woman and I need a little help, I would refuse. Furthermore, how could I command the men and women under me? Imagine my giving them orders: I know you have better qualifications than I do, but hop to it sergeant; you are taking orders from me. It will not work in the military. And frankly, I do not need it because I can do the job and qualify on my merit, not on the fact that I am female". I hear that often.

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An interesting dilemma is that when someone is hired outside of merit not because they are the most qualified but because they fit into a category, there is no right to appeal. This is what happens. Say there are 100 applicants and a certain number of people from each of the designated groups. They will choose somebody from one of the designated groups for the job. When that individual is appointed, then someone else from that group, say an aboriginal person, will say: "Wait a minute. That woman got the job. I am going to appeal. It is not fair. I deserve the job. I could beat her qualifications". However, those designated groups are not allowed to appeal. Therefore, when someone from another designated group says: "Wait a minute. I think I should have got the job," they will say: "Sorry, there is no appeal". It is preposterous.

• (1915)

What about the geographic limitations? Normally in the public service there are certain geographic limitations of where an individual can apply for a job, where they live in relation to their work and those kinds of things. Not under this system. This system bypasses all of it.

I am not saying that the federal government does not pay any attention to merit. Of course the government has testing and it has minimum standards. However, the Employment Equity Act subordinates the principle of merit. That is unfortunate.

There are other things which spring from this. Under the current Nisga'a deal in British Columbia only people of one race are allowed to vote in their elections. The other people who live there, if they are not of the Nisga'a race, cannot vote. Other things happen with respect to aboriginal procurement contracts.

We all want to see equality of opportunity for everyone. The Secretary of State for the Status of Women said in a letter which she sent to me on April 16 of this year: "What we are working toward now is not the equality of opportunity but the equality of outcome. We will not make sure everyone has an equal kick at the cat," which we all want. "We will make sure that the outcome is equal regardless". That is not the merit system. That is not what Canadians want.

This motion is wise. It promotes unity in the workforce and I urge all members to adopt the motion.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Since no other member wishes to speak and since the motion is a non-votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the *Order Paper*.

Is there agreement to say that it is 7.30 p.m.?

Some hon. members: Agreed.

*Adjournment***ADJOURNMENT PROCEEDINGS***[Translation]*

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

MANPOWER TRAINING

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, on April 24, 1996, I asked a question of the Minister of Human Resources Development concerning manpower training. The question related to an old issue which, hopefully, will soon be settled.

In Quebec, there is a consensus that the whole issue of manpower training should be the sole responsibility of the Government of Quebec. This consensus includes people from every sector. It is rather unusual to see the Conseil du patronat du Québec, unions, the education sector and the government all agree on something.

Manpower training, including employment measures, must come under the responsibility of a single government, so as to put an end to the annual waste of \$250 million, which will persist as long as the current duplication by the two levels of government is not eliminated.

Also, following the unemployment insurance reform, these activities will be totally funded through the unemployment insurance fund. Let us not forget that the unemployment insurance program was established almost 50 years ago so that people could have an income between jobs.

• (1920)

However, with its unemployment insurance reform, the present government now wants to use that money to fund training programs in an area that is not under federal but rather under provincial jurisdiction. It is unable to give this responsibility to the provinces and makes the argument that, since unemployment insurance contributions are paid to the federal government, it cannot transfer these funds to the provincial governments because it is responsible for that money.

I think there are two possible solutions. The first one is to ensure that contributions are really used to pay for unemployment insurance and for the federal government to withdraw from the area of manpower, leaving this responsibility to the provinces. In other words, that it get out of this tax field and let the Government of Quebec, or any other interested province, take it on.

The other possibility, as we have already seen with other programs, is to ensure that there are agreements that are followed up by audits, and that leave the province ample room to manoeuvre. The question of manpower training therefore needs to be clarified, it seems.

I would like the parliamentary secretary to tell us whether it is the government's intention to waive the requirement for an agreement with the province in order for people to be eligible for loans and grants. Somewhat perversely, the present reform says that the federal government may not provide funding unless there is an agreement with the province concerning the adult loans and grants programs.

This measure has the opposite effect as well, because the province is caught in a bind. If it does not sign an agreement with the federal government or if, for instance, it does not accept the national standards the federal government might want to impose, its citizens may have to do without training programs. In my view, this is totally unacceptable.

I would like to know if the government intends to simply withdraw from manpower training and let the provinces that wish to do so have full control over that area and develop effective programs to reduce the sectorial unemployment situation we are now facing in Canada and in Quebec, where we have about 500,000 jobs available and almost 1 million workers unemployed but we cannot seem to match people to jobs.

As the OECD, a renowned international organization, pointed out, we do not have effective training programs to help our workers adjust to the technological changes, because of all the various people involved in this area. Let me ask the parliamentary secretary if he can assure me that the government will reconsider its position on this issue.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I want to bring my colleague and the House back to the speech from the throne, a very important speech. I want to assure my colleagues from all provinces who are here in a dual capacity, not only representing their constituency but in some cases representing their province.

The intent of the government is very simple, Madam Speaker, if you have read part II of the EI act which is in front of the House today and has been debated for over 140 days since its introduction.

The intent of the federal government in part II is to negotiate with the provinces a withdrawal of manpower training within three years or earlier. At the same time it intends to look at the responsibilities it has to the unemployment insurance system and the fact that we have constitutional guarantees that relate to its role in that area.

The government wants to make sure before it gets into negotiations with the provinces that there are some safeguards. This is a national fund and it is important to make sure that when it gets involved in negotiations that there are assurances and guarantees of results. This is one area where the government would like to receive assurances from the provinces.

Adjournment

At the same time an appropriate monitoring system must be in place to make sure that the funds that are transferred to the provinces and the agreements that are signed give the government the results it is looking for.

What are the results? The only reason why the government thinks this is an acceptable process is this. It wants to remove duplication because it is a factor and it is a cost. It will create efficiencies. The results of the system have to help men and women get employment and at the same time upgrade their skills and put young people into the system in areas where they believe they will best be suited in the changing environment.

That is the answer to the question. All the member has to do is look at part II of the EI bill and he will know that the government is not going to be entering into provincial jurisdiction without the approval of the provinces.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.25 p.m.)

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