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(HANSARD)

Monday, May 6, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, May 6, 1996

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CRIMINAL CODE

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ) moved that Bill C-203, an act to amend the Criminal Code (criminal organization), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I will say for starters that this bill goes beyond amending the Criminal Code, as you mentioned, since it is aimed essentially at including in the Criminal Code provisions that would make it possible for Canada to have the tool necessary to fight organized crime, namely antigang legislation.

Allow me to explain why I am tabling such a bill. You will recall that last year, in early August, a car bomb went off in the riding of Hochelaga—Maisonneuve, which I represent here in the House of Commons, killing Daniel Desrochers, an 11 year old boy who had the misfortune to be in the wrong place at the wrong time.

This incident was the most eloquent, the most perverse, the most revolting example of what can happen when society does not have the necessary tools to fight organized crime. As you know, this car bombing was part of a fratricide struggle between the Hell's Angels and the Rock Machine.

Let us start at the beginning—I hope the pages are going to bring me some water, otherwise I will not last for 20 minutes, I can tell you that. Today we are talking about organized crime. Organized crime is a concern in all major cities in Canada. I gave you an example which occurred in the riding of Hochelaga—Maisonneuve, but the threat from organised crime, the underworld and the mafia is as real in Toronto, York, Vancouver, Halifax as in any other city in Canada.

Organized crime is ubiquitous. Let us see how organized crime works. Not every society is plagued with organized crime. Certain

conditions are needed for organized crime to thrive. The first of those conditions is a wealthy environment, one where criminal organizations can make some profits. There must be an open society, one where axes of communication allow these organizations to communicate easily with all continents. I repeat, there is a good reason why organised crime is found mainly in large cities.

When I think about Montreal for example, there is the port, there are the roads, the highways and the airports, so it is simple to understand why it is unusually easy for the underworld to communicate with other continents and to create readily accessible networks. Another condition is a society free from any dictatorship, where there are legal rights and therefore, where human rights are respected, where there are charters and where all individuals have equal rights. Generally it is easier for the underworld to establish itself in a highly bureaucratic society.

That being said, we all remember the car bomb attack which killed the young Daniel Desrochers. Because of my contacts with the Canadian Association of Chiefs of Police, I can easily see that there are other trouble spots, other cities in Canada touched by organized crime, particularly in Ontario. I hope the Ontario members will vote for this bill, because later on I will ask for the House's consent to make it a votable item. Let us be clear, if we do not act right now in order to fight organised crime, we are in for some very troubled times.

How does it happen? Organised crime works in phases. First, they gain control of the territory. When that is done, through fear and intimidation, they go on to the second phase, money laundering. It is estimated that, last year in Canada, a total of \$20 billion were laundered. Such an amount means there is an underground economy being set up; that gives us an idea of the magnitude of organized crime.

So organized crime grows by phases. It settles in cities or regions where communications are easy. It takes over control of a territory and starts taking part in money laundering activities. In a third phase, it invests in legal and illegal activities. As I said money laundering activities in Canada have been estimated by police forces at \$20 billion.

• (1110)

Organized crime not only deals in money laundering activities it invests in specific ventures. People familiar with the issue, who have studied the underworld and know what it is about, have told

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me that at present in Montreal organized crime is investing mostly in two sectors, restaurants and construction.

What is going on? What is the situation? Here are few figures which were given to me by the person probably best informed on organized crime, Mr. Sangollo who works for the Montreal urban community police department where he is responsible for organized crime investigations.

According to Mr. Sangollo, in Canada, drug seizures represent some \$1.5 to 4 billion. Keep in mind that the police seizes about 10 per cent of the volume coming into Canada. This gives you an idea of the size of the problem.

I mentioned earlier that each year, in Canada alone, the underworld invests \$20 billion in legal and illegal activities. Investments mean there is a connection, an interface if you like, between the underworld and the legal world. If \$20 billion are invested in illegal and legal businesses, that means accountants, lawyers and people in high places allow these activities to proceed. Some even believe politicians help smooth the way for such activities, but as you can understand I am not here to name names. I will let those in a position of authority do that.

The underworld is associated with territory control, money laundering and investments in legal and illegal activities. Members understand that we are talking about the reality of drug trafficking, which is the easiest way for the underworld to get rich.

Perhaps I can give some other examples. It is said that 75 to 80 per cent of drug trafficking in bars in Quebec is controlled by organized crime; 75 to 80 per cent, that is something. Since 1988, 90 per cent of the cocaine and hashish that have been seized in Canada were originally intended for Quebec's criminal network. Montreal, where, as I pointed out, there are airports, transcontinental highways and an efficient railway system, has mafia bosses on its territory.

In this context, it is very important that we, as parliamentarians, take our responsibilities. I do not even dare to think that this government will not give me its support to state that this bill may be votable, not only to state that it may be votable, but also to ensure there is a real debate here in Parliament. Do we not have the responsibility to make sure that Daniel Desrochers, who died last August as a result of a car bombing in my neighbourhood, did not die in vain? We have the responsibility to take action to make sure he did not die in vain.

The first thing to do is to take our responsibilities as parliamentarians, by proposing an amendment to the Criminal Code so that it contains the main provisions for an anti-gang legislation.

What am I proposing? I am not saying this is perfect, this is the bottom line. If there is a parliamentarian in this House, whether a government member or an opposition member, who decides one

way or the other to improve the bill, any intelligent suggestion, wherever it comes from, will be welcomed.

• (1115)

But we tried, I tried, to make a contribution to the development of an anti-gang law.

I have four proposals. I spent a great deal of time consulting with lawyers, criminologists and other people who are familiar with criminal law. My first proposal is to define "criminal organization" as follows: "a group of individuals—who habitually engage in activities that bring them into serious conflict with society or with the police". I stress the words "that bring them into serious conflict". If at least five members of this group have in the past committed enterprise crime offences, the courts will have the authority to regard it as a criminal organization.

Enterprise crime offences have been in the Criminal Code since 1987. These offences are theft, possession of stolen goods, forgery and breach of trust. There are some 30 offences already on the books.

What is missing is a definition of "criminal organization". The advantage of this bill is that it introduces three presumptions allowing public prosecutors to bring crime bosses before the courts. The great paradox we face is that these crime bosses in Montreal and elsewhere are known to the police but cannot be prosecuted because, under the existing provisions of the Criminal Code, they must be caught red-handed. We know full well that those who planted the bomb that killed little Daniel Desrochers are obviously not the same people who planned the killing.

In the fight against organized crime, we are trying to give ourselves the means to bring crime bosses before the courts. To that end, my bill not only gives a legal definition of "criminal organization" but also introduces three presumptions. First, that an individual who keeps company with a criminal organization is presumed to be living off it. This, I think, is very clear. A link could be made with prostitution.

Under existing provisions in the Criminal Code, an individual who is habitually in the company of prostitutes is presumed to be living off the avails of prostitution. So the first presumption making it possible to prosecute crime bosses would be that an individual who keeps company with a criminal organization is presumed to be living off its proceeds.

The second, but just as important, presumption is that an individual who frequents places linked to organized crime is presumed to be living off the proceeds of a criminal organization.

The third presumption allowing public prosecutors to bring crime bosses before the courts is that an individual whose worth increases disproportionately between the time of the offence and the beginning of the trial is presumed to be living off the proceeds of a criminal organization. It is not normal for an individual whose

net worth was estimated at \$10,000 for income security purposes, who was known as a welfare recipient by the police, to have a personal fortune estimated at \$3 million three weeks, three months or one year later. You will not convince me that this individual was a three time winner of the Quebec lottery; that is not what we are talking about. What we are talking about is the illicit way these individuals are getting rich.

That is why we need a legal definition of “criminal organization”. We will create a new criminal offence—living off the proceeds of a criminal organization—and give public prosecutors three presumptions allowing them to bring crime bosses before the courts.

The existence of these presumptions does not mean that defence lawyers cannot refute them or that the principles of natural justice do not apply, but that it is up to the individual to demonstrate, for example, how he got richer.

• (1120)

Another provision of this bill that police forces had been requesting for many years to fight organized crime is the one addressing the need for those sentenced to imprisonment to serve three-fourths of their sentence. If this bill is passed, there will be no remission of sentence and, after sentencing, access to parole will become possible only when three-fourths of the sentence has been served. Why is it necessary to hold firm on having people serve three-fourths of their sentence? Because that is how networks are dismantled, how the chain of command is broken in the underworld and organized crime.

I would like to conclude by saying something important about my bill. Of course, in preparing this bill, I had to consult extensively and I had mixed feelings about going through with it. I concluded that it is important for any bill that comes before us to make sense and be valid, legally speaking. That is why I provided for the use of the notwithstanding clause: section 33 of the Constitution Act, 1982. Why did I chose to do so? Because I realize that, if this bill is passed and then challenged in any ordinary court of law in this country, it could be argued that it interferes with freedom of speech, freedom of association and the legal rights set out in section 7 of the charter, namely the presumption of innocence.

I am convinced that each of us in our various ridings represent people who would be very pleased to see this Parliament take its responsibilities, even if we determine that, in order to fight effectively against organized crime, we may have to restrict certain rights by limiting the scope of the charter.

As you know, in February, I tabled a petition signed by 65,000 people from all over Quebec, calling for the adoption of antigang legislation. I have yet to meet one person saying: “But it is important not to restrict in any way the movement of the most

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criminalized segment of our society because we have this charter, you see”. That is not what the charter is about. I am sure my fellow citizens of Hochelaga—Maisonneuve, like all Canadians and Quebecers, would have no objection to sacrificing some degree of freedom to the higher interest, which is fighting organized crime.

That is why my bill provides for the possibility of resorting to the notwithstanding clause, which, indeed, has been used very seldom. The truth is, as one government member or another will no doubt mention, the notwithstanding clause has never been used by the Canadian Parliament. Two provinces did: Quebec, between 1982 and 1985 and again in 1989, after the Brown decision was handed down, and Saskatchewan, in a labour dispute. If the legislator included a notwithstanding clause, it is because it needs to be used in some cases, and the threat posed by organized crime across the countries of Quebec and Canada is so serious that we have a duty, as parliamentarians, to point out that, without a notwithstanding clause, no antigang legislation can be brought forward.

We cannot allow what happened in Hochelaga—Maisonneuve and Montreal to happen elsewhere. I ask for consent to see if it would be possible to have this bill declared a votable item and not only voted on but also debated for two extra hours, because the situation is so serious that parliamentarians will agree with my diagnostic.

• (1125)

The Deputy Speaker: Excuse me, but I did not quite understand what the hon. member just said. My colleagues, does the House give unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: As I heard some nays were heard, and as the hon. member knows, the request is rejected.

Mr. Lefebvre: Mr. Speaker, I think the yeas were louder than the nays.

The Deputy Speaker: The hon. member is perfectly right, but unfortunately, if the Chair hears but one nay, the motion is rejected. It has nothing to do with volume or quantity.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, of course, we note the government members' cowardice toward any remotely sensitive issue. Canadians will judge their government accordingly. But could we just check if there is

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unanimous consent to refer the bill to the Standing Committee on Justice and Legal Affairs, as a non votable measure?

The Deputy Speaker: Since the hon. member can do as he pleases if he gets unanimous consent in the House, do the hon. members give unanimous consent to refer the bill to the Standing Committee on Justice and Legal Affairs as proposed by the hon. member?

Some hon. members: Agreed.

The Deputy Speaker: I did not hear any nays. Does anyone say nay?

An hon. member: No.

The Deputy Speaker: There we have it. The Parliamentary Secretary to the Minister of Justice has the floor.

[English]

Mr. Kirkby: Mr. Speaker, on a point of order. I did indicate no on the motion put forward by the House where you indicated you did not hear a negative response.

The Deputy Speaker: The no is noted. Now the hon. parliamentary secretary has identified himself as the source of it. If he wishes to do so, that is his privilege. He now has the floor on debate.

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am delighted to participate in the debate today on Bill C-203, introduced by the hon. member for Hochelaga—Maisonneuve.

The bill proposes amendments to the Criminal Code in an effort to deal with criminal organizations. More specifically, the bill would create a new part in the code. A new offence of living in whole or in part off the proceeds of crime from a criminal organization would be established. This offence would be punishable by up to 10 years imprisonment. The bill would also establish two presumptions in respect of persons who could be members of a criminal organization.

The bill borrows extensively from the provisions of part XXII.2 of the Criminal Code which deals with the proceeds of crime and modifies them for application to property from criminal organizations.

The bill would also impose on the courts an obligation to order that a person convicted of an offence serve three quarters of any term of imprisonment handed down in respect of this conviction.

The bill recognizes there may be significant charter problems with some of its provisions, specifically subsection 33(1) of the Canadian Charter of Rights and Freedoms, and states the provi-

sions of the bill operate notwithstanding certain rights and freedoms guaranteed under the charter.

The problems of organized crime are difficult and complex. It has been suggested by some that our Criminal Code does not provide law enforcement agencies the tools needed to fight organized crime. According to some, our relative lack of successful investigations and prosecutions of organized crime figures is considered to be evidence that our laws are insufficient. It follows according to that logic that our laws must be changed. Given the breadth of some of the proposed solutions, it is incumbent on those who advance these proposals to satisfy a number of concerns.

I will take the next few minutes to review and comment on the manner in which this question was approached in the United States and more specifically deal with an American statute which is frequently mentioned as a possible model for Canada. I refer of course to the racketeer influenced and corrupt organizations law, or the RICO law as it is called.

• (1130)

The racketeer influenced and corrupt organizations provisions of the Organized Crime Control Act of 1970 represent the attempt of the United States Congress to control the growth of organized crime in America.

In response to the report of the President's commission on law enforcement and the administration of justice, the Katzenbach commission, Congress adopted what became title IX of the Organized Crime Control Act of 1970. In passing the RICO statute Congress put in place the statutory machinery it hoped would expel the cancer of organized crime from American society. In doing so, Congress focused on the criminal infiltration of legitimate enterprises relying on the existing legal apparatus to respond to other criminal issues such as gambling and prostitution. To excise the cancer of enterprise infiltration Congress proposed to confront organized crime by direct attack, by forcible removal and by prevention of return.

The essential drafting difficulty was finding a constitutional method of defining organized crime. A deliberate choice was made not to explicitly outlaw membership in organized criminal groups such as the Mafia because of the recognized constitutional concerns of making status, that is, membership in an organization, a crime, and of defining what constituted an organized criminal syndicate. Rather, in an attempt to ensure the constitutionality of the statute, Congress made its central proscription the use of a pattern of racketeering activities in connection with an enterprise.

Unable to define what were organized criminal syndicates and then outlaw membership in them, Congress turned to an operational definition of organized crime and tried to get at the criminal organization through its activity. Thus RICO pursues a broadly

defined category of criminal activity, not the mere membership in an organization that can only be broadly defined if the definition is to be in any way helpful. RICO prohibits activities not membership.

Early versions of the statute applied to anyone who invested deliberately unreported income, regardless of the source of the income or the criminal status of the investor. As finally enacted however RICO is not limited to any statutorily defined member of the Mafia. At that time the novelty of RICO was not the criminal fine or the imprisonment provision but the section providing for criminal forfeiture to the United States government any illicit interest in or profit gained from a criminally infiltrated enterprise.

The stated purpose of the Organized Crime Control Act of 1970 under which RICO is subsumed is to seek the eradication of organized crime by establishing new penal prohibitions and by providing enhanced sanctions and new remedies. To implement this general purpose, Congress fashioned an elaborate statutory scheme proscribing a variety of racketeering activities.

The first section of the RICO provisions provides a definition of terms. In particular, the definition of racketeering activity marks a significant departure from typical criminal statutes because it includes activities traditionally considered criminal, such as murder, narcotics dealing and gambling, as well as acts such as extortion, mail and wire fraud and securities fraud. Any of the offences listed in this definition may serve as predicate acts to a criminal RICO charge.

In a similarly broad manner, a pattern of racketeering activity is defined as at least two acts of racketeering activity, the last of which occurred within 10 years, excluding any period of imprisonment after the commission of a prior act of racketeering activity.

The second section of RICO lists the crimes which result from engaging in a pattern of racketeering activity. Section 1962(a) outlaws the acquisition of an interest in a legitimate business through the investment of money obtained from racketeering activity. Section 1962(b) prohibits the acquisition of a legitimate business through racketeering acts. Section 1962(c), the most widely used provision, outlaws the operation of an enterprise through the use of racketeering activity. Section 1962(d) prohibits the conspiracy to commit any act in the first three parts of section 1962.

● (1135)

Rico prohibits among other things the installation of an enterprise through a pattern of racketeering activity. These words have made Justice Scalia of the United States Supreme Court state in a 1989 decision:

That the highest court in the land has been unable to derive from this statute anything more than today's meagre guidance bodes ill for the day when a constitutional challenge is presented.

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Those familiar with the history of Rico will know that it is aimed at stopping the infiltration of racketeers into legitimate organizations. Canada chose to pass its proceeds of crime legislation to effect the same result, that is, taking the profit out of crime.

Those familiar with its operation will know that the state must prove at least two predicate acts that constitute a pattern of racketeering activity, those predicate acts being for all intents and purposes other codified offences before the remedies provided by Rico can kick in.

The Deputy Speaker: The hon. member's time has expired.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, this bill, which was introduced by my colleague from Hochelaga—Maisonneuve, attempts to deal with a very serious problem. I would like to say at the outset that we support what the member is doing and we support his bill.

As the member opposite has just said, there are some very serious issues at stake here. The member who introduced the bill has been very candid about the fact that there are some very serious competing interests which need to be weighed in taking the action he has proposed. He has not hidden the fact that this is not an action he undertakes lightly nor that Canadians should accept lightly. What he is arguing and the argument that I at least accept is that this is a serious enough situation so that serious measures are warranted and should be supported by our legislators.

Organized crime is a very serious problem in our country, a problem which unfortunately is growing. Many people do not have a very clear idea of just how large a problem it is.

I was speaking last weekend with a gentleman who works for the intelligence arm of a police service in our country. Some of the things he told me were shocking, disturbing and even frightening. I asked him why nobody knew what he had told me. I did not know. Why do Canadians not know? It is their country, it is their safety, it is their future at stake. Why do we not have a better idea of some of these difficulties? In his opinion, and it is only one man's opinion, he said there was a feeling that nobody knows what to do with the problem. Therefore it is better that we do not try to face it and make it explicit because then we would actually have to do something about it.

It is very important that members of Parliament not alarm the public unnecessarily. It is important that members of Parliament use discretion and deal with serious national concerns in a very moderate and balanced manner.

When the country has serious problems it is no longer acceptable to simply ignore them or hide them by sweeping them under the carpet. I applaud the member for Hochelaga—Maisonneuve who has recognized not just in his area but in other areas of the country that this is a crime, a serious situation which we have to squarely face. We need to put our heads together to come up with some

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solutions and strategies to contain the problem and if possible to diminish it.

• (1140)

As the hon. member very sensibly and very appropriately points out, this may not be the best or the only solution to the problem, but at least it is a solution. Goodness knows the justice department and the justice minister have put forward nothing better to date.

I found it very disturbing that the government representative who just spoke, having no other solution and having put forward nothing at all to deal with this very serious problem, would refuse to even allow the bill to be examined by the justice committee of the House. The government is just killing it without any alternative and without facing up to a very serious problem. We have not properly examined and heard witnesses and had expert opinion on the proposals in this private member's bill to the extent we would like to.

The member was very sensible to put forward an opportunity for the House to examine his proposals. Out of that examination very likely would have come, as the member candidly admits, even better or stronger proposals and at least the issue would be on the table.

The Liberal government has swept the issue right back under the carpet, not wanting to even talk about what we might do to contain a very serious problem. I find that completely unacceptable as a member of this House who is charged with acting in the best interests of Canadians and with dealing with the country's major concerns.

The member is seeking in the bill to add a new charge to the Criminal Code making it an offence to live off the avails of criminal proceeds. This would particularly affect members of criminal organizations. There are a number of criminal organizations in Canada: biker gangs, the Mafia, the Russian Mafia, Asian gangs. Because of this country's weak and toothless administration of justice, unfortunately the evidence is that these organizations are not being contained. In fact, as the hon. member stated in his presentation, his concern and the concern of other people is that the impact of these organizations on our country is growing.

This bill would also affect individuals who associate with these criminal organizations and would make them guilty by association. That is the bone of contention in this legislation. As the House knows, our charter of rights and freedoms protects Canadians' right of association. That is a very important democratic right and one which should not be trifled with without very serious advantage to our society. It must clearly and unquestionably be in the public interest to do so.

One of the hon. member's colleagues introduced a bill last week that would change some of the procedures in our courts to protect witnesses in cases of sexual assault and violent assault. I objected

to that last week. I felt that principles of jurisprudence which were in the public good were going to be eroded which made that action unjustified.

When we weigh these matters we have to be very careful. There are differences of opinion about how the rights and needs of society should be balanced. In my view, because I am convinced of the seriousness of this situation, we could and should be responsible for looking very closely at endorsing the proposals put forward by the hon. member who introduced this bill.

• (1145)

It is clear the present Criminal Code procedures are not doing the job needed. For example, money laundering techniques are becoming increasingly more sophisticated. It is very difficult for law enforcement officers to do the job that needs to be done and to keep on top of criminal activity and the results of it.

In terms of human misery, the activities of these criminal organizations simply cannot be allowed. It has to be vigorously combated by individuals in our country.

As the hon. member stated, the activities of these criminal organizations and the impact on other individuals in society, on our young people, on families, on our communities and on public safety in general is absolutely enormous and simply must be addressed. It must be faced squarely.

I believe in containing problems when they are small rather than waiting until we have a full blown crisis on our hands. It is my view that we should look seriously at the problem. Perhaps these proposals are not the whole answer but we should certainly be discussing and looking at them.

On August 18, 1995 the Minister of Justice in an article published in the *Toronto Sun* said: "We should not assume another federal law will solve the problem". Then on March 29, 1995 in statements which were printed in the *Montreal Gazette*, he talked about the federal government considering amending the Criminal Code with anti-biker legislation but he has done nothing about it.

Therefore, which is it? The justice minister needs to take some leadership on this issue. Certainly when other members try to take leadership, the last thing we need is to refuse to hear or even discuss their proposals. I am upset about this. I disagree strongly with the Liberal members who refused the unanimous consent necessary to allow this bill to even be discussed in the justice committee.

I believe this is something we should—

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, Quebec City, which I have the honour of representing in this House, is known throughout the world as the centre of French culture in North America. It is also famous for its magnificent location, its

old city, its cultural life, its tourist attractions and its warm hospitality. In other words, a quiet capital.

As for Montreal, it is one of North America's major centres. Unfortunately, a certain level of crime prevails in these large cities. A person living outside Montreal is aware of this fact and knows that it is somewhat unavoidable.

Now, the so-called quiet city of Quebec is starting to experience some of the problems of a large urban centre. The most striking one is certainly that of organized crime, which still manifests itself sporadically, but in an obvious way. Once we recover from the shock, we start to get a better understanding of the problems experienced by our fellow citizens from Montreal.

The motorcycle gang war has started up again and is even worse than before in the Quebec City region, particularly last week in the neighbourhood Saint-Roch. People are scared. They wonder how bad the confrontation will be. This is why I find it important today to take part in the debate on the bill tabled by the hon. member for Hochelaga—Maisonneuve on criminal organizations.

I must admit that reading the related file turned out to be very instructive. I learned that Quebec had the dubious honour of being the centre of organized crime in Canada. This is particularly true in the case of drug trafficking. Indeed, almost all the cocaine and haschisch seized in Canada is confiscated in Quebec. This is not to say that Montrealers consume all of these drugs. It simply means that Montreal is the port of entry, the hub of drug trafficking. This indicates criminal networks are established there and very well organized.

• (1150)

I learned also that some conditions are needed for such criminal networks to operate. To become prosperous, they need a rich environment allowing criminals to rake in profits. Also needed is an open environment, linked to other regions, countries and continents. As we know, Montreal is linked to other regions through a well developed road, rail, air and marine transport system. Moreover, because of our vast territory, authorities have a hard time maintaining strict control. Also needed is a free environment, devoid of oppression or dictatorship, which is of course the case in our society, in Quebec.

Finally, according to experts in the field, in order to develop, organized crime needs a bureaucratized environment where justice and security services are governed by strict and complex rules. We only have to think of all the constitutional protection enjoyed by defendants in our criminal justice system to see that this condition is easily satisfied in Quebec.

Therefore, all the conditions are met for Quebec, through its metropolis, Montreal, to hold the dubious title of headquarters for organized crime. What can we do about this? Year after year, police authorities sadly acknowledge that organized crime is on the increase and doing fine thank you, and steadily expanding. Faced with this situation, police authorities, with their meagre resources

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already stretched very thin, have been calling out for help for a long time now.

This bill my colleague for Hochelaga—Maisonneuve has introduced is an attempt at solving this problem. It would make it possible for the courts to condemn any person living on proceeds of organized crime. What is the rationale behind this bill? Why is it needed, when there are already so many sections and offenses in the Criminal Code?

The answer is quite simple. It is because, sadly, it is always those at the lowest level of organized crime who get caught, and not the bosses, who are protected by an aura of respectability and legality because they are never caught in the act.

With the new provisions in my colleague's bill, the police could have the crime bosses condemned by demonstrating that they are living on the proceeds of organized crime.

The proof would be made in two stages. First of all, if a person lives with or is habitually in the company of a member of a criminal organization or regularly frequents a habitual meeting place of a criminal organization or if the value of all the property possessed by that person has increased in a way that cannot be justified, that person would be deemed to be a member of the criminal organization.

Once that presumption has been established, that person could be accused of living on the proceeds of organized crime. Conviction would carry a maximum penalty of ten years in prison, and the property acquired with the proceeds of organized crime would be forfeited to Her Majesty. Thus, law enforcement authorities would have the means to fight criminal organizations and to deal with the real cause of the problem.

I think all of us should try to get better acquainted with the sad reality of the proliferation of criminal organizations. Nobody is protected against that problem, whether we live in Montreal or Quebec City.

Our vulnerability lies in the very nature of organized crime. Experts agree that it should be defined as a constant conspiracy to make profits and get more power through the use of fear and corruption.

• (1155)

That is why everyone is vulnerable. When an organization uses fear and corruption, it can get almost unlimited in scope. Each and everyone of us is afraid at the mere thought of being pressured or threatened by criminals.

Right now, the Montreal area is prey to these types of criminals. Everything seems to indicate though that other regions, like mine, could very soon be controlled by criminals, if it is not already the case. Therefore, we have to give our police and legal authorities the power they need to fight this social evil, while, of course, upholding the basic human rights of all individuals. This is exactly what

Government Orders

the bill introduced by my colleague is trying to do and I urge all members of this House to support this initiative.

The Deputy Speaker: Since no more members wish to speak, shall we call it 12 o'clock at this time?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EMPLOYMENT INSURANCE ACT

BILL C-12—TIME ALLOCATION MOTION

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That in relation to Bill C-12, an act respecting employment insurance in Canada, not more than eight further hours shall be allotted to the consideration of the report stage and second reading of the bill and one sitting day shall be allotted to the third reading stage of the bill and, at the expiry of the time provided for in this order for the report stage, and fifteen minutes before the expiry of the time provided for government business on the day allotted to the third reading stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this order, and in turn every question necessary for the disposal of the stage of the bill then under consideration shall be put forthwith and successively without further debate or amendment.

Some hon. members: It is a disgrace.

Mr. Chrétien (Frontenac): Another gag order. This is outrageous. This legislation is too important for that.

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

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

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

(*Division No. 53*)

YEAS

Members

Adams	Alcock
Anderson	Assadourian
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Bakopanos	Barnes
Beaumier	Bélair
Bélangier	Bertrand
Blondin-Andrew	Bodnar
Bonin	Boudria
Brushett	Bryden
Byrne	Caccia
Calder	Cannis
Catterall	Clancy
Cohen	Comuzzi
Cowling	Crawford
Culbert	Cullen
DeVillers	Dhaliwal
Dingwall	Dion
Discepola	Duhamel
Dupuy	Easter
English	Fewchuk
Fils	Fontana
Fry	Gaffney
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gerrard
Godfrey	Goodale
Graham	Harb
Harvard	Hopkins
Hubbard	Ianno
Jackson	Jordan
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney	Milliken
Minna	Mitchell
Murray	Nault
O'Reilly	Payne
Peric	Peters
Peterson	Pickard (Essex—Kent)
Pillitteri	Reed
Regan	Richardson
Ringuette-Maltais	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Sheridan
Simmons	Speller
St. Denis	Stewart (Brant)
Stewart (Northumberland)	Szabo
Thalheimer	Torsney
Ur	Valeri
Vanclief	Verran
Wells	Whelan
Young—113	

NAYS

Members

Ablonczy	Axworthy (Saskatoon—Clark's Crossing)
Bachand	Bellehumeur
Benoit	Bernier (Gaspé)
Brien	Chrétien (Frontenac)
Cummins	Dalphond-Guiral
de Jong	de Savoye
Debien	Dubé

Government Orders

Duceppe
 Fillion
 Frazer
 Gauthier
 Godin
 Grubel
 Hayes
 Hill (MacLeod)
 Lalonde
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 Lefebvre
 Marchand
 Mercier
 Mills (Red Deer)
 Nunez
 Rocheleau
 Schmidt
 Silye
 Strahl
 Tremblay (Lac-Saint-Jean)
 Williams —55

Epp
 Forseth
 Gagnon (Québec)
 Gilmour
 Grey (Beaver River)
 Hanger
 Hermanson
 Hoepfner
 Landry
 Lavigne (Beauharnois—Salaberry)
 Loubier
 McClelland (Edmonton Southwest/Sud-Ouest)
 Meredith
 Morrison
 Picard (Drummond)
 Sauvageau
 Scott (Skeena)
 Solomon
 Thompson
 Tremblay (Rimouski—Témiscouata)

and day because, when it comes to bills, we often have specific groups come here to defend our idea.

This time, many groups have come, but the government only heard what it wanted to hear.

The bill before us is seriously flawed, the main flaw being that we need to have another consultation process to get broader input and to better hear what victims of this bill have to say.

There are many things I want to discuss. Since I have only ten minutes at my disposal, I brought with me notes on the main aspects that I think should be reviewed, especially manpower policy and job training.

I was at the CSN for a long time and I know that labour confederations, employers, all community groups, groups acting on behalf of welfare recipients and the unemployed have long been asking for the transfer of manpower training, that is, for the return to Quebec of a structure that we already know very well because Travail Quebec centres also have training programs.

Constituents are constantly coming to my office and are telling me this: “Mr. Bachand, we do not know whom to turn to when it comes to manpower training. There are some fifty programs on the federal side and as many on the provincial one”. Of course, when it comes to manpower or occupational training, there is a large consensus in Quebec and we have difficulty understanding why the government always insists on remaining active in this area of jurisdiction.

I also had a quick look at the whole reform, and examined the numbers involved perhaps just a bit more carefully. We think the reform is very negative because it is unfair. It is unfair because, under the present system and depending on the regions where they live, some people must work 15 hours a week for 12 to 15 weeks, or between 180 and 300 hours, before becoming entitled to UI. From now on, they will have to work 35 hours a week for 12 to 20 weeks, that is to say between 420 and 700 hours.

PAIRED MEMBERS

Arseneault
 Bergeron
 Bethel
 Campbell
 Caron
 Cohen
 Daviault
 Dumas
 Guay
 Irwin
 Laurin
 Leroux (Richmond—Wolfe)
 MacAulay
 Murphy
 Paradis
 Proud
 Terrana
 Venne

Bélisle
 Bernier (Mégantic—Compton—Stanstead)
 Bevilacqua
 Canel
 Chan
 Collins
 Deshaies
 Eggleton
 Hickey
 Jacob
 Leblanc (Longueuil)
 Leroux (Shefford)
 Marchi
 Pagtakhan
 Paré
 St-Laurent
 Tremblay (Rosemont)
 Walker

The Deputy Speaker: I declare the motion carried.

(Motion agreed to.)

• (1240)

CONSIDERATION RESUMED OF REPORT STAGE

The House resumed from May 3, consideration of Bill C-12, an act respecting employment insurance in Canada, as reported (with amendments) from the committee; and of Group No. 3 of motions.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, it is with great pleasure that I stand today to speak on this bill that is before us. I think that the Bloc Québécois has demonstrated much consistency from the very beginning, and what it is asking is that this bill be withdrawn and that the consultation process be started all over again on a new basis.

All of us had a previous life before becoming members of this House. As for me, I was an unionist at the CSN. The way consultation is carried out in this House and the way it is carried out inside a democratic labour confederation are often like night

• (1245)

It is understandable that in regions where there is more work, people are expected to work for longer periods. Nevertheless, the government is doubling the number of hours required to be eligible for unemployment insurance. The Minister of Finance, who is among us today, must be happy with the measure presented by his colleague. This measure will inject more money into the fund, which already receives quite a lot of money. The minister will no doubt use it to reduce the deficit.

Naturally, it is the unemployed and welfare recipients who will suffer most since, in today's context, which is the complete opposite of what the Liberals promised—that is jobs, jobs, jobs—when your unemployment insurance benefits run out, you become a welfare recipient. We often hear the federal ministers say that they have created thousands of jobs since they came to power.

Government Orders

What they do not say is that there were also job losses. When we look at the figures, we note that there are fewer jobs now than there were when this government came to power. This explains why the minister is presenting us a reform that, once more, will penalize the most disadvantaged.

We could also mention the people who are just starting to work. We all remember our first day at work. We were very happy to come back home with a paycheck and be able to say that finally we were contributing to society and were recognized as workers. Many young people have a job paid at minimum wage. From now on, they will have to pay employment insurance premiums and work 910 hours to become eligible. If you have a weekend job in a McDonald's and work only ten hours a week, it takes time to accumulate 910 hours. Therefore, this reform is unfair for new workers also.

This reform is also regressive because it causes a lot of distortion. The bill only succeeds in getting more money for the fund. However, it introduces a lot of negativism, and I have just described a part of that. But the fact that the maximum insurable earnings are being lowered from \$42,000 to \$39,000 means that a person earning more than \$39,000 will not pay premiums anymore. So instead of hiring another employee, employers will ask their present workers to work overtime because over \$39,000 the employer and the employee pay no more premiums. This measure is not conducive to job creation.

At the present time, society is thinking about job sharing. When one wants to stimulate job creation to give work to more people, this is exactly the kind of measure that is counterproductive because employers and employees will seize the opportunity to do overtime, thus avoiding paying unemployment insurance contributions since maximum insurable earnings are set at \$39,000.

The measure will also create poverty because not only will people be told that there is less work, but their benefits will also be reduced. The shortening of the benefit period will throw more people on social assistance. We saw the impact of the changes implemented in 1994 on social assistance in Quebec. There was a major increase in the number of social assistance recipients and the provinces, not the federal government, have to foot the bill.

The federal government can argue that it makes transfers for social assistance programs, but we know that those transfers decrease steadily. Meanwhile, Quebec taxpayers have to pay through their Quebec taxes for the federal withdrawal from these jurisdictions. In the 1994 reform, there were \$2.4 billion in cuts for all of Canada, including \$735 million for Quebec. The new measures represent a further loss of \$600 million for Quebec. So, since 1994, we lost about \$1.3 billion for the unemployed.

This is a terrible blow for areas crippled by unemployment. As I said, this means that less federal funds will be made available and that more people will end up on welfare.

• (1250)

I also said that the Minister of Finance and the Minister of Industry must be very happy.

If we consider the principles and duties of a government that is supposed to redistribute wealth, we wonder what the industry minister is doing. He goes around telling businesses like Bell and the financial institutions: "You should not lay people off. You should be careful. The good way to redistribute wealth and to create more jobs is to keep people at work".

On the other hand, the minister is a lot less in a hurry to introduce bills dealing with the banks which made profits of \$5 billion and Bell which made \$2 or \$3 billion profit while continuing to lay people off. The government is quick to attack the disadvantaged, those who are jobless and desperate.

We have also seen that the government is quick to close debates. We are speaking on behalf of the 1.4 million unemployed Canadians, 414,000 of whom are in Quebec. We are going to tell these people that we were not given enough time to defend ourselves. Who will defend these people if not the Bloc Québécois? We do not defend Quebecers only, but Canadians as well. And the government has just told Canadians and Quebecers that it will not allow them to express their views any longer because it wants to ram its bill through and, in order to do that, it will impose time allocation to prevent us from acting as the government's conscience. That is our job here, but we are prevented from doing it.

So we will be more than happy to show Canadians what kind of government they are dealing with.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is with great pleasure that I rise at noon today to speak to Bill C-12, a bill which, by the way, the official opposition is prevented from debating as fully as it would have wished because of the gag you have just allowed, when all we want is to defend the poorest members of Canadian society.

First of all, Bill C-12 sets out to change the name "unemployment insurance" to "employment insurance", as though it were a disgrace to draw UI benefits. So, from now on, it will be called employment insurance.

I had a discussion with a member of the Liberal government, who tried to win me over to his way of seeing things by explaining that employment insurance should operate on the same principle as car insurance, the idea being that if you have a car accident, fine, two accidents, not quite so fine, and, after three, your insurance rates go up because you are a high risk case. This same MP tried to convince me that seasonal workers depended on UI for a living.

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Since those who grow Christmas trees, woodcutters, or fishermen, for example, must turn to UI year after year, they would be poor clients for the insurance company, which would either have to raise its rates or lower its benefits.

Imagine, for a moment, that you are ill, at a low ebb, you have cancer perhaps. And their idea of gratitude is to bump up your health insurance premiums, whether or not you can afford it. Or perhaps they would say: "You are ill, we will take less care of you". Yes, just like you are going to do with employment insurance. You will penalize the so-called frequent users. It is crazy.

Worse yet, the surplus in the fund this year will be over \$5 billion. Those \$5 billion will be taken mainly from the workers' pockets, in a variety of ways, but particularly by increasing the number of weeks worked.

• (1255)

Your reply will be that I have misunderstood, that what we are looking at is not insurable weeks any more, it is hours. But in your calculations—of course I mean the government's calculations—a week is 35 hours, but all hours are counted. So the logger slogging away in the woods could accumulate ten 84 hour weeks. With his 10 weeks at 84 hours a week, he would become eligible after 10 weeks, because that would total 840 hours, assuming he is not a first time user of UI. He would be eligible because the 840 would be divided by 35, which would give more than the 20 or 22 weeks required.

Now to take the example of Mrs. Blouin, of Saint-Nazaire Street in Thetford Mines. She works at Cooprix, a supermarket, and averages 15 to 24 hours a week. Because the unemployment rate in the Chaudière-Appalaches region is 8 per cent, this lady will have great difficulty in becoming eligible for unemployment insurance benefits.

According to Bill C-12, and using the example of the Chaudière-Appalaches region with its 8 per cent unemployment, this lady would have to work 18 weeks at 35 hours a week which, by my calculations, makes 630 hours. This lady works a very few hours, although she would love to have 35 hours a week. There just is not enough work.

I would also like to point out that, in the various regions, calculation of the unemployment rate is sometimes very round-about, I would not go so far as to say the figures are fiddled with, but obtained in a roundabout way, yes. It is strange, however, that in the Chaudière-Appalaches region the rate of unemployment is only 8 per cent, down 2 per cent in the past three years, yet there has been a 4 per cent increase in welfare recipients.

So there we have the see saw effect, take people away from the UI side and put them onto the welfare side. To all intents and purposes, the federal government assumed an area of provincial

jurisdiction in 1940, imposing itself on an area that was not within its purview, over the objections of Maurice Duplessis. Now, in order to make that area more cost-effective, it is pushing the most disadvantaged off onto an area of provincial jurisdiction, namely social assistance. You will share my opinion that the trick of changing unemployment insurance into employment insurance is both mean spirited and crooked.

It had been the wish of the Bloc to withdraw eligibility from those who leave jobs of their own free will. In the bill, those who quit would have serious difficulties in drawing employment insurance, unemployment insurance benefits. It is comical to see how the folks in the Liberal Party are changing their tune.

• (1300)

In 1990, when it was in the opposition, the Liberal Party had emphatically and fiercely objected to the conservative government's plan to penalize workers who voluntarily quit their jobs. You know as well as I do what is going on in some plants. Their was an article in *La Presse* two weeks ago saying that some plant managers literally exploit their employees. Many of them have to quit before they drop dead on the job or suffer a breakdown. Their notice of termination of employment indicates that they left of their own will. Some employers—fortunately not all of them but their will always be some—take advantage of their employees and will do it even more in the future.

The hon. member for Malpeque, fortunately for him, was not a member of the House of Commons in 1990. Had he been part of the Liberal clan at that time, I believe he would have acted the same way. When Liberals were in opposition, that rule was not acceptable to them. It had to be eliminated in order to prevent abuse. Now that they are in power, the Liberals once more take advantage of the neediest.

Another measure I find deplorable is that all gains over \$39,000 are no longer insurable. In return, the maximum amount of benefits to which workers could be eligible will be reduced. Since my time is already up, I would like to urge this government and the finance minister to look at other avenues, other alternatives before reducing their deficit on the back of the most disadvantaged people.

I invite the finance minister, through you Mr. Speaker, to register all his boats in Canada and to pay a little more income tax. He can afford it. I also invite him, when he purchases new ships, to buy them in Canada rather than in Asia, for instance. That would create jobs here.

[English]

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I welcome the opportunity to participate in the debate on the employment insurance bill since it has dominated the best part of the last 18 months of my being here.

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The system has worked in large measure. The social security review took place and a committee of Parliament went across Canada talking about our social programs and how they might be reorganized. I will be the first to acknowledge that not all the things that people asked were done, but as a member of the committee I can tell members that people were listened to and those interventions had an impact.

The minister put forward a bill after that exercise. While a good start on the reform, it had some flaws. Rather than stubbornly holding to the bill, significant amendments have not only been allowed or accepted but actually encouraged.

That is evidence the system can work and that these pieces of legislation can be significantly improved in the interest of Canadians, and in our case specifically seasonal workers in all parts of Canada, certainly in Atlantic Canada.

Three major amendments we have witnessed have to do with the so-called intensity rule, the gap and the divisor. I will speak specifically about the benefits of the bill so that those who are involved in debate will realize exactly what it is they would have us not do if they got their way and were able to through the bill out.

• (1305)

Specifically, because of the shift from weeks to hours as the measure of eligibility, essentially the government is saying that if a person works a 70 hour week, which many people in Atlantic Canada are very familiar with, with this change the employee is getting the value of two weeks under the existing law. In other words, someone who works 70 hours gets the value of one week. After this amendment, the value of 70 hours will be two weeks for all intents and purposes. That means that on average many people in my part of Canada will get into the UI system more easily than has been the case for many years. This is probably the first time in six or seven years that the system has been more accessible rather than less accessible.

Because the value is on hours rather than on weeks, at the end of the claim there is an additional period of eligibility because eligibility is based on how much one works. If the number of weeks worked is limited, regardless if it was 15 hours a week or 75 hours a week, under the present rules it is one week. With the new system every hour will be counted. On average for Atlantic Canada it will mean about two additional weeks of eligibility at the end of a claim. That is very important.

Ultimately the effect is that we are allowing more people in the current labour pool, the people who are in and out of the program regularly, more access to a nationally based income redistribution program.

There are those in the third party who are very negative, to be polite, about the social policy aspects of the unemployment insurance program. It is important to accept and understand the extent of this very real and important element of EI, that there are communities, industries and families in the country that, while they can work for a period of time each year, cannot work all year and cannot make enough money during their working period to sustain the family year round. This is a very efficient way of dealing with the problem.

I would accept that the first two budgets of the government had the effect of making unemployment insurance, soon to be employment insurance, harder to get. However, the amendment will go in the opposite direction and make the program more accessible. It is something very important to the people working in seasonal industries, particularly in Atlantic Canada but also across the country. That in itself is sufficient reason to applaud the government for the amendment.

There is also the low income supplement. Families with incomes of less than \$26,000 will see their benefits increased as much as 13 per cent. That is again in keeping with the social policy objectives in the employment insurance program. That is good news particularly for those who simply cannot make enough money in part of a year to sustain a family. This should be applauded by all concerned for those families that receive less than \$26,000.

All those people who were held at 14 hours per week because their employer did not want to pay benefits will now have first hour coverage. I will be the first to admit it will be more difficult for first time entrants to get into the system. However, if they worked anything up to 14 hours in the past they had absolutely no access whatsoever.

• (1310)

Because of the change in the way the employment benefits or non-income based aspects of the program are being reorganized many people will have access to employment benefits, the human resources investment fund benefits, who have been on unemployment insurance in the last three years, or five years if it was for maternity or sickness benefits.

That means all of those people we have heard about who were in programs because they were eligible for unemployment insurance benefits will now be entitled to benefits after their income benefits are exhausted. That is a major improvement. We all know of cases where people were in programs and as soon as their income benefits were exhausted they were out of the program.

This is a very contentious part of the bill. I would like to speak to its objective, that new entrants will have a harder time than in the past. That has often been brought to our attention. We will have to

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deal with it. We will have to improve it. We will have to recognize where the weaknesses and the faults are.

Generally speaking, it is important for Canadians to talk about what it means when kids leave school to go into industries where ultimately they will be sustained only by a social program such as UI. I do not want that for my kids. I do not want to hold out for my children the possibility of going into an industry which in all likelihood will be short lived.

They will be sustained only because of the existence of the unemployment insurance program. I recognize our obligation to the people who are there now. However, it is a difficult question for me whether we want to attract more people to those programs. I acknowledge our responsibility to replace the job opportunities with other opportunities for young Canadians, but I am not sure I can abide by an objective which would see people drawn into a system which would provide unemployment insurance as a means of livelihood well into the future.

I strongly believe the system has to be improved and changed. When the bill was presented many of us were very concerned about its weaknesses. After doing our homework we were able to affect the outcome of law. I feel good about that. I thank the minister and my colleagues who joined with me in the process.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I listened carefully to my colleague opposite and I would have thought that, following consultations with the various groups and organizations which appeared before the human resources development committee, he would be tempted to try to change the attitude of his government on this reform.

The bill before us—and I am sure my colleague will agree—is based on very dubious assumptions. First, the government tells us that claimants abuse the system. This is totally wrong. When there are no jobs anywhere, when the campaign promise to create jobs is not kept, it is pretty hard to ask people to work. So it is not surprising that the number of unemployed has been continually rising since the 1993 election.

Another assumption of this bill is that jobs are available.

• (1315)

Yes, and about those jobs that are available, we would like to know where they are, who they are for and how they could be filled.

When we have no control over job training, we can ask why jobs are available, because training will be provided in areas where there is no need. Therefore, for this very reason, shortages develop in certain areas, in certain types of jobs, resulting in there being no takers. Is it the fault of the workers? No. I say no it is not the fault of the workers. It is the fault of the federal government, which

cannot agree with the provinces to relinquish the field of job training to them.

Training belongs to those closest to the people. We are too far removed here to know exactly what is happening in my region. So, let us leave it up to people in the regions to decide what sort of training they are going to give. So, let us leave it up to the provinces to look after things. That way, we can avoid useless expenditure.

This bill, therefore, is not focussed on the real challenge of the social programs. There is only one way to meet the challenge of the social programs, and that is by creating jobs, and they have not managed to do so. Jobs, jobs, jobs is what they promised. There are none, and they have not created any either.

Mr. Milliken: We have created them.

Mr. Fillion: They have not created any, they have created jobless individuals.

Mr. Milliken: Oh, no. We did create jobs.

Mr. Fillion: Sure. It wakes certain people up when they are told that. Of course it is upsetting. It is distressing for them to be reminded of one of their promises. The one that brought them to power was the promise to create jobs, but they have not created any. Of course, it is hard to accept.

I am really wondering about how we could make this government understand that a majority of Canadian citizens do not want this reform. How can we go about it? Everywhere we go, we are told this reform is inequitable, unfair and inefficient. Those are terms we often hear.

It is a reform which will make citizens poorer still. And who are those who are becoming poorer? Mostly young people, women and those who will be left out. People will be stuck in the same vicious cycle: a small project here, an odd job there, then UI benefits, welfare and so on. It will become impossible to get out of this vicious cycle.

This reform is ruining collective instruments we had elaborated here, based on a social consensus. People accepted to share some of the common wealth. Today, they do not care anymore about this great principle. They even use the UI fund surplus not to create jobs but precisely to reduce the deficit. This money would be better spent and more profitable if it were used to create jobs, all the more so since the government is no longer contributing to the fund. As a consequence, it now belongs to workers and employers.

We have no right to take money in this fund belonging to those who pay into it. If we do so, it should not be to erase a deficit but to try to improve things for workers.

I was in my riding last Saturday. I walked with union leaders, priests, seniors, young people, board of trade representatives, city councillors, business owners, men and women of common sense.

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They were demonstrating with me to tell the government they did not want this UI reform.

• (1320)

So there was another demonstration. I did not see any activist behind it, although they say that all these demonstrations are organized by people who are paid to do so. I did not see that. It was organized by social services, humanitarian organizations and community groups, all ordinary people.

However, not one single Liberal Party representative was present at that demonstration. None. There were no Liberals to answer people's questions. What I saw were ordinary people, people who want to change their lives, people who think restructuring work and the labour market is important, but that it should not be done the way it is being done now, with this bill.

There was also a group which seized that opportunity to bring me a petition, a group of people from Ferland-et-Boilleau in the Chicoutimi riding, a town of approximately 680 people. More than three-fourths of them signed the petition. Unfortunately, I know we will have to vote on the bill this week and maybe there will not be time to have the petition certified by the clerk and tabled in the House. Therefore, I am speaking on their behalf. They said: "Please ask the government to abandon its unemployment insurance reform".

These small-town people are honest, hard-working and a good part of them do not have a steady job as we say. They do not have that opportunity over there. Why? Because most of them find their livelihood in logging and a few others in tourism. You will have understood that they are seasonal workers, and we know what the bill has in store for them. They know full well, they do understand that this reform will push several of them onto welfare. As welfare recipients, they will no longer depend on the federal government, but on provincial governments.

This is another way to shovel the deficit and an ever increasing debt into the provinces' backyards. Seasonal workers can be found just about anywhere in the country. I say it again, they are the ones who are going to be the most severely penalized by this reform. Why? Because they cannot find work year round, a permanent job is a thing of the past. It does not exist any more, and the present reform does not take this fact into account.

Sure, there are other kinds of seasonal workers: forestry workers, people working in the tourism industry, construction workers; we cannot say that the construction industry is very healthy in Canada right now. The housing sector is a bit like the fleet of taxis around here, it is going to ratchet.

This means that the value of houses is decreasing because people can no longer afford to keep them in good repair, which has a

domino effect on municipalities since they have to lower the assessment. We cannot say that the construction industry is healthy. Work in this sector is truly seasonal.

• (1325)

Since you are indicating that my time is running out, I will stop. On Saturday, I was asked to do something else; people told me to make sure that the government would not adopt this reform. I could not make such a promise. When I make a promise, I try to keep it.

There are a few hours left before we are called to vote on this reform; members opposite should be thinking about what has been happening in the last year and a half or two years since we have been talking about this reform, and realize people are going to be forced onto welfare because of it. They should change their mind.

For the sake of all these people, of all the workers who do not waste their time drinking beer—

The Deputy Speaker: Unfortunately, the hon. member's time is expired. The hon. member for St. Boniface has the floor.

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I am pleased to rise to speak to this bill. We are creating jobs for young people and I want to share some facts with my colleagues.

[English]

Here are some of the facts with respect to creating new opportunities for youth. I want to share a number of points. An estimated 39,000 young Canadians who cannot qualify for UI today will now qualify for employment insurance benefits once this bill becomes law. Funding for youth is being boosted by 22 per cent from \$193 million last year to \$236 million this year. That is a substantial amount.

The Team Canada partnerships with provinces and businesses will give unemployed young people opportunities to develop hard, job ready skills. We recognize the difficulties facing many youths and students. As such, the Government of Canada will double its funding for summer student jobs in 1996.

For young people, once this becomes law, every hour of work will now count. Weeks are often a poor measure of time spent on the job, particularly for part time workers and multiple job holders. Four out of ten part time workers in Canada are young people under 25 years of age. Under employment insurance all work will be insured.

Employment insurance will provide income protection for more young people if they work enough hours. The hours based system will remove the glass ceiling that limits part time workers, including many young workers, to less than 15 hours a week. This will benefit many young people who start out with a number of small jobs to gain work experience.

As well, employment insurance will provide fairer premiums to many youth. About 625,000 young people will have their premiums refunded because they earn \$2,000 a year or less. This represents nearly half of the 1.3 million who will receive the rebate.

For students the new system will have little impact from one perspective. For example, a student who works 14 hours a week for \$7 an hour would pay less than \$3 a week in premiums. In return the work is insured which is a very important objective.

Many youth will gain valuable experience with employment insurance's active employment benefits. The government is investing \$800 million a year from employment insurance reform savings into direct, proven measures to get Canadians back to work. Several employment insurance employment tools will help get unemployed youth back to work.

Targeted wage subsidies will help young people get to work and get the work experience they need to round out their résumés and to qualify for jobs in the new economy.

Job creating partnerships will bring government and community groups together to give unemployed youth opportunities to gain hard, new, employable skills.

These are but some of the measures.

[*Translation*]

And here are some more. You certainly know that not everyone needs an employment benefit to find a new job. The national employment service will help young people to find jobs in new and emerging industries and to receive training for 21st century jobs.

• (1330)

At the present time, two million Canadians, including many young people, use information and counselling services to look for jobs. A reinforced and automated job market information system will tell young people where there are jobs available.

Human Resources Development Canada staff will also show young people how to be more efficient in their job search, through new services, especially group information sessions designed to speed up as much as possible their return to the work force.

Investing in our youth is the top priority of this government and an essential part of our job strategy. Youth unemployment is presently around 16 per cent. That is one and a half times more than the national average. Many young people go to school and rely on their summer job, or on a more regular job, to pay for their studies and to acquire the work experience they really need.

The government recognizes the difficult situation in which young people are. That is why it has taken several initiatives to

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respond to their concerns. We recognize that a post-secondary diploma is becoming an essential element of job stability. The budget is allocating an additional \$165 million over three years to help students and their families meet the increasing cost of education.

To assist young people, we are extending the eligibility to the allowance for child care expenses in order to help a greater number of young parents working nights or going back to school.

Easier student loan repayment provisions will also give our young people a break. Young graduates will be in a better position to repay their loans when they have joined the labour force. All these measures show the absolute priority we place on giving our young people a leg up in an increasingly competitive and hard market.

I have just shared with my colleagues some facts which are rarely discussed by opposition members, in fact, which they do not even mention. Members opposite saw it as their role to attack the bill. I recognize that role as basic in a democracy such as ours. But I would have appreciated receiving concrete and specific suggestions, with related costs, as to how the bill could be improved. In addition to criticism, we would like to hear some solutions.

[*English*]

As I was saying, I have shared with my colleagues a number of key points with respect to this legislation. These are facts. If opposition members wish to dispute them, they may do so. I would be delighted to respond.

I find it surprising that they would not have put the positives as well as that which they see as potential negatives in front of us. We would then have a more balanced picture of what it is that is happening.

It is unfortunate there are no specifics costed out, potential responses to those weaknesses which they see. That would have improved not only the dialogue, the debate, the exchange, the discussion but perhaps even this legislation.

Having made those points, I would hope that in the spirit of the democratic ideal of this House of Commons we would look at that which is good and no matter what our political party allegiance, say it. Then look at that which can be improved on and indicate how that might be so.

[*Translation*]

I conclude with these few comments.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, since the member for St. Boniface criticized the official opposition, I have no choice but to reply to him. The hon. member comes from a very nice region where the francophonie thrived and is still alive.

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However, people in his region cannot get a daily French newspaper, only a weekly one.

I discussed this issue with the hon. member for St. Boniface about a year ago, but the situation has not changed.

• (1335)

The member, who spoke eloquently about education during most of his speech comes from a province that, since about the beginning of the century, has been violating the rights of French speaking people to education in their own language. I find it hard to understand the member's sudden interest for education and youth.

If he is serious about giving his attention to this issue, he should read the Constitution carefully. He will probably be surprised to find out that education and training are two areas that come under provincial jurisdiction. This is not a statement made by bad separatists: it is, fortunately or unfortunately, depending on which side of the House one sits, spelled out in the Constitution. We are simply asking the government to comply with the Constitution.

We are told that we only criticize, that we do not fulfil our responsibility to propose positive changes. I remind the hon. member that about 75 per cent of all those who sent submissions to the human resources development committee opposed Bill C-12. As elected representatives we represent people and we say that this bill, as the hon. member for Chicoutimi said earlier, is unacceptable to them.

If Bill C-12 is so promising for young people, how—I too will conclude by asking the member a question—can we accept that, if it is passed, a new entrant will have to have worked three times more than under the current system, that is 910 hours? This requirement alone shows how absurd Bill C-12 is in the way it treats young people. If the member can, at some point, provide an answer I want him to explain how this requirement of 910 hours, which is three times the number currently required in the case of young people or women who apply for the first time. These were my answers to the member for St. Boniface, along with a question.

Before getting on with my speech as such, I want to congratulate two members whom I know very well—there were certainly others who were out there this past weekend—and one of them even got a sunburn during the demonstration. I am referring to the hon. member for Chicoutimi who, along with local interest groups, succeeded in getting over 1,000 people to protest against Bill C-12, and the hon. member for Témiscamingue, who also convinced many of his constituents to come protest and show their discontent regarding this bill. I believe that people in every riding and region have shown their dissatisfaction with this legislation.

However, the best way to avoid all these problems with Bill C-12 remains job creation. Government, however, does not create jobs. We have seen how ineffectual this government is in that field also.

In my riding, there are two groups that are creating jobs. Since we are talking about unemployment insurance, employment insurance and jobs, I want to point out the outstanding work done by these two groups. I will start with the Société de développement économique de la Rive-Nord, under the chairmanship of Raymond Gervais.

This economic development corporation, which brings together the communities of the regional county municipality of L'Assomption, is doing outstanding work. With the stakeholders and the businessmen and women in the community, this economic development corporation seeks to attract businesses to our area and has had more than its fair share of success at it. It has a pretty good record of job creation, I want to emphasize that.

There is also the Société de développement économique des Moulins inc., which forms the other part of my riding, that is the regional county municipality of Les Moulins, except for the city of Mascouche; its chairwoman, Lise Brouillette, is doing a tremendous work to attract and keep businesses and to help create and maintain jobs in the area. Hats off to the Société de développement économique de la Rive-Nord, as well as to the Société de développement économique des Moulins inc.

• (1340)

These two organizations work day in and day out to create jobs. When I last spoke on Bill C-12, Mr. Speaker, I mentioned to my Liberal colleagues the problem with the Terrebonne employment centre which does not make any sense.

Let me remind those who might have forgotten or not heard about it that the Terrebonne employment centre was affected by the infamous employment centres restructuring, as improvised as the infamous constitutional process, and was asked, summoned or ordered to move to a brand new building the federal government has rented for ten years in order to meet the required standards.

Even before the official opening of the new employment centre, not a few weeks after but before the opening, the director of the centre received a nice letter asking him to inform his staff that in a few months time, within a year or two, the number of employees would have to be reduced from around a hundred down to 10 or 15.

This is truly the way to destroy the climate in a workplace. This is truly the way to inspire the people hired to help young people, women and everybody to find a job. Instead of trying to encourage the people who try to help others find a job, we crush them by sending them a letter in which they are told, even before the official

opening of their brand new centre, that it will be closed and they will have to move. We do not know when, we do not know where, but do not worry.

The homeowners, the children in school and the people in that community cannot accept what is going on, and I, as their member, cannot accept it either. That is why however often we speak of unemployment insurance—and I can say it in this House—we will never accept this decision on the Terrebonne employment centre.

Now, as for the bill itself, as I said a little while ago to my colleague from St. Boniface who prides himself on having implemented, contrary to what he used to say when he was in opposition, a system that is truly against the people, how can he accept and tell the people that 75 per cent of the briefs that were presented to the human resources committee have been ignored? Some 75 per cent of the briefs that were tabled expressed serious reservations, or simply called for the withdrawal of Bill C-12.

Even researchers hired by the department to assess the reform expressed serious reservations, and one of them is Marc Van Audenrode. He said: "If we can easily imagine what the impact of a specific amendment on one aspect of a system would be, it is almost impossible to imagine what the consequences of an as deep a reform as the one proposed would be. I could, like many other economists, give a very precise evaluation of what, I think, the consequences of reduced benefit periods or replacement rates would be, but I cannot give even a hint of what the consequences of the proposed reform would be and, frankly, I do not think any economist can". My colleague from St. Boniface has probably just got his degree in economics, because he gave us all the figures demonstrating that it was a good thing to cut young people and women off and to ask them to work three times longer to be eligible for unemployment insurance benefits.

I want to quote some briefs that were tabled. "The two-tier system created by this legislation goes against the Canadian Charter of Rights and Freedoms because it discriminates against women and young people. The government is blaming those who have to live with decisions dictated by financial considerations". That was from the Syndicat de la fonction publique du Québec. Another brief that was submitted says this: "The potential advantages of a system based on the number of hours worked are nullified by the increased number of hours labour force entrants or re-entrants, or other people, must accumulate to become eligible for benefits. A disproportionate number of women and young people belong to the labour force entrant or re-entrant category". That was from the Fédération des femmes du Québec.

• (1345)

Some will say that all these comments are from Quebec. Here is one from the Canadian Union of Public Employees. "Benefits will

be reduced through a number of proposals. This reduction is economically and morally unjustified. The proposals will have severe repercussions on women who earn less than men in general and who will receive benefits that will be much lower than those paid to men". Again, that was from the Canadian Union of Public Employees.

I will read you one more comment—I have several others—that comes from the Newfoundland and Labrador Federation of Labour. "The use of family income to determine eligibility (to the family supplement) is discriminatory against women. We are opposed to the dilution of unemployment insurance through a form of income support similar to welfare; if this measure is adopted, it should not have the effect of making women even less independent". Those were some of the comments—and there are many more—indicating that the majority of people, not only in Quebec, who have anything to do with this bill are strongly opposed to it. That is the most astonishing thing.

As for manpower training, it should not even be an issue. In Quebec, everybody agrees that manpower training should be the responsibility of the province. It is a unanimous opinion. Even Ghislain Dufault, who could be cited as an example, agrees that the federal government should withdraw, that it would be much simpler.

In conclusion, the minister talked about abusers. We also have statistics on abusers. We were told that this bill would eliminate abuse or reduce the number of abusers. The percentage of benefits received by abusers among unemployment insurance recipients is 0.0068 per cent. If, for less than 1 per cent, the government is willing to make everybody pay, we will certainly not support such a measure.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, in this debate we have heard a great many wild claims from the members of the Bloc Québécois about the negative impacts of Bill C-12.

Members of the Bloc have made no secret of the fact that they do not like the legislation. It is rather disappointing to see a party allow its ideologically driven aspirations for a separate Quebec completely override a fact driven interpretation of the bill.

What seems very clear is that members of the Bloc cannot possibly support changes that will improve a federal program to help more Canadians get and keep jobs and that will, in fact, create up to 100,000 new jobs for workers, both in Quebec and across Canada. It would be an admission that Canada can be made to work better for all Quebecers and all Canadians.

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They have not looked at this legislation on its merits. They simply make a series of outrageous claims which bear little or no relationship to the reality of the bill, claims which I believe must be responded to so that all Canadians, including Quebecers, understand the true nature of this very progressive and very necessary piece of legislation.

The member for Mercier, for example, said that the lower revenues of \$900 million resulting from a reduction in the maximum insurable earnings will be made up by those: "who currently do not pay unemployment insurance contributions". The member for Louis-Hébert says: "Making part time workers, students and so on contribute will bring \$900 million into the unemployment insurance fund and what makes that measure so pervasive is that it will allow the government to give the money to the richer workers".

What are the facts? Of the 500,000 workers who will have their work insured for the first time, 76 per cent or 380,000 will have their premiums refunded. The remaining 120,000 new premium payers will pay a total of \$14 million and they will be eligible to claim benefits if they become unemployed.

• (1350)

That is not all. Nine hundred and twenty thousand low income individuals who are paying premiums today will have about \$30 million in premiums refunded. Also, while more part time workers will be insured under EI, fewer of them will actually pay premiums. As a group they will pay \$6 million less in premiums than they do today.

The biggest impact of moving to first dollar coverage in terms of premiums payments will be a lifting of the weekly maximum. This will mean that individuals with high weekly incomes will pay their fair share of premiums for the first time.

What is more, 350,000 low income claimants with families will now be eligible for a supplement which will increase their benefits to up to 80 per cent of weekly earnings from the standard 55 per cent rate. On average, this means an increase in income of some 12 per cent. In addition, they will be exempt from the intensity rule by which repeat users will see a modest reduction of benefits. As well, people will also be able to earn up to \$50 per week while on claim without having their benefits reduced.

The facts are the opposite of what the Bloc members have been saying. Low income workers are not financing the reduction of the MIE. Low income workers will see their situation improve under this legislation.

The member for Mercier also claims that by reducing the MIE the government is giving a gift to major corporations and workers earning between \$39,000 and \$42,000. First, reducing the MIE to \$39,000 means that it will be about 17 per cent above the average

wage in the year 2000. Left alone it would have grown to about 47 per cent above the average.

While some high income earners and their employers will pay a bit less in premiums, which works out to about \$150 a year, it also means high income workers will receive substantially less in benefits; nearly \$2,340 less. As the House can see, what the member for Mercier is saying and what are the facts are two very different things. That can hardly be categorized as a gift to high income workers.

I want to bring a matter to the floor of the House. The member for Beauport—Montmorency—Orléans adds that women will not be able to meet the requirement as it will mean 910 hours of work a year. First, the 910 hours to qualify for EI benefits only applies to the first year in the labour market for a new entrant or a re-entrant in order to establish a reasonable attachment to the labour market before being eligible for insurance benefits. By the second year, provided the person has at least 490 hours of work in the first, they need only meet the variable entrance requirement of 420 to 700 hours. It does not go on year after year, as has been suggested by members opposite.

The reason for this change is very obvious. That low first time entry requirement can encourage young people to take temporary, unstable work rather than completing their education. The message to young people is clear. Do not drop out of school with a plan to work in a low wage job for a few months, then live off EI benefits. You will have to work longer to qualify and the new rules will also require you to do a lot more to find work.

Members opposite should also be aware that there are special provisions for women re-entering the labour force. They will be eligible for the new re-employment measures for up to five years after leaving the labour force rather than the three-year limit for regular claimants.

The member for Ahuntsic claims that the reform is an attack against seasonal workers. This is very close to my heart and to many people in this place and to part time workers. He states that eligibility requirements have been tightened. What the member does not say is that about 90,000 individuals who become unemployed today and cannot qualify for UI, will qualify for EI benefits. This includes 45,000 seasonal workers who have long hours of work but not enough insured weeks to qualify for benefits. It also includes about 45,000 part time workers and multiple job holders who have none or only certain weeks of their work insured today.

• (1355)

The member should also know that the amendments presented in the committee to address the issues of gaps in income of workers in seasonal jobs plus the new divisor rule will greatly help workers

in seasonal industries by providing them with a longer period to access eligibility for benefits.

When we look at the facts versus what is being said by members opposite it is obvious that this is very good legislation which will help a large number of people.

I want to use this opportunity to set the record straight on part II of Bill C-12. The member for Mercier criticized Bill C-12 for not contributing to getting the unemployed back to work. She said: "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". This is false and I want to set the record straight.

Employment insurance is a full employment system. It provides the framework for providing practical, proven measures which will help Canadians get back to work quickly and keep working. Of the \$2 billion in savings achieved by EI, \$800 million or 40 per cent will be reinvested in active re-employment measures. That will be added to the \$1.9 billion the government already spends out of general revenues. A total of \$2.7 billion will be going to address structural unemployment.

The active employment measures designed to help Canadians get back to work quickly include wage subsidies, income supplements, support for self-employment, community job partnerships and skills, loans and grants. They will help up to 400,000 Canadians to find work and get back to work. On top of that, a \$300 million transitional job fund is being put in place to stimulate job creation in high unemployment areas.

Despite the overwhelming evidence that the Government of Canada is working closely with the provinces to better co-ordinate support programs for unemployed Canadians, the member for Quebec still claims that unemployment insurance is funded by the provinces and that 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. That statement is wrong on two counts. First, it is employers and employees who fund the program through their premiums, not the provinces. Second, the bill sets out a framework for new federal-provincial agreements on labour market arrangements aimed at eliminating duplication and overlap.

The bill permits a variety of flexible delivery methods for employment measures. I want members opposite to realize that people in Quebec are not going to buy into the rhetoric. What they want are the facts. What I have laid before the House are the facts. I wish members opposite would take the time to read the bill.

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

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STATEMENTS BY MEMBERS

[*English*]

GIBBARD FURNITURE SHOPS

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I invite my colleagues to join me in extending best wishes for continued success to Canada's oldest and finest furniture manufacture, Gibbard Furniture Shops of Napanee. Gibbard designs and crafts some of the world's finest furniture.

Gibbard furniture can be found abroad in private homes and in more than 70 Canadian embassies. Most recently, Gibbard has expanded into the Japanese marketplace, where the exceptional craftsmanship and quality wood that goes into their furniture is appreciated. Bruce McPherson, Sr., tells me that the Japanese are especially interested in the solid cherry furniture produced in their historic Napanee landmark.

Founded in 1835 by John Gibbard, the company is celebrating 160 years in business. Four generations of Gibbards and, since 1940, two generations of the McPherson family have operated this firm.

Congratulations to them, their predecessors and their talented employees on achieving an exceptional and well-deserved reputation. Please join me in wishing Gibbard Furniture Shops continued success into the next millennium.

* * *

[*Translation*]

EMPLOYMENT

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, in an attempt to do something about the government's poor track record in helping the unemployed find jobs, the constituents of Québec-Est formed Solidarité-emploi Laurentien, a not for profit organization bringing together the unemployed and employers in the Québec City area.

In two years, Solidarité-emploi has helped over 500 people in the region to find work. This is a real success story, and we congratulate the organizers, including president Suzanne Lessard, and encourage them to keep up their splendid work.

There is one question, however. Should the government not provide them with adequate support, with the resources that they must have to continue operating? It seems not.

Despite repeated requests, the minister will not see them. The federal Liberal government is not doing very well at creating jobs, but here we have an example of a local initiative achieving extraordinary success.

Congratulations to Solidarité-emploi Laurentien.

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[English]

LIBERAL PARTY

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, when the Liberals were looking for votes in the last election, the Prime Minister stated: "There is not one promise I have made that I will not keep". That was his first mistake.

Then there is the GST. The finance minister has already apologized for not keeping the promise. The Deputy Prime Minister has resigned because the promise was not kept. However, the Prime Minister is still trying to buy his way out of the promise with our money. Now that is a real mistake.

What about the promise that our social safety net would never be tampered with? Now the Liberals turn around and announce major plans to alter programs like CPP and UI. They have announced that 25 per cent of seniors will have their benefits cut by 10 per cent. Health care and education have been hit by huge Liberal cuts to provincial transfers. On the Liberal promise to restore integrity to Parliament, it is now clear that there is no grit in integrity.

When we make mistakes we admit it and take corrective action. When the Liberals make mistakes, they blame God.

* * *

OIL AND GAS INDUSTRY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, Canadians everywhere have been asked repeatedly by this government to make sacrifices for the sake of our country's economic recovery. Families have had to lower expectations and communities have had to do more with less.

At the same time, it is not just business as usual for giant oil companies, it is business better than usual. 1994 saw these companies receive more than \$743 million in direct federal grants and \$2.1 billion in tax breaks. Imperial Oil profits are going to triple this year at the same time as Canadians are paying record prices at the pumps.

A responsible government would act to protect its citizens from this kind of blatant and economically stifling greed but nothing has so far been forthcoming.

In the absence of government leadership, New Democrats are joining consumers in our communities in a boycott commencing today of Imperial Oil which operates ESSO stations. I commend all those leading and participating in this consumer action. When ESSO responds, so will consumers.

By hitting this corporate giant in its pocketbook, consumers and citizens will show leadership that the federal government—

The Speaker: The hon. member for St. John's West.

* * *

CYRIL O'REILLY

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise today in the House to congratulate Mr. Cyril O'Reilly from St. Edward's Elementary School in Placentia, Newfoundland. Mr. O'Reilly has recently been awarded the 1995 Prime Minister's Award for Teaching Excellence in Science, Technology and Mathematics.

Teacher Cyril O'Reilly and his grade seven and eight students at St. Edward's have made Placentia, Newfoundland a cleaner place to live. Since 1990 Mr. O'Reilly has demonstrated great initiative by getting the school and the community as a whole behind a variety of recycling programs. For example, a trash-a-thon in 1993 taught students about the town's litter problems and how to correct them. It was this enthusiasm which helped St. Edward's win the provincial Youth Environmentalism Award in 1994-95.

Congratulations, Mr. O'Reilly, on your initiatives and a well deserved award.

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[Translation]

FORESTRY SECTOR

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, I would like to draw the attention of the hon. members to the fact that this is National Forest Week. Forests and the jobs they create are a matter of vital importance to my riding.

In addition to being a place of leisure and relaxation, forests play a leading role in Canada's economy and represent a source of direct and indirect employment for over 850,000 Canadians.

The Canadian forestry sector generates over \$49 billion worth of activity annually. Of this amount, over \$22 billion make a welcome contribution to the country's balance of trade.

I would like to take this opportunity to congratulate all those who work directly or indirectly at forestry related activities. Thanks to them, we benefit from the important resource that forests represent.

* * *

THE ENVIRONMENT

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, in my opinion it is our duty as Canadian members of

Parliament to pay special honour to our country's lead role in environmental protection and promotion.

In 1992, Canada was one of the first industrialized countries to ratify the United Nations convention on biodiversity. Later, the provincial and federal governments joined forces to draw up a Canadian strategy on biodiversity. This was a fine example of federal-provincial collaboration, and one which illustrates how well Canadian federalism works.

• (1405)

Finally, let us recall how proud we all were as Canadians when Montreal was selected, at the second meeting of the signatories of the UN convention on biodiversity on November 13, 1995, to be the site of the permanent secretariat.

For us, the opening of that secretariat is concrete evidence of the great importance Canada assigns to universal environmental challenges.

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BELL SCIENCE SUPER-EXPO

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, recently Trois-Rivières hosted the Quebec finals of the Bell science super-expo. Nearly 150 young scientists from all over Quebec were sent by their local regional scientific recreation councils to this event, with a total of 95 exhibits, either experiments or explanations of some phenomenon in layman's language.

Today we would like to pay tribute to the Conseil de développement du loisir scientifique du Québec and the Conseil du loisir scientifique de la Mauricie-Bois-Francs—Drummond. They, in conjunction with the Trois-Rivières campus of l'Université du Québec, were responsible for the great success of this event.

Our congratulations go to Bell, the main sponsors, the Bell employee volunteers, the many other partners and sponsors, the members of the organizing committee, the many volunteers from all regions of Quebec and, of course, all the budding scientists who took part in this prelude to the Canadian finals, which in turn lead up to the international finals, which will be held in South Africa in 1997.

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[English]

TARGET: TOP GUN

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, on May 2 I attended a supper in Grand Centre, Alberta to welcome a NATO delegation. They are studying the possibility of awarding a 20-year contract to Canada as NATO's flight training location. The other bidder is Texas and we are convinced that our program could beat it out by a country mile.

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The project Target: Top Gun is a community based initiative in the tri-town area of Cold Lake, Grand Centre and 4 Wing Cold Lake. The government-industry team has focused on the military and economic benefits of training there. 4 Wing Cold Lake has some of the best training facilities in the world.

The special evening organized by Target: Top Gun was an excellent example of western hospitality. School kids decorated the entire area with handmade NATO country flags. The guests were treated to a fabulous supper of Alberta beef. It was a great display of unity and support.

Thanks to Gary Blanchard, chairman of the project, and his committee who did an excellent job of promoting our facilities. Congratulations, Target: Top Gun.

* * *

CANADIAN FRATERNAL ASSOCIATION

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I am pleased to welcome the Canadian Fraternal Association which is holding its annual meeting in Ottawa this week.

The association is celebrating 105 years of service to Canadians. The 22 benevolent organizations which are its members represent 400,000 Canadians and their families.

Fraternal organizations contribute hundreds of thousands of dollars in grants, scholarships, educational programs and fund raising support to benefit people of all ages and backgrounds. Across Canada countless hours of volunteer time are contributed to our communities. The Canadian fraternal organizations reach out to all Canadians.

I urge my colleagues in the House to set aside some time for the delegates from their ridings who are in Ottawa this week and want to meet with them.

* * *

QUEEN'S UNIVERSITY

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I would like to draw the attention of the House to one of the most innovative programs in education today, the Queen's University Master of Business Administration for Science and Technology, which will greet its inaugural class today in Kingston.

With the implementation of this program, Queen's University has set a new standard for business education in Canada. By privatizing its MBA, Queen's will spend twice the amount compared to other schools on program delivery per student.

Also, by concentrating the program into one year, it will cost students less to achieve their MBA. In addition, Queen's will lend qualified applicants up to \$30,000, a sum which they do not have to repay until they obtain a job earning at least \$50,000 per year.

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Queen's will deliver this program using the most sophisticated educational technology available in the world. A brand new facility located on Queen's campus in Kingston compares favourably with those of the world's premier business schools.

I hope that all members will join me in saluting Mr. Ken Wong, Mr. Tom Anger and Dean Margot Northey of the Queen's School of Business for their innovative response to educational needs in Canada.

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[Translation]

VOCATIONAL TRAINING

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, the Canadian technical and vocational training olympics were held in Montreal last weekend. We must not only tell young people how important it is to get sound vocational training, but also commend and thank the participants as well as the organizers, who did an excellent job of hosting these olympics.

● (1410)

This successful event clearly showed the participants' determination and tenacity, which will stand them in good stead in facing the challenges of a society where ceaseless change in every field of activity is the only constant.

It is important to encourage this kind of commitment to our young people's future so that today's society can take other concrete steps to ensure a good quality of life for people across Canada.

* * *

TRIBUTE TO LISE BISSONNETTE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, last weekend, Lise Bissonnette, director of *Le Devoir*, was inducted into the Canadian Journalism Hall of Fame. This is a well deserved honour and sign of recognition for this great journalist.

Throughout her career, Ms. Bissonnette has shown great research skills and been very rigorous in her interpretation of events, two essential qualities for a journalist.

Moreover, we cannot ignore what we see as a major achievement: ensuring the survival and preserving the independence of *Le Devoir* in a context that is often and still difficult. This tour de force shows the strong will of this woman, for whom we have great respect and admiration.

Le Devoir is an essential tool of Quebec democracy. We congratulate Ms. Bissonnette on doing an excellent job and hope *Le Devoir* will be around for a long time to come.

* * *

[English]

FISHERIES

Mr. John Cummins (Delta, Ref.): Mr. Speaker, a stated objective of the fisheries minister's plan for revitalizing the commercial salmon fishery in B.C. is to reduce the size of the commercial fleet by 50 per cent. Eliminating 50 per cent of the fleet will do absolutely nothing to improve the economics of fishing if at the same time the fleet's catch is reduced by one-half, and that is what is happening.

For example, last summer, the native's share of the commercial catch on the Fraser River under the aboriginal fishing strategy increased to over 50 per cent of the fish caught. With the Nisga'a soon to be guaranteed by treaty 27 per cent of the Nass River production and at least two other Nass bands yet to settle, the native allocation on the Nass will easily exceed 50 per cent of the catch. Allocations of this magnitude will be repeated coastwide as more than 40 treaties are concluded.

It is readily apparent that the downsizing of the fleet by one-half which will occur under the minister's plan has only been prescribed to accommodate increased allocations to native only fisheries under treaties and aboriginal fishing arrangements.

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GASOLINE PRICES

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, three weeks ago I rose in the House to complain about the gasoline price gouging by the oil companies. This price fixing practice has long been a ploy by the gasoline industry to rob money from the pockets of hard working Canadians.

Various individuals and groups have suggested a boycott of these gasoline companies. I have also asked the government to legislate an end to these price fixing tactics. To date nothing has been done and these multinationals continue to reap the benefits.

I propose a solution to this situation. If our government exchanges surplus Canadian wheat for Iraqi oil I can assure the House it would go a long way toward providing food and medical supplies for the thousands of sick children and women in Iraq while helping some 30 million Canadians by reducing their gasoline prices to 45 cents per litre.

We could save the lives of innocent children in Iraq and boost our economy. It would be a win-win situation.

*Oral Questions***EMERGENCY PREPAREDNESS WEEK**

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, May 6 to 12 is Emergency Preparedness Week in Canada. In declaring a special week, the federal government through Emergency Preparedness Canada joins with the provinces and territories in a nationwide effort to increase public awareness of the need to prepare for emergencies of all kinds.

Every year at least some of our communities are hit by large scale emergencies and local disasters. Floods, forest fires, toxic spills, blizzards, tornadoes and industrial accidents are only a few of the natural or human caused events that can threaten lives, property, the environment and the local economy. While there is little Canadians can do to prevent these catastrophes, everyone should be prepared to deal with them.

I therefore invite all members of the House and all Canadians to mark Emergency Preparedness Week by taking the time to inform themselves on how they can help safeguard themselves, their families and assist their communities before, during and after a disaster strikes.

* * *

• (1415)

[*Translation*]

FRANCOPHONE COMMUNITIES

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, this morning, in Cumberland, Ontario, in my riding, I had the pleasure of awarding the Théâtre des Lutins a Heritage Canada grant to buy a building.

The Théâtre des Lutins, which is celebrating its 25th anniversary this year, is renowned within the Franco-Ontarian community for its youth-oriented plays. The company will now be housed in an arts center for children and youth located in Cumberland, where it will also hold an annual festival.

Mr. Fillion: Patronage.

Mr. Boudria: I note that Bloc members object to assistance being provided to francophones.

This grant is worth mentioning because it shows that our government, and the hon. Sheila Copps in particular, has recognized this theatre company as a group totally dedicated to French speaking young people in Ontario.

[*English*]

For this I wish to thank Sheila. I look forward to seeing her again soon in the House of Commons.

[*Translation*]

To my colleague, Sheila Copps, who has devoted herself to francophone communities in particular, I say: "See you soon, Sheila".

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUMS

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, in the matter of the constitution, the Prime Minister is hiding behind Quebec's action to justify potential intervention by the federal government in the Bertrand case, which is aimed at denying Quebecers the fundamental right of deciding their future themselves.

My question is for the Minister of Intergovernmental Affairs. How can the federal government put itself in the position of blackmailing the Government of Quebec by making its non intervention in the Bertrand case conditional on Quebec's renouncing Quebecers' fundamental right to decide their future themselves?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I told the House last week, the litigation before the court has become of interest because of the position taken by the Government of Quebec. Simply stated, it is that neither the courts nor the Constitution of Canada can have any relevance to a declaration by Quebec of its sovereignty. That proposition of course is profoundly wrong.

It is the question of whether the federal attorney general can assist the court in dealing with it that has attracted our attention. We are considering our position in relation to intervention. No decision has yet been made, but that is the reason we are considering it.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, in a scrum this morning, the Prime Minister himself said that it would be much easier for the federal government not to intervene in the matter, provided the Government of Quebec agreed not to defend Quebecers' right to decide their own future. This is what the Prime Minister said this morning, in Montreal.

I ask the Minister of Justice why the federal government has now resorted to blackmail—there is no other way to describe it—against the Government of Quebec, when in fact the federal government has always implicitly recognized Quebecers' right to decide their future themselves by participating in the previous two referendums and by agreeing to accept the results?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the process of a population of a province or a country expressing itself by referendum is not new.

Oral Questions

Naturally, the opinion of the population when expressed by referendum is important. No one contests that. Nor does anyone contest the right of the population of Quebec to express itself on any such question.

What has caught the attention of the national government is that the Government of Quebec in the litigation which raises the legality of l'avant de projet de loi and Bill No. 1 has taken the position that after such a thing might occur, neither the Constitution nor the courts have any role or relevance in determining what would happen then, or in the declaration of sovereignty by the province of Quebec. That is a very fundamental issue.

As I have indicated to the House, we are considering whether we can assist the court on those legal points. That is why we are considering intervention in that case. It has nothing to do with blackmail at all. It has to do with fundamental principles of law and the rule of law. That is what we have under consideration.

• (1420)

[Translation]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, by wanting to put to the test of law Quebecers' inalienable right to decide their future, is the federal government not placing itself in the untenable position of wanting in a way to put a legal interpretation before democracy and a people's choice.

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we do not believe democracy and the rule of law are incompatible concepts; the one is safeguarded by the application of the other.

There are important aspects of the rule of law arising from the position taken by the Government of Quebec in the Bertrand litigation. It may be that after considering the position we determine that we will not intervene. It may be that we conclude the matter is so obvious there is no need for us to assist the court. We might also await the disposition of the first instance and determine whether intervention might be more useful on appeal. All these matters fall to be examined.

In the meantime we are considering the position and I hope to be in a position in the coming days to make clear the course we will take.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the federal government is throwing up a legal smoke screen to justify its intervention in the Bertrand case, which seeks to deny Quebecers the right to make a democratic decision about their future. And yet, lest it be forgotten, the federal government participated actively in both Quebec referendums.

Since the government has allowed itself the luxury of a Minister for Intergovernmental Affairs, and since he is here, it is to him that I address my question.

How does the Minister of Intergovernmental Affairs justify the fact that the federal government has never, until today, attempted to challenge the legality of the two referendums held in Quebec?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, referendums in Canada, and this was also pointed out in the white paper on consulting the people of Quebec, are advisory in nature. When the Government of Canada participates in a referendum, it is because it wishes to give its point of view in this consultation. That is what the Government of Canada did during the two referendums in question.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, would the Minister of Intergovernmental Affairs admit that as long as his government thought it would win the referendums, it did not challenge their legality, but now that its back is to the wall, now that it knows it is going to lose the next referendum, it is trying everything it can think of to prevent Quebecers from making a decision about their future? That is the explanation.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Government of Canada had no reason to consider consultative referendums illegal, because by law a referendum must be consultative.

But since the hon. member is looking for contradictions, he will find them in the interpretation of victory and defeat, during the last referendum, by the leader of the yes camp at the time, Jacques Parizeau, who said, should his camp lose, that the next time would not be so very far off, and that the yes side would then have its revenge, but, should his camp win, that it was time to turn the page, that the die is cast, that the decision was final. There is the contradiction.

* * *

[English]

LIBERAL PARTY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, during the last election the Prime Minister told Canadians: "There will not be a promise in the campaign that I will not keep".

Once the ballots were counted, however, the Prime Minister changed his tune: "Sometimes in the course of a mandate you are faced with a situation where you cannot deliver. You have to have some flexibility". That is quite a switch.

Oral Questions

Who should Canadians believe, the Prime Minister on the campaign trail saying he will keep all his promises, or the Prime Minister in office saying all his promises will not be kept?

• (1425)

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, first I would like to welcome the leader of the third party back to Parliament. Clearly a number of interesting developments have taken place during his absence. I think he is now in a position to—

Some hon. members: Oh, oh.

The Speaker: I am sure all hon. members will refrain from commenting on the presence or absence of any member.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I am just very pleased the leader is here now. I really welcome—

Some hon. members: Oh, oh.

The Speaker: The answer please.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, when members of the Reform Party first came to the House they made a very clear promise to the Canadian people about a new style of politics. Yet we have seen in the past two and a half years a series of Reform members of Parliament making what can only be most charitably described as the most inelegant, inappropriate, unacceptable statements ever heard in the Chamber.

It would seem that if ever there has been a promise broken it has been broken by the leader and the members of the Reform Party in the way they have abused the House with that kind of language and the statements they have made.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadians will not be diverted from the issue at hand, and the issue at hand is the integrity of the government.

When the Liberals were in opposition they denounced NAFTA. Once in power they accepted it. When in opposition they said the CBC budget was sacred. Once in power they slashed it by \$377 million. When in opposition the Liberals wanted to kill the GST. Once in power they hid and harmonized it. In opposition the Liberals slammed every single policy the Conservatives dreamed up. Once in power they dressed up legislation and claimed it as their own.

Which Liberal Party should Canadians believe, the Liberals in opposition who denounced every Tory policy, or the Liberals in government who have adopted those policies?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. leader of the third party talks about what is to be believed.

We can think of an example. About a month ago the member of Parliament for Surrey—White Rock—South Langley stood up in the House and outside the House and denounced with a most foolish allegation the existence of moles in intelligence operations. Now the same member totally denies those allegations and said they did not happen at all.

When it comes to veracity and integrity, the Reform Party has nothing to tell anybody in the House or any Canadian. It shows day in and day out total disrespect for any form of integrity whatsoever.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister can bluster and fume all he wants, but for Canadians the issue is the integrity of the government and they will not be diverted from that.

During the last election the Prime Minister promised to restore honesty and integrity to our institutions. He said that if it is in the red book it will be done.

The government has kept less than 25 per cent of its red book promises. The Prime Minister now says it is unrealistic to expect the rest to be kept.

The Prime Minister also said last week that politicians should not sign contracts to keep their promises. Correct me if I am wrong, but is the Prime Minister's signature not on page 1 of the red book?

By failing to live up to its election promises, is the government now saying the Prime Minister's signature is not worth the red book it is written in?

• (1430)

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, during the election campaign the hon. leader of the third party made a very clear commitment to the Canadian people that his party would stand for a degree of fairness, equity and justice of all Canadians. Yet we have seen repeatedly members of his caucus totally and completely disregard that commitment.

When will this member and this party stand up and give Canadians and members of the House a very clear statement and undertaking on their belief in human rights in Canada? Or will they simply have to rely on the statement made by the Reform member from Kootenay East when he said nothing will be done about the situation?

* * *

[*Translation*]

GUARANTEED INCOME SUPPLEMENT

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

While thousands of guaranteed income supplement applications are held up in the department's offices because of computer problems, today we learn that the minister's own brother has

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apparently benefited from the direct intervention of the minister's office to speed up his GIS cheque.

Does the minister acknowledge what was reported today, that his own office intervened on behalf of his brother, who thus received privileged treatment?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, I deeply regret having to inform the House that I have no living brother.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, that statement was made by the union president, who had it on good authority.

Some hon. members: Oh, oh.

Mrs. Lalonde: When will the minister commit to a specific date by which people, including his brother if he had one, will have an answer on why they are being deprived of the difference between \$395 and \$865?

Some hon. members: Oh, oh.

[English]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, I said in the House last week in response to a question that this was a serious matter. It is because of the number of people waiting and who have been informed improperly of their situation. They do not need to be made more anxious. They already have enough problems.

I indicated at that time we would do everything we could to resolve the matter. I have been checking constantly on this. We have been calling people. We staffed the office even over the weekend to make sure people were advised either by phone or in writing, whichever was most appropriate.

There is no excuse, as I said last week, for these kinds of errors. We attribute them to glitches in the technology the department has introduced. That is not acceptable to those people who are upset by these kinds of problems. We will do everything we can to get them resolved as quickly as possible because we understand how important these problems are for people who really care.

* * *

LIBERAL PARTY

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the GST, stable funding for the CBC, national child care, changes to NAFTA, no cuts to old age security and a parliamentary review of patronage appointments were all promises the Liberals made when they were trying to get elected and promises they broke once in power.

Does the government still believe in what the Prime Minister said during the last election, that there would not be a promise in the campaign he would not keep, yes or no?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I know it takes a long time for the hon. member to fully take in the messages and the answers we provide.

Surely by this time the hon. member has had the opportunity to look at the red book, page 22, and understand the commitment we made to replace the GST and to come out with a different tax is being fulfilled by the Minister of Finance and by the government. That is very clear.

• (1435)

As for the other promises, the latest estimates show we have accomplished well over 60 per cent of the commitments in the red book. Considering we are just halfway through our term, it seems we are ahead of schedule.

I can commit to the hon. member that by the time we reach the election we will be able to tell her fully what is in the red book, being able to provide all those commitments we made. I know she will be glad to take the red book in hand, with the commitments made, when she applies for unemployment insurance after the next election.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, if the Minister of Finance actually kept his promise, I would be interested to know why he said in his press conference: "We made a mistake". It would seem incongruous.

The promises the government has tried to keep have cost Canadians dearly: \$1 billion to harmonize the GST, \$2 billion to cancel and replace the EH-101 helicopters, and close to \$1 billion for the privatization of the Pearson airport, all of which are Conservative policies from the last government. That is \$4 billion of taxpayer money to try to keep a few red book promises, and the meter is still running.

How much is the government willing to spend to cover up the fact the red book does not mean anything any more?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member is clearly being very selective in her examples. The reality of the examples she used is that the major reforms and changes being made to the GST will provide enormous savings to small business. They will provide a harmonized tax which will save administration costs.

The cancellation of the Pearson airport contract has meant untold millions of dollars for the Canadian consumer and taxpayer who would have been hosed by the previous government. On the cancellation of the Cadillac style helicopters, we were able to get Canadians a much better deal.

It seems getting a good deal for taxpayers is the hallmark of a good government.

[Translation]

IMMIGRATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the minister of immigration.

Saturday's *La Presse* confirmed that the federal government mounted an exceptionally huge operation to award as many immigrants as possible their certificate of citizenship before October 20. However, on October 16, in response to a question by the Bloc Québécois, the minister of immigration said, and I quote: "What is being done with respect to citizenship processing in the province of Quebec is nothing different from any lead up to any provincial campaign".

Given that the fears of the opposition are now confirmed, how does the immigration minister explain it as routine business? Was the government trying to hide this information?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration and Acting Minister of Canadian Heritage, Lib.): Mr. Speaker, let us get the facts straight. Was it a dirty trick, as a major Quebec daily called it, a dirty trick in the usual sense of the word? Generally, the expression is used to describe something underhanded or illegal. Was citizenship granted to people illegally? The answer is no.

Everyone who received a certificate of citizenship was entitled to one and was entitled to vote. Did my predecessor, now the Minister of the Environment, deny that the department was making a special effort to issue citizenship certificates? No.

He said in this House, on October 16, that we were issuing citizenship certificates in this case as in any other government campaign. Those are the facts.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, we know that in this case an unprecedented operation was mounted. They went into overdrive and worked every moment, including holidays.

Could the minister confirm today, from her seat, that the operation run on the eve of the Quebec referendum was exactly the same as the one run in Ontario last year and the one currently underway in British Columbia?

• (1440)

Hon. Lucienne Robillard (Minister of Citizenship and Immigration and Acting Minister of Canadian Heritage, Lib.): Mr. Speaker, you will permit me to disagree with the member for Frontenac, who sees something underhanded here.

I repeat yet again that these people were citizens entitled to their Canadian citizenship. In November 1995, in British Columbia, there was a backlog of 20,000 people awaiting their citizenship certificate. Today, 16,500 people have received them.

Oral Questions

Was a particular effort made in Quebec? Yes, and my predecessor said so clearly.

One hon. member: Why?

Ms. Robillard: Especially since the new electoral act in Quebec required proof of Canadian citizenship. People put a huge amount of pressure on the minister to have their citizenship certificate.

Once again, these people voted perfectly legally and they are Canadian citizens.

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[English]

AGRICULTURE

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, my question is for the Prime Minister.

On June 9, 1993, as opposition leader during a meeting with farm leaders, he stated: "A Liberal government would call a producer plebiscite on barley marketing issues". Would the Prime Minister still honour that result and call that question?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. gentleman knows that he is not reflecting accurately the meeting on the date to which he refers.

What the Prime Minister did say on that occasion, if I remember it correctly, are words to the effect that: "no fundamental change in the Canadian Wheat Board would be undertaken or contemplated without the benefit of some kind of producer consultation.

If the hon. gentleman recalls correctly, at that time the previous government was very much in the process of fundamentally altering the Canadian Wheat Board without the necessary legal authority to do it.

We have put in place a consultative process through the western grain marketing panel, which is now completing its work. I expect to have its report before the end of June. Once that report is available for all to review and scrutinize, we will all have a more thorough, thoughtful and factual basis on which to make any future decisions that are required.

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, politics sure is a strange animal.

Immediately after the election, on November 13, the agriculture minister said at an annual meeting with Manitoba pool elevators with regard to plebiscites: "They are the most appropriate vehicle by which to determine what farmer preferences are". Does the minister still believe this or was that just a shot from the lip?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as the hon. gentleman knows from other questions in the House which I have answered, I have not ruled out

Oral Questions

the possibility of a plebiscite in appropriate circumstances in the future.

I have also pointed out to the hon. gentleman, both in the House and outside, that plebiscites of the kind that he is proposing can be divisive and can make the problem worse rather than helping to solve it.

* * *

[Translation]

LIBERIA

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Yesterday, thousands of Liberians were cramming on board a ship to flee chaos in Monrovia while rival factions kept on fighting. Civil war in Liberia has reached unsurpassed levels of violence, claiming many more victims. The number of casualties since 1989 is estimated at more than 150,000.

Can the minister give us an update on the situation in Liberia and tell us whether the peace talks planned for tomorrow and Wednesday in Accra, Ghana, will go ahead as scheduled?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member properly points out, the serious situation in Liberia has become even more extreme. The hoped for settlement was shattered this weekend by a major disruption and the emergence of a new conflict.

• (1445)

The United Nations is seized with the matter. UN peacekeepers are still in the area and are attempting to restore order. All we can offer at this time is the strongest encouragement and support for the negotiations to take place.

Because it is such a troubled situation and there are so many factions now in conflict, one cannot be overly optimistic other than to say that we support every initiative in Liberia by the United Nations at the present time. We certainly hope for and support the efforts being made to bring about negotiations in the next two or three days.

[Translation]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the minister mentioned that he would support any effort by the United States to bring an end to the serious crisis in Liberia.

I have a supplementary for the minister. What is the exact role the Canadian government intends to play to facilitate the ongoing peace initiatives and diplomatic negotiations aimed at reaching a lasting ceasefire agreement?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is not a circumstance in which the Canadian government takes a direct role. That matter has been undertaken by other parties, particularly through the United Nations.

I could comment that through the efforts of my colleague, the Minister for International Co-operation, we have been offering funds for democratic development to help in west African countries that are prepared to start developing support for democratic institutions for better government. We are prepared to continue to offer that support so there can be a ceasefire or an agreement to end the conflict.

My colleague would be prepared to take a look at how we might extend that kind of democratic aid and assistance to that country to help rebuild its institutions.

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BANKING OMBUDSMAN

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, for the last 30 months the government has been reviewing the banks in their dealings with small business and Canadians.

Could the Minister of Finance update the House on the appointment of a bank ombudsman to ensure that Canadians are being treated fairly?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member knows, individual banks have, over the course of the last year, appointed ombudsmen, one per bank.

However, this morning Mr. Michael Lauber was named as the first Canadian banking ombudsman overseeing the entire system. The specific goal of the first Canadian banking ombudsman is to ensure that the banks live up to their responsibilities to the small business community.

Mr. Lauber, who is not a banker, will report to the government and to the Canadian public on the results of his activities every three months. We certainly welcome this initiative by the bank.

Perhaps I could take this occasion to congratulate all members of the industry committee. This appointment in no small way is due to their concerns and the constant attention they have paid to this issue.

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CANADA PENSION PLAN

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the theme of the red book was jobs, jobs, jobs. The Liberals have also promised that they would stand behind seniors and protect their benefits. However, a report from the finance minister's department reveals that their proposal to fix the Canada pension plan will kill thousands of jobs.

Oral Questions

Is the Minister of Finance going to maintain benefits for seniors or is he going to increase payroll taxes, thereby killing thousands of jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the reason the government set up, along with the provinces, the commission which is currently going across the country to examine the CPP is precisely to deal with the question of the survival of the CPP. How will the CPP be maintained? The government stands four square behind it, as in fact do the provinces.

At the same time, we are dealing with very real problems which have resulted from the inattention paid to them over the course of the last decade. It may well be that premiums will have to rise. It may well be that there will be changes in the benefits.

The government has said very clearly that it will not accept the recommendations of the Reform Party which would eventually lead to the evisceration of the Canada pension plan.

• (1450)

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, we are getting somewhere. We have an acknowledgement that benefits are going down and premiums are going up.

This month, 150,000 young Canadians will be graduating from our universities. Hard working, educated and motivated young Canadians are going to find that their jobs are in serious jeopardy because the government will be raising payroll taxes.

I want to know which promise the government is going to break. Is it going to break the jobs, jobs, jobs promise to young Canadians or is it going to back off on its commitment to seniors because that basically is what it is going to come down to?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member may think that he has torn some incredible admission from the government.

This government, many months ago at a finance minister's meeting with the provinces, set out very clearly that premiums may have to go up, that there may have to be a change in the benefits.

It may well be that the member is only now coming to this conclusion, but it is one that most Canadians realized after the chief actuary issued his report some time ago on the CPP.

On the question of jobs, if members take a look at what is happening at the present time, over the course of the last three months nearly 135,000 new jobs have been created. Since this government was elected, well over 500,000 jobs have been created.

We are providing jobs in the new economy. We are providing jobs for young people. We are providing the kind of jobs that are permanent. That is what the statistics demonstrate.

[*Translation*]

CANADA-U.S. TAX TREATY

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, my question is for the Minister of Finance.

On March 29, the Minister of Finance admitted in this House that the new Canada-U.S. tax treaty was unfair to Canadians and Quebecers receiving U.S. pensions and that he did not agree with the Americans' way of doing things. However, he is not doing anything to help his fellow citizens.

Could the Minister of Finance tell the House about the discussions he has had on this matter with his American counterpart, Mr. Rubin, by disclosing among other things the various options put forward by this government to resolve the issue of U.S. pensions?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member's question is quite relevant. I should mention that the problem lies in a new interpretation of the American legislation.

As the hon. member has just pointed out, I met with Mr. Rubin in Washington about two weeks ago. We discussed this matter at length. We have still not found a solution, but the Americans are working on it, as the matter is in their hands.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, how will the Minister of Finance compensate pensioners in Canada and Quebec who are paying for the unfair tax treaties signed by their own government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the problem lies in the American legislation. The Canadian government is certainly very concerned about this problem. There is no doubt that great injustices have been created for Canadians. We will continue to work on this, but it must be said that the Canadian government is in no position to compensate all Canadians affected by changes in foreign legislation.

Having said that, I think, as I said right at the beginning, that the question is quite relevant, and we continue to work on this problem.

* * *

[*English*]

PENITENTIARIES

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Edmonton Institution for Women has been one disaster after another since it opened five months ago.

A quarter of the inmates have escaped. There has been a suicide and several slashings. There have been assaults on inmates and on guards. The list goes on and on.

Oral Questions

Why did the government build a comfort cottage instead of a prison? When will it put the safety of Edmontonians ahead of the pleasures of inmates? Shut the place down.

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, as was reported to the House, the Solicitor General of Canada took active steps to make sure that the safety of those around the institution was addressed by transferring almost 20 inmates to provincial institutions.

We have looked at the security features of the institution. We announced concrete measures to make sure that safety was addressed, such as a fence and cameras. We are taking the necessary steps to address that. It is going to take six to eight weeks.

• (1455)

In the meantime we are looking at the security features. More important, we are reviewing the whole premise of medium and high risk offenders and whether they should be brought back to the institution. It is under review currently and we will make sure that is properly followed.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the government is not interested in fixing the problem. It is not interested in punishment or deterrence. If it was, it would not be building comfort cottages like the Edmonton institution. It would be building prisons capable of keeping maximum security inmates inside the gates.

The Edmonton institution is a proven failure. When one-quarter of the inmates escape then there is no hope. Will the government sell the prison to the Holiday Inn—I am sure they can use it—and then build a prison that will ensure the safety of Edmontonians?

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the Reform Party is giving Canadians the false impression that inmates are getting a free ride.

I would like to quote from a recent article from the Ottawa *Sun* which states: "What is clear though is that the Reform Party is misleading the public when it claims that convicts are having it good". It goes on further to say: "Credit for reducing costs must go the Corrections Canada managers who amazingly cut 15 per cent from their headquarters budget, instead of hitting the hard working guards". It concludes: "The bottom line is that, for the most part, the perception that Canada's inmates are getting a free ride is untrue. There will be horror stories to be sure but it's important to note that our prisons are well-managed and our governments are not soft on crime".

I agree with that fully.

* * *

VANCOUVER INTERNATIONAL AIRPORT

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, recently Vancouver International Airport opened its new terminal which will accommodate international passengers and millions of people. This terminal is spacious, bright and efficient and all Vancouverites are proud of this addition to our city.

Buildings not only have to be architecturally beautiful but they also have to be functional and operate in an efficient way.

I would like to ask the Parliamentary Secretary to the Minister of National Revenue to inform the House what steps customs have taken to serve users of this new, beautiful terminal.

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, with the open skies agreement, Vancouver is strategically placed to become North America's premier gateway to the Pacific rim. Revenue Canada has planned well for the increased trans-border traffic.

The new terminal, which has the largest customs hall in Canada, has modern facilities, increased personnel, and both primary and secondary facilities have been increased.

The big thing is that 2,400 passengers per hour, a 40 per cent improvement, can be effectively and efficiently processed. This is good not only for travellers and good for Canadians, but it is good for the economy of Vancouver, the member's province of British Columbia and all of Canada.

* * *

[Translation]

INTERNATIONAL TRADE

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, on November 1, the then Minister of International Trade told this House that various details relating to the future free trade agreement between Canada and Israel had yet to be settled, including manufacturing, garment manufacturing for example and bathing suits and lingerie in particular.

My question is for the Minister of Foreign Affairs. Since Israeli companies, unlike Canadian companies, have free access to the European textile market, will the minister and his government make sure that measures are taken to prepare the Canadian textile industry to compete with Israeli companies in a free trade environment?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I can certainly relay the concerns of the hon. member to my colleague, the Minister for International Trade.

I would like to take the opportunity to point out that the initiation of discussions on a free trade agreement with Israel and a similar offer to other major countries in the Middle East is one of the most important ways we can help economic development in the area. It would help to stabilize the area. I believe it is a major contribution in seeking some kind of peaceful solution in the area. Therefore, we will pursue it.

I will most certainly take the hon. member's concerns to the minister and I will make sure he gets an answer.

* * *

UNEMPLOYMENT

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the government was elected on a mandate of jobs, jobs, jobs. This is something the Prime Minister has promised time and time again. Let us look at Newfoundland, an area in great need of jobs. Newfoundland lost 11,000 full time jobs in the first three months of 1996 alone.

• (1500)

How does the Prime Minister square this huge loss of jobs in Newfoundland with his election promise?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member would know that jobs have been created in many parts of the country.

In Newfoundland and Labrador at this stage there is no doubt there is a serious problem with the ratcheting down of the Hibernia project. There is no question that will have some impact on employment levels in Newfoundland.

We are suffering on the east coast from the moratorium on cod. It is a tremendous challenge for the Government of Newfoundland and Labrador. It is a great challenge for the Government of Canada.

Those people who believe in the future of Newfoundland and Labrador can also look forward to the development of Voisey Bay as an alternative to some of the traditional employment we have seen in that province.

I am pleased to see the hon. member concerned about what is happening in Newfoundland and Labrador. I look forward to the support of her party when we bring forward measures to support those people in their time of need.

Oral Questions

GASOLINE PRICING

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, my question is for the acting Prime Minister.

Over the past 40 days gas prices have unjustifiably sky-rocketed eight cents to ten cents per litre across Canada. In the U.S. gas prices have risen only a fraction of Canadian increases, yet President Clinton has taken action by launching an investigation into price fixing to protect Americans.

Will the government now take action to protect Canadians from gas price gouging, or must Canadians wait for another act of God to get the government to act on behalf of Canadians?

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member well knows, the Competition Act covers this. The government is vigilant in ensuring that prices are not set in contravention of the Competition Act.

The hon. member also knows the industry committee has been very active and is having before it tomorrow the director of competition to deal with this matter.

The hon. member should also be well informed that the question of prices and the prices of gasoline is not a matter necessarily regulated by the federal government. The hon. member should perhaps be looking at the provincial government in his province for some resolution of this matter.

* * *

1996 CENSUS

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, at the UN world conference on women in Beijing it was recognized that unpaid work, which is mostly done by women, should be factored into the development of social and economic policies. For the first time, the 1996 census will ask Canadians about their unpaid work.

Will the Secretary of State for the Status of Women tell the House why the government is seeking this census information?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, Canada is very well recognized around the world as the leader in measuring and valuing unpaid work. It was decided at Beijing that we would strengthen that commitment and that all the other United Nations countries would more accurately examine the amount of unpaid work done by women, which means child rearing and housework.

Speaker's Ruling

It is interesting that in 1961 Statistics Canada measured unpaid work at \$14 billion and in 1992 it was \$234 billion. Using the census, we will be able to get small area demographics and reach every household so we can use this in future policy and planning of the government.

* * *

PRIVILEGE

MEMBER FOR NORTH VANCOUVER

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I rise on this question of privilege because I feel an unfair and inaccurate portrayal of my actions has been made in the House by the member for North Vancouver, as reported in *Hansard*, May 2, 1996, pages 2276 and 2277.

Never have I heard in the House a member identified by their riding and their colour.

• (1505)

In terms of the remarks made by the member for Nanaimo—Cowichan, the member for North Vancouver identified me as the member for Etobicoke—Lakeshore who is black, portrayed me as being visibly very angry about the remarks made by the member for Nanaimo—Cowichan, and portrayed me as yelling very loudly in the House, screaming and appearing hostile.

I did not scream or yell. I have had no occasion to speak with the member to show any hostility. I walked over to a member I identified as someone I thought might want to separate himself from the clipping that was circulating and said “have you seen this?” I then walked across the floor. Whatever shouting went on may have taken place by Reformers on the other side of the House or members on this side of the House.

The Speaker: Colleague, the hon. member for North Vancouver is not here now. You have named him in your point of privilege. I wonder if we might postpone this, taking full knowledge that you have raised a question of privilege, until such time as the member for North Vancouver is here in the House. Would you be in agreement?

Ms. Augustine: Yes, Mr. Speaker.

* * *

PRIVILEGE

QUESTIONS ON THE ORDER PAPER—SPEAKER'S RULING

The Speaker: On April 24, 1996 the hon. member for St. Albert raised a point of privilege concerning questions he had placed on the Order Paper.

I thank the hon. member for his well reasoned arguments, and the deputy government House leader and the chief government whip for their contributions to the discussion.

In his submission the hon. member explained that on December 1, 1994, during the last session, he had placed a question on the Order Paper. At the time of prorogation on February 2, 1996 the question had not yet been answered.

On March 12, 1996, shortly after the start of this session, the hon. member resubmitted the question on notice as two questions, and pursuant to the provisions of Standing Order 39(5)(a) requested the government reply to these questions within 45 days.

In his submission he argued the government had had almost two years to respond to his question and had failed to do so.

[*Translation*]

May I remind the House that prorogation effectively clears the Order Paper, and as such, cancels the requests for information contained in Questions on the Order Paper. In other words, members who wish to pursue their requests for information from the Ministry must resubmit their questions for them to be reconsidered in a new session. May I also point out that the Standing Order states only that, and I quote: “a member may ‘request’ that the Ministry respond to a specific question within 45 days”. It is not, as such, an order of the House. However, the government must in all respects endeavour to respond to questions adhering to the spirit of the rule.

[*English*]

When raising his question of privilege on April 24, 1996, the hon. member had not yet allowed the 45 day response period to lapse. If after 45 days the hon. member's questions have not been answered, Standing Order 39(5)(b) provides him with the mechanism by which he can raise the subject matter in the House during the adjournment proceedings.

• (1510)

Of particular concern to the hon. member was not so much the delay in the delivery of the responses to his questions but rather comments about the questions allegedly made by an unnamed spokesperson for the government House leader's office. According to a newspaper article of April 21, cited by the hon. member, an official in the government House leader's office was quoted as having said that the request was outrageous and that the government had no intention of diverting personnel to answer the questions.

The member argued these comments showed contempt of Parliament and noted that if the government had no intention of responding to these questions he was being hindered in the performance of his duties. This is a very serious matter.

[*Translation*]

As Speaker Sauvé noted in a ruling given On December 16, 1980, at page 5797 of the *Debates*, if there was a deliberate attempt to deny answers to an hon. member, and if it could be shown that such action amounted to improper interference with the hon.

Routine Proceedings

member's parliamentary work, then this could constitute a prima facie question of privilege.

[English]

In their interventions both the deputy House leader and the chief government whip explained that the questions posed by the hon. member were complicated and detailed in nature but assured him responses were being prepared and would be made available when ready.

Given the response of the deputy government House leader, it is very difficult to accept the veracity of the remarks allegedly made by an unidentified person in the government House leader's office. As such, I cannot find that the member has been obstructed in performing his duties and hence there is no question of privilege.

Let me point out to members and officials alike that the minister has indicated that responses to these questions are being prepared. Written questions posed by members are an important tool at the disposal of members of the House and are used to solicit information as well as to help hold the government accountable for its actions. It is precisely for this reason that the members of the ministry are responsible to the House for the actions taken regarding the preparation of the responses to these questions.

[Translation]

I thank all hon. members for their input.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, it is my pleasure to table on behalf of the government some responses to petitions.

* * *

PETITIONS

HUMAN RIGHTS

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I have the honour to present a petition. These petitioners believe privileges accorded to heterosexual couples should not be extended to same sex relationships. They also believe the undefined phrase sexual orientation in the proposed human rights legislation could do just that.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it is my pleasure to present a petition from 49 of my constituents. The petitioners request that Parliament refrain from passing into law

any bill extending family status or spousal benefits to same sex partners, and that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code or the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

• (1515)

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions.

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

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

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition comes from Sarnia, Ontario. The petitioners would like to bring to the attention of the House that consumption of alcoholic beverages may cause health problems or impair one's ability and specifically that fetal alcohol syndrome and other alcohol related birth defects are 100 per cent preventable by avoiding alcohol consumption during pregnancy.

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

HUMAN RIGHTS

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, I have a petition signed by 28 people from my riding. Based on biblical teaching they point out the prohibition against homosexuality. It is their humble request and prayer that no initiative to amend the Canadian Human Rights Act to include the term sexual orientation be considered or allowed by this honourable House.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, this petition is signed by people from my constituency and across Canada. They are members of religious faith communities of various denominations. They call upon Parliament to amend the

Government Orders

Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have two petitions. On the first petition those who signed want to draw the attention of the House to the following. Acts of discrimination against lesbian, gay and bisexual Canadians are an everyday reality in all regions of Canada. This kind of discrimination is unacceptable in a country known for its commitment to human rights, equality and dignity of all citizens.

Therefore the petitioners call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

Mr. Speaker, the second petition is also from people in Peterborough riding who are concerned about the effect of proposed changes in human rights legislation on the family.

They request that Parliament refrain from passing into law any bill extending family status or spousal benefits to same sex partners. They further request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

[Translation]

THE ENVIRONMENT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I am pleased to table a petition against the planned dredging operation at pier no. 2 in the port of Sorel, which would involve discharging contaminated sediment and sludge in open waters, on the shores of Saint-Ignace-de-Loyola Island. This petition was signed by approximately 400 residents of the Berthier Islands region.

These petitioners are dead against this project, which they feel is only shifting the problem from the south shore to the north shore of the river. They call upon the government to show respect for the quality of the fauna and flora and, if the project must proceed, they demand that the polluted sludge be disposed of on land. It is not good enough to just shift the problem, possibly to another federal riding.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

EMPLOYMENT INSURANCE ACT

The House resumed consideration of Bill C-12, an act respecting employment insurance in Canada, as reported (with amendments) from the committee; and of Group No. 3 of motions.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I am pleased to take part in the debate on this bill. Not many of us will have this opportunity, since the government decided to gag us by resorting to time allocation, as it did in committee. This is indeed what the government did in committee and it is doing the same thing now, at report stage, in the House.

• (1520)

In the nine or ten minutes at my disposal, I want to stress a number of points concerning which the government's approach in this bill is very ill considered. But first I want to congratulate the 250 to 300 people from my region who came Saturday to protest against the unemployment insurance reform, now called employment insurance, and to tell this government that it is headed the wrong way and that it must go back to the drawing board.

Of course these people are upset that, through all sorts of schemes, the government will take \$5 billion from the unemployment insurance fund and use it to reduce the deficit in a somewhat artificial way. The government will appropriate \$5 billion from the UI surplus and use it to reduce the deficit. This is tantamount to a hold-up by the government. Yet, Liberal members rise one after the other in support of the bill. People are obviously upset by such manipulative techniques.

Again, it must be stressed that, while the government wants to appropriate this money, it does not even contribute to the unemployment insurance fund, which is totally funded by employees and employers. Employers and employees' contributions are administered under an act of Parliament, and the public would have liked to take part in the debate so that, together, we could decide the future of the unemployment insurance program as a whole, not unlike Quebec is currently doing via its socio-economic summit, where we first agree on the goals and then try to come to an agreement on the terms and conditions.

This would have been the ideal course of action. Instead, the government conducted all kinds of so-called consultations to finally substantiate its position and make it look like what the people wanted. That is not what I heard last Saturday in my riding and what was heard in most Quebec ridings either. Demonstrations were held in many places in this regard.

Government Orders

We have missed an excellent opportunity—with the government's several initiatives to amend the unemployment insurance scheme in recent years—to finally reach a consensus about the main goals. For instance, should unemployment insurance funds be used to stimulate job creation or only to operate a real insurance scheme? This would have made for a healthy debate. Instead, the goal set by the Minister of Finance was the following: "Do as you please, but just make sure a \$5 billion surplus is maintained for us to dip into year after year". As a result, the surplus is added to the consolidated fund, giving the illusion that the deficit has been reduced.

But something bothered a number of people, and on Saturday I had the chance to explain in some detail one of the main reasons I oppose this bill. This reason is that, at a time when the year 2000 draws near and when we are looking at new ways of sharing the labour market, here comes a piece of legislation which will have the opposite effect by encouraging people to work more extra hours and employers to have employees do more overtime instead of hiring more employees, which would make the labour force grow.

At a time when the unemployment rate is extremely high, when, at the social level, the gap between the wealthier and most disadvantaged segments of society is widening, there is food for thought here.

Let me explain in more technical terms the effect of reducing maximum insurable earnings from \$42,000 to \$39,000. When an individual has exceeded the maximum insurable earnings or is about to exceed them, neither he nor the employer pays any more unemployment insurance premiums. So, if you put yourself in the place of the employer, you will say: "Well, I have work to be done, what shall I do? I can take an employee who has already reached his limit and make him work more hours, and, what is more, I will not pay any more premiums on his new hours". Or, you could hire a new employee. But if you do that, you have additional employer costs to pay and you will pay unemployment insurance premiums.

So, automatically, to avoid all the bureaucratic paper work already required of businesses, employers say: "So, we will give our employees even more hours of overtime". It is a vicious circle. More overtime, more fatigue, more accidents, and so it goes. This is totally opposite to the way things should go into the 2000s.

• (1525)

This represents a serious problem and there is nothing in this reform which will mean that the job market will be better shared under this new arrangement which goes by insurable hours instead of weeks.

Another point, without going into worker training in detail, is that the total muddle that already exists in this area is being

maintained; that perhaps, one day, they would consider turning training over to the Quebec government, that this will be discussed.

Meanwhile, the department brings in supposedly transitional programs, but these are planned for three years, so little confidence is there that any real agreement can be reached with Quebec about turning training over to the province.

In short, the government would have the opportunity with this reform to have what our colleagues over there are talking about so often, an administrative reform. They could preach by example, going beyond mere words, and ensuring that this bill transfers the administration of active employment measures and the unemployment insurance fund to the Government of Quebec, in the case of Quebec.

But there seems to have been the usual slip between cup and lip—a big one. This leaves people somewhat cynical about politics. That on top of all the unmet commitments and unkept promises makes any confidence in this bunch impossible. I see you are in agreement with me on that, Mr. Speaker.

A last point: a problem that is still cropping up in the 90s in many places, and one from which our region is not exempt. There are many businesses that have been around a long time. In some sectors of economic activity there have been major changes, speeded up by the arrival of free trade. Certain economic sectors, the textile industry among others, have not been extremely competitive, except in certain subsectors, so massive layoffs are now taking place and major businesses are being restructured. Some people who have been working for the past 15, 20 or 25 years, a number of years in the same job, are finding themselves at age 40 or 50 faced with plant closures and not much hope for the future. They are extremely worried, yet they have a number of good working years left to give. Work is, after all, part of our lifestyle and impacts on all other aspects of our lives. We have missed the opportunity here to look at the changes to see how we might adapt an employment insurance program, as they want to term it, and as they want to really make it, to that new reality.

It should be remembered that when we were sold the idea of free trade, and I was one of those who believed in it and still do, they said that there would have to be transition mechanisms. These are not just to support business, but also to support individuals. Here, we have a number of years where absolutely nothing has been done, and the impact on people has been tragic.

So why was provision not made for longer periods of unemployment insurance, for manpower training to be turned over to the provinces, which, if they had had increased resources, would have been able to offer longer training periods that were more adapted to needs? You do not just go from working in textiles to working with computers overnight. This is quite a leap, as I was saying earlier. So, nothing in that sector.

Government Orders

There are many things missing from this bill. In the minute I have left, I am going to look at the real purpose of this reform. Is it to make cuts that will enable the Minister of Finance to save \$5 billion, or is it to adapt our social programs to the reality of the next century? If it is for the latter purpose, we would have a different sort of bill before us. The sole purpose of the bill we are now looking at is to bring down the deficit temporarily by dipping into the unemployment insurance fund, and not to adjust to the new reality of the job market.

In conclusion, I would like to remind hon. members that this money belongs to employees and employers. This must always be pointed out, because people often have the impression that the government contributes to the fund. Since 1990, it has not contributed a red cent, and yet it uses the unemployment insurance funds, manages them, and they have become an employment tax.

It is unacceptable that in a reform such as this, those who provide the money that goes into this fund are not involved to a greater and more genuine extent. That is why there were 250 demonstrators Saturday in Abitibi-Témiscamingue, and a number in other locations in Quebec, and that is why people will continue to express their disagreement, because they do not believe that the government is capable, in this and in many other areas, of adapting to the reality of the next century.

• (1530)

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I am pleased to support Bill C-12, an act respecting employment insurance.

The proposed employment insurance system is the result of more than two years of consultations with Canadians. This legislation will help Canadians get back to work. It will strengthen work incentives, ensure fairness and help workers adjust to economic change.

Today I will focus my remarks on the effects of the legislation, the effects it will have on women in the workforce and on seasonal workers.

The idea that women will be penalized by changes to employment insurance has become a familiar refrain from the opposition benches, but do not believe it. One of the two overriding goals of the new system is to make it more inclusive than the old one.

Employment insurance legislation recognizes the importance of the participation of women in the workforce. Women make up nearly 70 per cent of Canada's part time workforce. Many of those women are not insured for UI or maternity benefits. Only those women who work for one employer 15 hours a week for 20 weeks are ensured for UI and maternity benefits. Many women hold two

or three part time jobs but together they do not have the benefits, but they make work 30 or 40 hours a week or more.

Under the new system, however, an additional 270,000 Canadian women who work less than 15 hours per week at any job or who juggle several jobs at once will finally be eligible for employment insurance and maternity benefits.

Employment insurance provides opportunities for women to increase their employment by lifting the 15 hour glass ceiling. Under the UI system many employers restricted part time workers, particularly women, to less than 15 hours a week in order to avoid paying premiums. With the new EI system all hours count toward a claim. This means men and women who hold down several jobs will now be fully insured if they take sick leave, maternity or paternity leave or if they should lose one of their jobs for any reason.

Employment insurance also guarantees that anyone who earns \$2,000 or less a year will have their premiums refunded. This initiative alone will benefit 1.3 million young Canadians. An hour based system ensures all workers are treated equitably and that non-standard workers are brought into the system.

More important, the hour based system will benefit seasonal workers. Under the current UI system it makes no difference whether a person works 15 hours a week or 50, the result is the same. The hour based system is a better measure of work effort and therefore provides greater incentive for seasonal workers to remain employed as long as they can.

A good example are the workers in the fishing and forestry sectors who work long hours during the weeks of available employment. Under the current system there is no incentive to work longer than the minimum number of weeks required. More often than not someone has come into my office and told me: "I worked 14 weeks and I thought I was qualified. I learned that this month I need 15 weeks because the level of employment and jobs available are a little higher". They have worked to jerk the system around to what would meet their needs. This no longer will be acceptable. The more hours worked, the more available the benefits will be.

It is important to remember that 96 per cent of current UI claimants will continue to be eligible for benefits. Furthermore, all claimants start with a clean slate on July 1, 1996. That is, they will not be penalized for previous use of the UI system.

Three recent amendments to the legislation to ensure that Atlantic Canadians and seasonal workers are treated more fairly have been brought forward. The first amendment answers concerns about gaps or breaks in employment. This amendment will allow claimants to count back 26 weeks to find the minimum number of work weeks specified by the divisor in their area. In these cases claimants will be eligible to ignore weeks of no earnings and instead have only weeks of actual employment. This amendment

alone will bring \$246 million into certain regions where there is more difficulty with employment and more seasonal work, and it will be spread evenly across the country.

• (1535)

The second amendment modifies the divisor to calculate those weekly benefits. This amendment will also benefit high unemployment areas and result in \$95 million extra coming into those poorer regions.

The third amendment addresses Atlantic Canadians' concerns about the intensity rules. This will exempt those families of low income, less than \$26,000 a year. Those people who receive a reduced benefit as a result of working while on claim will be given a credit for the purpose of the intensity rule.

There are additional assets and benefits to this new legislation; the family income supplement, the wage subsidies, the self-employment assistance program and the skills and loans grants as well as earning supplements. Additionally, child care support will be available for women receiving employment benefits.

This legislation is an enhancement to encourage work, to encourage longer periods of work and to ensure a fair, equitable disbursement of wages throughout our system. It will actually create work for Canadians. The government promised to create jobs for Canadians and this legislation is part of that commitment.

For more than two years now I have been holding town hall meetings. I have sat with labour leaders in Nova Scotia, as well as the membership. I have travelled to the rural coastal communities throughout my riding to hear from seasonal workers. Some of those workers said "the system has been there and we have used it, perhaps even abused it".

One fisherman said to me: "I earn \$40,000 to \$50,000 a year as a lobster fisherman and my wife helps out so we both are eligible for benefits. Therefore through the winter months, after a two month lobster season of earning that much money, we go on to the UI system and we have a steady income coming all year. I am ashamed to tell you that because the kid over on the gas pump who is earning \$5.15 an hour pumping gas pumps gas all year long, 52 weeks a year. That kid is subsidizing me; he on minimum wage and me taking \$50,000 out of the system as an employer, as a fisherman, plus UI benefits.

"I am ashamed to say it, but it has been the system and I have continued to use it. I am glad to see you are correcting these inequities so that our young people, women and those who have not had as much opportunity will now have a sense of fairness and part in the system where they can work".

Government Orders

My constituents want this bill passed. They have been part of the discussions and part of the debate. I congratulate the minister for his sense of fairness, his determination, as well as the committee for listening because we have brought amendments forward and we have listened to those people, in particular where there are more seasonal workers and where there is a higher rate of unemployment.

The legislation is long overdue and we have spent too long actually discussing it, almost up to two years. I have no problem with suggesting all members support this bill and I encourage their support to pass it as quickly as possible.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am very happy to have once again the opportunity to speak to Bill C-12, more specifically to Motion No. 4, which would delete clause 2 in this bill in its entirety. This clause contains a number of definitions that shed new light on the intentions and the hidden face of this government.

As the small-minded manager it is, this government intends to resort to drastic measures to put its fiscal house in order. This bill shows all the prejudices stirred up by this government against those in financial trouble, those who have just lost their jobs. They want to use affidavits as defined in the bill: "'Affidavit' means an affidavit sworn or affirmed before a commissioner of oaths or any other person authorized to take affidavits".

• (1540)

This shows the kind of attitude behind this eminently dreadful bill. It also tells us about the means this government intends to use to discourage those who want to prevail themselves of something they paid for, unemployment insurance. Clause 2(3) shows its intention to use modern means of communications, and I quote:

(3) A document or other communication under this act or the regulations may be in electronic form and a reference in this act or the regulations to a form, record, book, notice, request, demand, decision or any other document includes a document in electronic form.

Those who watched oral question period saw what can happen with electronic means. We can see it today in the problems with guaranteed income supplement. We know that this government is set to install computer terminals across the country. We know that the government is about to introduce infocentres. We in the Mauricie region and all of Quebec know something about this.

In his great wisdom, the Prime Minister has decided to establish in his own riding—what a coincidence—an infocentre, thereby taking these services—if one can speak of services—away from regions already receiving them so they could be consolidated in his riding. This brings us, as you will have figured out, to discuss the

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implied administrative restructuring within the Department of Human Resources Development.

Let us not forget that this technology is to be used by the Department of Human Resources Development. We all know how impersonal contacts are between a machine and a human being. Such a system leaves something to be desired. Based on first-hand information received from the department, the use of such computerized systems is not giving good results. Still, the government wants to impose such systems on people who are vulnerable, workers who lost their jobs and who may be emotionally affected.

This brings us to discuss the decision to move the employment centre from Trois-Rivières to Shawinigan. The city of Trois-Rivières is the capital of the Mauricie region. Until now, as logic would have it, the regional centre serving the whole region was located there. However, the Prime Minister, in a display of smart thinking and wise leadership, decided to change all that. The questions I put to the minister regarding this issue are on the Order Paper. I am still waiting for answers. There are four of them. I will summarize them quickly.

Was there any recommendation to the minister by public servants or public officials, who can think for themselves and who are not biased, regarding the location of the new regional centre? Yes or no? This is what we want to know.

If a recommendation was made, did the Prime Minister's office or the Privy Council intervene to change that recommendation, along with the decision that should normally have been made by the department following such recommendation?

Were comparative studies made on the advisability of establishing this regional management centre in Shawinigan instead of Trois-Rivières? Was some sort of impact or cost-benefit study done regarding the decision to move from Trois-Rivières to Shawinigan? Were the costs of the move, including relocation costs, to Shawinigan-Sud, taken into account, given that there are no public transportation services between Shawinigan and Shawinigan-Sud, and given the impact of vacating facilities for which, according to sources, the government has a lease running until 1999, and which will remain empty until further notice, again according to sources, particularly in the context of streamlining government operations? This is the sort of measure being applied by this monstrous Department of Human Resources Development, in its attempt to modernize its structure.

Personally, the more I look at this bill, the worse it seems. It is a dreadful bill because it makes culprits out of victims. Let me quote the following sentence we find in the summary of the bill: "This creates a system that better accommodates the variety of work arrangements in today's labour market".

• (1545)

Instead of referring to the variety of work arrangements, it should speak about the insecurity of the labour market these days. The true reality of work is unemployment. They pretend they are improving the situation with a bill making victims the guilty ones. A bill whose climate unfortunately stems from an ideological trend—we must not hide the fact; on the contrary, we must recognize it—a trend called neo-liberalism, a school of thought whereby people are increasingly blamed for their own situation, under the pretence of individual accountability.

The rich get richer, the poor poorer, the middle class is challenged through this type of highly modern, highly generous measure we used to call unemployment insurance. Slowly but surely, we are questioning the fundamental concepts of the collective workings of our society.

The recent comments of the Minister of Industry, with which I agree wholeheartedly, should be proof enough of the seriousness of the situation. I can easily comment on this point because, during my career, I worked with businesses going through such hard times that they had to contemplate massive layoffs. At the time, I would step in on behalf of the Quebec government, and in cooperation with an employee committee, I would try to identify the root causes of the problem and develop a recovery plan, with a view to saving jobs.

What is happening these days? Something quite new, something outrageous and quite immoral in my opinion; imagine a major corporation—in a sector such as banking, the oil industry, forestry or the automobile industry—posting record profits, huge profits, and the same month shamelessly announcing the layoff of thousands of workers due to streamlining and foreign competition. These reasons make sense internally, but in social and collective terms they are indefensible and must be condemned. If the situation is left unchecked, it might eventually trigger social and economic upheaval. It is high time for this country to hold a debate to put public morality back in its rightful place.

[English]

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I am pleased to have the opportunity to comment on Bill C-12. This is progressive legislation that will bring in a much improved, modern, fair and balanced employment insurance regime and basically remove the inefficiencies and inequities of the unemployment insurance system.

Further, the employment insurance regime introduces an important measure in the government's jobs and growth agenda. The employment insurance plan not only provides income support for unemployed Canadians, but it is a powerful tool to put them back to work. It creates a balance.

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As the secretary of state for youth, I am particularly pleased about the effects of Bill C-12 on Canada's young people. The speech from the throne signalled the government's priority concern for youth, and the budget followed through with positive action.

Young people are particularly challenged in today's economy, many of them experiencing a catch-22 situation. No experience means no job and no job means no experience. Unemployment for people under 25 is one and a half times the national average.

• (1550)

We recognize that there is much to be done. I believe the words of the Prime Minister bear repeating: "Above all, we want young Canadians to become active participants in our economy. They want jobs. They deserve jobs. Young people want to embrace the future and not fear it. And it is up to all of us to create that hope and opportunity for them".

Following this vision, the government has appointed a ministerial task force on youth which has begun consultations with Canadians on the issues facing young people in making the transition from school to work. The report of the task force will form the basis of the federal youth strategy to be announced this fall.

The task force will be attending town hall type meetings across the country, hosted by local members of Parliament and senators. Members will seek the views of young people, local youth service organizations, local business representatives and other interested Canadians.

I am happy to say that such a town hall will be held soon in my home town of Yellowknife. I encourage all members to take an active interest in these very important discussions. Indeed, ensuring that young people have a strong foothold in the labour market is vital to Canada's future prosperity and global competitiveness.

In the meantime, we will have employment insurance that will be of great help to Canada's young people. There are special provisions within the bill for young people. The new employment insurance provisions contained in Bill C-12 are amended not only to be fair and balanced, but they are particularly beneficial to young people.

One of the difficulties with the current UI system is that it measures work in terms of weeks. Weeks are often a poor measure of time spent on the job, particularly for part time workers and multiple job holders, which many young people are. With the hours based system of Bill C-12, part time workers' earnings are insured. Four out of ten of our part time workers are under the age of 25.

Under unemployment insurance, employers have tended to limit part time employment to less than 15 hours per week per person in order to avoid having to pay UI premiums. This has meant that no

only did these workers get less work, their earnings were not insured. Employment insurance eliminates the 15-hour job trap, since all hours will now count toward eligibility. More young people who enter the labour market after leaving school and who must rely on a number of small jobs to earn a living, will now have insurable employment.

On the other hand, employment insurance also reduces the risk of young people developing a dependency on employment insurance. Many young people enter the labour market and end up on UI benefits before completing their education. They put themselves on the all too often familiar treadmill, short periods of work followed by periods of unemployment insurance. That is what Bill C-12 will discourage. It will encourage young people to complete their education rather than dropping out to take insecure work.

The higher entrance requirements under employment insurance mean that young people must develop a stronger attachment to the labour market. Measures of this sort have been recommended by two recent government reports. The report of the Standing Committee on Human Resources Development recommended longer qualifying periods to encourage young workers to remain attached to the workforce longer and to improve their career prospects. The Working Group on Seasonal Work and UI also recommended stiffer entrance requirements for young people.

As for contributions to EI, premiums will have a minimal impact on young people. A student working 14 hours a week at \$7 per hour would pay less than \$3 per week in premiums. The hours will now be insured, which will help meet entrance requirements when entering the labour market full time. Further, premiums will be refunded to about 625,000 young people, 49 per cent of all those who receive rebates. Of the total young people receiving rebates, 400,000 will be full time students.

• (1555)

On the benefits side, whereas total benefits paid out under EI will be somewhat less than under UI, benefits paid out to young people by the year 2001-2002 will decrease by 6 per cent, considerably less than the expected overall decrease of 9 per cent.

Young people will also benefit from the employment benefits provided under EI. Several of the employment tools will be of help in getting young people back to work. For example, targeted wage subsidies will help young people who qualify for employment insurance benefits to get needed work experience to qualify for more stable or permanent jobs.

Like some of the other measures I mentioned earlier, Bill C-12 firmly supports a top priority of the government, the jobs and growth agenda. A key element of that strategy is the investment in Canada's youth.

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Measures are already in place to address the needs of young people: youth service Canada, the youth internship Canada, the student summer job action program, the Canada student loans program. The budget introduced a learning package with tax and savings incentives, as well as child care support for single parent students.

The learning package provides an additional \$165 million in tax assistance to students and their families. Additional tax assistance is provided to students by increasing the base for the education tax credit by 25 per cent, from \$80 to \$100 per month. There is also a 25 per cent increase to the limit on transfer of tuition fees and education credits to family members who provide support to students.

Saving for education is further encouraged by increases to the registered education savings plan limits. The low income, single parent students are helped through child care expense deductions. The budget took further immediate action by increasing the summer career placement program funding from \$60 million to \$120 million.

The government is on track with the jobs and growth agenda. More than 600,000 jobs have been created since 1993 and unemployment is down by two percentage points. With a youth strategy in place we will be able to ensure that Canada's young people share fully in economic growth.

I have had the opportunity to meet with many groups. Yesterday afternoon I met with an Elks club, members of community organizations and an RCMP officer, as well other interested citizens. They are people from all walks of life who share an interest in the wellness of young people, in their futures, in the investments we make as families and leaders to the well-being and the future of young people.

We met to discuss how to ensure a better future and a better quality of life for young people in our community. That desire is not particular to my riding but is something we all share as members. Communities take other initiatives. Government is the facilitator. It provides the legislative tools, the resources.

We have been able to encourage the public to take the leadership and the responsibility. Some members opposite have said that this bill in some sense refers to victims. It is not so much that people are victims but that they should take personal responsibility for their futures. If young people are encouraged they will not be afraid to do that.

There are many young people out there working, learning and securing a better future for themselves. They need our support.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to speak once again to Bill C-12. However, I would have preferred to give my views on a bill that would really address unemployment problems everywhere in Canada and in Quebec. A bill that would have proposed concrete measures to stimulate employment and thus have given back hope to thousands of people who are desperately trying to enter or re-enter the work force.

• (1600)

Let me tell you that I am always a little surprised, since we have been debating this reform for such a long time, to hear colleagues from the other side of the House extol the virtues of this reform, when everybody in Quebec and Canada is protesting daily to condemn the perverse effects of this reform.

So, let me say that I do not understand these members of Parliament who represent the people, the constituents of their riding. These people must also go to their member of Parliament to say: "What the government is doing to us does not make any sense. This reform is creating poverty".

There is no concrete measure for job creation in this unemployment insurance reform. Furthermore, the government is taking billions of dollars, for the sake of being a good government, and after that, in the next budget, it will brag: "We have been a good government, we have reduced the deficit by so much". But it did it by emptying the people's pockets.

Frankly, I would like to warn people when they hear government members say absolutely absurd things, and say that this reform is really the best there is at this time, that they really did a reform. I do not think they did a good reform. They are creating poverty. This reform is unfair, regressive, anti-employment, and it is creating poverty.

I would like to explain to our viewers how this bill will penalize the unemployed and those who are without a job, especially young people and women. The eligibility criteria are tougher. Previously, 12 to 15 fifteen hour weeks were all that was required to qualify, depending on the region. You had to work 15 fifteen hour weeks, or a total of 180 to 300 hours per year. Those who accumulated between 180 and 300 hours of work, depending on the region, qualified for benefits.

Now, between 12 and 20 weeks at 35 hours per week, or a total of 420 to 720 hours per year, will be required. In other words, an individual has to work, depending on the region, between 420 and 700 hours, or more than double the time, to qualify. For newcomers, that is to say those joining the labour market, the number of hours of work required to qualify will increase threefold, which means they will be expected to accumulate 910 hours before

becoming eligible. This is really an unrealistic expectation, given that there are no jobs. None have been created and no steps have been taken in that regard. The government is just hitting the unemployed over the head.

What is ever more appalling about this measure, this reform, is that once again women, because of their precarious condition, and young people will bear the brunt of a bad reform. Why? An impact assessment carried out by the federal government shows that the hardest hit will be individuals whose annual income is under \$25,000. That takes the cake. It is a well known fact that women and young people are the ones who earn the least. Women still earn 70 per cent of what their male counterparts make. Once again, women will be the big losers.

Second, we are told that eligibility requirements will be tighter, eligibility being determined on the basis of the total number of hours worked over a given time instead of the number of weeks worked. In addition, contributions will have to be paid starting with the first hour of work. This means that the young student working for a fast food chain, not to name any names, who, as is often the case, was hired to work between six and ten hours per week, will have to contribute to the unemployment insurance fund starting from his first hour of work. While he is forced to contribute to the fund, this student will never get to draw a penny from it during all his years as a student employee.

• (1605)

They will dip into—not to say steal—his premiums in order to reduce the deficit. This money is really being misappropriated. Then they claim that, this year, they doubled the amount of money set aside for students, for youth employment projects, and that they really want to help students. This is a smoke screen because as soon as they start working, they will pay UI premiums without ever qualifying for benefits.

Bill C-12 will greatly reduce the number of people eligible for benefits. Furthermore, as I showed you earlier, even those who do not qualify must contribute to the fund, getting poorer in the process. Another reason why this bill is unacceptable is because it would consider spousal income in determining if someone is entitled to receive the supplement. That takes the cake.

Unemployment benefits will be calculated on the basis of income, when we know that women have always earned less than men. If both spouses lose their jobs, the man will receive benefits because of his higher income, while the woman will be forced, once again, to beg for the money to buy a pair of stockings. This is an unacceptable policy that takes women back 50 years. This bill is highly discriminatory. I cannot understand why the women in this House did not rise against this bill. This is appalling. Once they understand the clause concerning the penalty they will have to pay, all women will rise against this bill.

Finally, the bill seeks to reduce the maximum benefit period, which would inevitably result in a more rapid transition to social

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assistance. Only 55 per cent of those who are jobless will be eligible for benefits. Where will the others go? They will go on welfare. This is called dumping the deficit into the provinces' backyards. The provinces will once again have to foot the bill.

And what about maintaining duplication and overlap? This will promote neither an effective employment policy nor employability, including for women.

There is unanimous agreement in Quebec regarding the need for an employment development policy. This bill will have tragic consequences everywhere in Canada and in Quebec, because the Minister of Human Resources Development, with the quiet complicity of the Minister of Finance, has decided that a reform of the unemployment insurance system was in order. We never opposed the idea of a reform, of modernizing the system, of making sure that the moneys are used in the best interests of workers. This is what we advocated.

Since you are indicating that I only have one minute left, I now come to my conclusion. Protests were held everywhere and there will be more, because the victims of this measure realize what the government is doing and they simply cannot accept it.

How could they accept, with an annual income of \$10,000, \$12,000, \$15,000, or even less, that the federal government is targeting these people and ask them to pay for its mismanagement? When people have to make do with the meagre income provided by a system such as the unemployment insurance system, how can they quietly accept the government's decision to reduce benefits, even though there is a surplus in the fund?

This government will have to answer for its actions at the next general election.

• (1610)

[English]

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, I welcome the opportunity to speak to Bill C-12.

As a member of the human resources development committee, I was able to participate in the hearings on the bill which were carried on this spring over a five week period and during which time we heard from 79 witnesses, individuals and groups. In addition, there were numerous written briefs considered by the committee.

When the bill was tabled late in 1995 my initial reaction was to oppose it because it proposed substantial cuts to the UI system which in my view were unfair and unjustified. For seven years, from 1984 to 1991, I was the employment critic for the Liberal opposition and during that time with the support of my party severely criticized the Conservative government for similar cuts.

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Furthermore, during the 1993 election campaign the Liberal Party made no mention in the red book or elsewhere of proposed cuts to unemployment insurance. Quite to the contrary, we condemned the Conservatives for their attacks on this and other social programs.

Despite my initial opposition, I decided to participate objectively in the committee process, to listen to the arguments on both sides and then decide what position to take to oppose or support the bill in whole or in part.

I was encouraged by the minister, who said that within certain limits he would accept amendments to improve the bill, which he has done, and I congratulate him for it. In particular, I refer to the amendments presented by the members for Fredericton—York—Sunbury and Halifax West to change the method for calculating benefits, which amendments will substantially reduce the cuts to benefits as set out in the original bill. Also, amendments were presented by the hon. member for Etobicoke—Lakeshore to exempt low income families from the intensity rule.

The original bill would have cut \$2 billion from the unemployment insurance program. These amendments by my colleagues will put back approximately \$400 million. All in all the committee did good work. It did the best it could within the fiscal framework, but there is the problem.

One provision of the 1995 budget was to cut the unemployment insurance program by 10 per cent. Consequently, despite the goodwill and amendments of the committee, the bill still results in serious cuts to unemployment benefits at a time when a large number of Canadians are unemployed.

I decided to participate in the committee to honestly listen to the arguments on both sides. The more I listened to the evidence in committee the more I became convinced that on the whole the bill was wrong.

It is true the bill does contain some improved measures such as the hourly base for qualifying for and calculating UI benefits. Under the present law a person must work at least 15 hours per week in order to qualify with the result that many employers hire workers part time at less than 15 hours per week simply to avoid paying their contributions. Under this bill, all hours of work will count for qualification with the result that part time workers will have a better chance to qualify. This is definitely an improvement.

There are other improvements as well. However, the net result when the improvements and the cuts are added up is that fewer people will be covered and the benefits will be lower than under the present system.

As a result of earlier cuts by the Conservatives prior to 1993 and by the Liberals since 1993, the percentage of the unemployed covered by unemployment insurance dropped from 87 per cent in

1990 to approximately 50 per cent to 52 per cent today. Unfortunately this bill will make it worse. In addition, even with my colleagues' amendments, benefits will be lower for most claimants who qualify.

• (1615)

My main concerns about this bill are the following. First, although the move to an hourly system is good in itself, the number of hours of work required to qualify is too high for both regular and special benefits. As a result it will be more difficult for workers to qualify under this bill than under the present law. While some part time workers will gain under these new rules, many workers will lose and will not achieve coverage.

My second concern is that benefits will be reduced for three-quarters of unemployment insurance claimants as a result of three provisions in the bill. The first is the new method of calculating insurable earnings and benefits through the divisor rule. Even with the improvements of my colleagues the benefits will still be less. The second is the intensity rule which reduces benefits for those who are obliged to make repeated claims. I say obliged to make repeated claims. I have in mind seasonal workers and workers who are hired on a temporary basis. The third is the provision in the bill to reduce the maximum insurable benefit from \$448 per week to \$413 per week. That is the maximum benefit.

My third concern is that the bill reduces the duration of benefits, the time for which benefits are paid, from a maximum of 50 weeks to 45 weeks. As a result there will be more unemployed persons with no benefits. They now qualify for up to 50 weeks; they will be cut off at 45 weeks.

Some supporters of the bill believe that these measures, the measures to restrict coverage, to reduce benefits and to reduce the duration of payments, will force unemployed workers back to work. This belief presumes that work is available which is certainly not the case everywhere. It also presumes that most workers prefer unemployment. Again, there is no evidence to support that. I would say that a great number of workers want to work. There are some who do not and would live off welfare or unemployment insurance but they are a very small number.

These measures might also force the unemployed to take lower paid jobs. With economic growth increasing, such as was stated in both this year's budget and last year's budget, this only continues to widen the gap between the rich and the poor. Why should we force people into lower paid jobs if economic growth in the country is in fact increasing? This is not economic justice.

Another major concern I have with the bill is that it allocates a greater percentage of the UI fund to training and employment support measures. I fully agree that these measures are absolutely essential but until recently they have been paid out of general revenue and not out of the UI fund.

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What has happened is the government observed that this year the UI fund would have a surplus of approximately \$5 billion so it decided to take some of that money to pay for training which had been previously paid out of general revenue. In the budget last year the government decided to cut approximately \$2 billion from the unemployment insurance system, reallocate \$800 million of that to training and employment and at the same time the government reduced its funds for training out of general revenue. In fact, the government is solving its general deficit problems by cutting expenditures for training which were made out of general revenue and then taking money for these same purposes from the UI fund.

I must remind the House that the UI fund is made up of payroll contributions from employers and employees. Not all Canadians contribute to this fund. The original and principal purpose of the fund was to sustain the unemployed while temporarily out of work. It was to help the unemployed to pay their bills, to pay their rent, to pay for their food and to keep their children in school. That was the principal purpose of unemployment insurance.

Training, like education, was always paid by all taxpayers because in the long run it benefits all taxpayers. The payment of primary and secondary education is not restricted to parents and students. Why should training then be paid only by workers and employers?

• (1620)

Furthermore, the proposed system leaves individuals who do not qualify for unemployment insurance without the same training and employment opportunities. In particular, immigrants and women who have been at home taking care of their children and go back to work would not qualify for this training and these employment benefits because they have no attachment to the unemployment insurance system.

In conclusion, I would support any measures which would correct abuse and encourage a return to work. However, in my view this bill punishes the innocent with the guilty. I will support the government's amendments to improve the bill but I will also support other amendments that will improve the bill. I must say that I will have to oppose those parts of the bill which reduce coverage and benefits.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would kick myself if I did not begin my remarks by mentioning that at least one government member has shown some understanding in his analysis of this bill. Incidentally, he is from Quebec. I congratulate him even more for that. Thus at least one Liberal member from Quebec has understood. What the member said is exactly what we keep hearing in demonstrations and in our ridings.

This is a bill that, yes, has some improvements in some respects, but that, all in all, is a bad piece of legislation, a bill we must vote against. Hats off to the hon. member for Notre-Dame-de-Grâce who stood in the House to say so.

Some hon. members: Hear, hear.

Mr. Bellehumeur: Another thing that bothers me somewhat about all this analysis and about the whole issue of unemployment insurance, is when they limit or try to limit my right to stand up and express my views. I feel this has been done many times with regard to this bill. It was done right at the start when we skipped second reading to allow members to study the bill in committee and hear people before making recommendations. The aim of this process was to enhance the members' contribution. However, what did the government members do in committee? They gagged us so that we could not work at this bill, which is unacceptable.

Or course, the government did not want to see people like the hon. member for Notre-Dame-de-Grâce come to every hearing and say that this is a bad bill for such and such a reason, with very specific cases. Obviously, the government did not want to hear that.

Nor did it want to hear Bloc members echo their constituents' views that women and young people will not benefit from this bill, and that the unemployed will get clobbered. The government did not want to listen. It introduced a gag motion, and it is doing so once again at report stage. It is turning a deaf ear to people's views.

The government's goal is quite specific. It wants to save money on the backs of the unemployed. So we can understand why the government is doing what it is doing.

The government and the minister just sound ludicrous when they say these amendments are good, because unemployment insurance will be replaced by employment insurance. When one looks at the outcome of these amendments, it would be more appropriate to call it poverty insurance, because the only sure thing with this bill is that the unemployed will have a hard time, and in more ways than one.

I have been trying to determine what this bill's goal is. With all the nice speeches we have heard day in and day out, would it be to create jobs? I think the evidence of expert witnesses in committee makes it clear that this bill will kill jobs. Nothing in this bill can create jobs. So that is not the goal.

Would it be to help the unemployed? How could it be, when the bill takes money right out of their pockets. Demonstrations and briefs to the committee leave no doubt. It is clearly not the goal. Would it be to improve the quality of life for women and young women? It is equally clear that this is not the goal. Even the true Liberal member for Notre-Dame-de-Grâce just told the House that it was not.

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• (1625)

I did look at the situation women are in, but since I am not that old, I looked even more closely at the situation our young people are in to see if this bill is going to be any help to them. Well, the answer is no. Nothing, whether it is in the rate or the premium calculation, is of any benefit to young workers.

So, why bother with this reform? It is easy to understand once you are aware of the financial situation of the government and of the calculation method used by the Minister of Finance. The main objective of the federal government is to grab \$5 billion to pay off the debt. It is rather hard to see that the only way for the government to reduce the deficit is at the expense of the poor. It is shameful from a party that claimed to be close to the people and have social democratic leanings. It is disappointing to see that the only money the government has been able to grab was, again, at the expense of the poor.

The government is doing the very opposite of what Robin Hood did. It steals from the poor to be in a better position to help the rich. That is what this unemployment insurance reform is all about. Yet, in the red book and during the election campaign, the government did not, to my knowledge, say that it would pick on the unemployed, that it would grab them by the throat, as the Liberals love to say. I did not hear any such thing.

To do so, the government introduced Bill C-12. Look how thick it is, and the government wants us to pass it at full speed. The bill has over 100 clauses, and countless subclauses. There are many changes. We need go no further than clause 2, which is covered by some of the amendments we are considering today. In clause 2, the government gives a whole series of definitions, for things as simple as an affidavit. If you want to confuse the public, you might as well go all the way. Everybody knows what an affidavit is, but the government felt the need to define it.

There is also a definition of an interruption of earnings, a labour dispute and documents. There is a whole series of definitions whose objective and, maybe, only positive aspect is to make a living for lawyers. Since I am a lawyer, I may talk for them. Lawyers will use all those definitions to slow things down as much as they wish. The other side of the coin is that public servants will also use those definitions but not necessarily in the best interests of the unemployed, obviously.

The interpretation will be to the effect of restricting even more eligibility for unemployment insurance. We, the official opposition, cannot agree with that. That is why we are against clause 2 and asking that it be abolished. In any case, the legislator does not talk for the sake of talking. If a series of definitions is provided, they will have to be interpreted.

Even more important is the last point where the government says that this reform will help the unemployed as regards their employ

ability. In a clause which, again, goes against the pretensions of the government, it is clearly said that programs will raise the employability level of recipients.

Any decision by a public servant regarding the eligibility or non-eligibility of an unemployed person for a training program cannot be appealed. This is what this bill is all about. A public servant will make an arbitrary decision that the unemployed will not be able to appeal. Today, 75 per cent of appeals made by the unemployed are successful.

Why do you think the government has thought it necessary to put that in the bill? Simply because public servants will be instructed to crack down harder on the unemployed so that the government reaches its objective, which is to reap \$5 billion. This is clear.

• (1630)

When the minister tells us that he will propose this or that amendment to improve the bill, this is hogwash because, ultimately, the \$5 billion target remains. Let us reduce this \$5 billion target, let us talk about a target of maybe \$1 billion, and then the amendments might be significant. But ultimately, what good does it do to rob Peter to pay Paul?

The minister still has these \$5 billion to artificially reduce the deficit, and to do it at the expense of the unemployed. This is the price we have to pay because the government does not care about the unemployed.

[English]

Mr. Paul De Villers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I am pleased to speak today on this important restructuring of the current unemployment insurance system.

[Translation]

I want to congratulate my colleagues who sat on the parliamentary committee and worked on this complex problem. This bill is about modernizing our unemployment insurance program, that was created in the 1970s. Because more and more Canadians are affected by rapid economic transformations and the government's budget for social programs is already stretched to the limit, no one can deny that these changes were needed.

I would like to focus on three topics today, which are the computation of eligible hours, the effect on small businesses and the application of this system to high income earners.

First, this bill constitutes, in my opinion, a fundamental change as far as eligibility to the system is concerned. From now on, eligibility will be based on the number of hours worked and not weeks. In today's labour market, a system based on the number of

weeks worked creates unfairness. For many workers, one week does not mean 40 hours from Monday to Friday any more.

When establishing the eligibility of workers according to the number of hours worked, the government wants to ensure that every hour of work counts. Thus, it would be more advantageous to work as long as one can. The new system takes into account the fact the labour market has changed and that millions of people now have work patterns that no longer correspond to the traditional work week. They deserve the same protection as their fellow citizens holding regular jobs get in case of a layoff.

The new system is a lot fairer for people working part time or in seasonal industries. For example, people working less than 15 hours a week will be insurable from now on. With employment insurance, 90,000 part time or seasonal workers will become eligible for benefits. Many will become eligible earlier and for longer periods and will see a bigger part of their earnings insured.

Second, I would like to talk about the effects of the bill on economic growth. The government's objective is to create an environment that is good for business, economic growth and job creation. That is the main objective of our employment strategy.

That objective will be met in many ways. I will cover only two. First, the lowering of the maximum insurable earnings will match more closely than the present system insurable earnings and salaries in Canada.

That change will lower the payroll charges, thus increasing the revenues of employers as well as those of employees. The reduction in employer and employee contributions will be particularly apparent in high salary sectors.

• (1635)

Second, one element of the employment insurance program will constitute an important support program for small businesses. You will agree with me that small businesses are vital to Canadian economic renewal.

The small business support program will reduce the impact of any increase in the contribution level. This will be aimed at companies with fewer than 25 employees that will pay less than \$30,000 in premiums in 1996. Any raise in the contribution level representing \$500 or more as compared with the base year, 1996, will give the employer a partial rebate. Companies affected will get a rebate of up to 50 per cent of any raise in 1997 and 25 per cent in 1998. This two-year program will begin in January 1997 to coincide with the implementation of the first dollar earned policy and the annual calculation of maximum insurable earnings. Employers whose 1996 contributions are less than \$25,000 will be entitled to a maximum yearly rebate of \$5,000. Those whose

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contributions are between \$25,000 and \$30,000 will see their maximum rebate reduced dollar for dollar.

Finally, I would like to talk about this system as it applies to high-income people. Some of my constituents have mentioned the fact that, under the present system, it is possible to work a few months during the year and to increase one's income by drawing unemployment insurance for the rest of the year, and to do so year after year. This inequity was raised by several Canadians during the consultations that led to this bill.

The employment insurance program will have stricter clawback provisions. Claimants who will have received more than 20 weeks of benefits over the last five years and whose income exceeds \$39,000 will have to reimburse a greater portion of their insurance benefits than is the case at the present time. These people could have to reimburse up to 50 per cent of the benefits that were paid to them.

High-income earners who contribute to the program will continue to have access to reasonable benefits in case of unforeseen job loss. However, those who work only part of the year and whose income is still higher than average will not be able to increase their income by drawing considerable amounts in employment insurance year after year.

In conclusion, I think this bill makes necessary changes to the unemployment insurance system to modernize it. The new system confirms the value of work since every hour of work counts. So the system will protect 97 per cent of the labour force. It will be more fair and more balanced. It provides for recovery of benefits, thus guaranteeing that people with high incomes receiving benefits frequently will no longer benefit from the system unfairly. Finally, the move to employment insurance will be gradual so that small businesses will have the time they need to adjust to the changes. This bill represents a compromise between our budget constraints and our desire to offset the negative effects of unexpected loss of employment.

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, like my colleagues, I must also state that this bill is a poor one.

• (1640)

I would like to congratulate the member for Notre-Dame-de-Grâce, the only government member who seems to have understood something and who had the courage to rise in this House and honestly speak his mind.

As I have already said, this bill dealing with employment insurance in Canada, which is now at report stage, is a real injustice. It is unfair, regressive, anti-job and it will only cause poverty. Never before has any government so seriously challenged the social safety net essential to citizens. Employment insurance,

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or rather poverty insurance, will offer the unemployed less and less support; they will be left to fend for themselves.

With a \$5.5 billion surplus and an unemployment rate exceeding 20 per cent in some regions, I cannot fathom how we can call this bill an employment insurance bill.

One point particularly close to my heart goes back to the last unemployment insurance reform. I remember the Liberals, then in the opposition, had raised quite an uproar when the government changed the system so that workers willingly quitting their jobs, or being fired, were excluded from the unemployment insurance system.

And what will the present bill change? Absolutely nothing. The government is not correcting the injustice it denounced so strongly when it was in the opposition. Clause 33 of the bill confirms the principle. It says claimants will not be entitled to benefits if they voluntarily quit their job or lose it because of so-called misconduct.

Did the government consider those who hold several jobs? This new system will take into account each hour worked. Three hours at McDonald, four hours at Harveys, one week-end at Loblaws. According to the government, this is the way low income earners will be able to become eligible for employment insurance.

But what will happen if a worker who is holding several casual jobs decides to voluntarily quit one to readjust his work schedule? Will this voluntary departure be entered in his file? Will he be eligible for employment insurance?

This is only one small example of the many flaws of this reform. It has all kinds of flaws. Eligibility criteria are being tightened. Before, 12 to 15 fifteen-hour weeks, for a total of 180 to 300 hours, depending on the situation, were needed to become eligible. With this bill, to become eligible will require from 420 to 700 hours of work, or 12 to 20 thirty-five-hour weeks. In the case of new entrants to the labour force, the number of hours necessary is three times higher than it was.

From now on there will be two categories of unemployed workers: the regular ones and the frequent ones. Those with an attachment to the system will see their benefit rate drop from 55 to 50 per cent, or 1 per cent for every 20 weeks they were paid benefits. This measure means that people will have to work longer to be entitled to lower benefits for a shorter period of time.

This bill is regressive because there will only be one premium rate, a fixed rate for all workers, and maximum insurable earnings will be \$39,000 instead of \$42,380 as under the current system.

• (1645)

I will give you an example of the consequences of this measure. A worker who earns \$39,000 or less pays 2.95 per cent of his salary in premiums. A worker who earns over \$39,000 a year will stop

paying premiums once the threshold is reached. The more a worker earns, the more his percentage of premiums drops.

The employment insurance bill is also an anti-employment measure. In fact, the five-cent reduction in workers' premium rates, from \$3 to \$2.95, and the establishment of the \$39,000 ceiling on insurable earnings, gives capital intensive businesses an advantage over labour intensive businesses, which are essentially small and medium size businesses that create jobs. This measure encourages overtime among high income earners.

This is a motion that really hurts workers. The load is lightened for high income earners, while those who earn less are asked to carry a greater burden. As I have just said, higher wage earners are simply being given an opportunity to work extra hours, which will automatically eliminate jobs.

Not only does the reform encourage overtime, but it also encourages people to hold down two or more jobs. Despite all that has been said about reducing the work week in order to create employment, Bill C-12 is headed in a completely different direction.

Finally, this bill will lead to poverty. By reducing benefit rates, taxing workers from the first hour and tightening eligibility criteria, thus cutting off certain clients entirely, the new measures will result in an increase in the number of people forced to turn to welfare.

This bill has wide ranging effects: young people, women, immigrants, new claimants, the regions, family benefits, eligibility and the calculation of benefits, seasonal workers, self-employed workers and the handicapped. To sum it up, this bill is just like this government. It dabbles with everything and solves nothing.

[*English*]

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I am pleased to take part in the report stage debate on the employment insurance legislation, Bill C-12, which will surely have a positive impact on all communities of Canada, including my riding of Lambton—Middlesex.

It should be mentioned from the outset that the old Unemployment Insurance Act has not been revamped for 25 years. The technological revolution that has been sweeping over the economy during this period of time has also been a force in reshaping, reconfiguring and redesigning our jobs.

Let us be clear. Changing technology does not mean there are no jobs. It does mean there are different jobs often in different places and often requiring different skills. The result is that people today change jobs more frequently not only within the company or industry but crossing into new industries and occupations as whole industries are reshaped and new ones spring up.

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This new economic renewal has its positive side. It has brought new opportunities, new growth, new jobs, over 600,000 new jobs since the government was elected two and one-half years ago. An innovative economy also requires innovative social policies and I strongly believe Bill C-12 delivers.

Today I will address two key structural changes which are important features of the bill. The first is the switch from using weeks of work at UI covered jobs to using hours of covered work as the main unit of account for the new employment insurance program. The second is the new intensity rule whereby the replacement rate for insured earnings would fall with increased use of the program over the previous five years. I strongly support both of these innovations. Each is a made in Canada solution to important problems with our present unemployment insurance program.

• (1650)

The first of these two key proposed changes, the shift to using hours of work as the main unit of account, is a forward looking provision that will greatly affect program coverage in years to come. We currently have a program that excludes jobs offering less than 15 hours of work per week from UI coverage. Part time employment is on the increase for many reasons. However, as part time employment continues to grow, the portion of total employment in our economy that is UI or EI covered would also continue to fall.

Unemployment insurance programs in Canada and in other developed countries have been in place long enough that most of us have come to take for granted the important economic stabilization functions of these programs. For example, when any country slips into an economic recession, those who are laid off must cut back on their expenditures far more severely if they are ineligible to collect earnings from insurance benefits. In addition to the damage to them and their families, the large decreases in expenditures also translate into lower levels of sales and even more layoffs.

This circular spiral of layoffs leading to sales decreases which lead to more layoffs can potentially result in deep economic depression. I believe this is every bit as possible now as it was back in the 1930s without powerful economic stabilizers like our UI program that push up the standard of living of those who have this coverage. Thus, the value of UI or EI programs as an automatic stabilizer depends on the broadest coverage possible.

The proposed move to an hourly as opposed to a weekly unit of account will, I believe, reverse the erosion of our present UI program due to the increasing numbers of part time jobs that are ineligible for coverage under the present program rules. This will definitely help to preserve the important economic stabilization rule of this program.

The change will lead to greater equity of treatment for part time versus full time workers. This is increasingly important in an economy where growing numbers of people can only find employment in part time jobs though they may be working full time when their hours of work and all jobs are counted.

Before offering my comments on the proposed intensity rule in Bill C-12, it is worth mentioning that the 1971 changes to the UI Act set our UI program on a course toward becoming an income transfer rather than a social insurance program, characterized by an unwieldy mix of regional equalization and federal welfare transfers in a social insurance program format. I am convinced that the intensity rule would help re-establish UI or EI as a true social insurance program.

I use the term social insurance to mean a program that provides insurance coverage against specified perils, with those paying for the program receiving fair personal value for their money. True insurance coverage is not the same as having individual rainy day accounts that eventually can be used by individuals for other purposes if the insurance peril does not occur, in other words, if what was paid in is not fully used to cover peril related damages for the individual.

True insurance means that those who are covered by the program, who are unlucky and suffer the insured peril, whether it be fire, theft or unemployment, can draw out more than they paid in according to stated rules. On the other hand, those who are lucky and never do suffer the peril they are insured against must be satisfied with having enjoyed the peace of mind of knowing they were insured.

All true insurance programs involve some sort of experience rating or other risk related adjustment of the premium payments versus the coverage levels. There are essentially two forms of experience rating in most insurance programs. Those in higher risk groups either must pay higher premiums for the same coverage levels as is common for automobile collision insurance or get less coverage for the same premium rates.

The proposed intensity rule in C-12 adopts the latter approach. That is, all claimants with more than 20 weeks of regular benefits in the previous five years would have their benefit rate gradually reduced. It would decline by one percentage point for each 20 weeks of past benefits collected to a floor of 50 per cent of insurable earnings.

The maximum benefit rate under Bill C-12 would be 55 per cent of insurable earnings. I believe this is more than fair. This is true to the experience rating adjustment of any real insurance program. It is also worth mentioning that everyone would start EI with a clean slate. Previous use of UI benefits before July 1, 1996 will not count.

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• (1655)

Our present UI program is not means tested and is not paid for out of general tax revenues. It is entirely funded by payroll taxes on those covered by the program and their employers. Yet it is not experience rated either and is thus not really an insurance program. In fact, all those covered by the program are taxed according to the same schedule.

Those at greater risk of becoming unemployed because they live in regions with higher unemployment rates are given more rather than less coverage. Those in high unemployment regions become eligible to collect UI benefits with fewer weeks of insured benefits and can continue to collect benefits for more weeks.

At present the use of our UI program is constrained by neither experience rating nor means testing. The intensity rule addresses this by introducing a mild degree of general experience rating in the UI program.

Rather than largely excluding seasonal workers such as those engaged in the construction trades, as was the case prior to the 1971 changes to the UI program, Bill C-12 will provide high risk workers with coverage. However the degree of coverage would diminish with increased claims over the previous five years. In this way broad coverage would still be maintained without risking a runaway growth of program costs.

I am convinced that the intensity rule would successfully change the current UI system by transforming it into a real and much fairer insurance program. Of course many of those in intermittent employment truly cannot find other work.

Canadians have demonstrated time and again that they are willing to make personal sacrifices to provide financial assistance to others who are in real need. That is why Bill C-12 contains a number of provisions to address this reality. For up to three years those who have exhausted their benefits will have access to target employment benefits such as wage subsidies, earning supplements, self-employment incentives, and skills and loans grants.

Experts have looked at all aspects of how the old UI system operated. They know it can affect the behaviour of employers and employees in ways that Canadians simply do not accept any more. Bill C-12 is a good piece of legislation that successfully addresses some of the more current aspects of our system.

After 25 years of the status quo, it is time Canadians had an employment insurance system that better reflects the realities of the 1990s and beyond.

[*Translation*]

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, once again this marks a sad moment in the life of a member of Parliament, to have

to stand up in this House to speak on a bill with such devastating effects on the lives of our fellow citizens. We have said many times, and are forced to say again today, this is a sad day. People are not yet properly aware of the consequences, and that is what I find surprising. Unemployment insurance—let us call a spade a spade—is a tool of economic stabilization. It is something that is necessary and useful in most of our ridings. I do not think it is just a coincidence that it is a Canadian invention.

How can we make people understand? How can we ensure that the hon. members across the floor understand, when the time comes to vote on these motions, on this bill? What can we do to ensure that people will understand all of the importance of what is at stake. The hon. member across the way, in some bits of her speech on this group of motions, referred to a program that has not changed in 25 years. I may perhaps be in agreement with certain points. We ought perhaps to have started changing a few things, but changing unilaterally, and in the way that has been adopted, means that the only beneficiary of this reform will be the coffers of the government. It can hardly be a surprise that the opposition is making an outcry. It is hardly a surprise that there has been an outcry in certain ridings that have to live with serious unemployment. Their outcry comes as no surprise.

• (1700)

How is it that here, in this House of Commons, in this Parliament—and yet we have in front of us some educated people—we are unable to make them understand that?

I can hardly believe it, and I am not anxious to see the effect all this will have. We have unemployment insurance as it exists currently, and we have the problems. I would like to be told once again, but where do we see in this bill that people will really be sure to get a job? The government is only playing on words. It has only been window dressing, to introduce measures to reduce the amounts given to claimants and the length of time they will receive them.

As was said earlier, everyone will be affected. I come from a remote riding, the Gaspé Peninsula. Incidentally, I think that is the most beautiful part of Quebec and of Canada, the nicest riding. It is not only people who make their living from the fisheries and forestry who will be affected. People who work in construction, whether in Montreal or in Toronto, are also experiencing some fluctuation in their field, and they will be seriously affected.

I can give you an example in that regard. With this new bill, a person working in construction will find himself trying as much as possible to put together his work hours or work weeks in a given time, because if he is not careful, the amount of benefits he will receive when he is not working, that is, when he is on unemployment insurance, or employment insurance, will be reduced.

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Consequently, people will only want to work during periods where it will be to their benefit, but not necessarily when the customer needs their services. A Montreal customer might need a door handle fixed on a Saturday morning in February, but it might unfortunately be more convenient for the worker to do it in May, because he could then add it to his hours of work during the summer. This is just one example.

I know that this group of motions refers to it without referring to it. I am trying to see where it is mentioned in the definitions. But the details on how to calculate the hours of work—for fishermen, for example—will be in the regulations. This is just to show you how obscure the process is at this time. It is easy to see why both the opposition and the people want as much time as possible to discuss and study this bill.

I was going to give some examples concerning fishermen, self-employed workers and lumberjacks. Under the current legislation, benefits are based on the number of weeks. The people in my region are used to quantifying their work. This is something tangible. A vat of fish is not the same as a given number of hours. That is how pay is determined and how benefits are claimed at the end of the year. As for lumberjacks, they chop 1, 10 or 20 cords of wood. Again, this is something tangible. How will this be converted to hours of work, after the bill takes effect?

The current definitions and regulations do not specify how this will be done. They say it is coming. It is coming so fast that we will get run over because we could not see it coming. The people have a right to know exactly how all this will be calculated, because it is their lives that will be affected.

Madam Speaker, I know that you, too, come from a region with many forestry workers. You know how hard these people work. I cannot see them walking around with notebooks in their hands, saying: "Hey, boss, I worked in this part of the forest for an hour". No. They will say: "I cut so much wood". Will there be a conversion? How will all this be calculated? I do not know. The vast majority of people do not know.

• (1705)

One thing that is becoming clear to them is the impact the cuts will have. We are told right away that there will be a dividing factor. The effect of this dividing factor will be to reduce the benefit amounts. What good does it do the public to get fleeced like that?

I would have expected a bill of this importance to rely on partnership with the public, to call upon the public's co-operation. From the outset, the public is told: "You will receive benefits over a shorter period, your benefits will be lower and, if you claim benefits too often, we will get on your case and impose another penalty on you".

All this is quite disheartening and does not leave much leeway to try to amend the bill. That is why, with the group of motions before us, we hope to review all the proposed definitions contained in the bill. There is nothing in there to make people feel secure and to give them an idea of what could be done to protect them. It is all going one way and one way only, straight in the government's pockets.

But the people cannot in turn dip into someone else's pockets when they go shopping after work, looking for a product that they need. They have worked, they have learned to live with the shortage of employment around them and to supplement their monthly income with unemployment benefits, but overnight all this will change, yet they are expected to believe that it will be good for them, while it has been made clear from the beginning that they will receive less money. That is beyond me.

I raised this point last week, but now that I have found the quotation again, I would like to read it once again. The person who used to sit in front of me, the former Minister of Fisheries, Mr. Tobin, broke his silence last week. He made a statement on May 1. He said to the Prime Minister: "No more cuts please". He is very polite, but he still asked that no more cuts be made. He said that, while his province collected a disproportionately high amount of money, because of its disproportionate reliance on federal transfer payments, it has reached its limit. The Prime Minister's best friend is giving him a warning while they are still friends: "Enough is enough". We are already hit hard because we lack jobs. Now, in addition to that, the victims of that job shortage will be targeted.

The one thing I deplore is: Why did the member for Humber—St. Barbe—Baie Verte wait until he was gone? Why did he wait until he left Ottawa to make himself so clearly understood? He is now the premier of his province and he sees how the lack of jobs affects his population. He says: "What Ottawa is doing is not right".

But he is no longer here. Will I have to wait until others leave before saying these things? The damage will have been done. The government imposed time allocation. We are being gagged. This is what it means. We are forced to contain ourselves, to not speak longer about a bill that will deeply affect society in Canada and Quebec.

We are told: "Yvan, shut up, you said enough". But those who, not long ago, had the power to speak in this House and are now gone say: "What Ottawa is doing is not right. Enough is enough".

I hope that some members opposite will rise and will not wait until they leave Ottawa to say to the Prime Minister: "We cannot go ahead with this reform. We must find a partnership with the opposition and with interest groups to rebuild this system in a climate of confidence and dignity". Currently, given the bill before us, the government is only helping itself.

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For these reasons, I cannot support this legislation and I will rise again, as soon as other motions allow me to do so, to voice my opposition.

• (1710)

[English]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, I am very glad to have another opportunity to speak on Bill C-12, which will bring forward a new employment system for Canada.

I was very ashamed of some of my colleagues opposite with regard to the HRD hearings. For two and a half years we travelled across the country listening to more than 1,000 individuals and groups of people. We were there. This legislation reflects a lot of what we heard.

I remember being in Alberta. Sure, we might have been a little tired at the end of those 12 and 15-hour days. We had walk-ons, where any individual who showed up could appear before the committee. As Liberals we were willing to listen to people.

People appeared before us with tears in their eyes. There was no press. They were not trying to impress anyone. They were asking for help.

Tomorrow, in Ontario, there is going to be a reformatory budget. The budget brought by this group of people in Toronto, as in Alberta, will attack the working people, or the people who thought they were going to be working.

Mr. Mills (Red Deer): There is pride in Alberta in balancing the budget.

Mr. McCormick: Yes, there is a lot of pride in Alberta, but I have neighbours in Ontario. I have friends in Alberta who taught school for five or six years. They have given of themselves for their education. Today, these people are gone. We are not investing in the children. We are not investing in our future. Its reformatory tactics are disgraceful. Thank goodness, we have a Liberal government, a government that will give people an opportunity to help themselves.

There are many benefits available in part II of the bill to help people help themselves. The former minister for HRD is from the Winnipeg area. I remember at committee being frowned at by a few of my Liberal colleagues and being applauded by some of the Reform Party when I said that there was some abuse in the system.

Finally, I said to the former minister: "If you want the public," this was my humble opinion, "to accept what we were trying to do, I think we should at least acknowledge the abuse". Today, the minister has done that.

From looking at the direct abuse, we are going to be able to take that money and offer it to people who want to help themselves. In all the provinces of this country, 45 per cent of the people who have fallen through the cracks—it can happen—are friends and neighbours of ours to whom it happened. If these people worked one day in the last three years, if they had a work attachment, five days following the birth of a child, they now qualify to access any one of the five tools in part II.

There are the targeted wage subsidies. This is not just subsidized jobs, but on the job training that will make a difference in their lives. It gives people some heart. We will not be cutting at random like the Ontario government will do tomorrow.

There are targeted earning supplements and self-employment programs. As a small business person I have attended some of the classes under HRD that are available since I do not know how long this job will last.

I have seen people attend the classes to get ready to start their own businesses. It has made a difference. Statistics show when a person starts a business usually he or she will employ one more person. We have to give people a chance to help themselves.

There will also be job creation partnerships, skills loans and grants. For my hon. colleagues and friends opposite, yes, the provinces will be able to make the decisions.

I have heard many people talk because of the misinformation out there about this reserve fund being used to pay part of the deficit. As we all know, that is not allowed by law. It will not make any difference to the deficit in the long run. A reserve is a very necessary part of this bill.

• (1715)

The other day the department furnished us with a table that showed the cumulative interest charges. More than \$1 billion had to be repaid out of UI premiums because of outstanding deficits between 1991 and 1995. By contrast, twice that amount, \$2.3 billion, was repaid following the previous recession in the early eighties. It makes much sense and will create jobs to have a cushion there if there is another recession.

Many witnesses appeared before us. I quote one witness who was among the last 85 to appear. Professor Alice Nakamura, a distinguished doctor in the faculty of business at the University of Alberta, put a lot of work into this bill:

I committed a great deal of time and effort to the Axworthy social security reform task force. Many of those around me told me I was foolish to do that. "Look what happened to previous attempts for reform attempts", I was told. I knew what they were talking about.

This doctor had committed time and effort to the MacDonald royal commission on the development prospects for Canada. She continued:

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I was advised that the different political parties and the provinces would not be willing to pass up the opportunities for partisan gains that a UI reform attempt invariably brings.

You have proven wrong all those who told me this reform effort was a waste of time. Bill C-12 tackles serious problems with our present UI program, making use of the best available research about how our labour markets and social programs function. And it is a bill that pays careful attention to the real life problems of transition. It strikes a careful balance between the desperation of people who cannot find enough work and have depended on the income from UI benefits, and the desperation of economic analysts who recognize the threat which trends in our present UI programs pose for our economy and the future employment.

The prospects for these people will be dim, but now there is hope for many people. As the doctor reminded us, she believes future generations will look back on our efforts in deep admiration and gratitude.

Many witnesses from across the country appeared in front of the committee. We heard from unions. They complained. They said we did this wrong and that wrong, that we were going too far. We heard from other social groups that said we were not going far enough, vice versa. This is an excellent piece of Liberal legislation in which we show we have listened to the people, that we care about the people. We are not just looking after people from one province.

That would not be a fair shot to my hon. colleague. I do want to recognize that the members from the Bloc who have sat on our committee for the last two and a half years were there. I saw them burning the midnight oil listening to people in all 10 provinces, two territories and the eastern Arctic with concerns.

There is a third party in the House. I would not say its members were not present at hearings. However, I do not think it is commendable to go on hearings across the country, stay for an hour or so each day, then go on to the street to campaign and hold press conferences. It is very shameful.

With my small business background I spent time looking at this bill. There is really good news. I did many miles on the weekend. I talked to a lot of people. I talked to small business people about the GST. I would like to have seen us go further with the GST but, as the Minister of Finance says, if we do one thing wrong and we waste a dollar we cannot bring the deficit down very steadily as we are doing now.

The interest rate today in Canada is a bargain and is creating jobs. The low interest rate we have today is putting confidence back in the marketplace. Friends of mine have said they would not want to have a business because there is too much paperwork.

After Mr. Harris gets his reformatory budget on the floor tomorrow, I am sure he will start thinking about how he can help the province for the right reasons. Regarding the GST, putting the two taxes together will make for half the paperwork.

• (1720)

This bill does a lot for small businesses. The record of employment, the one page form I spoke about the other day, comes with a 30 page instruction manual on how to fill out the one page. This will not be necessary anymore. There will be straightforward records where the regular payroll records can be followed and put on the sheets to report them; great progress.

No wonder the bill has been endorsed by the chambers of commerce and many business groups across the country. Again, it is unfortunate that members of the parties opposite feel it is their responsibility to take misinformation from this place. For once I would like to see the second party and especially the third party support what is good for the country and for individuals and give these people an opportunity.

With this legislation we are giving people an opportunity to help themselves. What more can we do? People do want to work and take part in the workforce. They want to feel they contribute to their country. This EI bill will make it possible for them.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Ringuette-Maltais): The question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): The recorded division on the proposed motion stands deferred.

The next question is on Motion No. 201. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour of the motion will please say yea.

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Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): The recorded division on the proposed motion stands deferred.

We will now move to debate on Group No. 4.

[*English*]

Mr. Nault: Madam Speaker, on a point of order. In group 3 there are three other amendments you did not ask for a recorded vote on, Motions Nos. 5, 6 and 200.

The Acting Speaker (Mrs. Ringuette-Maltais): Because of the grouping of the motions we cannot vote on these because we have not voted on Motion No. 4.

We will now proceed to debate on Group No. 4, Motions Nos. 7 and 8.

[*Translation*]

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

Motion No. 7

That Bill C-12 be amended by deleting Clause 3.

Mrs. Francine Lalonde (Mercier, BQ) moved:

Motion No. 8

That Bill C-12, in Clause 1, be amended by replacing lines 9 to 39, on page 4, and lines 1 to 4, on page 5, with the following:

"7. Subsection 26(8) of the Unemployment Insurance Act is repealed."

She said: Mr. Speaker, we have heard many speeches from the members opposite who, after agreeing to limit the debate, have decided to respond to our arguments because they see how this bill is indefensible.

• (1725)

I just heard that this bill will help people help themselves. The things we hear in this House. True, Part II of the bill provides for employment benefits under five programs. However, what members opposite are not saying is that, over five years, there will be only \$200 million in new funds and that these provisions are designed mainly to allow money from the unemployment insurance fund to be used to pay for employment programs that are currently funded through the consolidated revenue fund. So such an interpretation is totally unacceptable. It is not true to the facts.

The facts are the unemployment insurance fund will pay for employment programs presently funded through the consolidated revenue fund and the government will be able to use the money saved to reduce the deficit. Yes, money from the unemployment insurance fund will be used for employment benefits, but this is not on top of but in replacement of what exists now. There will be only \$200 million in new funds, and they will also come from the unemployment insurance fund.

The government says this bill will help people help themselves, but you cannot tell Canadians this kind of thing. You have to add that, right now, nobody is entitled to the training or so-called employment programs available because there is no possible recourse for people who are refused participation in such a training program. The government can refuse to help you and you do not even have the minimum right of appeal provided for in the legislation.

According to unemployment insurance umpires and the Federal Court of Appeal judges, that right of appeal is highly ineffective. For example, Ms. Reed, an UI umpire, said: "In fact, there is no doubt that umpires see only a tiny proportion of these errors because the majority of claimants will never take their complaint to a board of referees, much less before an umpire". What is difficult to accept, however, is that it is claimants who bear the burden of the board's errors.

In this case, at least, claimants have some recourse, described as ineffective by the umpire, because the umpires and courts cannot overturn a decision; they can only ask the board to review its decision, but at least they can have this decision reviewed, even if it is only minimal recourse. People who want training courses do not have this minimal recourse. This is the nature of the amendment we brought to the bill before us. It is not a question of being told that this modern bill should be amended. It is not a modern bill. It is a bill the purpose of which is to exclude more people from benefits, and an hon. member across the way, the member for Notre-Dame-de-Grâce, has admitted it. No, it is not a bill that is trying to give more people access to unemployment insurance.

When we hear that 90,000 more people will be covered, what does that mean? That means that the only thing these people can be certain of is that they will be paying premiums. That is all they can be sure of.

• (1730)

I also heard that this bill would be good for small and medium size businesses, which, as we know, create more jobs. Here again, they must not have scrutinized the bill very closely. On the contrary, small and medium size business are the ones which will have to open the till wider, while large businesses are being given a gift in the form of an exemption from paying premiums for workers earning between \$39,000 and \$42,400. There is a gift for workers who are now paying premiums up to \$42,400. Henceforth, that will stop at \$39,000. It is absurd. It makes no sense.

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And who foots the bill for this present? Precisely those who work 0 to 15 hours, not now paying into the fund nor eligible for benefits, it is true. And their employers, who do not make contributions on their behalf, but now they will. These employers and employees will both pay for this, but the problem is that the majority of them will not really have access to unemployment insurance.

If the government had wanted to make the assistance of unemployment insurance benefits available to the people working 0 to 15 hours, it would not have tripled eligibility conditions for those returning to the work force and more than doubled the requirement for those already in the work force. They are taking advantage of the hour-based system, under the pretext that it will cover more people, whereas it will cut back the system's accessibility. Yes, they will be forced to pay. That is the only thing they can be sure of. As for offering them a bridge between two jobs. That is something else again.

There is another worrisome trend in this bill. It encourages people working 0 to 15 hours to hold down two jobs. Everyone, in fact, is encouraged to have two. Generally speaking, then, while there is a universal trend to cut back the length of the work week, to encourage people to job share, this bill is encouraging people to hold down two jobs, rewards people who have two jobs, rewards overtime.

But I must add something, something that many will find a dramatic revelation. People must know that, if someone holding two jobs and with insurable weeks behind him quits one of them, he immediately loses all the weeks of insurable work accumulated until then, even if he was on the verge of having enough weeks to be eligible for unemployment insurance, or on the verge of being eligible.

By quitting one of his own accord, he will lose eligibility on both and will have to start from scratch again. In 1990 and in 1993, the Liberals created an uproar because the Conservatives imposed total loss of eligibility when someone left a job voluntarily.

What are they doing today? Not only do they approve of what they had knocked then, they are taking it even further. Indeed, from now on, according to the double requirements of this bill, someone who has two jobs and quits one because he is no longer able to go on, will lose all his weeks of insurable earnings if he quits for reasons other than those specified in the bill because he will be considered to have left voluntarily. The fault will be theirs. This is a real scandal. I will stop here, but if I listened to my heart I could go on for a long time.

• (1735)

Mr. Raymond Bonin (Nickel Belt, Lib.): Madam Speaker, the members of this House should take their responsibility to meet Canadians' real needs very seriously.

During the election campaign, people told us of real needs, of the hardship, the suffering people face when there is no more money coming in. Those of us in this House who took part in local debates know what suffering is all about. This is why it is important that all members of this House take the proposed improvement to these people's lives seriously.

I was a member of the Standing Committee on Human Resources Development, and we have been debating this subject for a long time. I want to congratulate the members of this committee for the great job they have done, particularly those who made suggestions. The way members of the opposition talk about it, it is as though they are making people's suffering a political matter, which it is not.

It is tragic and most unfortunate to see people so preoccupied with their political future that they put the future of people in serious trouble at risk.

[*English*]

The purpose of sending Bill C-12 to committee after first reading was to create an effective opportunity to look for areas of improvement that would still be consistent with the goals of the bill. The committee has done an excellent job and has focused on one key concern: impact on workers in communities that are dependent on seasonal industries.

The minister and committee members saw the many benefits for seasonal workers in the move to an hours based system instead of a weeks based system, the use of tools such as the family income supplement to better assist low income workers supporting families and a range of innovative employment benefits. These alone will bring 45,000 people benefits they could not get under the old UI. It will extend benefits for another 270,000 workers. Many of these people are in seasonal industries.

They also identified three issues at the heart of the concerns felt by many Canadians about this big step forward: treatment of gaps in earnings; the divisor used to calculate benefits; and the impact of the intensity rule on people with low incomes. They listened, they looked for solutions and they found workable ideas that will increase the fairness of this new program for workers in seasonal industries.

Now people will be allowed to use income within the 26 week period prior to filing a claim when calculating average income for employment insurance benefits. That will increase benefits by about \$246 million, much of it to seasonal workers.

The divisor that is used to calculate benefits will be two weeks above the regional minimum entrance requirement. That will increase benefits by about \$95 million for workers in seasonal industries in high unemployment regions.

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The intensity rule will not apply to people who are receiving the family income supplement. Other workers who can pick up some work while on claim will be able to earn credits that will reduce the impact of the intensity rule on them too. Those steps will increase benefits by about \$24 million for low income workers.

Government members have listened to seasonal workers and they have responded with fair and balanced changes that will make this new legislation work even better.

Employment insurance reform is not a once and for all step. It is an ongoing process of feedback and adjustments. We will assess the impact on people, not just measure whether or not they are adjusting to the system.

The government will use a series of objective tools to monitor the impact of measures in the new act on individuals, employers and communities. It will monitor the performance of the economy and the job markets. It will monitor the ways in which workers, employers, industries and communities adjust.

● (1740)

About a dozen communities across Canada will be selected for an in depth study. They will be chosen to represent different types of labour markets. Some will be urban, others will be smaller cities and towns. Some will be rural and some will be seasonal economies.

The employment insurance commission will monitor and assess how individuals, communities and the economy are being impacted by the changes and what type of adjustments they are making. The commission will report annually to Parliament. The monitoring process will assess the degree to which individuals are finding additional work in the new system and how much employers are providing more work. The Minister of Human Resources Development told the committee and Canadians that if the bill is not performing up to expectations we will see it clearly and take the necessary actions.

These monitoring steps will allow an assessment of how this new employment insurance system has resulted in changed behaviour by individuals, employers and communities. For example, we know the old system sometimes led people to refuse work that was available because the old UI rules could mean people could actually lose money from a claim they were going to file by working at less than their previous average weekly wage. We believe the new system will correct these problems. It will make work pay.

The department has provided us with a great deal of research that suggests this bill will achieve its goals. However the monitoring will ensure that what we sincerely believe will happen after Bill

C-12 becomes law actually does. It will allow us to check our predictions against results.

In closing I commend and thank the members of the committee who contributed positively to the bill being presented today. This bill could have been presented to the House sooner had the government received co-operation from the opposition.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, the amendments discussed today are on the mandate that will be given to the Canada Employment and Immigration Commission.

We find in this mandate the whole spirit of the act. This is why we wish that it be modified. I will read you briefly a few lines that express very clearly how the government wants things to be done. It says:

3 (1) The Commission shall monitor and assess how individuals, communities and the economy are adjusting to the changes made by this Act—

They take people for some kind of guinea pigs. "We will see how you will live with that, but, as a government, we will not take on any obligation. We do not assume any responsibility". It is the whole spirit of the act that it expressed in the mandate given to the commission. "Give us your money, we will take care of it. The system is financed only by you, the employers and the employees, but it does not matter, we will put all the obligations on your side, and we, as a government, will make no commitment". It would have been a nice place to find a commitment by the government to say if the measures really have an effect on employment.

Will the unemployment insurance reform, in one, two, three years, have the impact expected by the government and help people find a job more easily? There is no obligation of this type in this clause. All that will be done will be to check how people have adjusted. It is truly the bureaucratic approach. Punitive action will be taken, the commission will see how people react to this action and, one year from now, the government will be in a position to say that there are more abusers than before because the act will have been made more complicated so as to produce more abusers.

This is an absurd way of thinking, because the unemployment insurance fund is fully financed by employers and employees. They are the ones who should have their say in the reform. There should be something about employment in the bill. Since the commission is asked to report to the minister, to produce an annual report of its assessment and the additional reports that the minister may request, do you not think that it would have been normal to say somewhere in the bill that the government will adopt unemployment reduction objectives, labour utilization objectives, that it will try to give people more jobs and that the commission will have to report on the effectiveness of the measures taken to meet those objectives?

No, according to the bill, the reports will deal with the success of the follow-up on people. It says, for example: "How the benefits and other assistance are utilized by employees and employers, their effect on the obligations of claimants to be available for and to seek employment".

• (1745)

The whole bill is based on the principle that people are abusers. In our society, it has been proved by statistics that only 4 per cent of the three million people having claimed UI benefits were abusers. Let us look at any other legislation, the Income Tax Act, for instance, to see if there is no more than 4 per cent of dodging. Is it normal to pass a bill imposing on all workers, in a deliberate and exaggerated way, rules that are specifically intended to deal with 4 per cent of Canadians? The government could have drafted a bill which looked at things differently.

The first thing it could have done is state that the commission is allowed to let employers, employees and all those concerned have their say. When the bill states that "The commission shall monitor and assess how individuals, communities and the economy are adjusting to the changes made", why is the burden of proof not reversed to let people come to testify and share their experience?

Nowadays, when we hear accounts like the one we heard at the demonstration in Rivière-du-Loup, where a young woman told us that her brother and her spouse committed suicide because of a lack of jobs and of the insecurity created by the UI reform, I think there are questions we must ask ourselves. We are not here simply to manage millions and billions of dollars. We are also here to create systems which will make people as happy as they can be and give them the opportunity to earn a decent salary to support their families. This should be part of the objectives of any government. We are not only accountants. We are people who have to make sure that laws promote development for everyone.

I would like to draw the attention of the House to a new element the government is trying to slip through with this bill. It has decided that those who would refuse training programs would no longer have the right to appeal. Let us take the example of young people who have studied and graduated, then landed a first job, but now find themselves in an impossible situation. There are no jobs in their field. They must decide if they will accept another training program and find out if there will be programs offered in their region, if they will have to move and what exactly they will be offered. If they refuse, they are automatically penalized and cannot appeal against that decision.

We know that, in legislation as complex as this bill, many decisions are interpreted differently depending on the official, not because government officials are not skilled, not because they do

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not know their subject well enough, but simply because provisions can be interpreted in different ways. The 45 or 50-year old employee who just lost his job because of technological changes and who is offered training in an area he knows nothing about is told by the official that the training will help him find a new job.

A worker aged 45, 50 or 55 who has just lost his job and needs unemployment insurance, may not need specialized training but rather some training to face the labour market, to find out what is coming and what kind of choices he will have to make. If we tell him: "Well, you always worked in construction, but the area where we expect employment in the future is tourism, you must go and take a 52-week course in tourism", this person, who never worked in that sector and thinks he might not have what it takes and would rather think about it a little longer and find out whether there are other programs or other things which would interest him more, is going to face a situation where he will not be at liberty to refuse.

It is more and more the state that is going to move people about, like pawns on a chess board, to get them to take a training course. If we, in our riding offices, are not aware that a fifteenth person is needed to complete a group so the course can be given, could the counsellor, at that time, be faced with a situation where he must steer someone in that direction, to fill the fifteenth slot, even though that training course might not really meet his needs according to his abilities, simply to be able to go ahead with the course, so that the 14 others to can receive their training?

• (1750)

According to the legislation, that person will have no other choice because if he refuses, he will be penalized and will not have the right to appeal. Others will come knocking on our doors because of a legislation that will not have corrected this kind of situation.

In clause 3, when it says that

The Commission shall monitor and assess how individuals, communities and the economy are adjusting to the changes made by this Act to the insurance and employment assistance programs—

it means the commission will have many things to monitor. There are many human factors, many variables in this bill. There will be significant secondary effects and numerous unforeseeable consequences.

Let us take just one example: the change from a system based on the number of weeks to one based on the number of hours. Will this change be good? Will it really make it possible for more people to qualify, as the government claims? Are there not secondary effects—for instance, the 910-hour requirement for new entrants, the increased number of hours compared to the old system—that will systematically force people onto welfare?

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Will there not be increased pressure on transfer payments? Will this not gradually lead to an absurd situation, in which the UI fund runs a surplus while reducing training for claimants and providing fewer services to those who need them?

The mandate given the commission in clause 3 will not help us reach our goal. To do so, we must find a way for the commission to report directly to Parliament so we can get to the bottom of this.

One only has to remember the myriad studies—there is talk of 26 studies—that were done on the employability of seasonal workers. It was like pulling teeth. The government put on the table the studies it was interested in, but several of them were never released.

In conclusion, it will be very important to make sure the commission has a clear mandate that does not simply reflect the financial consequences of the reform, but really assesses its impact on employment. That is why we are urging the government to approve our amendment.

[English]

Mr. Wayne Easter (Malpeque, Lib.): Madam Speaker, on this grouping of motions I listened again very intently, as I did the other day, to the human resources development critic for the Bloc party. I hoped to hear members opposite give some good, reasoned arguments for the amendments they are proposing in this section. Sadly their arguments were wanting.

We are reasonable people on this side of the House. We listen to reasonable arguments. As I said the other day, we listened to the reasonable arguments put forward at committee and as a result substantive changes were made to the bill. Several problem areas have been fixed. This bill is substantially improved and will meet much better the needs of seasonal workers and the needs of the regions of the country.

The member for Mercier in her remarks talked about cutting off entitlement. I want to refer to some of the numbers that were used by myself and others the other day. The fact is that more part time workers will be in the system: 500,000 more individuals will have their work insured. The 45,000 seasonal workers who, despite paying premiums, were not eligible for UI, will be eligible for EI. The hours based system is beneficial. In high unemployment areas somebody working a 45-hour week will now qualify with just over nine weeks of work.

This bill is actually improving the entitlement of people who are getting into the system. I want the member for Mercier to understand that.

• (1755)

The argument that puzzled me most was the member saying the bill supposedly gave a gift to corporations. Any of us who sat at committee, as did some of the members opposite, can recall what the representative groups from the big corporations, the Canadian

Chamber of Commerce, and so on, were saying. They certainly did not see it as a gift. They were concerned that perhaps too many benefits in the system were going to the less well to do and to seasonal industries.

Let us look for a moment at the maximum insurable earnings that the member talked about. They are being reduced to bring the MIE into line with the average industrial wage. That makes sense. When the UI system first came in, the maximum insurable earnings were at the industrial wage level but they have gone out of line over the years. They have to be brought back into line. That is what this bill does.

The maximum insurable earnings have to be brought into line gradually with balance so that people are not unduly affected. Dropping them to \$39,000 means that they will fall to about 17 per cent above the average wage in the year 2000 versus growing to about 47 per cent above.

When I talk to the people in my area, they cannot understand why some people cannot live on over \$40,000 a year or slightly higher and why they need to draw unemployment insurance at that level.

This bill is trying to come to grips with that and better balance the system. We will admit that while this results in some high income earners and their employers paying less in premiums it also means that there are substantive savings on the expenditure side as such workers will receive substantially less in benefits.

Keep in mind that the benefits are less at the high income level, bringing better balance to the system. The people who need the system in the regional industries can continue to take advantage of it. I see that as a major improvement to the system, one about which people have come to me and asked be changed.

I hate to accuse members of the Bloc Quebecois of throwing a red herring into this debate but I have to. They say there is no appeal for training programs. They are trying to negate the bill on the basis of that point. Let me ask, is there an appeal process under the current system that they seem to accept without criticism? There is not.

Let us take a closer look at it. The appeal mechanism in place for EI claimants and part I benefits is a formal process to ensure that regulations spelled out in legislation governing the EI fund are being adhered to, and that individuals are not being denied the benefits to which they are entitled. That is under Part I.

There is an appeal process at that level. I do not like to see this kind of fearmongering going on, and people saying there is no appeal process. There is one under part I.

Part II is substantially different. Part II is based not on an individual entitlement but on a framework of benefits and measures that can be implemented with discretion and judgment according to local and regional needs and priorities. Decisions are made, not on objective criteria bound by strict rules and regula-

tions, but within guidelines and strategies developed to respond to labour market conditions and the needs of the local work force.

Individuals, groups, employers and others may all be recipients of program resources. It would not be appropriate or practical to introduce a formal appeal process to such a framework. It is not in the current system. This is what I find absolutely amazing. I have never heard that complaint about the current system.

• (1800)

Given the fiscal framework, it is not possible to meet the expectations of every group and individual. While exercising flexibility and discretion, local offices must at the same time ensure that decisions are made fairly, equitably and transparently within an overall strategic planning process. Officers are held accountable for results, including participation by priority groups.

I wanted to raise those points because there is some strange information and a little bit of fear mongering which is being put on the record by members opposite.

I will raise one last point. I believe the last speaker mentioned the zero to 15 hours as if moving to the hours based system was a problem. We had this debate previously. I must remind the member again that by moving to the hours based system we improve the system substantially.

We will be getting out of the 15 hour trap which mainly affects women and to a great extent people who work in fast food outlets. The new system allows multiple job holders to get into the system and to draw benefits if needed, which we hope they are not because we are working very strenuously on the side of employment. However, the hours based system will help people get into the system if they need to. The benefits to a great extent will help women who are presently not entitled to get into the system. That is an improvement.

At least once during the debate members opposite should recognize some of the improvements in the system.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, I liked the speech made by my colleague from Malpeque, because it really spurs me on. Being gagged can lead to yawning and dozing off, but the previous speaker really gets us cracking, because for someone who was disappointed by the arguments heard so far he really used some very poor counterarguments. Let us dwell a little on what he said.

First of all, I have been a member of the human resources development committee ever since the Liberal Party was elected,

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along with the hon. member for Mercier and also my colleague from Kamouraska—Rivière-du-Loup, the last three speakers. Two years and a half ago, we travelled throughout the country and the hon. member for Malpeque says that he listened carefully to the views expressed during the last phase, that is consideration of the bill since it was introduced in the House. Let us see what he has to say. We ask for clause 3 to be deleted, because we think that it does not provide for a better role for the commission to play than it has now. So, we want clause 3 to be deleted.

Why? Here is the first argument about clause 3. What does the clause say?

(1)The Commission shall monitor and assess how individuals, communities and the economy are adjusting—

We wanted to know the real impact of the legislation, not the way people are adjusting to it, because that is the whole issue here. The main hypothesis behind the reform proposed by the Minister of Human Resources Development is that individuals should adjust to the cuts and the commission will assess how they are adjusting. But what we wanted to find out is the real impact these cuts have on the regional and local economy. This is outside the mandate of the commission.

The hon. member says he is disappointed by our amendments. For the member's information and others' as well, let me point out that, at report stage, the opposition cannot move amendments that can incur expenditures. This means that, under the parliamentary rules presently in force, this type of amendment must be proposed by the government in order to be admissible.

• (1805)

The best evidence of this is the fact that, in committee, three members proposed amendments; I do not remember the name of their ridings, but they proposed three amendments. Because they implied financial changes, these amendments could not be proposed during clause by clause consideration of the bill; they had to be submitted in this House, by the government.

One must be careful before criticizing the opposition's behaviour. One must understand the rules. The opposition respects the rules. This is why we did not propose amendments that would have had financial implications. If it had been possible for us to do so, we would have proposed several amendments of this type. For example, there is the \$2 billion cut resulting from the reform. We would have seen to it that the reform had no impact at all, in other words that there would have been no \$2 billion cut. Unfortunately, the Liberal Party did not understand that.

There is also the consequence of reducing maximum insurable earnings. There are people, employees as well as businesses, who will benefit from this \$900 million gift, since there is, by lowering

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insurable earnings from \$42,430 to \$39,000, a loss of \$900 million to the government. It must be said, though, that the target group used to benefit in the past from \$200 million in unemployment insurance benefits.

For the time I have left, I will dwell on a significant point raised by the hon. member. Speaking of rights of appeal, it is said that Part II on employment services has a collective rather than an individual scope. I believe this is misunderstanding the problem. It must be remembered that the unemployment insurance claimants who will be affected are individuals.

I will give you an example of what exists presently in employment services. We, in the opposition, have deplored it. We spoke at length about it in committee, and I believe the member was there. We said that in the program SEA, which helps people set up their own businesses, there is presently no right of appeal. I will give you a concrete example in my riding.

We have two employment centres in my riding, two centres which presently administer this program, which, by the way, was put in the new bill, under the same form. They changed its name, but it is essentially the same program. In the past, two people who knew each other decided to set up a business together. One went to one employment centre and the other went to the other for himself because the service is provided on an individual basis, even though they wanted to start a new company together. The first one's application was accepted while the other's was rejected. When the latter learned it, he mentioned to the employment service officer that his friend's application had been accepted, but the answer he got was that the decisions concerning that part of the program cannot be appealed.

The hon. member for Malpeque argues that it is collective and so on. Those are workers who, after losing their job, go to an employment centre to receive their benefits. After unsuccessfully looking for a job, they come to the conclusion that it is difficult for them because of their age or for other reasons. They then think of starting a company, so they devise a business plan that allows them to get benefits for a longer period.

After that, there is an assessment by a public servant or a committee but the decision cannot be appealed. In this specific case that occurred in my riding, the individuals could not even be heard. The decision was made by a committee without the individuals being able to argue before the committee.

If there is one thing I want as a Quebecer and I wish for all Canadians, it is that in all government programs, a person never be subjected to a decision made by one person or even by a committee without having the right to appeal. I think that by denying that right of appeal in Part II of the bill, the government is not showing the will to improve the system for the people.

• (1810)

Why are the appeal procedures important? According to the unemployment action groups, when a case goes to arbitration,

three out of four decisions are in favour of the recipient. Let me repeat something that can never be said often enough: this bill is intended to seek out UI cheaters. As the Minister of Human Resources Development told the committee the other day, "It is dreadful".

The figures the opposition has asked for and obtained tell us that, in 1991-92, 130,000 people were found guilty of defrauding the system in Canada, while the figure for 1995-96 was 116,000. That means there was a decrease of 14,000. This is not a growing problem, but a lessening one. What premise is the new unemployment insurance reform based on? Certainly not on this.

Let us look at recovery. Of the \$272 million recovered in 1995-1996, that is last year, only \$93 million were recovered from individual cheaters. The remaining \$179 million were due to honest mistakes on the part of claimants or of the Human Resources Development Department. Mistakes.

While it is still possible, we should change the spirit of the reform to make it not a hunt for so-called cheaters or potential cheaters, but a hunt for mistakes and delays.

This brings to mind the guaranteed income supplement paid to some seniors. We know that there have been delays again this year. Last Friday, the minister apologized for the problems caused by this situation. Meanwhile, the government reduces the number of employment centres and increases the number of computer terminals.

Our goal should be to eliminate errors, to improve the system so that people do not get penalized. I also believe that we should go back five or six years and remedy to errors done by the Department of Human Resources Development in three cases out of four by giving refunds.

[English]

Hon. Roger Simmons (Burin—St. George's, Lib.): Madam Speaker, I too want to say a few words on Bill C-12.

I want to support the legislation as I did earlier in this House because I believe the time has come for a change in the legislation. The past system was not working, not doing the job it was intended to do and just was not good enough. The system had served its purpose fairly well over the years but the time had come where it had outgrown itself and it was time for a basic structural change. I am not the only one who believes that of course. We are told that fully four out of five Canadians believe that the existing system is not working and needs to be fixed.

The legislation, initially introduced last December by the now Minister of Foreign Affairs, is meant to address the calls of four out of five Canadians for a structural change in the system. The

legislation is also meant to make the system more workable, affordable, modern and more functional.

I want to talk particularly about the impact of the changes on seasonal workers because I proudly represent the constituency of Burin—St. George's. This riding has a number of industries which by their very nature are seasonal, for example, logging, fishing, mineral extraction, construction. The overwhelming majority of my constituents earn their living from seasonal work activity.

The downturn in the fishery of course has not helped the situation. When I first came to Parliament I would stand in the House and brag that my riding had the same unemployment rate as Alberta at the time, which was about 4 per cent. The disaster in the groundfishery has changed all of that, of course. The unemployment rate in Burin—St. George's is the highest anywhere in Canada. It is 35 per cent, to the degree that it can be measured at all. Therefore, members will understand my particular emphasis today on how the bill will impact seasonal workers.

• (1815)

I believe that many seasonal workers will find the new employment insurance program to be a big improvement over the old UI program. One of the most important changes is the shift to calculating eligibility through hours of work, not weeks, which was the old, arbitrary method. Many people in seasonal industries work long hours when the work is there, far beyond the normal work week of 35 or 40 hours. People in those industries tend to work much more than 40 hours when work is available.

More workers in seasonal industries will qualify. Some will qualify sooner because of the extra hours I have just mentioned. Many will get benefits for a longer period. These are some of the good features of the legislation.

This change alone will bring benefits to 45,000 workers in seasonal industries who are now shut out of the system. It will add about three weeks more benefits for an additional 270,000 workers. I are talking about people like construction workers, fishery and forestry workers. They can all put in more than 50 hours a week. Under UI they never received credit for those additional hours of work. Now they will because the eligibility is based on the number of hours worked.

The new system will benefit workers in a number of other ways. However, the benefits of the program are fairly well known and I believe I have an obligation to focus on some of the concerns which my constituents and I have had with the legislation.

As good a piece of legislation as it is, it was never carved in stone, as the former minister said. I want to give credit to the new minister for the efforts which he has made and for the success he has had in bringing improvements to what was a fairly good piece of legislation in the first place, but needed some wrinkles taken

Government Orders

out. Through the amendments, of which the minister is supportive, which we will be dealing with in the next day or so in the House, it is a much better piece of legislation now than when it was introduced in December.

For example, I had real concerns about the intensity rule. That rule would penalize people who, through no fault of their own, could not find enough work on a continuing basis and, therefore, would have more recourse to drawing benefits than would other people in other parts of the country. I felt from the beginning that was wrong. I still believe it is wrong.

The amendments which are being proposed will largely address that rule, particularly for the person who draws less than \$26,000. However, I still say that the principle is wrong. It is a principle that I cannot support, when two people who engage in the same work activity at the same rate are paid different rates of benefits. I have had difficulty with it from the beginning. I could not support it then and I cannot support it now.

What I can support is the marvellous progress that has been made to address the needs of the low income worker, the worker who earns less than \$26,000. Without taking the House through the details, members will be aware that marvellous strides have been made to address the situation of the low income earner.

I had concerns about the so-called divisor method. I am delighted that the amendments address that issue. My people and I have felt from the beginning that their benefits ought to be based on weeks worked, not on some arbitrary divisor which factored in weeks that they did not work, for example.

• (1820)

I had some concerns about the eligibility rules as they affect new entrants. I had some concerns about the clawback of benefits. I believe these matters are being addressed, explained and understood better by people who will be directly affected.

The impact on seasonal workers in my riding and in Newfoundland will be good. It will be a positive impact. They will be better off in a number of ways than they were before. There are particular pockets of people it would have impacted adversely but I believe the amendments that will be put before the House will deal largely with those issues. For that reason I am very pleased to give my support to the principle of the bill and to the various provisions in it.

However, as I said and will continue to say and act accordingly, I cannot support the principle that says we pay people who earn at the same rate different benefits on the basis that they accessed the employment system more frequently over the previous five years. I will not dwell on that at length. I believe everyone in the House and outside the House knows my feelings on that issue.

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The Minister of Human Resources Development and the standing committee deserve a lot of credit for the improvements they have made to the initial legislation. As a result it is a much better bill, one which will benefit my constituents and others throughout the country.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I am pleased to rise and speak to Group No. 4 of the amendments to the bill. Naturally, I agree with the proposals and amendments submitted by the Bloc Québécois on the Unemployment Insurance Commission.

I was an unemployment insurance referee for eight years in Montreal. What the commission needs is real powers, a real system for appeals to both the board of referees and the umpire as well as to the Federal Appeals Court.

The board of referees comprises three persons: an employee representative, appointed by the union; an employer representative appointed by employer associations and a chairperson. The chair of the board of referees is appointed by the government, that is, by the Minister of Human Resources Development, and the appointment involves patronage.

Had this bill made provision for the end of the patronage system, I would have no trouble supporting it, but it makes no such provision. Neither does it contain any provision to shorten the time period involved. We know that if a person is not satisfied with a decision by the board of referees, an appeal must be made to the umpire, which takes two or three years. A lawyer is involved, and justices from Ottawa go around hearing these cases.

• (1825)

Effective measures should have been taken to establish a real appeal system for those who are not satisfied with the decisions taken by officials. Many people consider that the commission members often make arbitrary decisions. Their decisions are made lightly, without meeting nor hearing recipients. There are errors in law or errors of facts. So, for all these reasons, I think that clause 4 cannot be agreed to as is.

I take this opportunity to regret and condemn the government's actions in gagging Parliament once again on this crucial bill. It gagged the committee on human resources development and even the House, when we have almost reached the end of the debate. This is not democratic. A government cannot suppress freedom of

speech. A government cannot silence the opposition. It has no right to do so, especially about a bill as crucial as Bill C-12.

I never saw any change as fundamental as these ones since 1935, when the first Unemployment Insurance Act was passed. Unemployment insurance was a necessary system at that time, it still is and will remain so for workers. It is in existence in every country of the world, including the developing countries. I condemn this lack of democracy in Parliament. Many people who want to share their ideas cannot do so because the government is arbitrarily limiting the time.

In any case, I oppose this reform because it is unfair and regressive. Once again, I wish to express solidarity with the unemployed. I have been in Canada for 22 years, I have always worked, I have never been on unemployment insurance, but I have seen, as an arbitrator on the arbitration board, hundreds of human tragedies, people who were coming before us and whose only income was unemployment insurance.

They are already penalized because they were fired or laid off by their employer, sometimes after 25 or 30 years. They will not be able to find another job, because for people who are 45 years old and over, it is so difficult to find another job. These people were penalized by being laid off and they are penalized even more today by this bill, especially, as was said earlier, women, seasonal workers and immigrants.

This is a bill that is creating poverty. With regard to immigrants, an issue on which I have been working since 1980, the poverty level among immigrants is much higher than among people who were born in Canada. In 1994 for instance, 17.8 per cent of all families headed by an immigrant and 42.9 per cent of single immigrants were poor. By comparison, the poverty rates for families and individuals of Canadian stock are 12.6 per cent and 36 per cent respectively. As you can see, there is quite a striking difference between Canadians who were born here and those who came here. This bill will only make things worse.

I would like to conclude by saying that I, and the Bloc Québécois as a whole, demand that Bill C-12 should be withdrawn immediately.

The Acting Speaker (Mrs. Ringuette-Maltais): It being 6.30 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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