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(HANSARD)

Tuesday, May 14, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, May 14, 1996

The House met at 10 a.m.

Prayers

[*English*]

The Speaker: Colleagues, would you please join with me in welcoming home the oldest sitting member of our House of Commons. Herb, we have missed you. Welcome home to your House of Commons.

Some hon. members: Hear, hear.

[*Translation*]

POINT OF ORDER

HON. MEMBER FOR NANAIMO—COWICHAN—SPEAKER'S RULING

The Speaker: Colleagues, on May 1st, 1996, the hon. member for Richelieu raised a point of order to argue that, contrary to my statement that remarks made outside the House are not necessarily within the purview of the House, the hon. member for Rosemont had been obliged in 1993 to withdraw remarks he had made outside the House. I explained that, as I recalled the 1993 case, it differed because the remarks made in that instance concerned the House directly. Nonetheless, I promised to review the matter and come back to the House, if necessary.

[*English*]

I am now prepared to respond to this point of order. Let me point out that the 1993 case is not analogous because the remarks in question were a direct attack on the Chair. What was at issue is that a member was reported in a newspaper article and had criticized the conduct of the Assistant Deputy Chairman of Committees of the Whole.

Remarks critical of the speakership, be they uttered inside the House or outside the Chamber, particularly when uttered by a member of the House, are very serious and in themselves have been ruled to be breaches of privilege as per Beauchesne's sixth edition, citation 168(1):

Reflections upon the character or actions of the Speaker may be punished as breaches of privilege. The actions of the Speaker cannot be criticized

incidentally in debate or upon any form of proceeding except by way of a substantive motion.

[*Translation*]

When this matter was raised in the House in 1993, the hon. member for Rosemont was given the opportunity to respond and explain his comments. Speaker Fraser, having listened to this explanation and to remarks from all sides of the House, stated, in part, on page 17404 of the *Debates*:

If we consider the words that were reported, we clearly have a prima facie case that affects the dignity of this House and our colleague, because our colleague is an officer of this House—like the Speaker, he is an officer of this House and an attack against the integrity of a person in that position is an attack against this House.

The Speaker ruled the matter to be a prima facie question of privilege. A motion was moved to refer the matter to the then Standing Committee on House Management for examination, and the motion was adopted. Two days later, the member for Rosemont rose in the House and withdrew his comments. From there, the matter was considered closed.

There is no question that both sets of remarks, the remarks by the hon. member for Rosemont in 1993 and the remarks by the hon. member for Nanaimo—Cowichan, two weeks ago, were made outside the House. The distinction to be made between the two, however, is not where the remarks were made, but rather that the remarks in one case were critical of the Chair and in the other case were not directed to the House or any of its members.

I thank the hon. member for Richelieu for bringing this matter to the attention of the House.

ROUTINE PROCEEDINGS

● (1010)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

*Routine Proceedings***CANADIAN SECURITY INTELLIGENCE SERVICE**

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the 1995 public report and program outlook of the Canadian Security Intelligence Service.

* * *

NATIONAL SECURITY

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, before I give the annual statement on national security, I would like to express my sincere thanks to colleagues on all sides of the House for their expressions of support, encouragement and good wishes. I appreciate them very much, as I appreciate similar expressions from Canadians in every part of the country.

I am especially touched by expressions of support and encouragement from people I likely have never met who have faced situations similar to the one I am facing and have surmounted them. Once again, my deep thanks to all these expressions of encouragement and support. I am deeply touched by them and I appreciate them very much.

I am pleased to rise today to present to Parliament the fifth annual statement on national security and to table in the House the 1995 public report and program outlook of the Canadian Security Intelligence Service. This document provides both parliamentarians and the public with a review of the current global and domestic security environment.

Additionally, the program outlook provides information on CSIS resource levels for the current year and for the two next fiscal years. We are providing this information in keeping with the government's commitment to more openness and accountability.

It is the view of the government that a well focused and effective security intelligence capability is vital in today's world. Let me review the efforts of CSIS to protect Canada's interest and, most important, to protect Canadians from threats to their safety and security.

Today's security threats are multi-faceted. I say this because they are global in their reach and effect, they come from a variety of sources, not just a few states as during the cold war era, and they are targeted against a wider range of institutions.

For example, today economic espionage is a real concern. So is the proliferation of nuclear, biological and chemical weaponry. Ethnic conflict and the collapse of states threaten international security and have numerous implications for a country such as Canada which is noted for its refugee efforts and peacekeeping contributions.

Transnational crime was identified by leaders at the last G-7 summit as a growing threat to the security of nations. I think the House is well aware that terrorism remains the primary concern of security agencies around the world. We know the terrorist threat is increasingly sophisticated and global in nature, with some organizations having transnational structures while some continue to be state sponsored.

We must also face the reality of domestic extremism which has been manifested so tragically in the United States in the bombing of a United States federal building in Oklahoma City last year and in Japan with the poison gas attacks on Tokyo subways.

In another act of domestic terrorism we were horrified late last year by the assassination of the former prime minister of Israel, Yitzhak Rabin, an act which has threatened the very delicate efforts which we hope will bring about peace in the Middle East and which contributed to the latest resurgence of violent outbreaks between Israel and Hamas in Lebanon.

• (1015)

In another corner of the world we see the resumption of IRA bombings of civilian targets in Britain. The assassination of Prime Minister Rabin and the resumption of IRA bombings are examples of how promising political solutions to longstanding grievances can be jeopardized when terrorists strike.

I want to confirm that Canada has been a keen and active participant in international co-operative efforts to combat terrorism. In June of last year the Prime Minister chaired the G-7 summit in Halifax which placed international terrorism high on the agenda of discussion by world leaders.

The heads of government agreed to share their experiences of and lessons learned from major terrorist incidents. As well, they agreed to strengthen their co-operation in all efforts against terrorism.

Following up on this commitment, last December in Ottawa I chaired the very first ministerial level meeting of the G-7 countries, together with Russia, to discuss specific co-operative measures to prevent and investigate terrorist acts. The result of that meeting was a document known as the Ottawa declaration. It is a milestone in international co-operation and in the strengthening of our common resolve to defeat terrorism. I would like to briefly review the agreements contained in the Ottawa declaration.

First, we all know of the existence of a number of international conventions that spell out concrete actions against terrorist acts such as hijacking and hostage taking. We resolved that greater efforts needed to be made to get all states to join in and implement these conventions by the year 2000. We agreed that this is the key to circumscribing the ambit of international terrorism and denying it sanctuary.

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In this spirit, the ministers were unanimous in denouncing states that support terrorists. The declaration called on all states to renounce terrorism and deny financial support as well as the use of territory to terrorist organizations. Ministers also committed to action to inhibit the movement of terrorists and to develop measures to prevent falsification of travel documents.

The Ottawa declaration was unequivocal on the need to bring perpetrators of terrorist acts to swift justice. We also agreed to increase our preventative efforts against terrorism in our aviation, maritime and other transport systems.

One of the most important tools we have to counter terrorism is the sharing of information. We agreed, through the Ottawa declaration, to strengthen the sharing of intelligence in information on terrorism in a large number of specific technical areas.

[Translation]

We were encouraged by the progress made in Canadian and multilateral efforts to combat terrorism, and we are proud of the significant accomplishment embodied in the Ottawa Declaration.

As the Prime Minister stated to the participants of the March Summit of Peacemakers in Egypt, Canada is doing its part to fight terrorism and we are doing so in a way that is consistent with international standards of human rights and laws.

He noted that Canada is pursuing the objectives of the Ottawa Declaration in every available international forum.

Further progress was made on this front just last month, when Canada joined with twenty-one western hemisphere countries in signing the Lima Declaration, at an anti-terrorism conference of the Organization of American States.

[English]

Here at home we continue to monitor threats to security and their implications for Canada. We are concerned, for example, with the potential for foreign conflicts to spill over to Canada and threaten Canadians. Canada, by its very peaceful and democratic nature, can be attractive to terrorist organizations seeking sanctuary or funds to continue terrorism in other lands. CSIS identifies and investigates such groups. It acts as the linchpin in assuring effective consultation and information sharing with appropriate Canadian law enforcement agencies, including the Royal Canadian Mounted Police and other police services as well as with its foreign counterparts.

• (1020)

The primary role of CSIS is to forewarn and advise. CSIS threat assessments provide timely information to the government concerning potential or imminent threats. As well, CSIS helps keep terrorists and other dangerous individuals from entering Canada

through its assistance to Citizenship and Immigration Canada in screening individuals wishing to enter our country.

I mentioned that CSIS, while not itself a law enforcement agency, works in co-operation with the police, in particular with the RCMP. I should point out that the RCMP has an important role to play because of its extensive role in security enforcement under the Security Offences Act and in providing security to designated persons, federal property, as well as foreign embassies and missions here in Canada.

Violence in the pursuit of political objectives has no place in Canadian society. While CSIS and the police have separate mandates, they are joined by a common mission which is to protect the interests of all Canadians. Co-operation and co-ordination between police and security authorities has proven successful in defining threats and getting the best possible intelligence on criminal activities of terrorists.

Although since the end of the cold war espionage has changed its focus and its character, its intensity remains a concern to Canada and its allies. CSIS remains vigilant and active in discerning and investigating such threats to the security of Canada.

Canada plays a prominent role in the world community. We all know well that in various areas of the world, the world community is fraught with strife and unrest. In this volatile environment persistent threats must be dealt with and new ones emerge almost daily.

I want to conclude by reiterating that this government continues to put a premium on the need for reliable and timely security intelligence and security enforcement in order to protect the interests of all Canadians and of Canada.

[Translation]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, I would like first of all to say how pleased I am to see that the Solicitor General is back. We were all very concerned about his condition during his absence, and we are pleased to see him back in his seat today, because he was sorely missed. This makes us realize how fragile a gift health is. As the hon. member for Laval Centre would probably say, we must be ever mindful of our health.

I am somewhat torn between the pleasure of welcoming the Solicitor General back and the comments I have a duty to make, as a member of the official opposition, about the Canadian Security Intelligence Service. Having participated in 11 elections, the Solicitor General will no doubt understand that, as much as I may admire his work, I must also do mine, hence the following criticism.

Of course I agree with the statements of principle the Solicitor General made with regard to the role of the Canadian Security

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Intelligence Service. I am also happy to see that the hon. member for Fundy—Royal agrees with my previous remarks. I hope that we can continue to see eye to eye.

The trouble does not lie so much with what the Solicitor General said. We can of course readily share his views about Canada's best interests and threats to national security. On the subject of espionage, industrial espionage and new spying techniques, he expressed some interesting thoughts because, as he said, these problems have to be tackled.

• (1025)

He talked about the worldwide nuclear threat arising from the break-up of countries possessing deterrent and even nuclear attack capabilities; that too is something that concerns us. The same goes for international terrorism using chemical weapons. The incidents in Oklahoma City or Tokyo and the assassination of Prime Minister Rabin in Israel were mentioned.

But not a word was said about the role played by the Canadian Security Intelligence Service at home, in Canada, and that is our main concern. Our main concern stems from the realization that, for all intents and purposes, the Canadian Security Intelligence Service is out of control. It has literally become a state within the state.

Who knows about CSIS operations? Perhaps a handful of officials at the Department of the Solicitor General, sometimes the Solicitor General himself. But it has become obvious since the beginning of the 35th Parliament, since I personally became involved in the work of the national security sub-committee, that the Canadian Security Intelligence Service does not have any watchdog, inasmuch as the legislation provides for one, in the form of a review committee, which reviews whatever it is given to review.

The Security Intelligence Review Committee, or SIRC—CSARS in French—is an organization that has demonstrated its utter inefficiency in carrying out the duties entrusted to it by Parliament. If the Solicitor General has privileged information from SIRC, he should pass it on to us.

Since the end of 1994, almost two years ago, we have been working on the Heritage Front affair. This problem did not occur in Israel, Belarus or the Middle East, but here in this country. There are allegations that an extremist group may have committed illegal acts here in this country.

For two years we have been bogged down in our efforts to enlist the co-operation of members of the famous SIRC or Security Intelligence Review Committee, who have appeared before us parliamentarians in the Sub-committee on National Security but who have been hiding behind their so-called immunity to refuse to answer the legitimate questions asked by members. This ordeal

has lasted for nearly two years. They laughed at us and refused to answer our questions, so that we have not made much progress so far. We, of course, had to make deductions rather than rely on honest, clear and precise answers to our questions.

There is a problem in a democratic society when a review committee, an external committee like SIRC, sees parliamentarians as the enemy. Rather, those people should see us as those who are responsible for public administration and for monitoring them, and should give us all the information they have without arguing. Unfortunately, such was not the case.

It is with sadness that once again this year I must point out that the membership of SIRC has not been reviewed. We as the official opposition, and the hon. member for Surrey—White Rock—South Langley on behalf of the Reform Party, had asked that SIRC be a reflection of the 35th Parliament. Who are the members of SIRC, the Security Intelligence Review Committee? Only people who represent or were appointed on the recommendation of the Liberal Party of Canada or of other parties that are not even recognized any more in this House, namely the Progressive Conservative Party and the New Democratic Party. Since the beginning of the 35th Parliament, no one has been appointed on the recommendation of the Leader of the Opposition or the leader of the third party. This is not normal.

How can we trust an organization that deals in this fashion with national security issues that may have a direct impact on democracy in Canada? The level of confidence is extremely low, and perhaps even non-existent. Psychologists refer to "basic trust". The basic trust is no longer there. The basic trust required for an organization to function properly is gone; it has been gone for a long time.

• (1030)

It is imperative to amend the Canadian Security Intelligence Service Act so as to change, among others, the Security Intelligence Review Committee and decide on its membership at the beginning of each Parliament, based on the will expressed by Canadians through their ballots. It is not normal to see an organization such as this one represent political parties that were in place previously, instead of reflecting the current situation.

Once again, I urge the minister to consider this request to review the act. We will, of course, support the measures we have been seeking for a long time. I will continue to raise this issue.

I also want to point out the lack of co-operation between the government and the parliamentary sub-committee on national security. Throughout 1995, and for a good part of 1996, we benefited from the contribution of the hon. member for Scarborough West, who was a full-fledged member of this committee. His help allowed us to make major progress on the Heritage Front

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issue, concerning which we should normally table a report. In fact, we are meeting this morning at eleven.

I urge government authorities, and particularly the Solicitor General, to reinstate the member for Scarborough West as a full-fledged member of the national security sub-committee, so that we can arrive at a decision. The member was a regular at the committee, as well as a leader in the search for truth that we were obliged to conduct by inference, since we had little information to go on.

I also ask the government to follow up on the unanimous wish of this House, as expressed by the adoption of Motion M-38, on March, 21, 1995, more than a year ago. The motion, tabled by the hon. member for Scarborough—Rouge River, asked that the operations of the Communications Security Establishment, the CSE, be reviewed by an independent body. The CSE was set up during World War II, by order in council and, today, its operations are not monitored by anyone, except the Prime Minister's office and, from time to time, the office of the Minister of National Defence. The time has come to act, since the House sent a message to that effect.

As I said earlier, we should amend the Standing Orders of the House of Commons, to make the Sub-committee on National Security a standing committee. The same members could sit on this standing committee and meet throughout the duration of a Parliament. They could have a much broader power of inquiry than they have now, including the powers to call witnesses, to order the production of documents and to carry out in-depth cross interrogations, things we cannot do right now. We are a bit like a paper tiger and have become a laughing stock.

Moreover, all reports submitted to the Solicitor General pursuant to section 54 of the Canadian Security Intelligence Service Act should also be forwarded to the Sub-committee on National Security for examination, in camera of course. Granting us this power would go a long way in enhancing the role we have to play as parliamentarians. Such a committee would provide a very efficient service and help all Canadians to regain confidence in the parliamentarians they have elected to run the country.

We have one last request for the Solicitor General. We would like the government, through the Treasury Board, to act as soon as possible in order to grant, as requested by the current director of CSIS the money needed to pay the bilingual bonus to RCMP officers transferred to the service when it was first established in 1984, as well as to other employees of the service. In a letter he sent us last Friday, the Solicitor General said that in order to pay these bilingual bonuses cuts within the service would be needed.

• (1035)

The thing is, we should not have to cut the services CSIS needs, rather we must inject the money needed, as was done in the rest of the public service, in order to pay a bilingual bonus to the employees who deserve it and are entitled to it.

Mr. Speaker, I thank you for your indulgence and your patience and for giving me 20 additional seconds to conclude.

[English]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on behalf of the Reform Party I would like to take this opportunity to welcome the Solicitor General of Canada back to the House. Our prayers have been and continue to be with him.

I am sure the minister knows better than the rest of us that the demands of government and the House do not wait for any one individual.

Today we have the annual national security address. As is tradition, the minister has reminded us of some recent terrorist activity: last year's bombing of the federal building in Oklahoma City, poison gas attacks on the Tokyo subways, the recent assassination of the Prime Minister of Israel and the resumption of IRA bombings in London. Terrorism remains a worldwide problem.

In addition, the media is usually full of tragedies arising from conflicts around the world. Many of these conflicts from faraway lands have implications here in Canada. Be it the Middle East, Bosnia, Somalia, Sri Lanka or Punjab, conflicts in these diverse locations impact on the emigre communities in Canada. While the overwhelming majority of immigrants or refugees from these areas are intent on starting new lives in Canada, a small majority involve themselves in activities supporting terrorist groups.

As the minister stated in his address, Canada has joined the other G-7 nations to deal with terrorism. A document known as the Ottawa declaration calls on all states to renounce terrorism and deny financial support, including the use of territory, to terrorist organizations. While the government has congratulated itself on its efforts in this regard, its actual commitment has been somewhat underwhelming.

The minister boasts of the government's efforts to fight terrorism and to pursue the objectives of the Ottawa declaration. However, I would like to draw the attention of the House back to last year around this time.

On May 4, 1995 I asked the Minister of National Revenue about the Sikh militant group, the Babbar Khalsa, having charitable tax status. The minister's response was: "I would be grateful if the hon. member would provide that information so that investigations can be carried out rather than simply making allegations of the type she has made today".

I attempted to follow up this issue on June 5, 1995. On that date I provided the Minister of National Revenue with photographs of the founder of the Babbar Khalsa, surrounded by weapons, and a

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statement in which Talwinder Singh Parmar declared that if anyone wanted to commit suicide he should board an Air India plane.

The minister's response was a lame attempt at humour, stating that he felt it was contradictory for the Reform Party to be against terrorism at the same time that it was opposed to Bill C-68. That was the government's response to fundraising for terrorist groups a year ago.

Fortunately things have changed. The Prime Minister went to a conference in Cairo and suddenly the government is concerned about fundraising for terrorist groups. As well, we have a new Minister of National Revenue. There are grand pronouncements about the tough action the government will take to stop the support of terrorism in Canada.

Finally, on April 13, 1996 the government buried a small little notice in the *Canada Gazette*. The item was that Revenue Canada has withdrawn the charitable status of the Babbar Khalsa. A year ago the government thought it was a joke. Now it realizes that the Reform Party's concerns were valid right from the beginning.

I am sure the minister is aware that there are a number of other groups involved in this kind of activity. Last week we heard that the RCMP had arrested one of its former translators on charges of attempting to obstruct justice and perjury. According to a police affidavit this individual was hired by the RCMP to translate wiretaps in a major investigation into a Tamil-speaking Sri Lankan forgery and alien smuggling group.

• (1040)

Unfortunately for the RCMP, neither the translator nor the Mounties initial background check mentioned anything about his membership in the terrorist group, the Liberation Tigers of Tamil Eelam, also known as the Tamil Tigers.

The police stated: "It is our belief that he tried to infiltrate the RCMP while a member of a terrorist organization". The Mounties are concerned that the translator may have been working on sensitive documents relating to his homeland and they are now going through a damage control exercise.

Who would have thought that a translator in one of the solicitor general's agencies was actually working against the interest of his employer? It is important for the government to live up to its commitment to stop individuals living in Canada from supporting terrorists overseas.

The government cannot just talk about taking a stand against these activities, it must act and it must be seen to be acting. Burying announcements in the *Canada Gazette* is not sufficient. Let those involved know that their activities are unacceptable, make them illegal and prosecute them.

The minister says in his statement that he cannot canvas all the activities of CSIS and the RCMP in support of national security and I do not imagine that he would have.

In the May 12 edition of the *Vancouver Province* we learn that CSIS officers in British Columbia have been questioning Tamil leaders to determine if they are raising money to support guerrilla warfare in Sri Lanka. The response of the president of the Eelam Tamil Community Association of B.C. was that while he owes his allegiance to the Tamil Tigers, his group raises money only for humanitarian uses.

A number of terrorist organizations do have a faction that is involved in humanitarian endeavours, but how much money goes to humanitarian efforts and how much money goes to terrorist activities is impossible to measure.

If the government is serious about the Ottawa declaration, and if it is serious about the summit of peacemakers that took place in Cairo in March, it must make clear to everyone that support for terrorism will not be tolerated no matter what disguise it tries to take. Any organization that targets innocent civilians is a terrorist group and must be dealt with as such. The government may have to offend some individuals and groups to make that message loud and clear.

* * *

[Translation]

PETITIONS**UNEMPLOYMENT INSURANCE REFORM**

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I would like to table a petition that was sent to me by the workers of MIL Davie. It reads as follows: "Since 1990, the federal government has not contributed a single penny to the unemployment insurance program, which is funded entirely by workers and employers. Following legislative amendments made in 1990, 1993 and 1994, benefits paid have decreased, which has resulted in a large surplus in the UI fund. That surplus will reach an estimated \$7 billion by the end of 1996. Ottawa wants to reduce benefits paid by a further \$2 billion a year and use the UI fund surplus for its own purposes. We say no to drastic cuts in the unemployment insurance program and ask the House of Commons in Parliament assembled to withdraw this bill".

* * *

• (1045)

[English]

QUESTIONS ON THE ORDER PAPER

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

Government Orders

[Translation]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I would like to draw your attention to the fact that four questions to the Minister of Human Resources Development and one to the Minister of Public Works have been standing in my name on the Order Paper since March 11, 1996.

The government was supposed to answer these questions within 45 days, and that period expired a good 15 days ago. In the public interest, I would like to know when the government will answer these four questions, which will shed new light on a rather controversial issue, namely the transfer of the human resources development department regional management centre from Trois-Rivières to Shawinigan, an issue where the public interest has not been taken into account.

Mr. Langlois: Mr. Speaker, I simply wanted to mention that the hon. parliamentary secretary to the government House leader asked that all Order Paper questions be allowed to stand and the official opposition gave its consent. We want you to know there is unanimous consent in this regard.

The Acting Speaker (Mr. Kilger): I take the point of order raised by hon. member for Trois-Rivières under advisement. I thank the hon. member for having brought to the attention of the House and, in particular, of the government, the issue he raised quite a while ago already.

According to the practice in this House, the government should answer your question, as I hope it will, but feel free to call on the Chair if you think it necessary. Unfortunately, since nobody seems to be able to respond to this point of order for the time being, I will take the issue raised by the hon. member for Trois-Rivières under advisement.

[English]

Shall all questions stand?

Some hon. members: Agreed.

* * *

PETITIONS

HUMAN RIGHTS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I have two petitions signed by people in my riding.

The first petition contains 225 names. It refers to the Canadian Human Rights Act, which of course has already been amended. However, I will refer to the second part which has to do with the charter of rights and freedoms.

The petitioners pray that we do not grant societal approval of same sex relationships and homosexuality, including amendments to the Canadian Human Rights Act and the charter of rights and freedoms to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

The second petition is basically on the same matter. The petitioners pray that we do not amend the Canadian Charter of Rights and Freedoms to include or otherwise define the undefined phrase of sexual orientation.

[Translation]

The Acting Speaker (Mr. Kilger): I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 31 minutes.

GOVERNMENT ORDERS

• (1050)

[English]

EMPLOYMENT INSURANCE ACT

Hon. Lawrence MacAulay (for Minister of Human Resources Development, Lib.) moved that Bill C-12, an act respecting employment insurance in Canada, be read the third time and passed.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the employment insurance system set out in Bill C-12 is not just another version of the old UI program. It is in fact Canada's employment insurance system for the 21st century. It supports the government's agenda for jobs and growth. It is a system that Canadians themselves have helped to define and shape for the future.

As we have mentioned in this House before, we have had extensive consultations not only on Bill C-12 but on the whole question of social security reform over the past year and one-half. Over and over again Canadians from all walks of life, from every possible kind of business, occupation or organization repeated one message loud and clear: the best form of security is a job.

We have listened to that message. Employment insurance first and foremost is about jobs. It is about jobs in a very simple and direct way. It will make it easier for people to work longer and encourage employers to keep people in their jobs longer. It will help employers hire more workers. It will create more work and more jobs for Canadians. It will help increase the earned income of Canadian workers. Every part of this bill is focused on that goal. Let me give some examples.

With EI insurance premiums, the tax on jobs will be lower. The premium cut and reduced maximum insurable earnings will save workers and employers over \$1 billion in premium payments in this year alone. Streamlined administration and reporting requirements will save employers another \$150 million and some 300,000 small businesses will get a special temporary rebate so employers can afford to hire more workers.

This system will support job creation instead of perpetuating unemployment. Income benefits are structured to make it easier for people to work longer removing the barriers that sometimes keep people from accepting the jobs they need. This system is pro

Government Orders

employment and makes work pay. Active employment benefits are there for those who lose their jobs and need help getting back to work.

We will be reinvesting \$800 million in the tools which help people help themselves and create employment opportunities for Canadians. As well, we are investing another \$300 million in a transitional jobs fund to kick start employment in areas of high unemployment. Some 15,000 jobs for Canadians will be created as a result of this initiative.

When the measures described in this bill are fully implemented, there will be 75,000 to 100,000 more jobs for Canadians. That is just part of the story.

Employment insurance is an integral part of the government's broader vision for jobs and growth in this country. It is a growth agenda that sees economic growth going hand in hand with the best social security system in the world. Our agenda is based on creating a healthy economic climate for growth. We brought inflation down to its lowest level in 30 years. We are meeting and exceeding our deficit reduction targets. Our agenda recognizes Canada can compete with the best in the world.

Over the past 14 months the government's Team Canada approach to international trade has brought \$20 billion worth of new deals for Canadian exports. Every \$1 billion in exports means 11,000 jobs for Canadian workers. It can be seen that our agenda is beyond all doubt working. More than 600,000 new jobs have been created in this country since November 1993.

• (1055)

As jobs and our economy grow, we must ensure that our social safety net keeps pace. That is the fundamental message in the government's budget. We are taking action to ensure that Canadians can continue to rely on a strong social safety net that is affordable, effective and in tune with the future.

The bottom line is clear. This government is totally committed to bringing Canada into the 21st century with a strong and growing economy and the best social programs of any country in the world.

Bill C-12 is part of that commitment. We want to make sure that employment insurance is not only pro employment, but balanced and fair for all Canadians. That is why we have listened very carefully to the comments and advice from Canadians throughout the hearings on this bill.

We heard tremendous support for an insurance system that is truly focused on jobs and employment. We also heard some real concerns that the system would not be flexible enough to reflect the

real job opportunities that exist in different parts of Canada. We listened to those concerns and we have taken action.

We recognize the need for a number of important amendments to the bill. For example, people from all parts of the country, from the New Brunswick Federation of Labour to the National Action Committee on the Status of Women to the Kativik Regional Government argued that the method proposed for calculating benefits was too inflexible.

The amended divisor used to calculate benefits fixes that problem. As a result, EI will be more responsive to monthly changes in local employment conditions. That is a change that makes sense. It is a change that deserves our support.

Many groups, especially those representing the concerns of workers in seasonal industries and students expressed serious concerns about the effects gaps in work would have under the new system. Under the amended system, EI claimants will have a longer reference period to put together the required weeks of work and gaps will not affect the outcome. For example, a person who needs 15 weeks of work to qualify can look back over 26 weeks and ignore up to 11 empty weeks if necessary. Again, this is a change that makes good sense.

Many people were concerned that the intensity rule which reduces the benefit rate for repeat users would be particularly hard on the most vulnerable and those in most need. In the amended system, people who receive the EI family income supplement will be exempt from the intensity rule. This will safeguard a basic level of EI income for low income claimants with family responsibilities.

We will also take steps to address concerns about potential fraud and abuse of EI with stiffer sanctions and penalties for claimants and employers who break the rules in order to get benefits they are not entitled to.

In all of these cases, we have listened closely to what Canadians are saying. The employment insurance system will be better as a result. It will be more flexible. It will be fairer. It will meet our savings targets. It will focus more effectively on our number one priority which always has been getting Canadians back to work.

Jobs, economic growth, a strong and affordable safety net: these are priorities every Canadian shares. They are priorities we are resolutely committed to as a government. Employment insurance is one part, an important part of the action plan Canada needs to achieve those goals and to move with confidence into the next century. I urge all members at the end of today to support this bill. The fundamental changes in it are going to be good for Canadians for years and years to come.

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• (1100)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I will begin by saying that today, May 14, 1996, the day Bill C-12 will be passed, unless the government finally comes to its senses, will be one of deep shame for the Liberal party.

This party helped give Canada a social security system, not the best in the world, it must be said, no, because overall we are a long way from the social measures generally available in Western Europe, but in North America, our system was the envy of many. Increasingly, this party is aligning its social measures with less progressive measures in the United States.

Bill C-12, this deceptively named act respecting employment insurance, is an attack on the unemployment insurance system so appreciated by most Canadians and Quebecers, as we were reminded by an Angus Reid poll at the very beginning of the new Liberal reign, when it was setting out on what looked like a reform of social programs, a reform to improve social programs. That was before the first budget.

This Angus Reid poll said that 70 per cent of Canadians and Quebecers, almost 80 per cent in the case of Quebec, wanted to keep this unemployment insurance system, and at the same time feared that the announced reforms, despite all the fine talk, were going to hurt those in the greatest need. Canadians and Quebecers were right.

Although it will not be pleasant, I would like to remind members that, in his maiden speech, the Minister of Human Resources Development said that what was needed was a particularly Canadian formula so that, when the social program reform had achieved its goals, Canadians would be proud to be Canadians. He repeated this expression ad nauseam.

Well, what we can say this morning is that, far from being proud, Canadians must be worried, deeply worried, except perhaps for those who have a steady job, who are working over 35 hours a week. But all the others, Canadians and Quebecers must be worried and anxious to hear what form this new system will take.

It must not be forgotten that this bill, which is supposedly about employment insurance, comes in addition to a so-called reform from 1994, Bill C-17. That was a bill implementing the first Liberal budget since their return to power. That budget, that bill, slashed the unemployment insurance scheme by \$2.4 billion starting in 1995, of which \$735 million were to be cut in Quebec, and \$630 million were to be cut, starting in 1995, in the Atlantic provinces.

The effects of this new reform are in addition to those of the first reform. Once again, the word reform loses its meaning. "Counter-

reform" would be more appropriate, because in most people's minds, a reform is something that improves a situation.

• (1105)

In the two cases in question, the reform is no improvement. Far from it, it brings cuts. It cuts into the only little bit of security some people in Canada can count on, those who are not so fortunate as to be among those who enjoy total security or who are rich enough to be able to depend on investment profits and do not need to work. For every one else, unemployment insurance represents a bridge, rather a narrow one sometimes, and one that is not as long as it might be, but a bridge nonetheless, between two jobs.

These cuts will total \$4.4 billion, if we add up the \$2.4 billion and the additional \$2 billion of this "new" reform. This will make the Liberal Party of Canada look good the next time they seek a new mandate. They will be able to boast to Canadians and to Quebecers "Look, we have cut UI benefits by \$4.4 billion since 1995, and Quebec—I am using the department's figures here—will lose \$1.271 billion". Keep in mind, now, that this is the department's evaluation of the figures involved in the amendment. By the way, no one but the department has any figures, so we have to rely on them. According to the department's numbers, by the time the plan matures in the year 2000, the Atlantic provinces will be \$806 million worse off than before, every year.

Adding up the two—this is interesting since the Atlantic provinces and Quebec together account for about one third of Canada's population—we get \$2.1 billion of the \$4.2 billion. And if we look at the portion of the cuts affecting the Atlantic provinces alone, \$806 million out of \$4.4 is quite a chunk.

These cuts in benefits will mean less money going to the high unemployment areas. This means that one of the objectives when the plan was created after the 1929 depression, which was to have interregional adjustments, has more or less come down to nothing now. In the case of Quebec, Quebecers will figure out what it means, at some point. In this case of the Atlantic provinces, I trust they will draw some political conclusions. In many cases, I think it will be a considerable shock.

I speak as a Bloc Québécois member, but on this issue, as on many others we worked in opposition on behalf of all of the people of Canada. What is unacceptable about this change is that Canadians and Quebecers see this as a significant alteration to what they consider the role of unemployment insurance to be.

Instead of discussing the disappearance of this interregional adjustment—which academics are demanding, saying that there is none in such and such a country because their constitution does not allow it—the government has decided to forgo discussions, to hold no debate whatsoever, just chopping it completely.

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Since this move on the part of the government was obviously in the books, when I was in Toronto during the initial consultations I asked representatives of unions whose membership were in high pay brackets whether they were not fed up subsidizing workers in the Atlantic provinces. They did not say: "Yes, we in Ontario are fed up with paying for the Atlantic provinces". People in Canada, and I think I understand, realize the need for support among the regions. I repeat, this is what the Bloc Québécois is saying. This example, like others, illustrates that there were no major debates on this reform.

• (1110)

This reform, with even its name looking like some sort of camouflage, means open season. Calling it employment insurance camouflages it. Instead of bringing the unemployed, particularly the unemployed in regions with high unemployment, closer to a job, this reform will move them away from one.

As this is the first opportunity we have had the time to give a decent speech in this House, I will use it to point out that the official opposition was prevented from playing its role at each stage. Here again, I can understand. The government doubtless did not want Canadians to be informed. All the same, a survey in Quebec indicates that the people have not been fooled by what is going on. This will be the subject of my conclusion.

I wish to speak to all of Canada. I want to say that the first reform hit the Atlantic provinces hard. The second one is going to be even harder to swallow. I keep saying that the regions with high unemployment will be the ones hit.

I would like to quote the tourism and economic development minister of Prince Edward Island. The province has a population of about 170,000 and is well placed to observe its labour market. So what does the minister of economic development have to say? He says, on the subject of financial repercussions: "The previous stage of the unemployment insurance reform, which surely was not on the same scale as the present bill, has already had a significant impact on our province. In 1995, with the rate of unemployment such as it was, a person who qualified after 12 weeks' work received benefits for 32 weeks, making a total of 44 weeks. There were still, however, eight weeks where the person received no income".

The first demonstrations in the Atlantic provinces were not against the new reform, but against the implementation of the previous reform, which hit them hard. As a consequence of this first so-called reform, people did not have enough weeks of unemployment insurance to get through the year. They had to turn to welfare, which is very complex, because, if you are on welfare, sad to say, it is very hard to return to work.

What does this brief say? It predated the amendments, but if we take off a few millions, a lot of what it says is still true. It says: "In Prince Edward Island, the net loss of unemployment insurance benefits will thus reach \$24 million in 2001-2002". So, if we take off the maximum, let us say \$8 million—I am being very generous, very conservative—there would be \$16 million less.

The minister went on to say: "The economy of Prince Edward Island is, nevertheless productive. We are tops in Canada in job creation and we cannot absorb such a loss". In other words, for all the regions that are not the top job creators in Canada, this reform will be devastating in macro-economic terms. It will widen the gap between the regions where people are relatively well off and the regions where unemployment is high, despite the fact that jobs may be created, but where there is less industry or business.

• (1115)

I talked about the regions, I now want to talk about individuals. Added to the previous reform—which leaves many seasonal workers with too few benefit weeks, forcing them on welfare for the rest of the year—cuts provided for by the present reform create a desperate situation for some.

The workers who came last week from the Gaspé and Magdalen Islands sounded desperate. They were talking about their region, saying that they will no longer be able to keep young people. They are the ones who are leaving and when young people leave, the regions fall apart. The same is true in every region with a high unemployment rate. When young people leave, fewer services are provided. There is a shift in demographics and soon, only aging people are left, villages and towns die. This is what people came here to scream and cry about, saying that it did not make any sense.

When I hear one of my colleagues laughing I think that either he has no heart, which I do not believe, or he has not studied the impact of this bill. It saddens me because people are going to be hit hard. It will affect many people. The impact will be felt by many other than seasonal workers, in spite of the amendments and what the government is claiming. The amendments speak volume about the original bill.

It will affect all workers in the tourism sector, all those for whom one hour of paid work means many hours of unpaid work. They are legions in our society. I am thinking about all adult education teachers, this is true in every region, and all those who, in cities, towns, and villages, entertain, educate or instruct people who, for one reason or another, need such training.

Usually, they are paid by the hour, without any firm contract and, without any exception, they will find themselves in a very precarious situation. Women will also be affected. The Fédération des femmes said that, yes indeed, 5 per cent more women working part time would be covered, but being covered means that they will be paying, but as far as being entitled to benefits, that is a different

story. On the other hand this bill will be very harmful for 25 per cent of those who now work 15 to 34 hours a week.

And I have not yet mentioned artists, artisans and all those who barely survive on government programs, as well as pilots and flight attendants. There would not be time enough, 40 minutes would not suffice to name all those who will be affected.

It is a radical transformation we are witnessing here and that transformation is contrary to the intention which prevailed when the unemployment insurance program was created. I would like to quote part of the speech Prime Minister Bennett made, in 1935, when he first tabled that bill. He said: "To meet new needs, we will have to modify our capitalist system—we were just coming out of the great crash of 1929—and make it into a more useful instrument for the people. You will be studying measures creating a global plan which will reduce the present social and economic inequalities and distribute the benefits of the capitalist system more equitably among the various classes of our society and among the various regions of the country".

• (1120)

Since the 1971 reform, we have witnessed a continuing reduction of benefits. I must say that it started under the Conservatives and the most serious change was cutting the system off from the consolidated revenue fund. That was bad enough.

Researchers came before us and told us that an unemployment insurance system has an important stabilizing effect and we realize that when we look at others around the world. It has an economic stabilizing effect benefiting society as a whole, and it also has a redistributing effect. Over time maternity benefits and health benefits were added to the system. They are now adding in this so-called reform training benefits, which will no longer be paid from the consolidated revenue fund, but by the unemployment insurance fund. When we consider all of this, we wonder, we do not understand why the government reduced the maximum insurable earnings.

It is not difficult to understand. It means that from now on, workers who make over \$39,000 a year, will no longer contribute to unemployment insurance after that limit. They will pay on the first \$39,000, but nothing after that. This is totally illogical. This is exactly the reverse of what we are doing with income tax.

With income tax, the more you earn, the more you pay. For unemployment insurance contributions, the more you earn, the less you pay. Companies which are able to pay salaries of \$39,000 or more are the ones receiving this gift. A gift of some \$500 million a year is not inconsequential. Which employees and businesses will pay for the equivalent of this gift? Employees who work from one to 15 hours per week and small businesses.

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It is not surprising small businesses are against these provisions. They agree with the reduction of maximum benefits, and we can understand their viewpoint, since a social viewpoint is something else. But this reduction of maximum insurable earnings does not make any sense.

Many researchers came to tell us as well that this did not make any sense. It does not make sense because it reduces the pool of contributors. It does not make sense either because, while the government is making a huge gift to big businesses—a gift that totally eliminates premiums when salaries are over \$39,000—it reduces by 0.05 per cent the premiums of contributors as a whole.

If we look at what this means in concrete terms, for a small business, it will mean about \$7 less per month for each worker if his salary is \$200, while the gift to big businesses is total elimination of premiums. That goes against common sense, as is the case for a major part of this bill.

Mr. Speaker, could you tell me how much time I have left?

The Acting Speaker (Mr. Kilger): Fifteen minutes.

Mrs. Lalonde: There is so much I could say about this bill.

Researchers came to tell us this is a leap in the dark, because if you ask one economist to examine the effect of this measure, he will tell you one thing, but if you ask another economist to examine the effect of this measure, he will tell you something else. At least, Mr. Audenrode of Laval University said clearly: "It is not so much any specific measure that concerns me but the extent and complexity of the proposed reform. If one can easily imagine the impact of a specific modification to one aspect of a given system, it is almost impossible to imagine the consequences of a reform as far-reaching as the one being proposed".

• (1125)

He went on to say: "I am unable to give you even an indication of what would be the impact of the proposed reform, and I honestly think that no economist can do so".

When I asked senior officials what they thought of that statement, they told me: "We in the department have an enormous file but we, of course, built this proposed reform on an econometric model". That is the problem. What is the hurry? Why take the chance of seriously hurting regions and people, when there is no hurry? Why is there no hurry? Because the \$5 billion surplus that is forecast for the end of this year without the reform would be less if the reform goes ahead. It would go down to \$4.5 billion, so there is no hurry.

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The Minister of Finance cannot say: "Hurry, Hurry, Hurry. The deficit is at stake". That is not true. This year, the reform will reduce the surplus by \$1 billion. This figure comes from the Department of Human Resources Development itself. I even took the trouble of confirming it with the actuary, to make sure I was reading it right.

On page 6.6 of the most recent summary of the unemployment insurance account, it says that, as expected, revenues from current contributions for 1996 amount to \$19.801 billion. Note 2 adds the following that since premiums are collected on the basis of the maximum weekly insurable earnings—reduced without having passed any legislation to that effect—the government currently collects less money than what the act provides. Consequently, expected premiums should reach \$18.806 billion, or one billion less.

So, this year, the reform will result in a \$1 billion shortfall. Why hurry to take such an enormous risk? As the researcher mentioned, it is a leap in the dark.

He adds: "All these financial estimates are made by applying the new parameters to existing patterns". However, as he points out, these patterns will change. For example, I do not agree with the fact that people who currently work up to 15 hours per week are not covered by an unemployment insurance system. Yet, from now on, these people will have to pay premiums, unless they earn less than \$2,000—and I will get back to this—but will not be entitled to benefits.

What will restaurant owners do? It is true that a large proportion of their peak hours staff works less than 15 hours. We all know how things work in a restaurant. Albert the waiter gets a phone call: "Come. Stay home. The restaurant is full. It is quiet". When restaurant owners will have to do all the related accounting, do you think they will continue to hire students? No. This is why the student federation asked for an exemption.

We have to realize that even though those who earn less than \$2,000 will get a refund for their premiums, this repayment will only take place the following year, when they file their income tax returns. Students can no longer get an exemption. Their tuition fees are increasing, but they will be deprived of an amount equivalent to the unemployment insurance premiums they will have paid. They definitely do not need that.

• (1130)

Behaviour will change. Some jobs will disappear. We can hope that weekly wages will go up, but one very important thing is that it will be at a cost. Why has the time not been taken? There is no rush. Or are they in such a rush to reduce benefits from \$445, the present amount, to \$413, which is what they will be when the new act comes into force.

Are they in such a hurry that they must take the risk they are taking? Let us not forget that the unemployment insurance system is the best way to stabilize the economy. What is stabilizing about it? The benefits, the premiums, play no small role, according to Peter Duncan, associate professor, Department of Economics, University of Toronto. It is an excellent stabilizer, better than income tax, much better than income tax. The benefits have a stabilizing effect. What does the government do? I repeat, it reduces benefits by \$4.4 billion over a period of five years.

Why is the government lowering the maximum insurable earnings. Many researchers said they were worried about this change. Is it because the government wants to leave the lucrative market of workers earning over \$39,000 to the private insurance sector? Is it because, as the deputy minister told us, of these \$900 million paid by workers and businesses for those earning between \$39,000 and \$42,400, a very large portion remains in the Fund?

The deputy minister had the nerve to say that those earning over \$39,000 were less likely to lose their job and that they would withdraw only \$200 million of the \$900 million paid. It is good that those who have higher and more stable earnings contribute to the general economic and financial balance, while at the same time paying their share for maternity leave, educational leave and so on.

This unemployment insurance plan is the only mechanism carrying people over from one job to the next. With this bill, the government is making it twice as hard for those who are already on the labour market to qualify, and three times as hard for young people, women, immigrants, the sick and anyone who is not already on the labour market.

Why make access more difficult? Why divide the applicable earnings by a fixed divider or by the number of weeks worked, which can only have the effect—the effect sought by the government, it said so itself—of reducing benefits? Why reduce benefits? Why reduce the number of weeks? Why make access more difficult when already less than 50 per cent of the unemployed are covered by this plan?

Is it not obvious that this is messing up not only the stabilizing effect it has on the economy as a whole, but also whatever little protection enjoyed by those who are not rich or do not have the armour-clad job security public service employees have? It is the only protection they have; they have nothing else.

As you know, between 25 and 30 per cent of all Canadian workers rely on the unemployment insurance system each and every year. This bill will affect millions of people.

• (1135)

Why is the government in such a hurry? Why did it gag the opposition as it did? We did not get to debate the bill in second reading. Six 10-minute speeches. We were gagged at committee stage, and again at report stage. All the time we have for third reading is one day and, on the government's side, since they are

gagging us instead of having the decency to let us speak, they are taking their sweet time. That is disgusting, because there is no rush.

Why are they in a hurry? There is something fishy, do you not think? Why do you think they are in such a hurry to cut contributions and benefits, when all those concerned, all the groups at various levels are protesting and asking that they not go so fast, but rather take the time to consult them and to develop a real program? What is the rush? Why are they in such a hurry to cut \$1 billion in contributions? Why are they in such a hurry to see minister Martin reduce his deficit?

Whether the reform takes place or not, next year more will be added to the \$5 billion surplus already accumulated in the unemployment insurance fund. This can certainly not explain the government's haste.

We must however note that, having done everything it could, up to and including using its parliamentary powers to the limit, the official opposition did not succeed in making government listen.

It should be pointed out that there have been demonstrations like we had not seen in a very long time. These protestors, in Quebec and especially in New Brunswick and Nova Scotia—considering all the demonstrations, the 40,000 postcards we tabled, the petitions, the number of people who have expressed their opposition largely exceeds 100,000—succeeded in slightly softening the blow, because what was totally disgraceful has been slightly changed. However, the total package remains unacceptable.

Throughout the day, my colleagues will focus on measures like this one. Indeed, those with two jobs will be able to take all their hours of work into account, but should be wary of voluntarily leaving one of their two jobs because they would then lose all the insurable weeks of work accumulated until then. This is a measure that totally contradicts the spirit the government claims is behind this reform.

What is most dangerous and difficult is hearing hon. members opposite brag about this reform. What I understand, and what some are happy about, is that they managed to modify certain measures so that they are no longer totally disgraceful. They are quite happy with that, although the total package remains unacceptable. They could have carried out a real reform. They could have maintained the maximum insurable earnings or increased them. They could even have made a distinction between maximum benefits and maximum insurable earnings, as is done in the tax system and in other areas. It is not because people some will contribute more that they will be entitled to receive larger benefits in various areas. But they did not have the right to sabotage something Canadians and Quebecers care about, their security, which they are willing to pay for.

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The poll results that appeared in this morning's *Le Devoir* are extremely interesting, despite the trouble we had breaking through the sound barrier. To the question: "Who will benefit the most from UI reform?", 79 per cent of respondents answered "the federal government itself". To the other question: "In the case of Quebec workers, would you like the UI program to be administered by the Quebec government?", 74.5 per cent answered yes.

• (1140)

People now understand that a true reform is possible and that, with this one, Quebec workers are being deprived of the much-praised "Canadian spirit" of sharing the disadvantages and consequences of unemployment.

Quebec workers, like their counterparts in Atlantic Canada, understand that this reform will reduce interregional adjustments and impede efforts to reduce the gap between the haves and the have-nots. Quebecers value the system, as the poll showed, and I think that if we put the same questions to Canadians, we will get the same results: Canadians value the system. Quebecers value it and they feel the best way to avoid its deterioration is to take it over.

Personally, I regard as a failure the fact that members opposite refused all discussion. They failed to save what deserved to be saved in this country we want to keep as a partner.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, as I was listening to the speeches of my hon. colleagues from the government and the Bloc, I was struck by the chasm that exists in our country. Essentially the Bloc looks at this legislation as a welfare scheme or as a guaranteed annual income, but the notion of employment or unemployment insurance is secondary to income support.

The government, represented by the parliamentary secretary to the minister, the member for Kenora—Rainy River, who, on introduction of third reading of a bill of such import and magnitude, was exceedingly brief in his comments. He managed to say nothing in 12 or 13 minutes while the member representing the Bloc was able to say it in 40 minutes.

This unemployment or employment insurance creature has been flopping around in the body politic for years and years. It took its early form, the revision of unemployment insurance, in the now famous Forget report. The Forget report, as everyone realizes, is collecting dust somewhere in the murky, musty archives of Parliament. Forget said it would not be a bad idea if unemployment insurance was just that. That was the idea behind employment insurance in the first place.

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This new government decided that the cornerstone of its renewal of social programs would address employment insurance. It would do what it had to do and return unemployment insurance to its lofty ideals of being employment insurance.

What do we have here? We have half a loaf. What we really have is an abdication of leadership, an abdication of responsibility, an abdication of the necessity on the part of people elected to Parliament to speak honestly, to lead, to do what is right for the country and for future generations.

What is this all about? I can best describe this by referring to the most obvious change in this legislation. For years in Canada we have had unemployment insurance. Unemployment insurance was supposedly insurance paid for by employees and employers to protect those who were without jobs on a temporary basis while they were looking for new jobs.

• (1145)

What do we do? We change the name. Did we change anything else? Perhaps. What is the cornerstone? 'Poof', we change the name from unemployment insurance to employment insurance.

This name change is to put the emphasis where it should be, on employment, and 'poof', magically all the problems are to disappear. Guess what? They will not disappear. They will stay right where they are, festering in the middle of the body politic in Canada because we are not addressing them honestly. We are not dealing with the real problems. All we are doing is skirting around the politically correct edges.

Once again we have the opportunity to actually do something. Once again we do not. First and foremost, the responsibility for training, for unemployment insurance, is a provincial responsibility, not a federal responsibility. It should rest closest to the people. It should rest in the provinces.

What is the responsibility of the federal government? The responsibility of the federal government is to look at our nation and ensure that where employment opportunities exist in one part of the country, it is possible for people to get there. We remove barriers for the movement of people. Jobs do not go to the people, people go to the jobs. Water does not run up hill, water runs down hill.

During the course of human history, when has it ever worked that someone would reverse the natural dynamics of nature and have it work in the long term? That is not the way it works.

Let me give an illustration. Over the past six or so years, 87 per cent of the new jobs created in Canada were created in the two western most provinces, British Columbia and Alberta. Yet those two provinces have only 22 per cent of the population.

Ontario and Quebec combined in the same period created 14 per cent of the new jobs, yet they have approximately 67 per cent of the total population of the country.

Let us figure this out. If British Columbia and Alberta over the past few years have created and accounted for 87 per cent of the new jobs created in Canada, and generally speaking Alberta and B.C. are not areas of high unemployment and therefore do not get the benefit and their citizens have to work longer in order to qualify, what is it about the current system enhancing a situation in which the provinces with the lowest rate of employment, the maritimes, continue to suffer?

Are we creating dependence? It seems the evidence is very clear. It has been clear since the 1970s, since some muddled thinking that somehow we can evolve through a situation of the equality of circumstance. The bottom line is we have the equality of opportunity. Circumstance is earned. It is regrettable but true that if someone lives in a part of the country that does not have an employment base and has not had an employment base, it is very likely it will not have an employment base.

If someone wants better for their children, it is evident the children or the family will have to make whatever adjustments to their lives are necessary in order to see that better future. That is the way it has been on earth since the beginning of time.

• (1150)

How does one suppose we came to Canada in the first place? Does anyone believe my ancestors came from Ireland, Scotland or wherever because things were good? Of course not. They came to Canada for a better opportunity for themselves and their children. Why does anyone think people moved from one part of the country to another? It was for the opportunity for themselves and their children.

While we try to create a situation in which water will flow up hill and we see from evidence that it does not flow up hill, we see that by creating dependence all it does is foster the need for more independence, why should we be surprised when we keep coming back to these same problems time after time?

In his opening remarks the member for Kenora—Rainy River referred to the introduction of this act, changes to unemployment insurance, as part of the social program envelope. That is the problem. Employment insurance is not a social program. Employment insurance is no more a social program or should be no more a social program than automobile insurance is a social program; insurance is insurance.

Employment insurance should be exactly that, employment insurance. The premiums should reflect the risk. The insurance paid should reflect the amount of money paid in and the period of

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time over which that money has been paid in. It should have some bearing somewhere on reality.

If we are not using the unemployment insurance system for anything other than unemployment, how do we go about getting money to those Canadians who must have it? If that means we will have a guaranteed annual income, that we will call it welfare and that we have to do whatever we have to do but deal honestly and do it, that is how this debate should be framed and that is what we should be talking about.

However, to put together a program called unemployment insurance which is paying out, as members from the Bloc have pointed out, this year alone about \$5 billion more than is being taken in into general revenues, that is nothing more than a tax. That is a top line payroll tax that goes right into the federal treasury which is a job killer of the first magnitude.

Why do I say it is a job killer of the first magnitude? It is because in my past and real life I am an entrepreneur. I have had to live with licence fee increases for the cost of being in business. Unemployment insurance has absolutely diddly squat to do with the profitability of a business. We are not paying these taxes based on how profitable we are. We are paying these taxes based on how many people we employ.

In a certain circumstance where a business is barely hanging on, like that proverbial cod fish on the Grand Banks, by its fingernails, as many small businesses are doing on daily, monthly basis, when the cost of staying in business goes up because the government imposes yet another tax that has nothing whatsoever to do with profitability, what does an employer do?

• (1155)

Employers look at the books and say this will end up costing us \$30,000 a year in payroll taxes. For them to get \$30,000 a year they will have to increase their sales. If they make a 5 per cent or a 10 per cent profit on their bottom line, that means they will have to increase their revenue by 10 times or 20 times to accommodate the increased taxes. In many cases that does not work out to a 1 per cent increase in gross sales but to a dramatic increase in gross sales in order to get enough profit to trickle down to the bottom line in order to pay yet another tax.

What do they do? They do not simply get up in the morning and say "I see my costs have gone up and so I will raise my prices". The trouble is they cannot raise their prices. Most businesses are not suffering from a lack of competition. There is no price elasticity in the vast majority of businesses.

What happens? The only thing that can possibly happen. If their costs have increased by \$30,000 they will have to reduce their expenses by \$30,000. Can they reduce their rent? No. Can they reduce all the other fixed costs? No. What is the variable?

Employees. Another full time job is lost. They could have more part time workers. They are paying the payroll taxes but instead of having a 40 hour work week, everybody will get paid on an hourly basis for the hours they actually work. It is a vicious circle. There will be more part time employment.

That this is not as obvious as the nose on the face of the government is a reflection that the vast majority in this place have never signed a paycheque. They do not have a clue as to how our economy works or why it works. That is what keeps getting us into this mess time after time. To take \$5 billion a year out of the economy on a payroll tax so the government can look better on its deficit projections is wrong. It is wrong for the country. It creates a vicious circle. There will be less employment, not more.

How does the current unemployment system work? Will this change anything? Many employees in the system do not look at being on unemployment insurance as a temporary transition measure. It is not considered wrong to use unemployment insurance as a transition method to go from one job to another. If a person does not like their job they will go on pokey until they get a new job.

Employers use the system to lay people off. It is easier to say to someone "we will lay you off. I do not want to fire you and have a confrontation. We will get busier again in the summer. Maybe we will hire you again and maybe we will not".

Unemployment insurance today is misused by employers and employees. People working on a full time basis in a job that does not pay significant income, which encompasses virtually all of the people in the service sector in our country, may find themselves in a catch-22 situation. They may be earning around \$15,000 a year and paying unemployment insurance to subsidize those who work on a seasonal basis and may earn \$30,000 or \$40,000 a year.

• (1200)

If someone is earning on a seasonal basis twice as much as someone working on a full time basis, is it appropriate for the lower paid person to be subsidizing the incomes of those higher paid people? It does not seem right to me. As a matter of fact, it seems kind of dumb to me.

If unemployment insurance were put on the basis that had been envisioned, it would be insurance paid by the employee and a tax on employers. If the premiums reflected the use of the program, that is, the number of times people dipped in and came out of the program and how much they took out of it, it would be the kind of program it was intended to be.

Another concern has been raised by the changes in the bill. How do Canadians who need to get into the employment base get training? Where does the money come from? As it stands, one cannot access programs delivered by UI unless one has an attachment to the labour force. What about all the people who do not

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have attachment to the labour force? How do they go about qualifying for these programs?

We have to look at our responsibilities as a nation and figure out how we can best provide entrepreneurs and businesses with a population well educated and highly trained in a diverse range of skills. How best can this be done in harmony with the provinces? How can we address the needs of training, upgrading and the provision of skills to those Canadians most in need?

I speak now specifically of persons with disabilities. They are totally left outside the loop on this. How can they be provided with the tools which will allow them to be trained and retrained in the workforce leading into the 21st century and what will be the nature of the work?

We will have to decide whether we are going to address issues honestly. As the nature of work changes, the skill level required to be able to participate in a meaningful way and to make a good income is going to require consistent change, training and retraining. A good number of workers who through no fault of their own, or through misguided promises by people in political office, will find themselves on the outside looking in.

As we look to the nature of work there will be fewer and fewer people making more and more money. The middle class will continue to erode and there will be a polarization, which is already taking place today, between the haves and the have-nots in our society. It is because of the changing nature of work.

• (1205)

If we accept this premise to be true—there are those who would say that it is not true—then we will have to wrap ourselves around the notion that it is our responsibility to consider ways to ensure a minimum level of income for all Canadians. This would ensure dignity and provide a foundation so the immediately affected generation and future generations would not get caught in the spiral of ever-increasing dependency, of intergenerational dependency on others for their self-respect or their sense of well-being or their daily bread.

We must have a country in which our interdependence is built on a foundation of independence. A foundation of independence cannot be established in a country that fosters the notion of the equality of circumstance.

Our responsibility is to ensure that people have opportunity by providing education and training. It is up to the individual to make use of that education and the training. If individuals are not prepared or are incapable of doing that, then we would not have the equality of circumstance. The thinking of the sixties, no matter how utopian the ideal is, cannot be delivered. It is not honest to suggest that it can be delivered because it cannot. To my knowledge, never in the history of the modern world has any regime been able to deliver on that promise.

I would like to reflect on the importance of this bill and how it made its way through the parliamentary system and on the effect of closure.

Closure may have a more insidious potential in the body politic than just getting legislation through the House or just preventing members from having the opportunity to get on their feet and say a few words about it. It is my opinion that items such as this bill or anything which comes through the ministry that is responsible for this bill, which accounts for the vast proportion of all the discretionary spending on the social side of the envelope, is by far the most important side.

Last week we dealt with Bill C-33 concerning sexual orientation. It was explosive. It was a sad day for many people on both sides of the House. It went through in very short order and now it is over and done with.

• (1210)

However, the legislation we are talking about today really speaks to the kind of society we will have in a pluralistic sense. With this bill and others that come through HRD, we talking about how we can fashion a society that rewards entrepreneurship and initiative, but at the same time looks after those who are less able to look after themselves. That is the measure of a society. The worth of a society is measured by how it looks after the weakest, not the strongest.

As these debates take place we must be cautious of what we are doing. The foundations put down today are the ones that will allow the economy to grow and prosper. It can be done, in my opinion, by ensuring that nothing robs individual Canadians of the responsibility, the ability or the desire to provide for themselves, their children and their future. As a society we should recognize our responsibility to the common good to look after those who need help and make the distinction between wants and needs. We look after those in need. Those in want must look after themselves.

Mr. Nault: Madam Speaker, a point of order. I would like to let the House know that throughout the rest of the day on third reading of this bill, members on the government side will be sharing their time equally, 10 and 5.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Madam Speaker, I appreciate the opportunity to discuss Bill C-12, the legislation to bring into being Canada's new employment insurance system.

Of the many improvements brought about by Bill C-12, the most important is its impact on Canada's young people. Youth is a priority concern for the government's job and growth agenda and Bill C-12 neatly reflects that concern.

The employment insurance legislation not only provides more effective treatment for young workers in terms of benefits, but also provides positive, active measures to help young people get and

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keep good jobs. For young people a great problem with the current UI system is that it often fails to recognize their actual working effort.

UI measures work in terms of weeks which is a very poor measure of time spent on the job, particularly for part time workers and multiple job holders.

Within the hours based system provided in Bill C-12, part time workers earnings are insured and four out of ten part time workers are under 25 years of age. Another inequity under UI has been the employer's tendency to limit part time employment to less than 15 hours per week per person in order to avoid having to pay UI premiums. For many young people this has meant not only do they get less work, but that their earnings are not insured.

Employment insurance eliminates this 15-hour trap. 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 work.

Further, an impact which particularly benefits young people is the fact that employment insurance also reduces the risk of workers developing a dependency on employment insurance. Far too many young people come into the labour market and end up on UI benefits before completing their education. Then they find themselves in another sort of trap where they work long enough to qualify for benefits then go without work for as long as the benefits last.

• (1215)

The new employment insurance system will discourage this behaviour pattern. It will in fact encourage young people to complete their education rather than dropping out to take short term, often low paying work that does not lead to career advancement.

Higher entrance requirements under employment insurance encourage young people to develop a stronger attachment to the labour market. We have heard loud protests from the opposition about the concept of higher entrance requirements. Far from being draconian, these very measures have been recommended to the government by many many groups.

For example, two recent reports were quite specific. 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 unemployment insurance also recommended stiffer entrance requirements for young people.

In the process of designing this legislation, the government listened to the concerns of Canadians in all regions and all walks of life in more than two years of consultations. Town hall meetings,

seminars and policy workshops were held. Phone lines were opened and the Internet was put to work. Through these and other channels including open line radio shows, Canadians told us what they wanted. It was social security reform.

The minister invited the Standing Committee on Human Resources Development to further examine ways to improve the legislation. More than 100 witnesses from across the country were heard and nearly 150 briefs were received, analysed, digested and studied very carefully by members of the committee. The purpose once again was to listen carefully to Canadians' views on fine tuning the employment insurance legislation to ensure that the system is fair, to be sure that the system is balanced and reflects the varying labour market conditions across the regions of Canada.

In this process the work incentive provisions of the bill have been strengthened. Changes have been made to make the system fairer to youth, fairer to women, fairer to the low income families and fairer to workers in seasonal industries.

There are other ways in which Bill C-12 will benefit young people. Contributions to EI for example will have minimal impact on young people. For instance 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. Premiums will be refunded to about 625,000 young people, 49 per cent of all of those who receive rebates. Of the total young people receiving rebates, 400,000 will be full time students.

Again let us look at the benefit side. Total benefits paid out under EI will be less and benefits paid out to young people by the year 2001-02 will decrease by 6 per cent. This is considerably less than the forecast overall decrease of 9 per cent.

We should not forget that EI is a two pronged program: income support for the unemployed coupled with employment benefits to help people get back to work and to get productive work. Targeted wage subsidies for example will help young people who qualify for employment insurance benefits to get needed work experience to qualify for more stable or permanent jobs.

The government has recognized the problems facing Canada's youth and has set in motion a process leading to a national youth strategy which will be announced this fall. The member for North York has been appointed chairman of the ministerial task force on youth which is now holding consultations to gather public input for such a strategy.

• (1220)

The task force is now holding town hall type meetings across the country hosted by local members of Parliament and senators. Such a meeting is to be held in my riding of Thunder Bay—Atikokan on May 23. In this way we can participate directly, solicit the views of our constituents and our young people and shape an effective

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strategy to permit youth to fulfil their vital role in our future as a nation.

Bill C-12 and the government's initiatives for young people aim at giving young people hope, hope that they will be better equipped to take their rightful and productive place in the future of our country.

[Translation]

Mr. Yvan Bernier (Gaspé, BQ): Madam Speaker, I will have the opportunity to rise several times today to ask a question or make a comment.

There is something bothering me in what the hon. member just said. Could he tell me how seasonal workers will benefit from the so-called training tools that he raved about at the end of his speech and that are supposed to be included in this bill?

There seems to be an inconsistency in the member's speech. First, Quebec has always maintained that manpower training should come under provincial jurisdiction. Therefore, I cannot see how the federal government could boast about promoting manpower training. Second, I represent a region that relies heavily on seasonal industries. It is not our fault if the water is frozen in the wintertime and we cannot fish. The same logic applies if you plant or cut trees in the bush.

These workers have noble occupations too. They do not need additional training to do their work. Sure, they learn and improve their skills every year, but this in itself will not extend their season. The purpose of training is to increase the work period. How does the bill before us, and on which we will vote this evening, benefit people from these regions?

[English]

Mr. Dromisky: Madam Speaker, I appreciate the interesting question the hon. member raised. The areas of concern he presented have been discussed time and time again. There is nothing new as far as the answers are concerned.

We know that training is going to be the responsibility of the provincial governments. We know that the federal government will become a partner in any model the provincial governments develop. They will get the full support of the federal government.

The federal government in this bill definitely recognizes the responsibility of the provincial governments in programs for retraining, for the development of new skills, for the development of new avenues of hope with our young people and even our more elderly people who are searching for new careers. There is provision in the bill for the opportunity to create new models for those in seasonal employment situations, whether it be a supplement or whether the individual who is unemployed takes another type of

job and receives a lower income which will be topped off with supplements.

There are avenues available for the creative mind. All we have to do, and the bill permits us to do it, is sit down in partnership and come up with solutions in which all Canadians in these different situations will benefit.

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, I have a short question for the hon. member. First, I remind him that there are many people who are unemployed in this country, and many more, perhaps twice as many, who are on welfare. In the answer he just gave to my colleague, the member essentially said that the federal government should continue to do what it is doing, namely to dump its responsibilities onto the provinces and let them fend for themselves.

The government wants the provinces to provide job opportunities to the unemployed and welfare recipients, through their programs. However, it reduces its transfers to the provinces by \$7 billion.

• (1225)

Does the hon. member agree that the federal government should constantly offload onto the provinces the problems that it cannot solve?

[English]

Mr. Dromisky: Madam Speaker, it is no shock to me the kind of question that is being raised. The member from the Bloc party is advocating that all responsibilities should be passed on to the Quebec provincial government. Then when we do give more responsibilities to the provincial government we hear complaints that we are abdicating our responsibility from the federal level. You cannot have your cake and eat it too.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Madam Speaker, before I get into my own comments, I want to commend you on the many interventions you have made on this bill on behalf of the people in Madawaska—Victoria. I did not want that to go unstated.

Every time I get up to speak to this bill and talk about some amendments we have proposed I seem to get distracted. I must admit to being distracted again.

My colleague from Gaspé in putting a question to my colleague from Thunder Bay asked what this bill does for seasonal workers. Very specifically, the bill puts value on their work rather than on their week. Someone who works more than 35 hours a week benefits from this bill. Even the CLC, which has not been an ardent supporter of this piece of legislation from the beginning, acknowledged that.

I am sure the economy in the riding of my colleague is not significantly different from that of the province of New Brunswick.

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I am prepared to acknowledge and have acknowledged weaknesses in the bill where they exist. However, I would also expect that we have to acknowledge the existing strengths in the bill.

I believe the member specifically asked whether the government expected to extend the seasons. No. What we need to do is to extend the value of work. People who work 70 hours in a week because they work in a seasonal industry should get the benefit of those 70 hours of work. Those hours of work are very common in the kinds of industries in the communities we represent. With this bill, a 70 hour work week, based on conventional applications of UI, is worth two weeks. It is that simple.

In my own constituency generally the result will be that someone will get in with one and one-half fewer weeks of work because the value will be on hours and they will get as much as two weeks more of benefit. I accept the fact that if someone has not been a part of the labour force it is going to be tougher. However, we have to recognize where the value is.

I have mentioned the value of the shift from weeks to hours. In our case I believe that 85 per cent or 87 per cent of the labour force in the province of New Brunswick works more than 35 hours a week. That speaks to how many people will be advantaged by this.

Another benefit is the low income supplement. Very specifically, if the family income is less than \$26,000 the benefits that will go to that family will increase by up to 13 per cent. For a single person that will not happen and I accept that, but let us recognize the strengths in the bill where they exist.

Finally, with the human resources investment fund, people who have not had access to programs before will have access to programs because there is a reach back. I am sure the member for Gaspé knows exactly what I am referring to. In the past, people who were not eligible for benefits were not eligible for the program. Now if someone has been on UI for the past three years or on sickness or maternity in the last five years they will be eligible for employment benefits. That is a significant improvement in the program.

• (1230)

I would like to get back to some of the comments by the member from Edmonton. He spoke of the need for an honest debate. He very nicely positioned himself and his party in terms of this debate. Basically he said if one cannot find work in Cape Breton or northern New Brunswick or in Quebec, move. They should where the work is.

I find that an unacceptable solution. We have a larger obligation than that. I have a lot of respect for the member from Edmonton and we share similar views on many things, but we do not share similar views on that.

He spoke of the need for a national guaranteed income. I have supported that concept for many years. What would he say to those people who say a national guaranteed income will create dependency? Basically they will throw his argument right back at him on that question. I would not throw that argument back at him. I agree with those concepts. I agree we have a larger collective responsibility to each other.

The hon. member referred to the fact that very often people take UI just because they do not like their job. It has been my experience that it is not the case. People on UI would much sooner be contributing premiums than drawing benefits. As an Atlantic Canadian, because from time to time that argument is thrown back at us, I take great exception with the suggestion that people for the most part are on UI as a choice. I do not know of very many people who would not prefer to pay premiums than draw benefits.

There was a reference by the member about water running up hill and something to the effect that there is no point in trying to impose our political will on the natural order of things which would see Canadians move to those places where the jobs are and that is a natural law and cannot be affected. I draw a different analogy.

Essentially what the member was saying was that people are on their own. Basically we have equal opportunity. They can go to school and they can do all of these things. Fundamentally when all is said and done they make their own way in this world.

I see it as the same analogy as throwing a baby off a boat into the ocean as a way of teaching them how to swim. I do not see it that way. I accept the challenge of the member that we should have an honest discussion about this. I am certainly prepared to do that, for that is not the way I see a country proceeding in a civilized way.

There was a reference to the fact that some parts of the country do not have the economic base. They do not have the jobs. They do not have the same economic viability as other parts. The reference was they never have, they do not and they never will. That is not the case.

Our part of the country which right now benefits from these programs at one time had one of the most booming economies in the world. We joined Confederation. Early in Confederation our part of Canada was very affluent, very successful and by being part of the broader country and buying into national policies basically changed our trading patterns from north-south to east-west to help develop the country. Consequently we paid a price for that.

For anyone to suggest somehow we are inherently non-viable, I have a great deal of trouble with that. It is very shortsighted. New Brunswick right now is on a bit of a roll. It is recognized in Canada for getting its act together. Its economy is starting to grow.

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• (1235)

However, if the government moves too quickly on these programs it will close down the economies of the region. That is why I felt so strongly that we had to pursue the amendments we were able to accomplish. We cannot close down the economies of our regions by moving too quickly on these programs. That is the reason for the amendments.

I thank those who have contributed to the honest debate.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, I was listening to the hon. member for Fredericton—York—Sunbury, who is true to form, since I got to know him in the human resources development committee, and I know that he was sincere in what he just talked about. He seemed even to move you, Madam Speaker, because the points he made related to an area that you come from too.

In spite of all that he had a somewhat easier task today since he was speaking after a Reform Party member who was obviously attacking the unemployment insurance system head on. He found himself in a somewhat awkward position, almost in the opposition, and I would say to my hon. colleague from Fredericton—York—Sunbury that I think he would feel more at ease with us on this side of the House than on the other side.

Things being what they are, however, he is still sitting opposite, on the government side. I know he made some efforts, and he put forward a particular amendment. I am giving him a chance to talk about his amendment because we are in the House and, after all, are here to inform people. I know beforehand what he will say. I know that the three amendments he put forward for the Liberals do seem, at first glance, to soften a little the blow of the \$365 million cuts, but nevertheless the budget goal remains the same: to find \$2 billion.

In order to compensate for the \$365 million forgone because of his three amendments, the government will have to go after abusers and repeaters even more relentlessly, and the hon. member for Fredericton—York—Sunbury knows it. Abusers are abusers, and all members agree that abuse should not be tolerated. But repeaters, according to the government, will be those who are on UI for five consecutive 20-week periods. They will get a one percentage point penalty each time.

People who will be affected are seasonal employees in the hon. member's area and in the Acadian peninsula we visited last year. People asked us not to do that. I remember it vividly. Both the member for Fredericton—York—Sunbury and I were deeply moved by these representations.

Today is a sombre day, because this bill provides for \$2 billion in cuts, even after amendments to soften the blow. Benefits will be cut because the basic principle is still there. The one-week waiting period has been abolished, but the reduced earnings week principle remains. That will encourage more people not to report those reduced earnings. Obviously, this is a golden opportunity for abusers.

I have a question for the hon. member. He stood for the unemployment insurance plan, and he fought tooth and nail to have the minister make his bill less drastic. The hon. member managed to get a few amendments in to soften the bill's impact, but despite these amendments, this bill will take millions of dollars out of the economies of the maritimes and of eastern Quebec. Is the hon. member comfortable with this bill, sitting as he does on the government side?

[*English*]

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, I now sympathize with my friend from Edmonton when my friend from Lévis suggested I should be on the other side. We are always saying he should be on the other side. I have an understanding as to how confusing that might be.

The shift from weeks to hours will be beneficial to our region. With our amendments to fix some of the mechanical problems in the bill I believe it will be good for our region.

• (1240)

I recognize we will be taking a net \$1.2 billion out of the system. I know the member is aware that there are many people who regularly draw benefits. I am not talking about fraud or misuse. I am talking about the fact that a program was put forward which allowed people who could not make enough money in a year to live on to supplement their income. That is what a part of the program is about. There are people who draw on the system who cannot make that argument. We may disagree on how many.

As the member knows, \$800 million is going back into employment programs which will affect the income levels of people in the system. Therefore I believe we can take \$1.2 billion out of the system and not negatively affect the program.

I have been engaged in the debate to make sure it happens at the top, not at the bottom. That is what the amendment is all about.

[*Translation*]

Mr. Yvan Bernier (Gaspé, BQ): Madam Speaker, I want to thank you for recognizing me on such a sad day. This is for the official opposition the last chance to rise in this House and speak against a reform that will affect all Canadians and all Quebecers.

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A lot of things have happened in this House, including the unilateral patriation of the Constitution in 1982. Some of the members of government at that time are still here and are about to deal a severe blow to regions like mine. This will hurt not only my riding, but also all the workers who now have the chance to work. They stand to lose their jobs and be hard hit, if their businesses were to go through a rough patch or the economy were to take a downturn.

It is with an aching heart that I rise today in this House to say again, loud and clear, what my constituents from the Gaspé area came here to say, last week, in front of Parliament. These people took a 32-hour bus ride at their expense, because the round trip takes 32 hours. They came here to ask very peacefully to meet with the Prime Minister in order to express their grievances, because nothing in this bill gives them hope for a brighter future after July 1, the day on which this infamous bill comes into force.

Where can we find the strength, maybe it is born of despair, to ask the government to understand their point of view and to postpone this bill, because I think this is the night we will be asked to sentence regions like mine to death? So, I rise today in a last-ditch effort.

I will review all of the issues, one by one. First of all, I want to mention the title of this bill, which is misleading. They call it employment insurance, but nothing in this bill guarantees that jobs will be created. On the contrary, it is more like deficit insurance. The people on the other side have started to admit that they hope to get more money out of the unemployed and to be able to set aside \$5 billion at the expense of the jobless. It is outrageous, it is a disgrace. Five billion dollars.

There was a joke we used to tell when I was a kid. "If someone steals some chips in a store, he is called a thief". But if someone steals \$5 billion, what is he called? A politician? I am not proud to be a part of Parliament on such a tragic day.

• (1245)

I would also like to mention three new irritants that will strike directly at people in the regions. I am talking about the eligibility rule, the rate of benefits rule and the intensity rule.

What does the eligibility rule provide for? A minimum of 910 hours of work. We talked about this throughout the debate, but each time, we were subjected to time allocation, that is, in other words, we were gagged. What does the 910 hours eligibility rule mean when one works in the regions and according to the seasons? It means twenty-six 35 hour weeks. To my knowledge, there are not many seasonal jobs that make it possible to work that long.

And what of the rate of benefits rule? They try to make us believe that the irritants are now fewer. Does putting a plaster on a wooden leg reduce the pain? No, it does not. The bill, as introduced in the House after prorogation, provided for the divid-

ing of consecutive work hours. This is not true any more. Now the work hours will be divided by the higher of the following: with the unemployment rate in our region, 14 weeks, or if one is lucky enough to live in a region with a lower unemployment rate, a greater number of weeks or the period worked. But what is the most vicious, I would say, is that this will have to be within a 26 week period. This bill, once passed, will compel people to concentrate their hours of work.

What will the construction worker tell me, in February, when I ask him to go over to my house to repair the door knob, while I am in Ottawa? He will tell me that he would prefer to see my door knob break in May because May is included in his 26 week period of work, and because he would then have the opportunity to group together his weeks and to concentrate his hours of work. This was just another example. Fishermen and lumberjacks are not the only ones who will be affected. This is an important point.

The intensity rule is another measure that strikes directly at those who work in regions. In an effort to soften this intensity rule, i.e. the 5 per cent penalty, a limit was established and it was decided that those with family earnings that are less than \$26,000 in total will be exempted from this rule. But I will come back on this issue later.

How can someone who earns \$26,000 and has a family of four believe that he will have a decent life? He will only survive. Therefore, I think the intensity rule will once again hit hard those regions that depend on seasonal work.

It is sad, but I would like to remind our viewers that the official opposition, in spite of its goal to promote sovereignty, has tried by all acceptable and recognized parliamentary means available to do its job and represent the people, to support victims of the job shortage. But, every time we tried, we were prevented from doing so. Every time we tried, we were gagged.

I tried in vain to extend a helping hand, to say that we need to build a partnership, that we need to build a relationship based on trust because I think the government needs the public's trust to be able to implement such changes. Unfortunately, the members opposite did not understand.

It is appalling or, should I say, frustrating for a parliamentarian like myself who has tried to use all available tools. However, I would like everybody in this House to know that it is much more appalling and frustrating for the victims of the job shortage, who will see their benefits reduced as of July 1.

• (1250)

I fear the public's reaction. I am scared. I am even afraid, since we do develop relationships in this House, that some of our Liberal colleagues will have a very hard time when they go back to their ridings after the House adjourns for the summer. Each one of these

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members will have to face his or her constituents. I hope they will remember what happened on May 14. I sure hope so.

In closing, I would like to tell the government that, if it wanted money, why has it not decided to get it from those who have large salaries? As mentioned by the member for Mercier a few moments ago, the maximum is being brought down from \$43,000 to \$39,000. I would like to add that, while we are doing our job, people are waiting.

Why have MPs not been asked to contribute to the fund? Why have senators, who, I think, do not work much sometimes, not been asked? The government could have taken contributions from their salaries to give that money back to people who do want to work and who do not sleep on the job.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, Ontario puts a significant amount of money into the system. For every \$1 working men and women in Ontario put in, we receive 76 cents back.

In 1993 Quebecers received \$1.29 for every \$1 they put into the system. Under the new EI system they will receive \$1.32 for every \$1 they put in. Based on how shameful the member feels it is, can he explain to me what is so disgusting that for every \$1 Quebec puts in it gets \$1.32 out of the system? Is that not fair? Is that not equitable? Is that not compassion?

That is an important question to ask because coming from Ontario where we get only 76 cents for every \$1 we put in, we think we are being very fair. We are trying to make the system work for other regions that are have not. I would certainly like to know the response of the member when we look at the raw facts and the numbers. From 1993 to 1996 the amount Quebec is receiving has gone up, not down.

[Translation]

Mr. Bernier (Gaspé, BQ): Madam Speaker, it is unfortunate that on the last day, on a day I should perhaps call a national day of mourning for the people of one region, someone has the nerve to stand up in this House and provoke us by comparing people from different regions and making distinctions between people from Ontario, from Quebec and from New Brunswick. Does he mean that there are second class citizens in Canada?

I can hardly control my anger, but my anger is nothing compared to what awaits them if they dare visit some parts of Canada where people believe that their occupation is a noble one. If those people

are told that they must compare their situation to what Ontario got—Madam Speaker, how is it that when the Department of Industry allocates its research and development funds it is always the same who receive the lion's share?

And they say that they paid too much in unemployment insurance. This is shocking and appalling. There are words that I do not want to use because I want to follow rules and because I want to be here to vote against the bill.

Speaking about comparisons, we can say that we were had last Thursday. The Minister of Fisheries chose to publish his new fee schedule exactly at the time the Quebec government was bringing down its budget. Unfortunately, the parliamentary secretary did say: "Yes, it is true that in Quebec you are going to pay a little more for the navigation aids that the Coast Guard will offer". When time comes to do some Quebec-bashing, they do not hesitate, but they deny it. They do it when the media's attention is on something else in Quebec City. But when times comes to face the facts, they prefer to hide.

• (1255)

How can we make them understand? I wanted in good faith to work here. I wanted to make them understand, but, on the last day, they want to make a comparison. If they want to compare apples, let then let us compare apples, but when we are speaking of money and remuneration like that, I wish they would put everything on the table. This is not the case presently. They are making comparisons about people who want to work but who, since there are no jobs, need that economic stabilizer that unemployment insurance is.

I will conclude with the following point. Can you cut firewood in downtown Toronto? Can you fish lobster and other species in downtown Toronto? No. Tell us if we are not welcome there, and if that is the case, so long, folks.

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, from here on, all those speaking on behalf of the Bloc Québécois will limit their speeches to 10 minutes.

Following on my colleague, the member for Gaspé, I would also like to add the voices of the constituents of Saguenay—Lac-Saint-Jean to this debate. It is true that today is a sad day for all Canadians and Quebecers. It is also sad for the regions.

This is the last time we will be able to express our views about this plan to reform unemployment insurance. I am therefore speaking from the heart, but I do not expect to be any more successful than my colleagues, who worked tremendously hard on the human resources development committee, in getting the government to budge. I realize that our cries are falling on deaf ears.

Government Orders

I must simply say to you that there is no need to rush at this time. We could—and I implore the parliamentary secretary—we could take the time to review the whole issue of unemployment insurance.

For my region, it will mean approximately \$25 million less in the economy annually. And yet, we still have the highest rate of unemployment in Canada, and have had for years. I must tell you that this reform is unfair towards a region such as mine.

This is not what we need in the region. We do not need a blow like this. What we need is help finding a solution. People from my region are proud people who are not afraid to work. We want to find a solution.

This reform is a direct hit on students, women, and seasonal workers. And yet, they made their opinions known, they were consulted, they even sent petitions here. What became of these consultations? All across Canada, these consultations were just a sham. No attention was paid to them, and why not? Because the reform was based on preconceived ideas, on false principles.

They said to themselves “Now then, we are going to reform the system, for too many people are taking unfair advantage. There are people who are cheating the system. We find it hard to understand, there are jobs out there but nobody to take them”. Instead of looking at this situation, the decision was taken to try to get at everybody, yet it is not true that everyone is out to cheat the system.

• (1300)

Moreover, at no time in the Standing Committee on Human Resources Development, and even less so publicly, has the government laid its impact studies on the reform out on the table. They have been incapable of telling us what the effects of the reform would be on students, on young people. There has been nothing to show what the effect will be on seasonal workers.

It is only when the thing comes into effect that we will see that perhaps somebody has goofed, that this might not have been the way to go, but by then it will be too late. Far too many people will have had to pay, and to pay through the nose, for this unjust reform.

My colleagues in the Bloc Québécois have said that, yes, reform was needed, a review was needed, but the review needed to be fair and honest and to allow everyone to benefit from it. That is why my colleagues in the Bloc have moved amendments, amendments which I am not even sure have been looked at properly.

I sat through six hours of the committee’s meetings, and from what I saw, the folks across the way paid no attention to what my colleagues were saying. The apparent attitude was “No problem, we will just wait and see how it turns out. We have a plan, and that is the way we will go”.

I think that they are on the wrong track, for this reform does nothing more than to encourage people to hold down more than one job, and the jobs involved are mainly precarious ones. This reform will also bring pressure to bear on wages, not upward pressure, but downward. This gives you an idea of what can happen.

Under the old system, seasonal workers, for example, had to try to accumulate the required number of weeks in order to become eligible. Under the new system, they will have to negotiate a number of hours of work with their employer in order to reach the required minimum. You can imagine easily what will happen in small industries, in small and medium size firms where there are no unions. This will cause serious problems between employers and employees. This will have a negative impact on the reform as a whole.

This piling on of salaries will inevitably lead to the creation of “McJobs” all over the place. They will say to someone: “I offer you ten hours of work this week, but do not come in next week. Then the week after that you will again work ten hours”. This vicious circle will prevent many people from becoming eligible.

The result will be that people will hold simultaneously an increasing number of jobs. One “McJob” here, one “McJob” there, a better one in order to accumulate a sufficient number of hours. This situation will lead to family unrest, since there will be a social impact, because of irregular work schedules for instance. This new work pattern or work schedules will force people and families to adjust. Children and the mother are often the ones who have to bear the consequences of such changes.

Since you are telling me that my time is almost up, I will conclude by saying that this is a sad day, considering that we are going to vote on this bill tonight.

I would like to tell you about three workers from back home who recently explained their situation to a reporter.

• (1305)

These people said, and I will be very brief: “Instead of taking it out on the unemployed, the government could come up with much more effective decisions. It could take the surplus from the unemployment insurance fund and try to create jobs, provide better training and so on, by creating legislation prohibiting overtime for example. Workers at Alcan have shown the federal government that, with less overtime, jobs can be created. In this case, the government must get involved, because the system has to get started.

The workers at Alcan did it. More than 200 jobs were created, and that is not counting indirect jobs. Moonlighting as well must be monitored. The federal government missed the boat in failing to keep its promise to create jobs.

Government Orders

[English]

Mr. Wayne Easter (Malpeque, Lib.): Madam Speaker, I am pleased to speak on third reading debate of Bill C-12, the employment insurance act.

I feel most privileged to have worked on the human resources development committee examining the bill. I enjoyed the thrust of debate with members opposite as we strove to improve the bill for the benefit of all Canadians. I sincerely believe the bill and the process undertaken speak well for democracy.

In my experience as a farm leader I appeared before many parliamentary committees and in my experience as a parliamentarian I have never seen such substantial changes made to a bill in the interest of the people from whom we have heard. Improving the bill to address the concerns of people is what this process was all about. It has been a very long process.

The green book on social security reform was tabled a little over two years ago. When that paper came down I held a couple of public meetings. People were very concerned about the direction that might be taken by human resources development in terms of social security review. A committee went all across the country with members from all parties in attendance. The committee heard over 600 presentations. It heard a lot of concerns about the two tier system and where we might be going on UI. It came back with what I think was a wonderful report, on which part of this legislation is based.

A seasonal industry task force was set up. Its report mentioned how important seasonal industries are, that seasonal industries do not work only during one season but create economies downstream. They create full time jobs in industries other than their own in terms of the products and services they need within the seasonal industries. Seasonal industries are made up of full time workers who are highly skilled and much needed in those seasonal industries. The government took that to heart and took those issues into account in terms of the preparation of the final stages of Bill C-12.

When Bill C-12 was introduced I held public meetings in my riding, as did many of my colleagues. We expressed as members of the government our concerns internally and publicly on the bill. We said publicly that there was a problem in terms of some areas as they impacted on the seasonal industries, and we moved to correct those changes.

We also recognized some very good points in the original bill. It is an hour based system. It gets rid of the 15 hour job trap. The part II benefits include \$800 million for reinvestment in such programs as wage subsidies, earning supplements, self-employment assistance, job creation partnerships, skill loans and grants. Those are important points.

● (1310)

I have made it clear from the very beginning that scrapping the bill was not an option. We are dealing with the realities of the turn of the century. We need improvements to the bill and we will try to achieve them. We must work as members of Parliament toward improvements. The former minister and the current minister agreed and showed an openness for change.

We heard concerns. One was from Jacinta Deveau:

At a time when corporations are making record profits and yet still laying people off, now is not the time to start increasing qualifying times or decreasing benefits particularly for those people who must resort to applying for benefits, must do so for longer periods of time and in greater numbers; add this to the competition for fewer and fewer numbers of jobs sought only not by those people caught in the corporate downsizing and adjustment but those in seasonal and non-full time job occupations and you have a recipe for disaster in the Atlantic region generally and P.E.I. in particular.

We did not bury our heads in the sand when we heard that concern. Government members moved to correct that concern. We corrected it in several ways. That concern we corrected by fixing the gap and improving the divisor. We are certain the employment measures will move some distance to improving the job situation.

We did not take the position to scrap the bill. We listened and moved to make improvements. That is very different from what I have heard from members opposite.

The hon. member for Mercier, the critic for the Bloc, talked about the lack of debate. On the night of the filibuster those of us sitting on the government side wanted to debate the substantive issues to see if there were other areas of improvement. Is the hon. member asking us to do away with the employment measures which will help people to get jobs? Is the hon. member asking that we scrap the benefits for low income families? Is the hon. member asking us to go back to a system which had within it a 15 hour job trap that trapped mainly women in part time jobs? This bill improves that situation. Members opposite should recognize that.

I will list some of the other improvements we have been able to accomplish through this debate. Members on the government side have fixed the gap, the dead weeks. We have managed by making amendments to the legislation to take out of the calculation base those weeks that would have been considered as zero earnings. We have fixed that gap to the benefit of seasonal workers and of workers generally.

We have changed the divisor to make it more uniform across the country. It will be the regional rate plus a divisor of two. That does two things. It sets some stability and it ensures for business that there is an incentive out there for people to find work instead of simply going on UI.

We have fixed the intensity rule to a great extent. We have ensured the intensity rule does not apply to low income families with dependants. There will be a method of receiving an intensity rule credit for those who work while on unemployment.

This is in part based on the concerns raised by some of the people who have been demonstrating. In order to ensure that these good amendments that Liberal members have made are secure into the future, the power of a future minister to change the divisor by regulation has been deleted from the bill. In the future changes will be made in the House and not by the executive.

• (1315)

I am pleased with what has been accomplished. I will admit that one good amendment was moved by members opposite. We supported and it was incorporated in the bill. It goes to show what can be done if the opposition is more co-operative instead of saying “scrap the bill”. We really do not want filibusters. We have made great strides forward.

The minister said that the bill is not perfect, that there are some areas of concern. However, as a government we do listen and we make changes to meet the needs of people.

In closing, I would like to quote Alice Nakamura. I think she is right on target:

You have proven wrong all those who told me this reform effort was a waste of time. Bill C-12 tackles the 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 program pose for our economy and the future employment prospects for Canadians.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, the member for Malpeque may have tried to console me a little bit by reminding me that the Liberal majority had approved an amendment introduced by the members of the Bloc. As the author of this amendment, I only want to point out that this amendment was about adding the two words community agencies, omitted by the Liberal majority, as entitled to federal grants in order to create jobs. I only wanted to ensure that they would not forget this important aspect.

Despite this modest amendment, the only one they deigned to accept out of some fifteen that were moved, one fact remains. Since the member mentions it, I want to remind him that the Liberal majority introduced 42 amendments in Committee. Those amendments have been approved, of course, since they have a majority.

Government Orders

Those 42 amendments were introduced in committee—I remember—by various Liberal members, sometimes by the parliamentary secretary. When questioned on the substance of these amendments, I must say that, most of the time, in 75 per cent of the cases, it was public servants who answered. Why? Because these amendments were obviously written by public servants. What type of amendments were they? Technical amendments to reinforce clauses of the bill, whether some members like it or not, aimed—forgive my language—at catching more people red-handed and at reinforcing penalties against those who abuse the unemployment insurance system, but this is not said.

They say that they have improved the bill. Granted, but they do not say that the objective was to eliminate such abuses. The three amendments improve the system, but the three amendments presented to the House could only be moved by the minister. Everybody in the House knows it, but it is something we have to say for the record because people outside the House do not know this. We, in the opposition, have been criticized for failing to propose any amendment. We were told that we were criticizing the bill but had no amendment to propose. There is a parliamentary rule that says very clearly that as soon as an amendment involves changes of a financial nature, it amendment must be moved by a minister of the crown.

This is why the opposition could not move such an amendment.

• (1320)

You will understand that, otherwise, we would have proposed quite a few amendments to eliminate the negative impact of the \$2 billion in cuts which come on top of the \$5 billion in cuts made as a result of the previous federal budget and Bill C-17. I wanted to make this comment.

Now, for my question. In her speech, to which the member for Malpeque listened, the member for Mercier reminded the House of a statement, to my knowledge the only statement, by the economic development minister of his own province, Prince Edward Island, who said how bad it was going to be for the economy of Prince Edward Island, which is a top performer in the area of job creation. I would say that in Prince Edward Island, apart for government services, jobs are only seasonal.

There is no farming in winter. He pointed that out. Fishing too is only in the summer. And as far as tourism is concerned, people who like PEI come mainly in the summer. Does the member agree with the statement made by the economic development minister of his own province, who said that this bill was bad? Also, does he agree with the government's figures according to which, from now on, Prince Edward Island, with a population of only 170,000, will lose \$11 million every year?

Government Orders

[English]

Mr. Easter: Madam Speaker, the member is just about filibustering. The amendments that we accepted concerning community organization were important. We saw them as such. They are two very important words.

We did listen to the discussion of Bloc members opposite on the gap and we fixed it.

I want to get to the point—

The Acting Speaker (Mrs. Ringuette-Maltais): Resuming debate. The hon. member for Guelph—Wellington.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, the government has made jobs and growth a priority. That is the underlying theme behind the reforms of the new employment insurance system. Coupled with this theme is the need to create a fairer and more balanced system.

The people of Guelph—Wellington support the government's endeavours to encourage a greater effort to help find Canadians work and to achieve a system that is more affordable and easier to administer. They know that deficit reduction cannot be successful if it is accomplished solely on the backs of the unemployed. They also recognize the inefficiencies of the old system.

Reforms to employment insurance are a part of the government's efforts to restructure the federal government. This is a unique time in our nation's history. The federal government is responding to communities like Guelph—Wellington that have told us to make the system fairer and more balanced.

Let us look at the highlights of this legislation. Changes have been made to make the system fairer to youth, to women, to low income families and to workers in seasonal industries. Tough measures have been brought in to crack down on fraud and most important, work initiatives have been strengthened.

I am not happy with the level of unemployment in Canada. Just a few moments ago I was talking to a colleague from Quebec who is also not happy with those levels.

My own community's unemployment rate is approximately 8 per cent. I find that unacceptable. I know that people in Guelph—Wellington want to work. They want to provide for themselves and their families. From the outset I have encouraged the government to go beyond simply offering basic income support for people in my community who unexpectedly find themselves out of work. Unemployed Canadians must be given a better chance to get back into the job market.

This legislation addresses the fact that not every worker in Canada has uninterrupted weeks of work to qualify for maximum benefits. In this regard I have worked closely with construction workers. The building trades, by the very nature of their positions, work hard. The harder they work the faster they put themselves out

of work. They have asked for changes to remove disincentives and changes to reward people for their work. They know that the previous system encouraged fraud and promoted the underground economy. Simply put, by encouraging people to work we can help drive the underground economy above ground. That is good news. It will encourage further government revenues and ensure that the workers are paid the wages that they deserve.

• (1325)

This legislation also makes the system fairer to youth, to women and to low income families. We have moved to counting hours of work instead of weeks, a direction supported by the building trades. In my discussions with constituents it was clear that whether a person worked 15 hours a week or 50 hours, both were treated the same under UI. We needed to address the reality that Canadians no longer work a 9 to 5 day, Monday to Friday.

Many of my constituents are holding down several jobs with different employers or work on contracts for periods of time. The one measure of work that means the same to everyone is the hour. The hour is the very same. The hours based system better reflects the new economy. It will insure a growing segment of Canada's workforce that currently has no protection whatsoever. With this important addition, 500,000 part time workers will have their work insured for the very first time, a move that will benefit woman and youth in particular. I hope that my Bloc friends will agree with that move.

It means that women working part time or earning a living at several jobs will now qualify for maternity benefits for the first time, a move that will strengthen the value of family and work. This provision alone recognizes the importance of the household and the Canadian family.

The legislation also includes a family income supplement for families with children earning less than \$26,000. Certainly this is good news for families in Guelph—Wellington and across Canada.

I appreciated the special significance of the seasonal industry. Under the hours based system 45,000 workers, who today cannot qualify for unemployment insurance, will now qualify to receive benefits. I am pleased to quote the building construction trades represented by the Canadian office of the AFL-CIO: "We suggested a UI program where every hour worked and every dollar earned counted. The government has listened".

No discussion of employment insurance can be complete without paying some attention to the issue of fraud. Regrettably there are those who take advantage of our system. The vast majority of Canadians that collect unemployment insurance are doing so because they need some assistance while looking for work. They do not want to be unemployed and they are anxious to return to work. They understand the dignity of work to which the Prime Minister so often refers.

This legislation sends a strong message that fraud will not be tolerated. This applies to both individuals and employers. Companies that knowingly defraud the system will face stiffer financial penalties. If the company cannot pay the price its corporate directors will be held accountable for the loss. These ideas are new and they are necessary.

I continue to raise concerns brought to my attention by individuals, business people and unions. I am pleased that the minister has recognized a need to monitor these changes. The government will measure the impact of these reforms on Canadian workers, businesses and communities. The minister has acknowledged the need to see how Canadians are adjusting. Quality control efforts will mean that the employment insurance commission will make an annual report to the minister through its examination of how Canadian workers, communities and the economy are making the adjustment. I urge them to pay careful attention to the underground economy. We must continue to ensure that what we do does not encourage its growth.

The government has listened and we will continue to listen to make a system that is fair and balanced, fair for users, fair for taxpayers and fair for business. Through these changes we have been responsive to the balanced approach of jobs and growth and deficit reduction. Unemployment affects all of us, everyone.

• (1330)

We must continue to pay close attention to our core values as Canadians. These include fairness, balance and the dignity of work. Bill C-12 deserves our support.

[Translation]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, our Liberal colleague showed us the true objective of this bill. It is called the employment insurance bill, but as you have seen, there was an underlying concern to all her comments; the purpose of the new measures is to fight against abusers or pseudo-abusers.

The new Minister of Human Resources Development, when he first appeared before the committee, indicated that he wanted to ease the rules, but when he appeared the second time, told us about an extraordinary discovery he had made. He said there were approximately 120,000 cases of fraud in Canada. In fact, there are 116,603. He was asked if that was an increase. No, it represents a decrease because there were 131,081 cases of fraud in 1991-92.

I will be brief, Madam Speaker. Figures show that the last bill allowed the government to recover \$272 million and they hope to recover an additional amount of \$345 million with this new bill.

But, out of those \$272 million, figures submitted by the parliamentary secretary himself show that only \$93 million resulted from

real fraud. Three quarters of the remaining \$179 million were due to errors made by the unemployment insurance commission. These were errors.

So instead of passing legislation that is an insurance plan designed at fighting fraud, the government should have drafted legislation to prevent errors, which sometimes cause serious trouble, because the commission can go back five years.

Does the member agree that we should take more time and draft this bill in such a way that it will help public servants prevent errors, which most of the time are made in good faith simply because the legislation is not clear? Does she think we will improve the bill with last minute amendments? There were 42 in committee one evening. What does she think about correcting mistakes before we attack the pseudo-abusers, the pseudo-defrauders?

[English]

Mrs. Chamberlain: Madam Speaker, I want to address a couple of things the hon. member spoke about.

One is the time it has taken the government to look at this bill. It has been close to three years now, since the beginning of the election. It is tremendous to recognize. I see the parliamentary secretary to the human resources minister. It is a tribute to him and every colleague who has spent the hours day and night looking at this bill to make sure that we addressed a lot of the concerns.

As I mentioned in my speech, the building and construction trades are happy that we have looked at the hour measurement of time. That is what they asked for. They said that the government has listened. That is very important.

Also, as the parliamentary secretary mentioned, this piece of legislation will allow Quebec for every dollar it puts in to get \$1.32 out. It does not take a mathematics genius to figure out that putting \$1 in and getting \$1.32 back for people who need this program is significant and important. To vote against a bill that does such a thing is a travesty.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I am not here to filibuster like my friend opposite.

I was going to raise a point of order and suggest that if he wanted to speak again we would let him. Some of us could ask questions of him rather than having him talk for five minutes instead of asking members questions.

However, I want to ask my colleague a question. The Bloc again has attacked the whole issue of the hours based system, which as the member has mentioned is supported by almost everyone who understands the system. I suggest that the Bloc does not understand the importance of going to an hourly system.

Government Orders

• (1335)

The reason there is support is that there are 90,000 individuals who do not get UI today who under the new system which will consider claims on an hourly basis will be able to collect EI for the first time. Half of those workers are seasonal employees. I want to focus on the other half, part time workers. It hurts me to think the Bloc is not supporting this.

There are 45,000 part time and multiple job workers. For the first time they will be able to collect EI under this new system. Why would the member think that any party, whether it is a party that wants to break up Canada, which spends more time trying to break up Canada than worrying about workers in its own province, would be opposed to something that is good for 27 per cent of the population who are part time workers?

Mrs. Chamberlain: Madam Speaker, it is difficult to understand how any party, namely the Bloc, could vote against a bill that would increase the eligibility for part time and seasonal workers, that would help women, that would go to an hours bank and that unions and construction trades have asked for. They have asked for this piece of legislation. It is inconceivable.

I hope Quebecers are watching this debate. Quebecers are going to gain so much from this. For every dollar that is put in, they will gain \$1.32. This is very important. I thank my colleague for drawing attention to these points.

We have to help women. We have to help part time workers. We have to look at this hour bank system.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, it is a pleasure to speak to Bill C-12.

It is amusing to hear the back and forth between the Bloc and Liberal members as they talk about the changes to unemployment insurance. It is particularly amusing to hear Bloc members complain about how much they will lose. I would ask them to consider how much they would lose if and when they decide to leave the country completely. It would certainly be a lot more than they could afford to give themselves considering the kind of financial shape they would be in on their own.

I will offer some constructive criticism of Bill C-12. People across the country are very concerned about the whole issue of employment, without a doubt. There is no question it is one of the most important issues in the country today. The government spoke about it during the election campaign when it promised to create jobs, jobs, jobs. It is a commitment Canadians are waiting for it to fulfil.

One of the main concerns we have with this legislation is that it goes in the wrong direction. Granted, it does not go as far as the previous legislation went in the wrong direction, but it is still going in the wrong direction. We have a concern about that.

We say that we should not treat unemployment insurance as a type of social program. Unfortunately, the current legislation does exactly that. We say that it is bad for the country. We say it is bad for employment prospects for people. We say it is bad because it does not give people the type of hope they need and deserve. We are very concerned about that.

It is time to change the complete direction of unemployment insurance, which I will discuss in more detail in a moment. I will talk about why we want to go to a different plan by looking at the history of unemployment insurance in this country.

Going back to 1971-72, that is when regionally extended benefits first came into being. I would argue it is not sheer coincidence that at the time those changes came in, unemployment began to creep up and up. Until about 1971 or at least the late sixties, Canada had about the same unemployment rate as the United States. It was very low, in the range of between 3 per cent and 5 per cent. Shortly after those benefits were introduced, those two unemployment rates began to diverge. The Canadian rate went much higher while the American rate stayed about the same.

As the finance department has borne out, my point is that quite obviously when there are rich benefits which essentially reward people for remaining idle, we should not be surprised if people respond to those incentives by becoming idle. Do not be surprised if they do not run out and look for a job. Do not be surprised if they stay somewhere where there is no work. For me that is absolutely sensible. I am not at all surprised it happens.

• (1340)

I do not think we should be surprised when we bring in timid measures, such as we have today, that it will not really have an appreciable effect on unemployment. In fact, I do not think this legislation is going to create jobs at all. I would argue that this legislation will kill jobs.

One of the concerns we have with this legislation is that premiums will have to be paid by part time workers. People who work less than 15 hours per week will be paying premiums, as will employers.

Consider that one of the biggest job killers in the country today, which the finance minister has said over and over again, is payroll taxes. There are going to be payroll taxes for the very people who are feeling the pinch the most, those trying to get into the workforce. Young Canadians and very often women who work part time are the ones who are going to have their jobs threatened because the government is insisting on bringing in premiums for part time workers.

The finance minister has said repeatedly: "That is a job killer, that is a job killer, that is a job killer". Of course it is going to kill jobs. Absolutely.

Mr. Milliken: When did he say that?

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Mr. Solberg: Hon. members across the way are asking when the minister said that. The minister has said it many times in this House. When the hon. member was a parliamentary secretary and sat closer to the minister he probably heard those things but now that he sits so far away perhaps it just does not get down that far.

The fact is that payroll taxes kill jobs and hon. members across the way know it. Unfortunately, they are ignoring their own advice and are bringing in payroll taxes on people who are the most vulnerable in the job market today: youth and women who work part time. This bill is going to be a job killer.

I want to draw attention to a television program that was on CTV a couple of weeks ago. The program spoke about the difference between the unemployment insurance systems in Canada and the United States. It considered two very comparable economies, those of New Brunswick and Maine. In both cases we are talking about economies with lots of seasonal work. In both places there is work in forestry during one period, work in fishing during another period, some construction work and maybe some type of handyman labour and those sorts of things. However, throughout the year there is not a lot of full time employment.

It was very interesting that in exploring the differences between these two economies it was found that in New Brunswick there was a very high level of unemployment. However, in Maine which had almost the identical economy there was a very low level of unemployment.

The reporter quizzed government officials and employers about the unemployment insurance systems. It was found that Canada's unemployment insurance system is much richer and provides much better benefits than the U.S. system. The result is that New Brunswick now has what I can only call structural unemployment as do certainly many other places in the country. In the United States, Maine has far less than half the unemployment rate for an almost identical economy.

When the reporter asked some of the workers in Maine what the difference was, they pointed out that not only did they have very few benefits as compared to Canada, but the system was more experience rated. For instance, if employers laid people off they would pay higher premiums next time around. What happened is the employers kept people on even in their down periods because they knew that if they did not, they would pay higher premiums. This is not exactly a great revelation. It makes perfect sense to me but somehow that logic has escaped the government.

• (1345)

It showed an example of a large department store in Maine where traditionally people would have been laid off in slow periods, but in this case they were painting, doing work around the

store that as clerks they would not normally do because the employer did not want to pay the higher premiums. The point being the current system rewards employers who lay off people. That is ridiculous. It makes absolutely no sense.

Again I make the argument that although these reforms make the current system mildly better in so far as they do not provide a great a reward for laying people off, they still go in the wrong direction.

It is time to separate the unemployment insurance system from the idea of a social welfare scheme. We need a true insurance system. That is the way we must go. If we did that we would not have nearly the problems we have today. If that were done we would have a system that would reward employers for keeping people on the job and a system which would reward employees for staying on the job even when it sometimes looks like it may be more profitable to collect from a social program.

In this case if we had true insurance people would know that incentive has been removed and it would no longer be more profitable for them to go on to a government system. We very much disagree with the direction this legislation is taking.

Clyde Wells, the premier of Newfoundland, pointed out the current system had created a generation which has become dependent on unemployment insurance. The situation in Newfoundland is interesting and in another sense it is tragic because there is a generation of people who have come to rely on unemployment. I hope it is instructive for people in this place who are trying to design new systems that will lead to more employment.

The premier of that province acknowledged the system does not work. When we look at Newfoundland today and we see all those people who are on unemployment, has it not become obvious that no matter how good a hair dresser is in Newfoundland, no matter how much training they get, they simply will not get a job if there are no jobs available?

The finance committee heard from a person from the Gaspé region where there is 33 per cent unemployment, a social tragedy in the Gaspé region. Has it not become obvious the current system does not work when there are levels of unemployment that high? Is it not obvious that when people are kept in one place because of a system perhaps they are being denied opportunity, denying them the hope they deserve as Canadian citizens? That is absolutely ridiculous.

Clearly the solution is not in how we attempted to solve the problems of the past. That caused the problems. The solution is something different. It is time to move forward and get away from this system and go to a true insurance system.

In the 1930s many people in Alberta had to leave the land. There are special areas in the province where people had to abandon their farms because there was simply no way they could grow anything.

Government Orders

They left because it did not make sense to stay anymore. They went where the jobs were. That makes absolute sense to me.

However, the current system acts against that natural impulse. People naturally are drawn to where there are jobs. If we pay them to stay where they are, do not be surprised if they respond to that incentive. That is what this legislation does. It gives them incentive to remain where they are. I do not blame the people for taking it. I blame governments for offering it in the first place. That is ridiculous.

We have that problem in my part of the country as well. Perhaps it is not as pronounced as it is in some parts of Atlantic Canada or Quebec, but we have the same problem.

• (1350)

The point is, no matter where the incentive is offered, people are people and they will respond to that incentive. Let us not continue to hold people back. Let us not continue to stifle their potential. Let us create an employment insurance program that is truly an insurance program, that is experience rated, that rewards people for continuing to be employed, that provides a disincentive for people to give up their jobs.

It is the responsibility of the government to create an environment for employment. One of the things the government decidedly has not done is create an environment for employment. It is little known but it is a fact that since this government came to power it has brought in revenue measures and tax increases amounting to over \$10.5 billion. That is an amazing amount of money to take out of people's pockets. That kills jobs. That kills all kinds of opportunities for Canadians. That cannot continue.

Hon. members opposite are concerned about this. They should be. It is killing jobs. The hon. member opposite is obviously concerned about \$10.5 billion coming out of the pockets of his constituents and Canadians generally.

The finance minister said payroll taxes kill jobs. I will expand on that. All taxes kill jobs. The more money taken from the taxpayers, the less they have to save. Those savings would ultimately go to creating new opportunities in the form of new business. The less money they have, the less money they have to spend on goods and services. Therefore there are not as many jobs for people in those industries. The hon. member opposite is complaining that his government is raising taxes. I do not blame him.

The finance minister the other day said "we did not raise any taxes in the last budget". If we stick to the letter of the law he was right. He raised some after it. He raised all kinds of revenue through various measures which amounted to billions of dollars. The new GST changes will exact approximately \$1 billion from people in the form of a new tax or the removal of the input credit on

used goods, something that constitutes \$60 billion to \$80 billion a year in the economy. That will take money out of people's pockets. That kills jobs.

There are all kinds of things the government can do to stop killing jobs and to start creating jobs. It has to stop raising taxes. It has to start moving toward a balanced budget, and not at a snail's pace. It has to announce a date. All the provinces have either balanced their budgets or at least have a plan to balance their budgets. The federal government has not even announced a date. It has not even acknowledged there is a problem.

If people judge the strength of the finance minister and the government by their ability to wrestle down the deficit, these guys come in dead last. They are weak kneed. They cannot meet the challenges.

We say to people to get on the government. Tell it that it has to balance its budget. Tell it that it has to start dealing with the deficit and debt.

One of the things that has to happen when the budget is finally balanced is that the government will have to start lowering taxes. Ontario is lowering taxes. Alberta is lowering taxes. Saskatchewan and Manitoba are lowering taxes. All the provinces are lowering taxes. They are creating jobs. What is the federal government doing? It is killing jobs. It is raising taxes. It is destroying opportunity.

The bill is only the tip of iceberg. Not only is the bill a bad piece of legislation, we say the government has not done the other things which need to be done to create jobs.

We say to the government that its challenge is not to tinker with Bill C-12, its challenge is not to tinker with unemployment insurance, its challenge is to fix it. Quit fooling around and create an employment system which will actually provide incentive for people to go out and get jobs instead of killing incentive. The government's challenge is to balance the budget and to lower taxes. That is what Canadians want and that is what they deserve.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, the hon. member was complaining about tax increases during previous federal budgets. He is right. We have eliminated some tax breaks and subsidies to business.

• (1355)

We responded to demands from Canadians for more fairness in the tax system and more balance. One in particular is generating a lot of revenue. The hon. member may remember that Canadians were quite incensed that at a time of a depressed economy, at a time of dropping employment the banks were recording record multi-million dollar profits. He may recall one of the tax increases of which he is complaining was a surtax on those very bank profits.

Perhaps the member will remember as well the difficulties small businesses have been complaining about in their dealings with banks and service charges which consumers are complaining about. He may wish to tell Canadians whether the Reform Party does or does not support the surtax on multi-million dollar bank profits.

Mr. Solberg: Mr. Speaker, I thank the member for her question. The member raised the issue of surtaxes on banks and in the same breath spoke of service charges.

I wonder if the hon. member can tell me if she thinks the surtax raised service charges for small businesses or lowered them. Did the proceeds from that surtax get passed on to Canadian taxpayers or did they simply go to fund ever rising interest payments on the debt?

In both cases the consumer got nailed. Those surtaxes came back to people in the form of higher service charges, higher interest rates. That is how the banks made up the difference. Because the federal government has been so slow to pay down its debt and allows anything that comes in in the form of revenue to simply be spent right away, we are paying more because it has waited so long to deal with the debt and the deficit problem.

The Speaker: There are a couple of minutes left and the hon. member can take another question after question period. It being about 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

LESLEY TASHLIN

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is an honour to rise today and speak about a very gifted athlete who hails from Haliburton County. Lesley Tashlin will be representing Canada, as she has qualified in the 100 metre hurdle track and field event for the Olympic Games in Atlanta.

At a recent outdoor meet in the United States Lesley beat the qualifying standard time and earned a place on the Canadian team for the summer Olympics. She was clocked at a personal best of 13.04, beating the standard by one-tenth of a second, which in track and field is a large amount of time, and she is close to the world record of just under 13 seconds.

Lesley is currently training at Louisiana State University and is gearing up for the games.

On behalf of the riding of Victoria—Haliburton and the rest of Canada, I wish Lesley great success at the games. We are all pulling for you. Good luck.

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[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I rise today to condemn the negative effects the unemployment insurance reform will have on women and young people.

Statistics show it is women and young people who represent almost two thirds of part time workers. Therefore, they will be hard hit by the series of new measures.

Here are some examples: the eligibility criteria are tougher, the benefits are reduced, the maximum benefit period is reduced, the claimant must contribute starting from the first hour, frequent users are penalized, the eligibility criteria for maternity benefits are tougher, and the list could go on and on.

This reform demonstrates only one thing: the government's blindness, which shows through in its desire to cut, slash and destroy social programs. Making the unemployed shoulder the burden of the deficit alone is repugnant, and unfortunately, that is what the proposed unemployment insurance reform will do.

* * *

[English]

RIGHTS OF GRANDPARENTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, grandparents are often the forgotten ones on the divorce battlefield, and the important relationship children have with their grandparents often gets ignored.

Bill C-245, an act to amend the Divorce Act, seeks to help grandparents establish a right to ask for access to their grandchildren.

Today I will be appearing before the justice committee as a witness once more presenting my arguments in favour of grandchildren and grandparents. I am hoping members of the justice committee will do what the House already did with my bill at second reading and pass it unanimously.

Witnesses appearing on this bill in the last session testified to its constitutionality, the fact the bill was needed and the fact it would not add extra litigation in the courts. Its effect would ensure all matters concerning the children are dealt with at the same time.

Government members say they support family values. This afternoon in the justice committee they will have the opportunity to demonstrate their support.

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ELIZABETH FRY SOCIETIES

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, it is an honour for me to rise today to acknowledge the important work of the Elizabeth Fry Societies as they celebrate Elizabeth Fry week from May 6 to 12.

The theme of their fourth national week is "Alternatives to Incarceration". The society and its 21 member societies hope to enhance public awareness and education about the circumstances of women involved in the criminal justice system.

The societies have a history of dedicated work in all of our communities. Their member agencies offer services and programs to help women who have come into or who are at risk of coming into conflict with the law.

The societies support principles that all Canadians should reflect: that every individual is equal before and under the law and has the right to equal benefit of the law without discrimination; that every individual has the right to legal counsel, due process and natural justice protection; that women have the right to access equal opportunities and programs in the justice system and the right to justice without fear of prejudice or gender discrimination.

Colleagues, join me in supporting the important work of the Elizabeth Fry Societies.

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[Translation]

THE LATE DR. GUSTAVE GINGRAS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I rise today to point out the extraordinary contribution made by a great man of international renown, Dr. Gustave Gingras, who passed away last week.

A native of Montreal, Dr. Gingras founded the Institut de réadaptation de Montréal in 1949 and acted as its director general until 1977. Because of his reputation, people from all over the globe sought his advice. His expertise in planning rehabilitation policies was greatly appreciated.

He was awarded many prizes, including the Order of Canada, the Most Venerable Order of the Hospital of St. John of Jerusalem, the Canadian Centennial Medal, the Silver Medal International, the B'nai Brith Humanitarian Award and the Medal of Merit of South Vietnam. In 1982, he became a Queen's Honourable Physician.

Among other works, he wrote *Combats pour la survie* and cowrote *Human Rights for the Physically Handicapped and Aged*.

The nation has just lost an eminent citizen. To his wife and to all his family, I wish to express my most sincere condolences.

[English]

THE LATE LEN CARDOZO

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I rise today to pay tribute to Len Cardozo, a fellow Torontonians who unexpectedly passed away last week following injuries sustained in a car accident.

Since his immigration to Canada from Pakistan in 1974, Len was active in many community groups and organizations in our city. Important, was a leader in the Goan community in Toronto during the past two decades, working to advance the integration of the 15,000 Christian immigrant community from India and Pakistan.

Len was a good neighbour, being active locally as a president of the Pelmo Park Community Association, a founding member of the St. Francis Xavier Credit Union, working on community relations with Humber Memorial Hospital, and president of the Canorient Christian Association helping new immigrants and seniors in Toronto.

Len's passion was politics both federally and provincially, but his pride was working to encourage many Torontonians to attend the unity rally in Montreal last October, a high point of his political involvement.

Len and his commitment to his community will be missed. He is survived by his wife Melba, four children and four grandchildren.

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JUSTICE

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the hardest thing I have ever done was stand before Allen and Debbie Wayne with their family and friends yesterday to say good-bye to their son Allen.

Allen was a young man loved by all. The pain in his parents' eyes was evidence of that.

Another nameless young offender who stole a car crushed Allen's car last August and in the process shattered many other lives. For eight months Allen clung desperately to life. He lost.

The young offender who had previously been prohibited from driving this time murdered an innocent young man.

I resent what inept governments stand for and at times I wonder why I got into politics, but Allen, Debbie and Allen Sr. gave me the courage to stay and fight for justice. That fight goes on.

You lost the fight of your life, Allen, but your courage and your memory live on in others. Thank you, Allen.

• (1405)

GASOLINE PRICES

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, people in my riding of Cambridge and Canadians across Ontario are once again being gouged at the pumps as gasoline prices rise with the spring temperatures.

To many Canadians the issue is clear. Oil companies are being allowed to charge whatever price they see fit for a litre of gasoline.

I will wait with interest to see what happens as the first long weekend of spring arrives. No doubt there will be a noticeable and coincidental rise in gasoline prices. There always is.

At what point will the government stand up against the major oil and gas companies and do what is right to protect Canadians from these unjustifiable price increases?

* * *

GASOLINE PRICES

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, on behalf of Canadians from coast to coast who are sick and tired of oil companies holding them for ransom with their exorbitantly high gas prices, I take this opportunity to commend the Minister of Industry for following the lead taken by numerous NDP MPs and the New Democratic government in B.C. in calling for an inquiry into high gas prices.

Two weeks ago NDP MPs from across the west called for a gas boycott as a way to end the high prices. Yesterday Glen Clark, the New NDP premier of B.C., established a commission of inquiry into gas prices. Premier Romanow also has supported this action against oil companies.

If the minister is really committed to this inquiry, to this issue, give the Bureau of Competition real teeth in tackling the issue by setting up an energy price review commission which would act as a permanent watchdog.

We are pleased the minister is finally catching up with our lead. We could say better late than never, but we will not.

* * *

[Translation]

MINING

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, Quebec has been involved in mining and mineral development for over 150 years. One of the first placer gold finds in Canada took place near the Chaudière River in the Eastern Townships, and although this find would now be regarded as minor,

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it led to the production of thousands of ounces of gold between 1862 and 1886.

Quebec is not only the second largest mineral producer in Canada, but it has also spent the most on mining since 1992.

All this work was not done in vain. Development of the gold mine in Louvicourt started last year, and several other mines will open in the future. The Grevet zinc and copper mine will open in June 1996, the Troilus gold mine early next year, and the Raglan nickel and copper mine in 1998.

Between 1995 and 1998, \$1 billion will be invested in mining in Quebec. Thanks to these new mines, the mining industry will remain a major contributor to the economy of Quebec and Canada. Mining Week—

The Speaker: I am sorry to interrupt, but the hon. member's time has expired.

* * *

UNEMPLOYMENT INSURANCE REFORM

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, since the government introduced its proposed unemployment insurance reform, seasonal workers have continuously demonstrated their opposition to this reform, which is unfair to this class of workers who are employed only at certain times of the year.

Fishery workers, forestry workers, construction workers, tourism workers and many others have been holding demonstrations, making speeches and collecting money to fight in their own way against this reform that will leave them penniless.

For them, the unemployment insurance reform is just the opposite of a magic solution to unemployment. While UI benefits provide economic stabilization to these workers, the proposed reform will free the government of its responsibility toward those whose livelihood is tied to a regional and seasonal economy.

The government is sending the people in the regions a plain and simple message: "It is your problem, not ours".

* * *

[English]

MINORITY RIGHTS

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, the Government of Newfoundland has requested an amendment to the Constitution which would remove the protection of minority religious education rights. In my view such a constitutional amendment would constitute a dangerous political precedent that potentially could be used by other provinces bent on the destruction of denominational education.

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Also, if such an amendment to the Constitution is passed other minority rights, including language or aboriginal rights, could be threatened.

A strong argument can be made that public hearings should be held before Parliament deals with the request from Newfoundland. Hearings would ensure a full and fair opportunity for all interested parties to speak to this important matter.

Whatever problems exist within the school system of Newfoundland should be resolved co-operatively by the people of Newfoundland and their leaders.

However, an attack on minority rights anywhere in Canada is an unacceptable threat to minority rights everywhere in Canada.

• (1410)

I call on the government to think very carefully before it acts on this vital issue. Any vote on this matter in the House should be a free vote.

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[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I want to note the results of a survey released this morning, which was carried out by the firm SONDAGEM for *Le Devoir*.

This survey shows how much opposition the unemployment insurance reform project has stirred up in Quebec. According to 79 per cent of respondents, the reform will mainly benefit the federal government. Worse yet, 91.2 per cent have not been fooled by this reform, which they clearly see as serving only to help the federal government to reduce public spending.

Moreover, in the same survey, three respondents out of four expressed the wish to see the Government of Quebec administer the unemployment insurance plan. This survey confirms what everybody knows already: the reform is not being made in the public interest but rather in an attempt to bring the federal deficit down. The public will never forget how fiercely the Liberal government went at the unemployed with its reform.

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[*English*]

RACISM

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I rise to respond to recent anti-Reform rants from both the Conservative and Liberal leaders.

Has the Tory member forgotten that the late Tory MP Dan McKenzie returned from a trip to South Africa preaching the merits

of Apartheid and spouted off that blacks were intellectually inferior to whites in school? Surely that is not the Tory position.

Has he forgotten that in 1991 Tory MP Jack Shields shouted "shut up, sambo" to NDP MP Howard McCurdy, the only black in the House at the time? Is that Tory policy? Mr. Shields was not even stripped of his post. Certainly the silence was deafening from the Tory leader. And what of Bill Kempling and Don Blenkarn?

Have the Liberals forgotten their own Prime Minister who said he appreciated the black members of his caucus because they smile a lot? Is that blatant racial stereotyping Liberal Party policy? Where were the cries of outrage when that was uttered? Imagine if a Reformer had said that.

Every political party has times when its membership makes ill considered remarks. The test of a party's true character lies—

The Speaker: The hon. member for Saint John.

* * *

MOVING COMPANIES

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the new tender call for moving military employees, their families and other government employees has proven to have many problems.

CN along with its subcontractor, Corporate Moving Systems, won 40 per cent of the tender. As we all knew at the time, Corporate Moving Systems did not have any infrastructure and could not move anything, not even a telephone. Mr. Baird had no infrastructure to carry out the requirements and neither did CN.

Now CN's deal with CMS has fallen apart. All the other people who received a portion of that contract had to give a list to the department which would prove they could do the work that had to be done.

Will the minister of that department cancel that contract with CN and put it out to tender? Where is the \$1 million bid bond CN put up? Did the government get that? Will the minister make changes for the next tender call when it comes to moving the military and its families?

* * *

[*Translation*]

PROVINCIAL JURISDICTIONS

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, yesterday, the Prime Minister sent an important message to the 1,500 people who came to hear him, in Montreal.

The Government of Canada will take the opportunity provided by the upcoming first ministers' meeting to fulfil a major commitment made in its last speech from the throne and confirm the federal government's withdrawal from several areas that come under provincial jurisdiction.

Oral Questions

Without going into specifics, the Prime Minister said that the federal government will first withdraw from the following sectors: mining, forestry, municipal affairs, ports and airports, as well as manpower training.

The Prime Minister said it in Montreal yesterday; our government will fulfil its commitments towards the provinces, and Quebec in particular. We can only hope that the PQ government in Quebec will accept our offer to become more involved in the process.

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[English]

CANADA TALC

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, it is particularly appropriate to rise during mining week in Canada to congratulate Canada Talc on the 100th anniversary of its eastern Ontario operation near Madoc in my riding of Hastings—Frontenac—Lennox and Addington.

• (1415)

As in other mining communities across the country, the Canada Talc mine has not only provided an important economic activity but has been responsible for creating well paying jobs for generations of people in Madoc.

This operation represents the long term success mining companies can enjoy by investing in Canada. Through our amendments to the resource tax allowance the government has demonstrated its commitment to facilitating the continued success of mining in Canada.

On behalf of the House, I salute the Canada Talc operation, which reaches back to the closing decade of the past century and to the beginnings of mining in Ontario. I wish Canada Talc continued success in providing high technology, environmentally sustainable development in my riding well into the next millennium.

Being a part time prospector myself, I take this opportunity during mining week in Canada to congratulate prospectors and miners across the nation.

ORAL QUESTION PERIOD

[Translation]

REFERENDUMS

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, my question is for the Prime Minister, of course.

By changing its strategy and joining forces with Guy Bertrand in taking a hard line against Quebec, the federal government is setting itself up for a confrontation not only with Quebec separatists, but

also with federalists, because it is clearly aligning itself with the advocates of plan B, that is the plan to take a hard line with Quebec.

Will the Prime Minister acknowledge that the federal government's decision to get involved in the Bertrand case to establish the supremacy of law over democracy is tantamount to requiring Quebec to get the permission of all the provinces of Canada in order to act on a majority vote in a referendum?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the government meets its obligations. On behalf of the government, the Minister of Justice is defending the constitutional rights of all Canadians.

The debate is currently before the courts and they will make the appropriate decisions. We will advise following these decisions.

As Mr. Bouchard said on Monday, there is no way a government could not be involved in a case like this one. When I offered him to ask the Attorney General of Canada to stay out if Quebec did likewise, they decided to introduce a motion providing specifically that, at some point, the Constitution of Canada would not apply to the people of Canada. It is the duty of the government to protect Canada's Constitution.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, will the Prime Minister acknowledge that, by associating with Guy Bertrand, whose intention it is to subordinate the democratic decision of Quebecers to the approval of all the provinces, he is recreating the climate of confrontation he so skilfully created in 1982?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have nothing to add to what I said. It is the duty of the government to protect the Canadian Constitution and the vested rights of people of all parts of the country.

As regards the referendum, we have taken part in referendums. We are talking about Quebec's Referendum Act. I have always said, and I have said so in the House of Commons a number of times: some people believe the country can be broken up by a single vote in a referendum. The CSN's constitution requires a two thirds majority to change something in it. The same is true for the FTQ, and apparently the constitution of the Parti Québécois as well.

We say that the laws of Canada must be respected, that there will be no unilateral declaration of independence and that international law, too, must be respected.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, is the Prime Minister, who was ultimately responsible for the constitutional mess of 1982, aware that his strategy of isolating Quebec from the rest of Canada is not leading anywhere but to a constitutional crisis even more serious than the one we have been in since the imposition, 15 years ago, of a Constitution that no one in Quebec has signed?

Oral Questions

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Bloc Québécois referred repeatedly to democracy. There have been two referendums where the people of Quebec have decided to remain in Canada. This is what we are asking for—respect of democracy.

They do not want Quebec to be isolated, and this is my greatest wish. I want the premier of Quebec to respect the opinion of Quebecers who voted no in the referendum and who, moreover, in survey after survey say they would like the Government of Canada and the Government of Quebec to sit down together and find a solution. This is what we are trying to do.

At the first ministers' conference in June, the federal government will be prepared to make many of the changes sought for years. When I propose change, the Bloc Québécois does not want change. They are not honest enough to say that their only concern is separation. Obviously, I will always be against separation.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, if we follow the Prime Minister's logic, Quebec ought to ask all the provinces in Canada for permission to determine its own future. Just imagine. The refusal of a single province, Newfoundland for example, could block the will of the majority of Quebecers.

My question is as simple as can be. Is the Prime Minister aware that, with his new provocative constitutional strategy, he is seeking to encroach on Quebecers' right to decide their future for themselves, their fundamental right?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have no objections to hearing what Quebecers want. We have had two referendums. We have been involved in them, I personally in both. But there is one reality: both times the people of Quebec came out in favour of remaining in Canada.

But, like the Parti Québécois, the Bloc Québécois refuses to acknowledge this expression of Quebecers' will. They do not want to accept the choice of the people. Saying they are not pleased with the outcome, they want to start all over.

This is not a hockey playoff here. It is not three out of five, or four out of seven. The will of the people must be respected and the will of the people is that they want us to have a renewed federalism, and this we are prepared to do. It is our hope that the Bloc Québécois, like the Parti Québécois, will be prepared to help us renew Canadian federation.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, all of Quebec, federalists and sovereignists alike, is hit head on by the government's plan B, its hard line of confrontation with the Government of Quebec.

How can the Prime Minister claim that, for him, the 1982 Constitution—one that was never signed by Quebec, remember—can take priority over democracy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first of all, if you want to talk about the supremacy of democracy, start by respecting democracy after two Quebec referendums.

Instead of using a straight question, there was a so-called winning question, yet even with that they lost. That is the democratic reality. What the people of Quebec want, like Canadians at this time, is for us to work together to renew the Canadian Constitution.

I have referred to this in my speech. We will be making considerable changes, and I trust the Bloc Québécois will at least be objective enough to look at our proposals. Of course they will never be satisfied, since they want separation, but that is not what Quebecers want.

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[English]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it has been almost seven months since the Quebec referendum and the government still has not presented us with a national unity plan.

Special cabinet committees have been struck. There is a new minister. The Prime Minister has made vague pronouncements about the future, but still no substantive plan.

Yesterday the Prime Minister said he will be putting serious offers for constructive change in the federation on the table at the forthcoming first ministers' conference.

What exactly are those serious offers of constructive change that the Prime Minister will be putting before the premiers in June?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the leader of the third party has only to read the speech from the throne where we said very clearly that we want to withdraw the federal government from manpower training. We have talked about other sectors where we should withdraw.

Also, we have said that we have to work to make sure that the economic union in Canada functions better. We have talked about a national securities commission to simplify the movement of capital within Canada and the entry of capital from abroad. We have proposed other initiatives, in food inspection for example.

We want to have a package that will make Canada function better; it is too bad that I will have to send a copy of the speech from the throne to the leader of the third party.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if he thinks that food inspection is going to unite the country, the Prime Minister is living on another planet.

If one picks through the various announcements that come from the government, there are about five things in things in this supposed package. There are the proposals for administrative disentanglement. There are some token decentralization proposals. There is the veto proposal, the distinct society proposal and limited curtailment of federal spending powers.

If that is all there is, then the Prime Minister has misread the fundamental desire for substantial change in the rest of the country, just as he misread the desire for change within Quebec prior to the referendum.

Can the Prime Minister not offer Canadians and the provincial premiers something more substantive for revitalizing the federation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I gave a long list. I mentioned the spending powers of the federal government.

We have quite a project and a plan when I compare it with the plan of the Reform Party. Probably the desire of the Reform Party is to be left with no Canada. For me, I want a government in Ottawa that can operate for the benefit of all Canadians and give enough autonomy for the provinces to make sure that they serve their citizens in the way they should.

I have a long list. I have discussed it with the premiers. I hope that everybody will look at this list seriously. If everything is rejected before negotiations start, we will go nowhere. It is why the Reform Party is really going nowhere these days.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the Prime Minister says to the premiers in June what he has just said to this House, if that is all he has to say about revitalizing the federation, he should call off the conference because it will be counterproductive.

I ask the Prime Minister again: Can he produce a substantive national unity plan prior to the June meetings with the premiers and if he can, will he table it and present it in this House?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have a plan. The plan will be presented to the premiers in June. The plan is an extremely important one.

I remember all the people in the previous encounter. It makes me laugh when the leader of the third party gets up. He voted against the Charlottetown plan. Today he gets up and complains because

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senators are not elected. He rejected that. He could not understand that if you want to do everything at the same time you go nowhere.

For us, we will do what can be done today, tomorrow, or next year. Canada will be changed. Rather than having only speeches and conferences as we have had for the last 10 years, there is going to be action in June.

* * *

[Translation]

SOMALIA INQUIRY

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

We learn today that apparently at least five soldiers from the Canadian Armed Forces not only witnessed the torture of a Somali youth who was beaten to death, but did not come to his assistance or even try to stop the massacre. Worse yet, we learn that after these events, these soldiers apparently even obtained promotions.

How can the defence minister justify the fact that these soldiers, who did not even have the decency to try to stop the torture and assassination of a Somali youth, received promotions in the Canadian Armed Forces?

• (1430)

[English]

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member should know that under the National Defence Act that was passed by Parliament in 1952, all the power over promotions, up to and including the rank of colonel, was delegated by order in council to the chief of the defence staff, not the minister.

This minister, as other ministers, does not interfere in the promotion process in the armed forces.

I understand that a number of promotions were held in abeyance while various legal proceedings were taking place. Subsequently, some of these promotions have been allowed to proceed while others are still in abeyance, which is in accordance with normal procedure.

[Translation]

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I am not asking the minister to tell me about the normal promotion procedure in the armed forces, nor am I asking him to hide behind normal procedures in an affair as out of the ordinary as Somalia. I ask the minister what sort of message he thinks he is sending to the public, with all the events surrounding this unfortunate inquiry?

[English]

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am not hiding behind any rules. I am obeying the law. The hon. member should

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understand that. There is a law that governs the activities of the Canadian Armed Forces. It is quite explicit. Any minister, any member of Parliament and any Canadian citizen must obey the law.

* * *

LIBERAL PARTY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the *Sun's* Christie Blatchford recently wrote for the benefit of the Liberal government: "Integrity is like virginity. Once lost you cannot get it back again". Clearly the government lost both a long time ago.

When the Prime Minister said in the last election that he would fulfil every promise he made during the election, did he mean only those he could not weasel out of with billion dollar payoffs? Where is the government's integrity now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we keep our promises. I will give the member an example. His party is always telling us that we should have free votes in the House of Commons.

When there was a free vote last week members of his party were all forced to vote the way their leader wanted them to vote. These are members of a party that said it would be a new type of Parliament for them. They were so civilized that their leader was in the last row at the beginning. He has now moved to the first row and they throw books on the floor.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is very encouraging that the Prime Minister is proud of having one free vote in two and a half years. Maybe we are getting somewhere.

It states in the red book: "The erosion of confidence seems to have many causes. Some have to do with the behaviour of certain elected politicians". That would be Sheila Copps who is now campaigning in the bye bye election and the Prime Minister who is obviously in denial.

Since the entire world knows the GST promise has been blown to high heaven, why is the Prime Minister arrogantly denying that he bamboozled Canadians and reneged on his solemn election promise?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the member should just go to his office and read page 22 of the red book. He will see that we are doing what we said we would do. It is very clear.

* * *

[Translation]

YOUNG CANADA WORKS PROGRAM

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Operation Propaganda continues at the Department of Canadian Heritage. Today, it is young people they want to indoctrinate as part of Operation "National Unity". One of the questions on the form to be filled out by young people interested in the Young Canada Works Program asks them to write a 250-word essay on what Canada means to them.

Does the Minister of Canadian Heritage recognize that this question is aimed at selecting young people on the basis of their political views?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration and Acting Minister of Canadian Heritage, Lib.): Mr. Speaker, as the last federal budget clearly shows, we made a decision to promote employment among young people. We doubled the budget for young people this summer. That is the intention of this government and that is why we have specific programs to help our young people find jobs this summer.

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, we have nothing against encouraging young people. However, since that question infringes on the most basic of individual rights, the freedom of speech, will the minister withdraw this questionnaire from circulation and order that all the responses received so far be destroyed?

• (1435)

Hon. Lucienne Robillard (Minister of Citizenship and Immigration and Acting Minister of Canadian Heritage, Lib.): Mr. Speaker, who says we are curtailing the freedom of expression in this country? Since when? Young people in Canada and Quebec are totally free to express their views, and we want things to stay that way.

* * *

[English]

GOVERNMENT EXPENDITURES

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, CIDA contracts over \$100,000 require ministerial approval. CIDA's bidding process, approved by Treasury Board, requires that there be no regional partiality in contracting. However, 71 per cent of the dollar value of the top 20 service contracts signed in 1995 are going to entities in Quebec.

Can it be shown in the face of these numbers that CIDA is giving fair consideration to companies outside Quebec, or did regional distribution requirements acquire flexibility because of the 1995 referendum?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the Minister for International Cooperation is not here, I can assure the hon. member that the work of CIDA is subject to exactly the same rules as all government agencies, that is, to ensure proper tendering, proper bidding and evaluating on merit.

Oral Questions

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, CIDA makes contributions to universities, countries and international institutions. With all the deserving organizations in Canada and abroad it is a bit surprising that two Quebec universities received the two top bilateral contributions in 1995, with a combined value of over \$42 million. That is a lot of pork.

Is CIDA still an international development agency or has it become a regional development agency to buy Liberal votes in Quebec?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, one of the major objectives of the international development program is to extend the opportunity for young people in this country to travel and to bring foreign students here so they can get the kind of experience we offer in Canadian universities.

One of the first priorities we have in that program is to work with the francophonie, which includes some of the poorest countries in the world, where we have a direct connection because of the longstanding cultural and linguistic interests. It is for that reason a real emphasis is placed on trying to help the development of those poorer francophone countries.

* * *

[Translation]

FREE TRADE AGREEMENT

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, page 24 of the red book states, and I quote: "A Liberal government will renegotiate both the FTA and NAFTA to obtain: a subsidies code; an anti-dumping code; a more effective dispute resolution mechanism—"

More than two and a half years into his mandate and in spite of the fact that the deadline for coming to an agreement with the Americans was December 31 of last year, how does the Prime Minister explain that no tangible progress has been made on this issue, when what is at stake is so important?

[English]

Hon. Arthur C. Eggleton (Minister for International Trade, Lib.): Mr. Speaker, Canada has been pursuing with vigour the matter of trade remedies with our partners in the NAFTA. That was the basis on which the NAFTA agreement was signed and we have honoured the agreement to pursue these matters.

A report will be coming shortly from the trade remedies group. Progress is being made, but there is still a lot more work to be done in achieving our goals within the NAFTA. We will continue to work toward those goals of removing trade remedy law applications so that we can have a true free trade system.

[Translation]

Mr. Benoît Sauvageau (Terrebonne, BQ): The industries are still waiting, Mr. Speaker. Since the U.S. keeps harassing our industries, and the steel industry in particular, to settle the dispute over trade remedies relating to countervailing and antidumping duties, is the minister contemplating taking an industry-by-industry approach any time soon?

• (1440)

[English]

Hon. Arthur C. Eggleton (Minister for International Trade, Lib.): Mr. Speaker, we certainly are pursuing the question of the steel industry to try to bring about an end to the anti-dumping measures that are applied, as we do in any other case in which there are trade irritants.

It is worth noting that the greatest trade relationship of any two countries in the world is between Canada and the United States. There is \$1 billion a day exchanged between our two countries, which means a lot of jobs and a lot of economic growth in this country. Ninety-five per cent of that trade is hassle free with no problems at all. A very small percentage still needs attention and it is getting the attention of this government.

* * *

FOREIGN AFFAIRS

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

For weeks a young Canadian has been on a hunger strike in the United States to protest the move by U.S. customs to impound a shipment of computers en route to Cuba from Canada. What action has the minister taken to help this young Canadian and make sure these computers, which have been sent for humanitarian purposes, make their way to Cuba?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I reported to the House a few weeks ago, we have been in direct contact with the young Canadian who is on that hunger strike.

Our officials have been negotiating daily with U.S. officials to secure the release of the computers. I am happy to inform the House that we now have the agreement of the U.S. authorities to release the computers. They will be sent to Mexico. Mr. Rohatyn is going to San Diego to take receipt of those computers.

I would like to take the opportunity to thank the officials of our department and of the U.S. state department who have co-operated in resolving this very serious problem.

*Oral Questions***PRISONS**

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, more fallout from the meltdown at the Edmonton women's prison.

Inmate Tamara Papin, now at a provincial jail because she escaped custody from the Edmonton women's prison, was charged yesterday with the murder of Denise Fayant, another inmate.

The philosophy of operating a prison for violent offenders like a comfort cottage is nothing short of stupid. Fayant's death was brutal and unnecessary. Will the minister admit that the core philosophy behind the women's prison is a total failure? Will he shut it down, yes or no?

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the incident referred to by the member is before the courts. It would be imprudent for me to comment on it.

I will comment on the more general issue of security in the Edmonton institution. The incident is under review. All incidents, whether they are of violence or security aspects, are under total review. We are waiting for the report and recommendations from the committee. We will ensure that all those recommendations which have been reviewed will be in place.

In addition, over \$400,000 in improvements has been approved, which was announced several weeks ago. Those improvements will take almost two months to put forth. We will ensure that before any inmates are returned to the institution, the full security review is complete.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, somebody died in that prison, a fact which this government cannot get through its head. There is something wrong in that prison.

Corrections Canada built the prison for women so that female inmates would receive special treatment on the basis of their gender. Warden Jan Fox believes that no female criminals are dangerous and that women commit crimes only because they themselves are victims.

Given the fact that Corrections Canada has allowed Warden Fox to jeopardize public safety through her gender experiment, will the solicitor general fire her now, or do we have to wait for someone else to die?

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, there is an obvious temptation by members of the Reform Party with this fiasco or the incidents which have occurred to give up on the institution.

We believe that this model of incarceration still represents the best approach in addressing a very special need that women have.

This need has been identified both by the task force in 1989 and by the recent Arbour commission.

It would be prudent for us to learn from the incidents and make sure we put into the procedure the proper elements which would forbid and prevent any more security breaches in other institutions.

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● (1445)

[*Translation*]

IMMIGRATION AND REFUGEE BOARD

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

Last week, we learned that criminal charges had been laid against an IRB board member, in Montreal. We also learned that this person was not suspended, on the pretext that this was a private matter.

Given the duties of an IRB board member, how can the minister justify that this person was not suspended until the court renders its decision on the case?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, and acting Minister of Canadian Heritage, Lib.): Mr. Speaker, as you know, the Immigration and Refugee Board is a quasi-judicial tribunal. The chairperson of this board has complete authority over the board's human resources.

To my knowledge, this case is of a private nature and is not related to the professional responsibilities of the individual. Based on the information I have, this individual is currently not at work.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, in effect, he is on vacation. Serious criminal charges have been laid against this board member and they include making death threats against a work colleague.

Does the minister realize that, by not taking action, she jeopardizes the board's credibility, since the chairperson stubbornly refuses to suspend a member facing criminal charges?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, and acting Minister of Canadian Heritage, Lib.): Mr. Speaker, I am not jeopardizing anything and I wish the member for Bourassa would be more cautious in his statements. In Canada, a person is presumed innocent until proven guilty. The hon. member should wait until the case is heard by the court before passing judgment.

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[*English*]

TRANSPORTATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, this Liberal government is abandoning the people of Yarmouth and

Oral Questions

southwest Nova Scotia. Their economy depends on the *Bluenose* ferry to move goods from Nova Scotia to markets on the American east coast. The government plans to cut the service during the winter. People are concerned about the future, but workers and private companies do not have enough information to know how to respond.

Will the transportation minister agree to a wide ranging study on privatizing the year round *Bluenose* ferry service and will he promise to make the study public so we can all know the facts?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the hon. member went to the maritimes and came back a convinced believer in transportation subsidies which I am delighted to hear.

Let me point out that we currently subsidize the line he is talking about for more than \$5 million a year. We are trying to reduce our subsidies for transportation. We are trying and succeeding. We have discovered that by reducing the service for the six winter months when only 8 per cent of the traffic of that service takes place, we can save \$1.5 million.

It is a tough decision but the government is willing to make tough decisions based on principle. Reform's taxpayers budget talked about eliminating these subsidies to transportation yet the hon. member and his friends immediately go off and suggest that we increase subsidies. That is a very contradictory position.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, maybe when the minister gets back to his office he could have his staff explain the difference between subsidized and privatized.

The people of Nova Scotia are asking for \$100,000 of infrastructure money for a privatization study. A privatization study. They know full well the Liberals squandered millions and millions of dollars on bocce courts and Saddle Domes. They also know that the government was responsible for a general's going away party which cost a quarter of a million dollars.

Will the minister authorize a privatization study at a cost of \$100,000? Yes or no?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the hon. member presented a letter to me, and I understand to every member of the press gallery, dealing with this issue.

I can say to him that we made public in the summer of 1995 the full financial decision making of Marine Atlantic with respect to this route. This included all the financial reports, all expenses, revenues and subsidies for the years 1992 to expected 1998. I will certainly provide the member with the information that was provided last summer which he apparently does not have.

• (1450)

With respect to the \$100,000 he has referred to, another particular study on this route, the request is currently being studied and a decision on that will be made in due course. When the study is completed we will make the results available to the hon. member and every other member of this House.

We are facing tough decisions in Atlantic Canada. It is not helped by the members from the Reform Party who believed in subsidizing roads when it came to the byelection in Labrador and now apparently—

The Speaker: The hon. member for Etobicoke—Lakeshore.

* * *

STATUS OF WOMEN

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, a momentous event begins today in Vancouver. Canadian women will begin a national march. They will be marching across the country and arriving in Ottawa on June 14.

Who is listening? Can I ask the Secretary of State for the Status of Women to please inform this House of what message these women will be bringing to Ottawa?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, as Secretary of State for the Status of Women, I am very pleased that women are marching across the country for bread and roses, jobs and justice.

When we went to Beijing last year we brought many of the objectives these women are marching for. We agreed in Beijing that there is a role for non-governmental organizations and women's groups to work with government to bring gender issues to the fore. That is why I am very pleased these women are using their role as NGOs to bring forward issues that will promote the equality of women across Canada.

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[Translation]

FISHERIES

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Yesterday, over 1,100 people gathered in Tracadie and in the Gaspé Peninsula to condemn the current plan for the snow crab fishery. This plan shows a complete lack of sensitivity to the effects on employment of crew members and plant workers in this industry. In fact, one quarter of them will lose their jobs and three quarters will lose four weeks of work.

Oral Questions

Since the crab fishery is being boycotted in the gulf sector, zone 12, is the minister aware of the urgency of the situation and the human drama affecting crew members and plant workers in these regions?

[English]

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the division of the plan was for 16,100 tonnes; 77.5 per cent went to those large midshore crabbers who are behind the strike to which the hon. member refers and 22.5 per cent went to the small inshore fishermen. The difficulty is that the midshore crabbers are not happy with 77.5 per cent. They want 100 per cent.

If there are insensitivities in this plan and if there are any injustices to plant workers, it is not by this House, it is not by the plan. It is by those midshore crabbers who want 100 per cent of the quota and do not want to share with the small boat fishermen.

[Translation]

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, it is obvious that the snow crab plan is missing its target, and one of the main consequences is a further drop in already low incomes. That is what the minister needs to understand.

Can the minister make a formal commitment in this House to respond in the affirmative, as soon as possible, to a request from these workers, who would like to meet with him?

[English]

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, what is holding the plant workers up is the greed of those people who want 100 per cent of the quota.

If anybody is missing the point, it is the hon. member. He does not understand that there are 16,100 tonnes of crab at a time when fishermen in Atlantic Canada would die to catch something. He should pay attention to the real issue which is that there is a resource to be caught. There are fishermen who want to catch this resource and I will make sure it is caught by those who wish to catch it.

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● (1455)

AGRICULTURE

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the Alberta's minister of agriculture has just announced a proposal to buy farmers' grain for a dollar a load and to sell it back to them in the United States for a dollar a load, all this to get around the Canadian Wheat Board monopoly. This would earn an extra \$2,500 a truckload for cash strapped farmers struggling to cope with increased costs of planting.

Alberta farmers decided in a plebiscite that they wanted the freedom to market their wheat and barley as they choose. Will the minister act immediately to honour farmers' wishes or will he continue to rob farmers of the \$2,500 a load, money so desperately needed for spring planting?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am sure the hon. gentleman would want to join with me in applauding the fact that over the last 18 months we have seen a steady increase in grain prices around the world. These grain price increases are accruing to the benefit of our farmers in Canada.

With respect to the marketing system, the hon. gentleman knows full well that a process has been under way in Canada for many months, beginning last year, continuing through the winter and coming to fruition in June. It is through the auspices of the western grain marketing panel. It will allow all farmers who have different perspectives on grain marketing to bring those perspectives forward and to have them debated and discussed in a logical and orderly manner.

I am sure the hon. gentleman would not want me to pre-empt the opinions of farmers who have contributed to this process. I would remind him, quite contrary to his precipitous advice, that 130,000 farm families depend upon the viable marketing system for their product.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, maybe the minister should be known as the minister of procrastination.

Alberta farmers have already spoken on this issue. They have decided by plebiscite. The minister's refusal to act is costing farmers about \$2,500 a truckload when they so desperately need the money for planting.

When will the minister stop working against farmers and act on their democratically determined wishes?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, there is an interesting contradiction in what the hon. gentleman is suggesting.

The member is obviously an opponent of the Canadian Wheat Board. He is obviously requesting this government to take a course of action that would diminish the Canadian Wheat Board. Interestingly enough, in conjunction with our red book in 1993, we indicated support for the Canadian Wheat Board. If we were to do what the hon. member is suggesting, we would be violating one of our election campaign commitments. It is interesting that Reformers seem to be prepared to invite us to do that when in another context and in such a sanctimonious way they invite us to adhere to the red book promises. Will they make up their minds?

*Government Orders***THE ECONOMY**

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, my question is for the Minister of Finance.

The government's policy has driven the unemployment rate up and the Governor of the Bank of Canada has told us why: interest rate policies have kept the economy in a low growth vice to the point where we are on the verge of a catastrophic deflation.

In opposition the Liberal Party condemned the job killing policies of former Bank of Canada Governor John Crow. Is it not time the finance minister ate some crow, admitted that he has been supporting the same job killing policies and instructed the Bank of Canada to work for sustainable economic growth, not against an imaginary inflation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, at the time the citations the member sets forth were made, we were in opposition and Canadian interest rates were substantially higher than the interest rates in the United States.

Today as a result of the actions of this government, Canadian short term interest rates are substantially below U.S. interest rates. They are almost 400 bases points or four percentage points below those of a year ago.

Also, employment is on the increase as a result of the actions of this government. Unemployment has dropped down from 11.5 per cent to 9.4 per cent. In the last four months the country has created over 160,000 new jobs. That is a fundamental difference between today and then.

• (1500)

There is one other difference—

Some hon. members: More.

The Speaker: The hon. member for Thunder Bay—Atikokan.

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MINING

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

This week having been proclaimed national mining week, the keep mining in Canada lobby has produced a provocative 12 point plan for mining in our country.

Will the government be acting on this 12 point plan and what will it be doing to further promote mining in Canada?

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the 12 point plan is substantially consistent with the government's current objectives and responsibilities.

The government is acting in areas of federal jurisdiction to strengthen Canada's mining industry. Canada remains one of the best places in the world for mineral investment. We estimate that 49 mines may open over the next two years.

In addition, I am very pleased with the industry's involvement in Canada's second annual mining week currently taking place. It is through partnerships like this that we raise the awareness of mining to Canadians everywhere in the country.

The Speaker: I have a question of privilege from the member for Halifax.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Ms. Mary Clancy (Halifax, Lib.): Mr. Speaker, it is with some regret that I bring to your attention that following the answer given by the hon. Secretary of State for Multiculturalism and the Status of Women with regard to the women's march, the hon. member for Saint John replied to some comments made from this side: "They are all crazy women. You are all crazy women".

The Speaker: Colleague, being at this end your Speaker did not hear the comments. If such comments were made, and I hope they were not, I point out that sometimes in the course of exchanges these things happen. I hope it did not happen but because you named an hon. member, and I do not want to get into any debate here, the hon. is here and if she wishes to clarify this I will permit her to do so.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, what I was trying to say to the hon. member from Halifax is that the Liberals should not be promoting women walking across Canada. The Liberals should be available to talk to them and perhaps they could give them a vehicle to drive them.

The Speaker: I would like to close this point of privilege right here.

GOVERNMENT ORDERS

• (1505)

[English]

EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion that Bill C-12, an act employment insurance in Canada, be read the third time and passed.

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I am pleased to rise in the House today to speak on one of the most important pieces of legislation on the agenda of the government.

Government Orders

The government in its commitment to Canada said new employment insurance legislation would be law by July 1 of this year. I begin my remarks by encouraging hon. members to give swift passage to the bill so that Canadians can begin to quickly benefit from a more fair and balanced regime, one that removes the inequities that have characterized the current unemployment insurance system.

The new proposed EI system follows more than two years of consultation with Canadians in all walks of life. I held four town hall meetings in the fall of 1994 to get the input of people in my riding. Because of this public input, the new employment insurance bill will help unemployed Canadians get jobs. It will strengthen work initiatives, ensure fairer treatment for all workers and help workers adjust to our changing economic climate by investing in back to work benefits. It will save Canadian taxpayers \$1.2 billion by the year 2001.

I will concentrate now on the benefits to a large group in my riding, the part time workers and multiple job holders. As amended by the standing committee, the new system is simpler, more modern and fairer. At the centre of the new approach is the method of qualifying for EI based on hours of work rather than weeks. A week is a very clumsy measure of a person's work. Using it to calculate unemployment insurance credits is neither accurate nor adequate.

For the current unemployment insurance purposes, a week is a week whether it contains 15 hours or 70 hours. This fails to accommodate the reality of today's labour market where more and more people are working part time and holding more than one part time job.

In the current system a person needs 15 hours of work in any one week to qualify for UI. Less than that and the person is out of luck. Over time this has led to a situation in which some employees hire a person for less than 15 hours a week in order to avoid UI premiums.

I have heard from many constituents in my riding who have suffered due to this barrier. A worker with less than 15 hours per week, even working year round, could not qualify for UI. Neither could a person holding two or three small jobs which may well be the hour equivalent to a full time job.

For example, someone holding down three part time jobs requiring 14 hours per week, totalling 42 hours, does not qualify for UI benefits. On the other hand, a person with a single 42 hour a week job does qualify. This is double jeopardy for part time workers and holders of multiple jobs. They have difficulty getting more hours of work because of the 15 hour ceiling imposed by employers. What they do get does not qualify them for UI benefits.

By counting hours per week, the new employment insurance act brings forward these inequities and treats them on a fair and

equitable basis. EI also provides better rules for setting the level of benefits for part time workers. Current UI benefits are based on total earning weeks prior to job loss. The new EI system will use average earnings over a fixed period before job loss. The period will vary with the unemployment rate in each region. Benefits will be based on the average weekly earnings figure, with the result that all earnings in the fixed period will count toward benefits. That is a fair system.

• (1510)

With amendments introduced as a result of the standing committee review, the gaps in income will be taken into account through an improved method of looking back 26 weeks prior to the claim. Furthermore, regional differences in employment conditions will be taken into account by a new divisor that is two weeks more than the minimum entrance requirement for the region.

These measures link benefits more directly to earnings than the current UI system. They provide greater incentive for workers to seek additional work.

Bill C-12 benefits part time workers and multiple job holders in several fundamental ways. The higher a worker's earnings in the 26 week period prior to unemployment, up to an annual ceiling, the higher the benefit regardless of the work pattern. Total earnings in that 26 week period prior to unemployment from all jobs, including part time jobs of less than 15 hours per week, are included. Extra work during the fixed earnings period, even at lower wages, will add to average earnings and therefore benefits.

The effect of all of this is that under EI 2.4 million people who are now part time workers will have their earnings insured, compared with the current 1.9 million. No less than 500,000 additional part time workers will have their work insured for the first time. Some of these workers will have to pay premiums for the first time as well. It is estimated that 76 per cent, some 380,000, will have their premiums refunded.

As a group, fewer part time workers will pay premiums: 1.7 million under EI compared with 1.9 million under the old UI. About 300,000 part time workers now paying premiums who earn less than \$2,000 per year will have their premiums refunded. That is significant. For the remaining 1.6 million part time workers who now pay premiums under the UI system there will be a reduction from \$3 to \$2.95 for every hundred dollars of insurable earnings. In all, part time workers as a group will pay a total of about \$6 million less in premiums than they do today.

Bill C-12 provides an employment insurance system that matches current economic realities in Canada. Employment insurance will continue to provide income support for 2.4 million

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unemployed Canadians. Employment insurance matches the varying labour market conditions across the country. Employment insurance treats all workers fairly and realistically measures their work in calculating benefits. Employment insurance encourages workers to add to their hours and incomes and discourages dependency on income support.

The new system's active employment measures will contribute to getting the unemployed back to work and will contribute to job creation and growth. Employment insurance requirements will be much simpler for employers to administer.

Having contributed for 32 years to this program, I know it needs to be changed. The members of our party and I are prepared to support this legislation. We must move quickly to assist the taxpayers of Canada so that \$1.2 billion will be saved by the year 2001. Members have every reason to pass the bill into law without delay.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I know the hon. member for Souris—Moose Mountain was in Prince Edward Island with the committee studying youth last weekend. We were most fortunate to have him with us. When he was there he was also talking to quite a number of islanders. Could he tell us the islanders' views on the new EI legislation? I will give the member a little background. Earlier this morning the hon. member for Lévis left a mistaken impression of what the minister of economic development for P.E.I. said at committee.

• (1515)

I quote for the benefit of both the hon. members for Souris—Moose Mountain and Lévis what the minister of economic development for P.E.I. said: "We were never afraid from a Prince Edward Island perspective to change the existing system. We have gone through that a number of times".

He went on to say: "I do hope you have some influence on government members who sit on the committee as well, because I think it is very important that you take the opportunity to hear from some people within the seasonal industry".

He concluded by saying: "We in Prince Edward Island certainly support the government's move to address the situation you identified. You have the support of the Government of Prince Edward Island and, I would assume, of all the political parties in Prince Edward Island".

Based on the hon. member's assessment, does he believe that the people at the meeting in Prince Edward Island view the changes made as being very positive and forward looking, contrary to what the member for Lévis tried to indicate earlier?

Mr. Collins: Mr. Speaker, I appreciate the question of the hon. member for Malpeque.

Let me assure the member that the people on the island and across eastern Canada support the initiatives put forward. If anyone understands the problem, certainly it would be the people on the island.

They are prepared to change and they are looking for the leadership that the government, through the minister and the committee, can provide. They understand that change is inevitable and that change will accommodate those people who have been left out of the system through some of the inequities of the past. If a person works 15 hours a week, those 15 hours should be recognized as a contribution.

I thank the member for raising this question. From time to time there are errors in quotations that are read. I am happy that the the minister of economic development for P.E.I. came before the committee to clarify the issue. Workers are able to see the positive initiatives and recognize that those people with less than 15 hours of week can accumulate those hours. They will recognize that through EI benefits they will be treated fairly by the system.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I will be very brief. By inviting his colleague to corroborate his comments, the hon. member for Malpeque tried to correct an impression. Even though I do not have the blues in front of me at this time, I remember full well the answer he gave to one of my questions. I asked him what he meant by talking to other Liberal members to convince them to ease up a little because, as he said, the changes were a little too fast.

I will ask the hon. member a very simple question to give him an opportunity to answer. Does he, who represents a riding in Prince Edward Island, agree that his fellow citizens are losing \$11 million?

[*English*]

Mr. Collins: Mr. Speaker, I understood the first part of the question.

When we are going through with the changes to this bill, in summary for all Canadians whether they are from the riding of the hon. member or from Prince Edward Island, I think he will find that the legislation will deal fairly with all those people who had been left out of the system.

Will there be enough money for everybody? Yes, there will. Just the idea of reducing the payment feature from \$3 to \$2.95 is significant. Women who had been left out of the system because they had to work at a number of small jobs are now going to become part of the process. I believe the government is to be commended. I am sure the legislation will receive support across Canada.

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, Bill C-12 is not just about modernizing an outdated unemployment insurance system. It is about jobs. It is about creating new opportunities and a climate for job creation. It is about helping

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unemployed Canadians find jobs. It is about breaking through the status quo, helping young people, women, displaced workers across the country get back to work quickly and back in control of their lives. It is about the government's number one priority: investing in Canadians.

• (1520)

In the last four months, employment jumped by 91,000 jobs, the largest quarterly growth in two years. Since November 1993, more than half a million jobs, 596,000, have been created in the country. Our job strategy is working. Employment insurance is a key part of this strategy. The cornerstone of employment insurance is set out in part II of Bill C-12, the new employment benefits.

We are making active pro-employment measures an integral part of the insurance program. We are saying that employment insurance should not just be about passive income support for the unemployed. It should help break down the barriers that keep the unemployed from working. It should help to make sure that people who lose their jobs get the help they need as they try to adjust and adapt to a fast changing economy. It should make sure that as our economy grows and changes, people get the type of assistance they need to adjust.

Employment insurance will do this by focusing on what works, the things that really make a difference for people looking for work; by working together, building bridges between different levels of government, business, communities and service organizations; by clarifying the federal government's role in the labour market and creating new flexible arrangements with the provinces and territories to harmonize the delivery of the proposed employment benefits with provincial programs.

Let us look at how these points are addressed in Bill C-12. The bill defines in the clearest and simplest way possible the objective of active employment benefits: helping people find and keep employment.

Employment benefits are focused on results and they will be managed by results. Only one rule really matters: getting people back to work. This rule is enshrined right in the legislation in section 57(1)(f). We are simplifying the maze of federal employment programs into a much simpler, more flexible set of tools that have been tried, tested and proven to get results.

For example, wage subsidies work. They encourage employers to hire an individual who is likely to face long term unemployment or barriers to employment. Under past programs people who received these subsidies were able to get an average of 16 more weeks of work, increase average annual earnings by close to \$5,000, eliminate almost four weeks of social assistance, and all this at a cost of just \$3,000 per participant.

Targeted earnings supplements work. They help make work for unemployed workers who need help getting re-established in a job. Self-assistance employment works to help unemployed people create their own work and in the process create work for others as well.

Our experience to date shows that these new entrepreneurs earn \$142 a week more than non-participants, claim 92 per cent less UI than comparable workers and are 30 per cent less likely to use social assistance. On average, each participant who starts up a new business for themselves also creates another job for someone else.

Job creation partnerships work. Under this benefit, unemployed workers are encouraged to earn income while developing new skills and acquiring valuable work experience. This type of employment benefit not only improves an individual's future job prospects but helps to develop and diversify local economies.

We also know that skills work. The best ticket to a job for any Canadian is having the skills required for today's economy. Where provinces agree, a fifth employment benefit, skill loans and grants, will be offered, allowing unemployed workers to pursue skills training. These grants and loans will be focused on individual choice and responsibility rather than government directed training.

We also recognize that training and education are provincial responsibilities. Therefore, skill loans and grants will only be implemented in a province with the agreement of that province. In fact, one of the strengths of Bill C-12 is that it clarifies, more than ever before, federal and provincial responsibilities in this area. It commits the federal government to working in concert with provinces to help workers find jobs.

• (1525)

The federal government through formal agreements with provinces will ensure that the needs of the unemployed are addressed and that the employment measures allow them to return quickly to the workforce. This is an unprecedented gesture of openness and flexibility that proves federalism is a dynamic, evolving system that can change to meet the needs of real people.

Ultimately Bill C-12 is about building bridges, breaking down the old barriers that stopped us from working together in the past, and breaking down the barriers which keep Canadians from working. Results are what really matter to Canadians, no matter what level of government delivers the employment benefits and measures. Flexibility, accountability, co-operation and partnerships are the key to getting results.

Employment insurance allows new partnerships to develop and evolve for the future. It will lead to more effective labour market programs, better matched to local labour market realities. It will focus all resources and energies on the real challenge at hand; helping Canadians find and keep employment.

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We will be investing some \$800 million of the savings we will achieve with this legislation into active employment benefits. With the current \$1.9 billion already budgeted for employment services, this means a total of \$2.7 billion to actively help unemployed people get back to work.

That investment will pay off by helping up to 400,000 Canadians each year and creating more than 100,000 new jobs. In addition a \$300 million transitional jobs fund will create thousands more jobs in high unemployment areas. Those are the kinds of results we need. That is what employment insurance should be all about, helping people who lose their jobs get back to work as quickly as possible.

This is a top priority for the government and for all Canadians across this country. Working Canadians want more than rigid, bureaucratic programs and an outdated UI program designed to preserve the status quo. Canadians want jobs. They want a system that gets results, an employment insurance system for the 21st century. They need a modern, active, effective employment insurance system defined in this legislation and I recommend this bill to the House.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I was prepared to make a 20 minute speech, but I am told that we are now limited to 10 minutes, so I will outline 10 ideas. The first one that comes to mind is self-evident. For me, today is an ill-fated day, a sad day, because it is the third and last reading of Bill C-12 on unemployment insurance reform.

It is sad because this reform brings with it \$2 billion in cuts, in addition to the \$5 billion in cuts prescribed by the first federal budget and Bill C-17 on unemployment insurance, let us not forget.

These cuts are in addition to the others. Let us not forget either the 3 million people who, at one time or another in the past year, qualified for UI benefits. Everyone will be hit by cuts of at least 10 per cent.

But it is also sad for democracy, because if there is an important bill now under consideration, it is this one, which affects 3 million people. If there is an important bill that has been introduced by this government in the course of this Parliament, it is this one.

What did the government do with its most important bill? It tried to cover up by setting an agenda throwing as little light as possible on this bill.

• (1530)

I sat on the human resources development committee. We talked about a comprehensive social program reform which included an unemployment insurance reform component. We toured the country and 80 per cent of the people told us they were against this

reform. We tabled our report in February 1995 and waited a very long time, until after the referendum. Seven or eight months went by before this bill was finally introduced in the House of Commons on December 1.

Why December 1? Because it was Christmastime. They were hoping that the bill would go through unnoticed, but it did not. Demonstrations were held all over the place, particularly in the Atlantic provinces and Quebec. But reaction to the proposed reform was not as strong in some regions, for instance the Quebec City and Chaudière-Appalaches region. At first glance, the news does not seem to have caused much of a stir in that region.

But that is because a gag order was imposed on us, as the government repeatedly tried to prevent us from speaking up, starting at the first reading stage. Then second reading was skipped altogether and the bill underwent pre-study in committee, where limitations were put on the scope of the committee's work. Only twice since Confederation has a gag order been put on a committee and its work curtailed.

At report stage, the House was again gagged and now, at third reading, debate is limited to just one day. But the day was carefully chosen to coincide with juicier political events, or at least so they seem. First, there was Bill C-33, a bill on discrimination against homosexuals. That is an important issue, I agree. What do they do? They make this debate coincide with all the debates in Quebec and elsewhere around Mr. Bertrand's case, intended to draw media attention to an important issue indeed, namely the Canadian Constitution and the law Mr. Bertrand wishes to have invoked to prevent Quebec from achieving sovereignty. The bill before us is important, but set against this political backdrop, it is overshadowed.

I mentioned petitions. Some can be entertained by the House while other are not in order. Yesterday, I was in Beauce, a quiet region boasting the largest concentration of small and medium size businesses in Quebec, with more than 500 businesses, and I was handed a petition signed by 2,142 citizens circulated by a coalition for social fairness. Unfortunately, they forgot to specify to whom the petition was being addressed, by saying: "We pray that the House of Commons will withdraw the bill". They were opposed to the bill, but they forgot the words "House of Commons". Therefore, the petition is out of order, but I pledged to give it to whom it may concern, so, at the end of my speech, I will deliver it to the office of the Minister of Human Resources Development, because this is very important.

This morning, I tabled a petition signed by MIL Davie workers, who were hit very hard. As you know, MIL Davie is the largest private company in the Quebec City region. I looked at the impact the bill would have on these workers. Assuming that, this year, the unemployment rate and the number of jobless remain the same as in the last five years, the impact will amount to \$884,280. This is

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just for these workers. However, after five years, because of the recurrent effect, the shortfall for these workers from the Lévis region, who have to feed their family and buy goods and groceries, will be close to \$1.4 million. People seem to forget this.

Last year, 59,000 people received unemployment insurance benefits in the Quebec City and Chaudière—Appalaches region. These benefits totalled \$586,064,393. This is a lot of money. Using the percentage set by the government itself for the purpose of the reform, that is 10 per cent when fully implemented, it means a shortfall of \$58 million, almost \$60 million, for the Quebec City region. This will have an impact on corner store owners, but also on automobile dealers.

• (1535)

It will have an impact on everyone, not just the families affected. For the province as a whole, the total economic impact of this reform when fully implemented will be an annual shortfall of \$534 million, or a 10 per cent reduction.

When Liberal members rise in this House, I systematically ask them if they realize that this annual shortfall will amount to \$105 million in Newfoundland, \$116 million in Prince Edward Island, \$63 million in Nova Scotia, \$72 million in New Brunswick. In Quebec, as I said, the shortfall will be \$534 million per year, in addition to some \$700 million lost through Bill C-17. In other words, the Liberal government will deprive Quebecers of an annual amount of \$1.2 billion in the coming years. The annual shortfall will be \$380 million in Ontario, \$31 million in Manitoba, \$26 million in Saskatchewan, \$93 million in Alberta, as for British Columbia—I heard the hon. member for Medicine Hat, a region of Alberta close to B.C.—it will be \$240 million.

So, based on the government's own figures, we are talking about a total of \$1.56 billion. Observers say that, on the contrary, it is over \$2 billion.

There is also an impact on industries, some of which are more affected than others. In forestry, 14 per cent less; in agriculture, 12 per cent less; in manufacturing, 9 per cent less; in construction, 9 per cent less; in transportation, 8 per cent less; in the hotel industry, 8 per cent less; in mining, 7 per cent less; in government services, because of cutbacks, 7 per cent less; in real estate, 6 per cent less; in business, 6 per cent less; in finance, etc., 5 per cent less, and so on. No sector will benefit from the reform.

What is scandalous about this is that members across the way got themselves elected under the leadership of the present Prime Minister, the very one who wrote a letter on March 26, 1993 denouncing as scandalous the bill the Conservatives wanted to pass. He objected, he found it unjust. I say to him, that this bill he presented before the House is also unjust, regressive and poverty creating.

And if they think that it is only the Bloc Quebecois that is against this bill, the results of a survey appeared in *Le Devoir* today,

indicating Quebecers' views on the issue. The article is entitled: "75 per cent of Quebecers for patriation of unemployment insurance". But they are against the effects of the measures announced.

The Bloc Quebec is here to represent the interests of Quebec and also, as the official opposition, of all Canadians. And we feel we have people's support.

The member for Mercier gave the Minister of Human Resources Development 40,000 protest postcards from people throughout Quebec. We do not feel alone. The newspaper says that the member for Mercier found a closed door. The minister was not there, just as he was not there last week for people who had travelled 14 hours by bus to meet with him here in Ottawa. No minister wanted to meet with them. No minister, not even the Prime Minister, wanted to meet with them.

All this is to tell you in the few minutes I have that Quebec, and not just Quebec, but people from the maritimes, as well as 80 per cent of people who submitted briefs were against UI reform.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, to begin with, I have a comment on what the hon. member across the floor has just said.

I would like to comment on employment insurance and women. The bill before the House this afternoon is one which eliminates the 15 hour-week gimmick. In order to avoid having to contribute to unemployment insurance, certain employers keep their part time employees under 15 hours a week.

The new system, based on hours worked, will eliminate that invisible limit. In the new system as well, employers will have fewer reasons to limit their part time workers' hours, because all hours worked will be insurable under the system.

• (1540)

It must be remembered also that women make up the bulk of such workers, 69 per cent in fact. When it comes to women and employment insurance, we wanted to extend the protection offered to all part time workers. It must also be kept in mind that of the 270,000 women working part time in Canada, only 204,000 will be entitled to a refund of their contributions.

It is also worth mentioning that many women in this country hold down more than one job. They do so simply because they are not eligible for employment insurance, since they work fewer than 15 hours a week.

Another important point is that the monies paid out in employment insurance support measures will assist more than 180,000 women here in this country to find work.

My question is as follows. The hon. member opposite has made a comment about this bill being regressive in nature, and about its

creating joblessness. Does he not recognize that this bill represents a certain equity toward women?

Mr. Dubé: Mr. Speaker, on the contrary. The member's timing is perfect. I know that, in a speech she will be making soon, the hon. member for Québec will have the opportunity to give him this information. It is true that the majority of unsure part time jobs—70 per cent—are held by women, but some are also held by young people. What should be remembered is that, in theory, they will be able to qualify, but in practice, exactly the opposite will happen.

I will explain to the member who usually understands things pretty well. This is what will happen. It is true that some employers did as the hon. member said, but there will be a change of behaviour on their part. Before, they did not pay premiums for employees who worked 15 hours or less. Now that they will have to pay premiums, what will happen? They will prefer making permanent employees work overtime instead of paying premiums.

It must be remembered that the bill is a bit like Robin Hood in reverse. This bill lowers the ceiling of insurable earnings from \$42,380 to \$39,000, so that employers will be inclined to ask those employees to work overtime and there will be less work for part time employees. This is the opposite of what was intended.

As for the statistics, according to projections made by a number of experts in the field, 25 per cent of women working part time for more than 15 hours per week will be dropped from the system because the number of hours is being raised. In order to qualify, a person in my region would now have to work 17 hours and a half per week for 26 weeks. Before, the number of hours required was much less.

People are being eliminated. At least 25 per cent of people are going to be dropped from the system. Only an additional 5 per cent will be covered. The difference then is minus 20 per cent. These are real figures, these are the department's figures. These are not made-up figures, they are not juggled up. These are the figures from the department.

If this bill is so good, how is it that, last Sunday, the *Fédération des femmes du Québec*, said—after a thorough study—that it was discriminating against women and young people? They even wondered if they should not go to court to condemn the discriminatory nature of this legislation, given that the two groups most affected by these changes are the women and young people.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, although I was born in the Saguenay region, I am the member for Québec. I am happy to be able to express my views on this bill again today. I can say that I am happy to be able to express my views on this bill, but I am not so happy about what this government is getting ready to vote on.

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Let me tell you why I am not so happy about this bill. This bill will penalize a great many people in my riding. I am thinking, for example, of the artists, the women and the people in my riding who are currently unemployed. Some of the people in my riding live below the poverty line; in some parts of my riding, 50 per cent of the population live below the poverty line.

• (1545)

So I can say that artists and seasonal workers in my riding, including those working in the tourist industry, will be penalized by this bill.

I am also thinking of the young people and women in my riding. I know that there are many single mothers and young people in my riding who are currently unemployed.

This bill also creates overlap and duplication, despite the fine promises in the throne speech. As recently as yesterday, Mr. Chrétien, the Prime Minister said that he might take steps to end federal encroachment in areas of provincial jurisdiction. More fine promises. They made a commitment in the throne speech, but they do not even have the courage to do so in a bill like the one now under consideration.

I am not happy either about the criteria being tightened. Yet, the government is able to keep \$5 billion in the UI fund, even though it no longer pays a single penny into it.

I think this is a bad bill that will penalize a lot of people. It does not take into consideration the labour market reality, the economic situation and the fact that jobs are precarious. This bill also completely disregards the Quebec people's desire to repatriate manpower training.

According to a SONDAGEM survey just released 75 per cent of the people want Quebec to administer the unemployment insurance program. Seventy per cent were of the opinion that occupational training should also come under provincial jurisdiction. That is not coming from us, but from the people, who happen to think like us. This government does not respect the wishes of Quebecers.

Mr. Nault: Oh, oh.

Mrs. Gagnon (Québec): Neither do you, my hon. friend opposite. But when you speak, I listen to what you have to say.

This is a bad bill because it will make the number of welfare recipients swell in Quebec and perhaps in Canada as well. This bill does not take this reality into account. In fact, the President of the Treasury Board boasted that, when the Quebec government brought its budget down, the federal government would be able to say that

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only the Canadian government can provide the required social safety net.

That is what makes me say that the number of welfare recipients in Quebec will swell as a result of this bill. Who will bear the brunt of this? The provinces of course, and Quebec in particular. Especially since cuts have been made in the Canada social transfer as well. Some may have forgotten, but I will repeat it for the benefit of those listening to what I have to say, cuts to the Canada social transfer will also reduce funding for welfare.

This is a bad bill because it will drive people down poverty lane even faster than before. It is a punitive bill, penalizing the unemployed. They are being made to pay for the fact that jobs are precarious. I will tell you why in a moment.

What a shame that I do not have more than ten minutes to speak on this bill, because many people will be penalized by a great many aspects of this bill.

At the same time, the bill gives presents to certain people: employers and those employees who hold a job and earn more than \$39,000. These employees will no longer have to pay premiums, which would otherwise amount to \$900 million. What impact will this measure have? Employees earning \$39,000 will work overtime because no employer will want to hire part time or occasional employees for whom they would have to pay employer contributions to the UI fund. This is therefore a bad bill.

• (1550)

I am going to tell you why it is a bad bill. It is bad because 77 per cent of women have part time jobs and 31 per cent of these jobs are held by women working fewer than 15 hours. We know that, with this bill, those working fewer than 15 hours will have to pay premiums, but will not be able to qualify.

It is a well known fact that one way of governing is to go after the public for more money. It is therefore a bad bill because women earn \$25,000 and less. It is a bad bill because they will double their hours of work and those working part time will not be able to qualify.

When women who have children or leave the labour market for a prolonged period want to return on a part time basis, they still have to put in much more time and will still not be able to qualify.

Although the Secretary of State for the Status of Women has told us that this is an equitable and inclusive bill, the tightening of criteria leads us to expect the contrary. Fewer people will qualify, and they will receive much less money and many fewer weeks of benefits.

A UN rapporteur said that violence is a social problem rooted in the inequality between the sexes. I bring this to your attention today because I know that the government has boasted that it has a

strategic plan on equality between the sexes and that this plan will be implemented in all departments. I think that they have got off to a bad start. The Minister of Human Resources Development is passing a bill that will run counter to the economic interests of women.

I also wanted to point out that artists in my riding will suffer. In a letter addressed to this same Minister of Human Resources Development, the Conseil de la culture de Québec said that it was a bad bill because artists' work is seasonal and this will aggravate their economic conditions. There will therefore be an important loss of income for dancers, given the contractual and seasonal nature of their work.

Why? For three reasons: eligibility is based on the number of hours worked; the length of the benefit period is linked to the weeks immediately preceding the last week worked; and an intensity rule has been added. We know that when women and seasonal workers, including artists and people working in the tourist industry, apply repeatedly for unemployment insurance, because of the precarious nature of their employment, they will lose 1 per cent a year over five years.

If this is a good bill, why did 40,000 people sign a petition condemning it? Why did the Fédération des femmes du Québec and other groups representing women in Canada condemn this bill? Why did 75 per cent of those who submitted briefs to the committee with suggestions for this minister and the people who are going to pass this bill today say they were against it?

It is a pity, and I hope that this government will pay the price one day.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I note with interest that the hon. member for Quebec does not mention in her remarks that part II of the bill lays out very clearly the five major employment tools that will be used with the consent of the provinces, in this case the province of Quebec.

• (1555)

I want to ask her a very specific question relating to seasonal workers and part time workers. The member has said over and over again that part time workers are worse off.

Under this bill, some 18,000 people in Quebec who fall outside the old UI system will now be eligible for unemployment insurance under this system. For the first time in the history of this program these people will qualify because they are part timers. They are women, students and low income Canadians. If a person is working part time, they are not making a whole lot of money. These folks are eligible.

Why does the member continue to say that this bill excludes people under the system when the facts show that 18,000 Quebecers will benefit, going to the hourly based system from the week system.

[*Translation*]

Mrs. Gagnon (Québec): Mr. Speaker, I see that my colleague, who is preparing to vote in favour of this bad bill, has not got a very accurate handle on the reality of part time work. Let me take the example of someone who holds down two part time jobs in order to qualify and then finds this is no longer possible, because the hours do not suit, or because, if a woman, her household duties do not allow.

Mr. Nault: That's the best you can do?

Mrs. Gagnon (Québec): You asked me a question and I am going to answer, but listen. I will speak up a bit. These people will not be able to qualify because they will have dropped one of their two jobs. That is the McJob syndrome. It is quite obvious that the hon. member has a full time job.

Let me tell you that a number of people in Quebec and, I am happy to say, elsewhere in Canada have objected to this bill, specifically as it relates to part time workers. It is obvious that the hon. member has not had to live with such working conditions on a daily basis, and his contempt and lack of understanding are equally obvious.

When 75 per cent of people have come out against this bill, I think some of them must be right. Therefore—

The Deputy Speaker: Unfortunately, the hon. member's time is up.

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, begging your pardon, but my colleague from Québec has not had her ten minutes, for I stopped at ten minutes to the hour. Moreover, and I do not know if you will accept this argument, she was constantly heckled by the parliamentary secretary, who showed his contempt for the unemployed, the victims of unemployment.

The Deputy Speaker: Unfortunately, the time was already several minutes past the limit. If the House is unanimous in extending her time, that can be done, but it is the unfortunate duty of the Speaker to cut people off from time to time. I have not done the calculation, but I believe enough time has been allowed for asking and responding to the question.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this debate is proving to be about how the different parties in the House see the future.

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It shows this government is putting even more tools in place to help Canadians get the jobs of today's economy as part of its commitment to a productive jobs strategy.

It shows we have found an appropriate middle course in this key labour market area between the unrealistic claims of the official opposition, and the narrow policies of the third party.

It shows this government is committed to a respect for, and partnerships with, other governments that will work far better than the old top-down solutions. We are determined to work with others to do more to put unemployed people back to work.

• (1600)

In my comments in this debate, I want to focus on what these factors mean in Quebec. There are two main issues: training and employment benefits and measures. I will address both.

The federal government understands that its strategy to foster economic growth and job creation depends on having a highly skilled, mobile and adaptable workforce. Employment insurance provides, through partnership with provinces and the private sector, a range of active employment measures to help unemployed Canadians find and keep work.

We want them to have access to effective re-employment measures—ones that get people jobs quickly. Ones that reduce future demands on income benefits under employment insurance.

The goal is to provide practical, proven measures that will help Canadians get back to work quickly, and keep working. The old system is not good enough in today's economy. Quebec shares these interests. On November 27, 1995, the Prime Minister stated our intention with complete clarity.

Let me remind the House of his words when he spoke about employment insurance. "The Government of Canada will propose an approach that respects provincial jurisdiction and responsibilities in the fields of education and labour market training. Accordingly, the government of Canada will withdraw from labour market training, apprenticeship programs, co-operative education programs and workplace based training. It will no longer purchase training courses, either directly or indirectly, from provincial establishments, either public or private".

Our government repeated this commitment in the throne speech of February 27. It promised once more that it would gradually withdraw from this sector within three years, so that there will be a smooth transition for all those involved. In fact, we will bring that process to a conclusion much sooner if this is what the provinces want.

This was not a hollow commitment. It is backed up by the approach to active employment benefits in Bill C-12. To hear some hon. members talk, one would think they still do not know this. One would think they had not read the bill. Let me help them.

Government Orders

For example, this bill expressly limits the federal capacity to implement the skills loans and grants employment benefits to those provinces in which that government agrees. If Quebec says no, then there would be no such activity for employment insurance clients in Quebec.

Part II of Bill C-12 also commits the government of Canada to work in concert with Quebec and other provincial governments on the design, implementation and evaluation of employment measures for employment insurance clients. Those measures include wage subsidies, earnings supplements, self employment assistance and job creation partnerships. We want to develop flexible new arrangements for the delivery of employment benefits.

That flexibility extends to the use of provincial programs to assist employment insurance clients. What does this mean? Quite simply, it means that the Quebec government could deliver any or all of these employment benefits to employment insurance clients. It could do so through its own existing programs, with support from the federal government, as long as those programs meet the objectives set out in part II of this bill and are broadly similar to the measures outlined in the legislation.

Federal guidelines will be followed in the development and implementation of the employment measures: harmonization of programs to prevent overlap and duplication, programs that reduce dependency on income benefits, and emphasis on personal responsibility, co-operation and partnership, flexibility to allow local decision-making, and a framework for evaluating results.

The key, of course, is results, that is getting Canadians back to work quickly.

• (1605)

We believe that our approach based on partnership with provinces will ensure that every dollar spent, is spent in a way that is linked to local labour market priorities. We believe it will ensure value for the money we spend to help our clients improve their employability.

In Quebec, as elsewhere, we are determined to translate these commitments and objectives into results. This government is doing so by negotiating a series of labour market agreements with provincial governments. These arrangements could vary from province to province to meet local circumstances and needs.

We are putting turf wars behind us—and concentrating on getting Canadians back to work. And, let us be very clear about this, the federal government has responsibilities. It cannot ignore them.

It has a responsibility to the millions of workers and employers across Canada who fund the employment insurance program and who share the risks of unemployment in a way that works for Quebecers' advantage.

It has a responsibility to manage this program in the best interests of the Canadian economy and a labour market with national elements and needs. It has a responsibility to this House to be able to track and provide it the information it needs on activities under this act.

It has a responsibility to ensure that every dollar that is earmarked for the employment benefits of employment insurance clients is used for precisely that purpose and used effectively.

In general, the conditions that I have mentioned are simply ones that recognize that EI contributors from across this country are entitled to expect results and to get their money's worth.

New agreements would ensure more effective help for the unemployed, reduce overlap and duplication and promote coherence and harmonization in federal and provincial programs.

Let me quote Mr. Ghislain Dufour on this issue: "In this regard, our federation of employers welcomes the reform proposals to harmonize federal and provincial programs and to allow provinces to make administrative arrangements with the federal government in order to administer these programs fully".

Mr. Dufour recognizes this is a good opportunity for both levels of government. Part II respects the legitimate constitutional jurisdictions of each government, and is fair and reasonable.

The door is open to an agreement that can move both governments closer to our shared goal of better employment opportunities for people in Quebec. Bill C-12 will put that process fully in motion. I urge the members of the official opposition to support this opportunity.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened to my colleague's speech with interest and surprise, especially since, this morning, the daily *Le Devoir* published the results of a poll on Quebecers' opinion of the unemployment insurance reform.

Let us look at a few results. The first is that 75 per cent of Quebecers support moving the unemployment insurance program to Quebec. Those opposing the reform account for 59.8 per cent; those in favour, 27.5 per cent. Some 79 per cent of Quebecers believe the reform will benefit the government first. The reduction in benefits to the unemployed is opposed by 72.3 per cent of people, and the reduction in the benefits entitlement period is opposed by 66 per cent.

How can the member ask the opposition to support the government's motion, when it is very obvious that it goes totally against the grain of all the people of Quebec? There is a clear majority. Furthermore, 73 per cent of people have heard about the reform.

We cannot assume today that this is the opinion of professional agitators. We cannot assume either that we are talking about experts in negotiations or union people. This is the public opinion of Quebecers in general, who are concerned about this issue, who have analyzed the reform, who have looked into the possible effects of the reform, who have seen that the reform will penalize seasonal workers and who are totally opposed to it.

• (1610)

Had the same poll been taken in the maritime provinces, I think that the Liberal members who are all set to vote for this bill would see the major impact it will have on the results of the next election. All the members from the maritimes who got elected on a platform of "jobs, jobs, jobs" and who, today, will vote in favour of this bill will come up against the same kind of disapproval on the part of their voters as the one clearly identified in the poll taken in Quebec.

That being so, I would like the hon. member to tell us why we should implement a reform that will only have adverse consequences, resulting in drastic changes to regional economies, when no buffers have been put in place. There are no measures designed to boost the economy and to diversify regional economies. It is a bit like this guy who drove an old car that burned much more oil than it should have and decided to stop adding oil in the motor instead of having the motor fixed. This is exactly what will happen to regional economies with this bill.

I would like the hon. member to tell us what good he feels will come from this reform that all Quebecers have rejected?

Mr. Patry: Mr. Speaker, I thank the hon. member for his question. He may be surprised to learn that I am among the 75 per cent of Quebecers asking that responsibility over manpower training be handed over to Quebec. I am proud to be one of them and proud as well of this employment bill. That is why I urge opposition members to vote for this bill.

Regarding manpower training, that is exactly what the federal government intends to do within the next three years, as indicated in part II of Bill C-12. If the Quebec government wants these powers to be repatriated even faster, I submit that it should enter into negotiations with the Government of Canada, and I am sure that we will agree to negotiate and that these negotiations will certainly be carried out in good faith.

Routine Proceedings

[English]

BUSINESS OF THE HOUSE

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I understand there has been consultation and consensus among the parties for the following motion. I move:

That, when the House adjourns on Wednesday, June 5, 1996 it shall stand adjourned until Monday, June 10, 1996;

That, on Monday, June 3, 1996 and Tuesday, June 4, 1996 the House shall continue to sit until 9.30 p.m. for the purpose of considering Government Orders, and that proceedings pursuant to Standing Order 38 shall be taken up at 9:30 p.m.;

That, Wednesday, June 5, 1996 shall be deemed to be the day on which a motion may be proposed pursuant to Standing Order 27;

That, on Tuesday, June 11, 1996 the House shall not meet at 10 a.m., but shall meet 2:00 p.m. and Routine Proceedings shall take place following oral questions;

That, on the morning of June 11, 1996 the president of the United States of Mexico may address a meeting of the members of the Senate and of the House of Commons in the Chamber of the House of Commons;

That, such address and all customary introductory and related remarks shall be printed as an appendix to the House of Commons Debates for that day and form part of the records of this House, and;

That the media recording and transmission of the said proceedings be authorized according to House of Commons guidelines.

(Motion agreed to)

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That in relation to its study of circumpolar co-operation, eight (8) members of the Standing Committee on Foreign Affairs and International Trade be authorized to travel to Whitehorse, Inuvik, Tuktoyaktuk, Cambridge Bay, Yellowknife, Edmonton and Calgary from May 26 to 31, 1996; and that seven (7) members plus one associate member of the committee be authorized to travel to Kuujuaq, Iqaluit, Cape Dorset, Resolute, Montreal and Quebec City from May 27 to 31, 1996 for the purpose of conducting meetings and site visits and that the necessary staff of the Commons and Library of Parliament do accompany the committee.

• (1615)

(Motion agreed to.)

*Government Orders***GOVERNMENT ORDERS***[English]***EMPLOYMENT INSURANCE ACT**

The House resumed consideration of the motion that Bill C-12, an act respecting employment insurance in Canada, be read the third time and passed.

Mr. Francis G. LeBlanc (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I welcome the opportunity to speak on third reading of this important legislation. I begin by congratulating both the current and former ministers of human resources development and their parliamentary secretaries for bringing this legislation forth and for steering it through the House.

I congratulate the officials in the Department of Human Resources Development for preparing such detailed impact analysis and explanations of these measures. I also commend the members of the parliamentary committee which reviewed the legislation as well as those who participated in the social security review the committee carried out in 1994 for their sustained hard work in developing these reforms.

[Translation]

As far as opposition members are concerned, I would like to acknowledge the contribution of Bloc Québécois members, especially the hon. member for Mercier, the hon. member for Lévis and the hon. member for Kamouraska—Rivière-du-Loup. While they opposed this bill, they played their role as opposition members with diligence and professionalism, thereby contributing to the enhancement of the reforms in question.

[English]

I want to mention as well the exceptional work of the members from Fredericton—York—Sunbury, Etobicoke—Lakeshore, Halifax West and Malpeque whose amendments to Bill C-12 dealing with the fixed divisor, the intensity rule and the problem of discontinuous weeks have greatly improved the bill and the new employment insurance system.

When the former minister of human resources development back in January 1994 unveiled the government's intention to proceed with a comprehensive review of Canada's social security system no one expected it would be easy to achieve these reforms. It would have been difficult at any time but all the more difficult when the fiscal climate required that fewer, not more, resources were available to put into the revamped social programs.

This made the choices more difficult but the need to get the programs right and the need for reform all the more imperative, especially in view of the dramatically changed situation that has

taken place in Canada since many of these reforms of the program were put in place.

Central to the reform agenda was the need to modernize and renew the unemployment insurance system. Since it was introduced in 1940 as a system of short term protection against job loss, UI has evolved to become the central pillar of Canada's social security system and for many people in seasonal industries in Canada a regular component of their family income.

Unfortunately there has also been growing evidence that UI has become an obstacle to job creation. Not only has the level of premiums needed to finance UI benefits been a drag on small businesses' ability to create jobs, but the level of benefits have created distortions in the economies of communities most in need of job growth.

Observers have argued that UI has hindered mobility, encouraged excessive patterns of short term jobs followed by UI at the expense of more stable employment relationships and has discouraged young people from acquiring the skills they need to function effectively in the changing economy.

Yet while there has been much evidence provided to demonstrate the UI program has inhibited job creation and has pointed to the direction for reform, it is much harder to prove in advance that altering the program will lead to the jobs the people dependent on UI want. This has always been the dilemma facing UI reform. Faced with this dilemma, the government's approach to reform has been sound. The changes in Bill C-12 are designed first and foremost to foster a more supportive climate for job creation.

The new employment insurance system recognizes there are great variations in the ability of regions in Canada to create jobs. Hence it does not try to impose a uniformed system on all Canadians.

● (1620)

Instead of generating savings by restricting access to the program, as the government might have done, the EI system broadens access to the program. Not only will more people be covered under EI than under UI, they will have access to a range of income and employment support available even beyond the duration of their benefits. This is because of first hour coverage and that hours replace weeks as the basis for determining eligibility for EI benefits.

With an hourly based system, many part time workers who were unable to qualify under the old system will be able to earn the right to draw EI benefits. As well, it will be easier for seasonal workers who often work long hours during a short period of time to qualify for EI benefits.

It will not be possible to get the same level of benefits with the minimum amount of work to qualify under EI as it has been under UI. Maximum benefit levels will be lower under the new system. However, the new system protects those on lower incomes who are

unemployed through a number of measures, including the family income supplement which will guarantee that individuals who are unemployed can receive up to 80 per cent of their earnings replaced through the new system.

As well, the amendments to the initial employment insurance legislation in committee have improved the fairness in this system. For example, the amendments dealing with the fixed divisor and the problem of discontinuous weeks now changes the method of calculating the level of benefits in order to minimize the adverse effects of the problem of discontinuous work in terms of the level of benefits.

The amendments proposed to deal with the decline in benefits under the intensity rule also minimized the impact of that aspect of the program to those on higher incomes by protecting those who fall under the family income threshold stipulated by the program.

The monitoring function, which is an essential feature of the implementation of this legislation, will ensure the government follows very carefully the progress of implementation of this reform and also that we monitor carefully how the impact of these changes will affect those Canadians, particularly those in high unemployment areas. The central purpose of the legislation is to foster a job creation climate, which is what we want to see as a result of the implementation of these reforms.

Many Canadians, including those most closely associated with this debate, are tired of reform. They want stability in these programs. They want this talk of reform to stop. They want to get on with their lives. They want to think of something else. They hope that as this bill heads to the Senate we are nearing the beginning of the end.

I share their fatigue but I do not believe we can stop yet. We still have a lot more work to do when it comes to reshaping Canada's social security system for the 21st century. We are not at the beginning of the end, to quote Churchill, we are more like at the end of the beginning.

The employment insurance system which Bill C-12 describes is an important start toward creating a new system for the 21st century. It has some very important features to it which represent a significant improvement over the existing program, but I still prefer to see it as an important start and not as the final word on this program.

This may seem premature since Bill C-12 is not even passed yet. However, in the time that remains I want to speak about the future and what is next on this agenda.

No one doubts we are living in an era of profound social and economic change and uncertainty. Peter Drucker calls it the age of social transformation. The consequences of the information revolu-

tion have penetrated every facet of our lives and in a few short years have dramatically altered the pace and depth of change. Nowhere is the upheaval more pronounced than in the world of work.

Whether one is a qualified pessimist such as Jeremy Riffkin, who predicts massive unemployment and growing income inequality because of the displacement of workers due to this profound change, or whether one is a qualified optimist such as William Bridges, who sees opportunities for growth, creativity and freedom in the new post-job economy, one thing seems clear about the future. The requirements for success in the world of work as we approach the 21st century are different than they have been for the preceding one.

• (1625)

Individuals have to be flexible, willing to make lifelong learning a fact of life, willing to accept a greater degree of instability and uncertainty in terms of their jobs and be much more innovative and entrepreneurial. These are the characteristics that make the difference.

The employment insurance system must do more than simply provide income protection against job loss. It must be a support to individual Canadians.

Under the unemployment insurance system which was developed in the 1940s the reality of the world of work was much different. Unemployment insurance was meant to provide basic short term support to individuals waiting for their temporary unemployment to change, knowing their skills were essentially the ones they would need for the rest of their lives.

The new world of work is much more complicated. The new employment insurance system has to be designed to respond to the growing changes taking place in Canada if it is to work with other policies of the government to create a strong economy and to support individuals in that economy.

Employment insurance represents an important advance in the thinking of the support of the unemployed. Increasingly, individuals need support to keep them moving through a series of changing job situations. New skills, attitudes and flexibility need to be acquired. These are the realities of the world in which we live, realities we as a government must find a system which will enable individuals to produce.

UI and now EI is a national program. It should remain a national program. Reforming this pillar of Canada's social security system should not be seen, as it has too often been, purely in defensive terms, but as a fundamental positive exercise in nation building.

The Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

*Government Orders**[Translation]*

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would like to thank the hon. member for Cape Breton Highlands—Canso for his good words for committee members. I think that we did do some very serious work while conducting hearings across Canada.

My first question for the hon. member is this: Are the results we see today in this bill in line with what we heard at those hearings?

Does having an intensity rule that will reduce seasonal workers' benefits among the wishes expressed during those consultations? Did any of the people who testified say anything to that effect? Did the committee on seasonal workers, which was set up by the minister, not tell us that seasonal workers were in no way responsible for the negative impact on their jobs, that it was not their decision to be unemployed, that there were simply no jobs available? I would like the hon. member to answer these questions.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, even though the bill does not necessarily reflect all the recommendations heard by the parliamentary committee while conducting hearings across Canada, I can say that the restructuring of this program was a basic desire expressed by the witnesses we heard.

Moreover, one of the things we heard—and this is a very important contribution the committee made to this debate—is that, in any UI reform, people would prefer that the government broaden coverage and ensure that more people have access to the program, rather than restrict access and increase benefits.

I must conclude, but there are many other lessons that we could have taught the committee and to which I could refer to in describing this bill, but I think the hon. member has a good idea of what I mean.

• (1630)

[English]

Mr. Penson: Mr. Speaker, I am happy to be sharing my time today with the member for—

The Deputy Speaker: Excuse me. I am sorry, I thought the member was getting up on questions and comments.

An hon. member: Debate.

The Deputy Speaker: Debate only. The two deputies could have had more time in that case.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, this minor procedural imbroglio allows me to put another question to the hon. member. We are indeed making a major change for the 21st century, a change that will affect the whole economy, including the labour market.

Does the member feel that the changes made take into account the new reality of temporary and precarious employment, of how people will find work in the future? Unemployment insurance is meant to provide an income between jobs.

Are there not many measures in the reform that divert from its intended use the money in the UI fund? When workers and employers pay unemployment insurance premiums, is it not primarily to allow those who are between jobs to have an income to maintain their lifestyle, to make it through a period of unemployment? Under the reform, a lot of the money will be allocated to programs that maintain duplication with existing provincial initiatives, including in the manpower training sector.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I will be brief. This is essentially the point I wanted to make. Given the new reality, and we do not know it completely yet, in the unemployment sector, an income support program for the unemployed must do more. Such a program must of course provide an income, but it must also help people move from one job to another and constantly renew their skills, working capacity and employability, so as to best meet future labour market requirements.

Otherwise, our program will always be misdirected and it will be increasingly at odds with the needs of Canadians. This is why we have launched the process. We are starting with this reform. We will continue to have to change it, to improve it, but we are starting with a system that will be more flexible and that will better meet the needs of the 21st century. This is why that reform is so important.

[English]

The Deputy Speaker: The hon. member for Peace River has indicated that he wishes to share his time with a member of another political party. Is there unanimous consent so he may do that?

Some hon. members: Agreed.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I am happy to share my time with the member for Saskatoon-Clark's Crossing, to give as many people as possible the opportunity to participate in this important debate.

This debate is on the reform of the unemployment insurance program, a reform that has been anticipated for some time by Canadians. What Canadians want from an employment insurance program is some certainty that the program will provide help for those people who are unemployed through a time of crisis in their lives for a short period of time until an adjustment can be made to find a new job and make those adjustments.

Unfortunately, that is not what we have in this program. We do not have equality. We have different terms for different parts of the country. There are something like 62 different regions that all have different criteria. Some people are upset about that. They are upset that the same terms and conditions do not extend from one side of the country to the other. They are also concerned about the

dependency. I will talk about that in a moment. I believe they are concerned about trying to reform the unemployment insurance plan into a plan that conforms more to a true insurance plan in the future.

• (1635)

I want to speak about the regional inequities in this bill. Everyone wants fairness. I believe it was the member from Kenora who responded earlier when a Bloc member suggested that the people of Quebec were not being treated fairly in this legislation. It was astounding to hear the member from Kenora say: "We are being fair. We are giving \$1.33 back for every \$1 contributed by people in Quebec". That says a lot right there.

A dollar for a dollar. It seems that all parts of the country should be treated equally and the same standards should apply to all.

One part of the country is doing quite well, a lot of new jobs are being created. In the last six years 87 per cent of all new jobs created in Canada were created in Alberta and B.C. At the same time, through this bill we are trying to encourage people to stay at home in parts of the country where there is a net job loss and a low possibility of any jobs in the future. That flies directly in the face of common sense.

My grandparents and my mother lived about 40 miles south of here around 1912. They moved to Alberta, to new opportunity, to new farmland that was available. People have been mobile in this country for many years. It seems that is part of our Canadian society. We move to where the new jobs are. People generally do not want to collect unemployment insurance. They want opportunities.

In the Canada Employment Centre in my riding there was a time when we experienced about 4 per cent unemployment. As my colleague from Medicine Hat explained, this means no unemployment. It is only indicated because of the way we built this institutional reform into our unemployment insurance in 1971 when the Government of Canada became involved.

Last year, at a time when there was essentially no unemployment in my riding of Peace River, I met with a number of contractors. They said that they were having trouble getting trades people, yet the unemployment centre will not advertise Canada wide. We had a lucrative situation.

There were plumbers, for example, in Nova Scotia and Newfoundland who wanted jobs. They did not want to collect unemployment insurance, but there were no jobs available in their provinces. They were not even made aware of the opportunities in other parts of the country. The Canada Employment Centre was advertising in Edmonton and Calgary for the Grand Prairie area. Both areas were running quite well; there were no unemployed people. Therefore, they could not get experienced trades people. It was an intolerable situation.

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Alberta and British Columbia are experiencing strong growth with many jobs being created. Out of the 443,000 jobs that have been created in Canada in the last six years, 345,000 have been created in Alberta and B.C. The largest four provinces in Canada have created 101 per cent of Canada's jobs which means that the rest of Canada has been losing jobs. We know where those areas are. Yet the reforms proposed by the government still encourage people to stay at home in those areas of net job loss to collect unemployment insurance. It is shameful.

The country has been broken into 62 regions. In Nova Scotia there are five regions with different unemployment criteria. That is simply not acceptable. We need national standards that are agreed to by all provinces.

I will take a moment to talk about dependency. That is an unfortunate part of the unemployment insurance program, especially since 1971. That is when the federal government intervened. It used a regional fairness scheme to try to engage in social engineering.

We are sending the wrong signals to Canadians. We are sending the signal that dependency is okay. We now have up to second and third generation families that have just graduated into this cycle of collecting unemployment insurance. Yet at the same time, parts of the country are crying out for workers.

• (1640)

What incentives are being offered which create this dependency? Twelve weeks to qualify in much of Atlantic Canada and in Quebec. It is 18 weeks in the rest of the country. Is that fair? Should a worker who is unemployed in my riding be treated differently from somebody who is unemployed in Newfoundland or Quebec? They should not. This creates that same dependency. People will stay at home and collect unemployment insurance.

This is not a true insurance plan. We need a plan which is administered by employees and employers. They would soon sort out the people who are ripping off the system. Their premiums are being used to finance people who are abusing the system.

Abuse is a very common factor in unemployment insurance. Payroll taxes reflect this. Employers and employees have had to pay higher amounts in the past several years which has resulted in a slush fund that the government will be using to buffer the deficit. Employees and employers are being asked to help pay down the deficit. That is unfair.

Payroll taxes in Canada are very high. Up until about 1971 you could take the unemployment figures from the United States and Canada, plot them on a graph over many decades and see that they were almost identical. In the bad times and in the good times the chart would show that unemployment figures in the United States and Canada were almost identical.

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What happened in 1971 when the federal government intervened and became involved in the unemployment insurance fund? There has been a consistent spread of about 4 points in the last 25 years between Canada and the United States. Unemployment in Canada is always higher. That is the result of the institutional unemployment which has become part of the system because of these generous benefits.

We need national standards. We need a plan which is run by employees and employers. It could be done on a provincial basis which would enable it to be responsive to local needs.

The other part of the bill which really bothers me is that over two million part time workers will have to pay unemployment insurance premiums. These people have a tough time making ends meet to begin with. Often they are working at minimum wage. Now we are asking them to pay an unemployment insurance levy as well. I believe that will have the opposite effect. It will put many people in the position where they will say: "Why should I work? I may as well sit home and collect unemployment insurance".

We are moving in the wrong direction. What the people of Canada want is real reform of the unemployment insurance system, not something which is regionally based, not something which is unfair. They want all Canadians to be treated equally. They want to stop the abuse of the unemployment insurance system. They want to be generous enough to say to those people who are unemployed: "Yes, we are going to look after you through that time of your life when you are unfortunate enough to be unemployed".

Canadians are generous. That is why we pay our unemployment insurance premiums. We do not pay our unemployment insurance premiums so that individuals can live off the system from one year to the next. It becomes an abuse program which does not do much for our self-worth. I believe that most people need to work and to feel they are contributing to society.

We are not stopping the cycle of dependency which was started over 25 years ago. We are sending the wrong message to Canadians. I am opposed to Bill C-12. I will be voting against it. If we ever have the opportunity, we will make this a true insurance program. I look forward to that opportunity.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I found my colleague's speech most interesting. Although I am not in agreement with a number of his points, he has raised a fundamental question.

• (1645)

We are told that people must stay home and wait for work. Should they not be mobile across Canada? To that, I reply that

people are not just economic beasts of burden. They are not just consumers, they are human beings with families who have lived in a region for several years, often several generations. They have the right, in my view, because that was how Canada was developed in the past, to economic development tools allowing them to develop their region. There is no region in Canada where employment cannot be developed, no region that cannot be helped to turn itself around, develop and take pride in its development.

The approach suggested by Reform members is essentially to go back to the situation that existed before 1935. In this connection, I would like to quote Prime Minister Bennett, who said at that time: "During the years of anguish you have just experienced—he is speaking about the Great Depression—you have seen the great weaknesses and abuses of the capitalist system. They have led to unemployment and misery. In order to meet the new needs, we must reshape the capitalist system so that it serves the people better, and distribute the benefits more equitably among the various classes and regions of the country".

When governments decided to distribute the benefits, was it not more with the idea of allowing a program that had shown its worth to be a good economic regulator and to ensure that individuals could develop in their own regions?

In closing, I would like to say that it is true that Quebec has long received more unemployment insurance than it paid in premiums, but that was linked to unemployment. Last year, in 1995-96, it was not one and a third dollars for a dollar, but a dollar for a dollar that was spent.

In the end, will the position that the hon. member is defending, which is to take away from the unemployment insurance system any role as regulator, not have a negative effect greater than the possible benefits to Canada?

[*English*]

Mr. Penson: Mr. Speaker, I welcome that comment. This gentleman has identified an issue I want to explain.

I believe that when people are unemployed temporarily or on welfare, it is incumbent upon the people of Canada to look after them during a temporary time in their life and to make those adjustments. What bothers me is when it becomes a way of life. I do not think anybody wants that because it is not very good for the people involved.

I want to address the regional issue. If an area is not doing very well, we have to look at the reason. It is the job of the government to create an environment for business in order for people to invest in the economy and get it going. That has not taken place. For example, if we were to ask small businesses why they are not expanding they would tell us that the high cost of doing business and the high payroll taxes are deterrents. The fact that the

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government is spending \$10 billion more just on interest this year than it did when I was elected in 1993 tells us something.

Atlantic Canada is a perfect example of why we have to move forward. Prior to Confederation, Atlantic Canada had its main business contacts in the New England states. It was a good relationship, one which was north-south, a natural trading corridor. After Confederation that was changed. More east-west flow was encouraged. High tariffs encouraged more east-west flow of goods and trading. That was detrimental to Atlantic Canada.

Under free trade we now have the opportunity to say to Atlantic Canadians that we will open some doors for them in the future so that they can become real partners in Canada. It is incumbent upon the Government of Canada to remove impediments to trade and allow areas like Atlantic Canada to fulfil their true potential. I believe they have lots of potential.

[Translation]

The Deputy Speaker: Before going on with the debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mackenzie—railways; the hon. member for Mégantic—Compton—Stanstead—disability tax credit; the hon. member for Davenport—health.

[English]

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, let me begin by thanking the member for Peace River for sharing his time with me, particularly as we do not agree very much with regard to this question. I will make three points with regard to the changes to the unemployment insurance regulations.

• (1650)

First, in quite an outrageous way the government is taking according to its numbers \$1.1 billion out of the fund. It is taking that money from employers and employees. By other calculations there will be as much as \$4 billion taken out of the fund. It is not the government's money; that money belongs to employees and employers. They are the ones who contributed. The government has no moral right to take that money from the fund.

Second, I would like to comment on the continued attack by the federal government on the unemployed. One bank president this past week indicated that the country's real rate of unemployment is 13 per cent. Changes to the UI bill continue the attack on the unemployed rather than the attack on unemployment.

Had members on the government side been on the opposition benches when the bill was put forward, as they were prior to 1993, not only would they have spoken against it, they would have voted

against it. They would have been outraged at the contents of this legislation.

Third, there are procedures in the bill, so-called active programs, which are designed to provide unemployed Canadians with the needed skills and opportunities to return to the workplace. The way these programs are designed is almost perverse. Quite clearly no attention was paid to the successful active programs which are component parts of the UI programs in Europe, particularly in northern Europe. If attention had been paid to those programs, these active measures would have been designed entirely differently. It is almost as if the intent is to make sure these active programs do not work.

Earlier today I heard some talk about the consultations which took place. It is really a sham to talk in terms of consultations. It is all very well to have large meetings and for them to go on and on. But if the government does not listen to what anybody says and in particular does not listen to what the critics say, those are not true consultations. That is what happened.

There is absolutely no doubt that the proposals put forward by the government were originally proposed by the previous Conservative government. They follow on step for step with those policies. We know that in 1993 the government changed but the bureaucrats and the policies did not change. There is a continuation of the Conservative agenda.

These revisions mark the ninth time since 1975, the fourth time in the 1990s, and the second time since 1993 that unemployment insurance has been systematically attacked.

By the end of 1997-98 there will be a surplus of \$9.4 billion in the UI account. This is money which properly belongs to the 13 million workers who contributed to it, not to the government which is taking it away to pay for its own fiscal mismanagement.

In 1971, 96 per cent of those who were unemployed were covered by the unemployment insurance program. In 1990 it was 87 per cent. By 1995 under these rules it was only 52 per cent. By January of this year it was 46 per cent. At the present time only 42 per cent of unemployed Canadians are covered by the unemployment insurance provisions. By the time this process all works through, less than 40 per cent of the unemployed will be covered. We will be down to levels lower than some of the United States. This is a continuation of the attack on the unemployed, not on unemployment.

These changes will have devastating effects particularly in Atlantic Canada, the north and high unemployment regions. It will have devastating effects on low income families. It will push more and more of those individuals and families below the poverty line.

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Let me quote the former Minister of Human Resources Development when he talked about UI cuts by the previous Conservative government which were far less severe than these: "I totally disagree with these amendments. The kind of legislation being brought in by this Minister of Employment and Immigration makes Margaret Thatcher look like Mother Teresa by comparison. All it does is simply put the squeeze on the people least able to protect themselves". Those words speak for themselves. It is no wonder that Canadians have trouble recognizing any integrity in government at this time.

• (1655)

The government says that unemployment insurance is a problem for the following reasons. It says that it creates disincentives to work and therefore constitutes a cause of rising unemployment. It argues that unemployment insurance actually discourages the search for work. It argues that the program fosters a dependency in some regions and industries. It argues that the payroll tax that finances UI has its own "perverse effect on job creation which has contributed to Canada's rising core rate of unemployment".

The very studies the government ordered from experts in the field to address unemployment insurance refuted every single one of the criticisms the government had against unemployment insurance. The studies presented by the government to support its own claim made it clear that the great majority of unemployment is involuntary and the result of a shortage of jobs and hours of work relative to the demand of work. In other words, people do not choose to be unemployed. Those who are unemployed should be offended by a government which suggests that they might.

Quite plainly, the focus of the studies is that it is the lack of jobs rather than the lack of incentives to take paid work which constitutes Canada's high rate of unemployment. The studies also point out that premiums are an appropriate way of funding unemployment insurance. All the evidence suggests that the total costs are borne by workers, not by employers and that it is not a significant deterrent to work, as the Minister of Finance likes to say it is.

The reasons for attacking unemployment insurance are refuted by those who conducted the studies on behalf of the government to presumably provide evidence for the need for the attack. It is a continuation of the Mulroney agenda, the Mulroney cuts. I have been here since 1989. This is the fifth time I have seen the same agenda set out.

The main problem we are facing here and why this government likes to attack, as its predecessors did, the unemployed rather than unemployment is that there is no clear vision, no clear industrial strategy, no clear economic strategy, no vision of where this country could and should go. We all know the famous words of Yogi Berra, if we don't know where we are going, we might end up somewhere else. What is happening is Canadians are ending up somewhere else without the job security they need.

In closing, there are two clear failings with regard to the so-called active programs the government has put forward. One of the things it likes to do and one of the things it should do is provide information on available jobs across the country. It should also provide for employers an indication of what skills unemployed Canadians have so that there can be a more appropriate match of skills and jobs.

The government should have looked at the system in Sweden. In Sweden all employers are required to register every job which will last for longer than 10 days with the appropriate government department. Employees are also required to register with that department. Ninety per cent of job vacancies in Sweden are covered by the program. If one wants a job that is where one goes.

To not have any requirement on the part of employers means that any attempt to bring employers and employees together will surely fail. Why would we have a system like that? Why would the government not have learned from a very successful system?

Germany is another example. Potential workers at risk of unemployment are identified ahead of time so that some preventative measures can be taken. Why do we not have that kind of system in Canada?

In closing, we can have all the active programs we like, but if we do not have a strategy and a vision for full employment, Canadians will continue to be unemployed in unacceptably high numbers.

[*Translation*]

The Deputy Speaker: We now move to questions and comments. Since members of three parties wish to ask questions, I would ask you to be very brief.

[*English*]

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, being new to the House I have not had the experience the hon. member for Saskatoon—Clark's Crossing has had. I wonder if he would confirm or interpret the comments he made for me.

• (1700)

Are the Liberals now changing their philosophy compared with the previous Parliament when they were in opposition? Is he saying the Liberals and the Conservatives are really one animal? How does he explain that?

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, this is a question many Canadians are asking.

Liberal-Tory, same old story. Members know that only too well. It is clear we have a straight continuation from the government before. Canadians recognize that. We are not solving the problem. It continues to get worse.

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[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, in the same vein, I see that the Reform member has shared his time with an NDP member coming from the same region.

I would like to ask the hon. member whether this points to a new association between the Reform and the NDP around social programs.

[*English*]

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I doubt it.

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, I appreciate the hon. member's presentation. The member from the Reform Party, the hon. member from Saskatoon and I are all from western Canada.

The Reform Party spoke about equity and fairness and pointed out, rightly, job growth in western Canada. I would like to ask the member from the NDP whether he agreed that weeks worked to be eligible for unemployment insurance in Manitoba ought to be the same as other areas in western Canada, for example, in Alberta.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the real point is not the specific rules and regulations with regard to the details of employment insurance. The real point is how do we ensure that Canadians who are unemployed find work. We cannot do that with a program such as we have here because it is not part of an integrated program which puts jobs at the top of Canada's priorities.

Only if we commit ourselves fully to a fuller employment economy will we be able to do that. Then we do not have to ask the question training for what. We do not have to ask what premiums might be charged around the country because we can find ourselves moving toward a real economy with job growth in it.

Saskatchewan, with the lowest unemployment of any province, has a partnership approach to government, business communities, everybody working together for the aim of creating jobs in the economy. That is what this government should do.

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, I welcome the chance to speak to Bill C-12 and to comment on how the changes being put forward will improve the climate for doing business in Canada.

The simplified new approach to the calculation of premiums and the streamlining of the reporting process this legislation puts forward will substantially reduce the administrative costs and paper burden associated with the old UI program.

This is especially important to small business. We have heard often from the business community, especially from the small

business community, about the high cost of administering the old system of UI, the so-called UI paper burden.

It is fair to say there has been a good deal of paperwork associated with administering that antiquated plan. Under the current UI scheme employers have to keep track of employee earnings by week. They need to make sure, for example, the weekly earnings, dollars earned, are above the weekly minimum set by UI legislation.

If the earnings are too low, the employer must also check to see whether the hours, the time worked, exceed the weekly minimum. The employer must also check to see if employee earnings are more than the weekly maximum.

Once all these tests are applied, the employer then must calculate the premium payment for each employee and the corresponding employer's premium payment. Does it sound confusing? Obviously.

In some cases this complicated system has to be repeated through each and every week for each and every worker. Imagine the administrative complexities here, even for a small business, to keep people on staff to do these very tedious jobs.

• (1705)

The new system will do away with this complicated process. Premium payments will be calculated beginning with the first dollar earned and there will be no minimum hours or dollars to qualify. It will be easier for the employee to understand as well.

As it is now, it is difficult for an employee to know if the employer has made accurate premium calculations unless the employee goes through the same complicated record keeping exercise and keeps a cumulative personal record of UI premium payments.

A system based on first dollar premium payments for those making less than \$2,000 to have their premiums refunded will be simplified, straightforward and easy to keep track of. At the same time as we are simplifying the process we are extending it so more workers will be covered, and that means more businesses, especially small business, will now be included in the plan.

Concerns have been raised about the potential impact of these changes on the payroll costs of small business, particularly in the service sector where many part time workers who had previously been excluded from UI would now be eligible under the new program. Here are some answers to the concerns.

Under the new plan about two-thirds of the small businesses currently contributing to the UI program would pay less or the same as before. If premium rates are reduced, as we hope they will be when the first dollar coverage kicks in, that number would go up so that about 77 per cent of the small firms would pay less or about

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the same as before. This would still leave 23 per cent that might be subjected to an increase.

The aim of the legislation is to improve the system, not to raise the payroll costs for small business. The bill includes a transitional premium refund plan, a plan which will provide small businesses that face premium increases of more than \$500 in 1997 and 1998 with a refund. The maximum refund will be \$5,000 per year. It is estimated this will provide transitional relief to about 300,000 small businesses whose employees will now be participants in this EI program.

Thus we believe the bill strikes a reasonable balance between opening up the employment insurance system to the tens of thousands of part time workers who will now face the 15 hours per week constraint to developing the necessary earnings history to qualify for benefits and adding incrementally now to the cost for some employers.

We also believe the streamlining and reform of the old UI system and the many cost savings and reductions and the paper burden that will result will be very welcome in the business community.

These reforms will also produce significant administrative efficiencies in cost savings for the Government of Canada. As many as 2,000 employees of the Department of Human Resources Development are now involved in handling the administration for the existing record of employment forms. If the forms are simplified and the reporting process streamlined there will be substantial efficiencies to be gained from the simpler, easier to administer system in government as well.

The second major area of opportunity the bill opens up relates to enhancing the employability of workers through the employment benefits in part II of the legislation and the act of employment benefits in particular. From the perspective of the business community this is an important part of the legislation, for it will help to better integrate the needs of workers and employers in order to create meaningful employment experiences.

These measures will reinforce the value of work. The employment benefit measures are designed to strengthen the work incentive and to help employers and workers alike adjust to economic changes and take advantage of new opportunities.

For example, benefits in the form of wage subsidies will encourage employers to hire people who need experience on the job but who cannot make a full contribution to the enterprise immediately. This will allow employees to bring new people on board and let them grow into the job without being an undue economic burden.

Targeted earning supplements will be available to top up wages of eligible workers as an incentive for them to take paid employment, even low paid employment, instead of insurance payments.

This will help address the concerns we have heard that small business often finds itself competing with UI employees.

• (1710)

It is important to note on that score alone that a recent survey in Atlantic Canada found that 45 per cent of the employers in that region voiced their concern that they were competing with the Government of Canada insurance system and felt they could offer jobs to Atlantic Canadians if there were changes made to the underpinnings of the system.

The new legislation will allow us to continue to pursue job creation partnership programs in co-operation with the provinces, local communities and business organizations in order to create jobs consistent with local economic development objectives. We already have some good examples of highly effective job creation projects with partners in the private sector. We know this approach is needed and will work.

The new employment insurance plan will be good for business. So do many of the business people we heard from. The Canadian Federation of Independent Business indicated to the Standing Committee on Human Resources Development that employers are supportive of the overriding purpose of the bill to help encourage unemployed Canadians to get meaningful employment. The present UI system is more of a disincentive for people to get back to work.

The Business Council of British Columbia sees Bill C-12 as a more positive initiative. The president of the Quebec Chamber of Commerce believes a streamlined program will be a more effective program. The executive director of the Canadian Council for Human Resources in the environmental industry has said the new employment insurance strategy working with the national sectorial council has the potential to help Canadians find and keep jobs.

That is what the government wants to do, help Canadians find and keep jobs. The new employment insurance legislation is an essential and integral part of that new vision leading into the year 2000.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, the member for Provencher has made much of the fact that businesses and employers would, in his opinion, benefit, since two thirds of businesses would find themselves paying lower premiums.

I would like to ask him two things. First: Is he aware that the bill calls for employers whose workers abuse the system, in other words where there is fraud, to have to pay twice as much in some cases, and even three times in others, in the way of penalties? As a corollary to that: Is he aware that even the volunteer administrator of a not for profit organization could be considered guilty of fraud, should an employee cause some problem, some irregularity with

the government? Is he aware of the new and much stricter mechanisms for employer penalties in this connection?

Now, to the second aspect of my question. He has spoken of simplified procedures. I would just correct one thing. He has referred to how wonderful it is that students will be able to get a refund of up to \$2000, whereas at this time they do not even have to contribute. I do not see where the improvement lies, when they will have to wait nine months to get any money back.

[English]

Mr. Iftody: Mr. Speaker, I thank the hon. member for his rather lengthy question.

With respect to fraudulent claims, discussions with my constituents in Provencher regarding both employer and employee contributions allowed me to conclude quite categorically that whether it was farm people who hired part time workers to work for them in the summertime who might claim unemployment insurance following that, or whether it was people in the northern part of the riding in the forestry industry, both the employers and the employees, indeed all Canadians, are concerned about the fraudulent use of taxpayer dollars.

• (1715)

The other point I would like to make very quickly to the member is with respect to job creation. Even in his own province, the member might want to look at the self-employed component of this job creation package and the fact that many of the women who find themselves unemployed in the province of Quebec may find a venue through that system.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, I wonder if my hon. colleague from Provencher would agree with my colleague from Peace River that there should be some kind of incentive to relocate if there are jobs available.

I had to relocate to start farming. If I had not relocated, my boys would not have been there to farm today. Therefore should we not have some kind of incentive to relocate if the possibility is there?

Mr. Iftody: Mr. Speaker, in the package the government has presented there is a measure or measures which would allow for transition payments. I believe there was a considerable sum of money allocated to that process where workers who are changing jobs and getting into new job areas would find some monetary benefits in this package.

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, let me begin by stating my support for Bill C-12 as it now appears before the House.

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With this legislation, the government has lived up to its commitment to reform the unemployment insurance system and bring in a fair and balanced regime that accommodates the needs of Canadians in all regions.

As a member of the Standing Committee on Human Resources Development, I was pleased to take an active part in the amendments to this bill. I wish to compliment not only the government and the minister for their approach, but also two of my opposition friends for encouraging and pushing us in the direction in which the explanations and the discussions have helped to improve this process.

The minister, in appearing before us, invited us to make suggestions for improvements. I am pleased that he has been responsive to the amendments that were put forward: the divisor used for calculating benefits; the question of gaps in earnings; the so-called intensity rule governing reduced benefit rates for past claimants. These have all made the bill a far better one. I encourage all opposition members to support this final decision.

I want to focus on three areas that I think are important at this time to bring before my friends in this debate. Bloc members charged that higher entrance requirements for EI will make it tougher for women who are re-entering the job market and force them on to welfare.

In setting the record straight, let me say that it is true that women are more likely to be new entrants or re-entrants to the labour market. However, new entrants and re-entrants will now need 910 hours of insurable work to qualify to benefit. However, if they work at least 490 hours in their first year in the labour force they only require a minimum of 420 to 700 hours to qualify the following year.

The government recognizes how difficult it can be for a woman to jump back into the job market after taking time out to raise a family. That is why it has extended access to EI's employment benefits to any Canadian woman who has collected maternity or parental benefits over the past five years.

Employment benefits will help women boost their earnings, contribute to their job stability, forge new trails in new and emerging sectors. These benefits will be delivered in the woman's own community. They will encourage other women to participate and take into account the needs of the local workforce.

• (1720)

Child care support will be available to women who are taking part in these employment benefits. Under EI's hours based system, many women with part time jobs or several small jobs will be able to qualify for maternity benefits for the first time. Women will still need only 700 hours to qualify for special benefits such as maternity benefits.

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Not only will EI enhance employment opportunities for women, but it will actually create work. EI reforms are expected to generate between 65,000 and 115,000 new jobs funded by an \$800 million investment fund. On top of that, modernization will create 150 jobs and a transition job creation fund is expected to provide work for 15,000 more Canadians.

The Canadian workplace recognizes the importance of women's participation and the EI legislation reflects the realities of this modern system. One of these new realities is that women are working part time. In fact, women currently make up 70 per cent of Canada's part time workforce. Under EI they will be covered from the first dollar earned for the first time.

Women also make up a slight majority of those holding multiple jobs. Again, under EI many will be insured for the first time. While more women will be insured, many others will have their premiums refunded. About 700,000 women who earn \$2,000 or less a year will receive a refund, including 495,000 who pay premiums today.

The government has also implemented special measures to help offset the impact of the reform on low income claimants, many of whom are women. Benefits for single parent families, most of which are headed by women with incomes below \$26,000, will actually increase by about 13 per cent on average under the new system. Benefits to low income families with children will go up by 12 per cent on average.

The family income supplement will boost the weekly earnings of many low income families. It will provide an average of about \$800 to each family with an income below \$26,000.

The new rules also mean that low income women will be able to increase their weekly income without jeopardizing their EI claim. The increased earnings exemption will mean women are able to earn up to \$50 a week or 25 per cent of their earnings, whichever is higher, while on claim. This means that EI not only encourages work efforts, but also enhances women's employability.

I have a few points on the issue of young Canadians. Some Bloc members have charged that higher entrance requirements for EI will doom young Canadians to living off welfare and moonlighting at night. The truth is that new entrants, many of them youth, will now need 910 hours of work to qualify for benefits.

The entrance requirements have been raised for a very important reason. We want to discourage young people from becoming dependent on a handout. We want to encourage more young people to stay in school instead of dropping out early to take unstable jobs. Too many young Canadians use up their UI benefits without upgrading their education or acquiring new skills. They are stuck

on a hopeless treadmill, one of short periods of work alternating with UI claims.

Evidence shows that some young people are drawn into the job market before they finish their education due to easy access to UI. In fact, the working group on seasonal work and unemployment insurance stated: "Something has to be done to stop young people from leaving school to take advantage of the specious, short term benefits of UI to the detriment of their future and their career prospects".

Increased entrance requirements will ensure that youth will develop a stronger attachment to the labour market. It will ensure that young people stay in school to get the skills they need for the jobs of the 21st century.

• (1725)

It is true that high entrance requirements will affect some young workers, but they will also allow many youths who work part time or who earn a living at several small jobs to insure their work for the first time. It is estimated that 39,000 of them who cannot qualify for UI today will qualify for EI benefits.

These reforms are primarily designed to actively help people find and keep stable employment. This includes young people. EI's active employment measures will help young people gain the skills they need for the changing job market.

These are some of the reasons for my colleagues to be convinced that this is good legislation. This is legislation that needs to be supported. I call on all members, despite the discussion and the arguments, to support Bill C-12.

[Translation]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I know the hon. member for Etobicoke—Lakeshore well, having been on the human resources development committee with her for the past two and half years, ever since the Liberal government was elected.

I know how sensitive she generally is, and I know she feels a bit uncomfortable when she comes back to the House to tell us what we have heard several times in committee from the mouths of staff members of the Department of Human Resources Development. I would ask, on another level, how she felt as a woman who has always shown sensitivity and humanity, after hearing the testimony of the Fédération des femmes du Québec and other organizations representing women across Canada, who told us that this unemployment insurance reform made no sense, because it would penalize women.

Yes, with the hours principle, some 5 per cent of women will perhaps be able to take advantage of unemployment insurance in future, but 25 per cent will be excluded. The hon. member knows the reason: many who used to need 15 hours of work per week or

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less will now need many more hours to be eligible for UI. In my region in particular, people will have to work a minimum of 26 weeks, at seventeen and a half hours a week. What is more, they will all have to contribute, but will not all be able to draw benefits.

The situation is so bad that the Fédération des femmes du Québec is contemplating going to court to raise the issue of discrimination against women, to prevent the act from being implemented. The same thing goes for young people.

I have trouble recognizing my colleague's usual character when she takes such a position, when she finds it normal to be harder on young people who have never yet drawn any benefit from unemployment insurance. Now she is letting herself be influenced by the arguments of the department's employees, who told her young people are potential cheats, potential abusers of the system.

I am appealing to her sensitivity, I am appealing to her sympathetic ear as a member of the human resources development committee, where 75 or 80 per cent of the men and women who came before us in the last two and a half years told us this was not acceptable. I am trying to find out, and I really do wonder, if she feels right about her party's line.

[*English*]

Ms. Augustine: Mr. Speaker, I have great admiration for the member who just spoke and with whom I have worked for the past couple of years.

The member knows that I took very seriously the arguments he brought. I went back and spent a good deal of time with my colleague and others in looking at the parts of the bill we considered to be difficult. We looked at parts of the bill we considered would disadvantage several individuals. We put forward amendments to assist and to make the bill a far better bill.

The member also knows that it was not without deep consideration of all concerns: the hours, the dollars, the situations of people in various regions of the country, that I arrived at the point where I was satisfied that we were doing what would be in the best interests of all Canadians in every region by amending certain parts of the bill.

• (1730)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, this is the last time I will rise in this House on this bill. We have followed it in committee for nearly two years. We have tried to make the government aware of the Canadian reality. Rather than get into technical arguments, I would ask the Liberal members to consider the upcoming vote and look at the effects on Canadians, the people of the maritimes, of Quebec, Ontario and especially northern Ontario, and western Canada and even the major centres. I will explain.

This bill on unemployment insurance reform is a sort of model for society the government wants us to choose. It has decided to kill off the old model of Canada where some things worked and other things did not work so well, but the desire to ensure that each region received equitable amounts, at least in terms of compensation for economic development, is gone. The government decided to do away with this sort of development, and now we have this bill before us today.

I am going to give a more down to earth example, which seems to me to be very close to the truth. As you know, the economy in our regions is a bit like a second hand car that uses up a lot of oil. Its motor does not work well, because the oil evaporates too readily. Usually, you put oil in the engine to keep it running, and, at some point, you decide to have it repaired so that it will then work properly.

For the UI reform, the government decided that even if the engine was using up too much oil, the solution was to quit topping it up and after that the engine would repair itself. We know very well that it does not work like that. Regional economies, the economies that depend on seasonal industries, are economies that need diversification.

That was proven by the human resources development minister's committee on seasonal workers, as well as by the demonstrations seen by the human resources development committee. It was also proven by people in the last consultation on the bill itself, when people from the Gaspé Peninsula, as well as other areas, gave us examples where there were 50, 75, 100 applicants for one job. So, people want to work and see their economy develop, and that raises serious questions about an inequitable principle, an unacceptable principle in the present system, which is to decide from the outset that people are taking advantage of the system.

This bill assumes guilt on the part of the people using the unemployment insurance system. It considers that they must be punished to set them back on the straight and narrow. This approach is difficult to understand coming from the present government, because when it was elected it told us that it would make employment a priority, and came up with the slogan: "Jobs, jobs, jobs".

It therefore proposed a model of society that was completely different from that of the former Conservative government. If we had the present reform before us and it was the former Conservative government that had introduced it and been elected, we could say that Quebecers and Canadians had chosen this kind of government, that that was what they wanted, and we would act accordingly. But no, we have before us a government that was elected on a completely different philosophy than that in the bill.

Today, it is abdicating completely the responsibility of a party in power, which is to do what it was elected to do. This government, particularly the members from the Atlantic provinces, will have

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some terrible political fallout to contend with if they vote in favour of this bill.

Allow me to quickly quote several excerpts from a letter signed by the present Prime Minister on March 26, 1993, when the Conservatives were taking measures far less harsh than those contained in this bill. Among the points made in the letter—and it is the present Prime Minister, who was Leader of the Opposition at the time, speaking:

I can assure you that the Liberal Party shares your concern about this attack against the unemployed. We do not believe either that the recent superficial amendments will change the fundamentally unfair nature of these measures.

Do you not find that this bears some resemblance to the three little amendments we have had tabled before us just now? The Prime Minister, Leader of the Opposition at the time, goes on to say:

Instead of getting to the heart of the problem, it goes after the unemployed.

• (1735)

In closing, he says:

You can be assured that the Liberals will continue to call on the government to withdraw this unfair bill.

This may be the most serious effect of this bill.

It is true that it penalizes the regions and the workers. It is true that there are regional economies in danger of destruction. It is true that people are made out to be nothing but economic agents.

They are telling us mobility is necessary. That the fact that you have been in the same community for generations does not give you the right to stay there, the right to demand development of the economy in your area. No, you have to go where the jobs are. That is what the government is saying. The most serious point is that it casts doubt on the credibility of elected officials. The fact of being elected with a mandate and failing to fulfil it gives politicians today a standing of 4 per cent in the polls. And this is totally unacceptable.

It is true that there are major negative consequences. This applies to regional economies, but also to the major centres. In the next few years, the labour force will move out of the regions, including those people with skills in the tourist industry, who will not be able to accumulate the number of hours they need to be eligible for unemployment insurance. The race for hours will be on. People in the labour force will move to the major centres, empty the regions of valuable resources and put unacceptable pressure on the work force in the major centres. The negative effects of this will be significant.

The unemployment insurance system is the best economic regulator during a recession. My greatest fear is that, in the next recession, we will be dealing with economic situations similar to

those of the 1929 depression, where people were literally dying of hunger because there were no social programs.

These programs were set up. They realized that the unemployment insurance system at least made it possible to avoid the long term effects of the recession. A person receiving unemployment insurance benefits continued to contribute to the economy and remained a consumer. This will no longer be the case. These are the major changes.

These are the negative effects of this choice of society, the choice of the path of neo-liberalism that disregards the need, in a country like Canada, for stop gap and economic assessment measures making for a better society.

When you vote shortly, give some thought to what will happen to our regional economies if you know people who live in Shediac, Bonaventure, Charlottetown, the Gaspé, in Nouvelle, in Gaspé, in any of the regions and areas. What will happen to a labour force that for a number of years has been working in seasonal industries, which takes workers who will not be able to work the entire year? We are going to put them in unacceptable situations where they will have to go on welfare.

All this in a society where there is an unemployment insurance system that will generate systematically this year, next year and in other years a surplus of \$5 billion. Is this in keeping with the values for development we sought for Canada in the past 20, 25 or 30 years? Are people going to want to continue to live in a country that sets all these values aside? I think the answer is very clear to Quebecers.

The Liberal government will have to bear the responsibility for its decision. This is not only an unfulfilled commitment, but a form of disregard for democracy. Who are the real decision makers? What made them create a system like this one?

Why do members who were elected on their promises to work in good faith to promote full employment, to use human potential so their constituents can be happy in their own environments, suddenly all clam up two and a half years later? They are not saying a word on these issues and are no longer making any suggestions so that these results can be achieved.

How come no one told us to set goals in the fight against unemployment, as we did in the fight against the deficit? How come? These are fundamental questions to ask ourselves as they are to be found not only in this bill, but also in other government measures.

There are two types of decision makers. I think the basic flaw in this reform is the link between the UI system and the fight against the deficit.

• (1740)

To have unemployment insurance claimants pay premiums is one thing. They paid them in the past and could have been asked to keep on paying them. But the government stubbornly insists on

drawing \$5 billion a year on a fund basically intended to support a person's income between jobs. UI claimants are being penalized and made to feel guilty for using the unemployment insurance system to offset those negative aspects, where the government failed to take its responsibility.

Concerning the \$5 billion put to the somewhat artificial use of covering the deficit, the preferred approach would have been to say: We will take a closer look at government spending on items such as embassies or national defence to see if we could not save more on those items. We will settle once and for all the whole manpower issue and stop wasting \$250 million a year in duplication with the Quebec government alone.

Had they dug deeper in that area, we would not have had to take actions such as defending, as we are doing now, a reform that is indefensible on the basis of its economic objectives. The \$5 billion surplus generated by the system is being sunk into in a bureaucratic machine and conditions created where the money will not be put to productive use. Why not have decided to put this money back in the economy to foster job creation instead of reducing employees and employers contributions?

We are told that, for every penny by which employer contributions are being reduced, approximately 12,000 jobs could be created across Canada.

When will the bureaucratic machine generate such interesting things? We have to realize that the government no longer has any money to spend in areas that are under provincial jurisdiction. It no longer has the money required to be involved in these areas, and it can no longer borrow on foreign markets. The only thing left is the cash cow that the unemployment insurance system has always been. The government is relying on a fund in which it does not put one penny. Indeed, all the money in the UI account comes from employers and workers.

But the government will not let them manage their \$5 billion surplus. It will not tell them: Employers and employees, you will decide what to do with your surplus. Are you going to build a reserve for bad times? Are you going to reduce premiums? Are you going to invest the surplus in other ventures? Are you going to increase benefits for those in more difficult situations? This is your money. You do what you want with it. We will simply make sure that it is properly spent. But no. The government does not say that.

Under the circumstances, the opinion of Quebecers regarding these measures should not come as a surprise. According to a poll, 75 per cent of Quebecers feel that the whole issue of unemployment insurance management should become the province's sole responsibility. Moreover, 59.8 per cent of Quebecers oppose the UI reform, while 27 per cent support it. As well, 79 per cent of them think it will primarily benefit the federal government, not workers and employers. These people clearly understand the point I made earlier.

They clearly understand that it is strictly a deficit-related issue. The government is holding employers and employees hostage.

Routine Proceedings

Quebecers clearly understand, since 72 per cent of them oppose a reduction of the benefits paid to the unemployed, while 66 per cent oppose a reduction of the benefit period. It is good to see that Quebecers have clearly understood the negative impact of this system.

There are other indications of that, including the fact that the Minister of Human Resources Development received 40,000 postcards from people asking for the withdrawal of the bill and the patriation of the manpower sector. The fact that 40,000 people took the time to send a postcard is a clear message in itself. It is a message to federal Quebec Liberals, but the message would be the same in the maritimes if the same poll was conducted there tomorrow.

I will conclude by quoting a Quebec poet, Gilles Vigneault, who wrote a line in a song that perfectly applies to the current Liberal government, and particularly to the Prime Minister: "By generating such winds, you prepare quite a storm".

The storm will come from the young people and those you will oblige to work 910 hours, 26 weeks of 35 hours of full time work, in order to become eligible for unemployment insurance, instead of 300 hours. It will come as well from seasonal workers whose benefits you are cutting, event though they paid for these benefits. For each 20-week period of unemployment insurance, they will lose 1 per cent of their benefits. We will be the ones who will have voted for this bill, on behalf of all those who will have to live with it.

It will also affect owners of small businesses. In a region such as mine, there will \$10 million less in the economy. This is therefore very significant. I think this bill must be roundly criticized. There is still time to defeat it, and I think the same message as was sent to the Conservatives over the closure of the post offices should be sent to the Liberal government. The Conservatives thought they were right and the people were wrong. The government is doing the same thing and, if it does not change its mind, the people will judge it the same way.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, in relation to a motion adopted earlier this day concerning travel for

Government Orders

the foreign affairs committee, I seek the unanimous consent of the House to add the necessary interpretation staff from the Department of Public Works to the list of necessary staff to accompany the committee.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion that Bill C-12, an act respecting employment insurance in Canada, be read the third time and passed.

The Deputy Speaker: It being 5.46 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of third reading stage of the bill now before the House.

Is the House ready for the question?

Some hon. members: Question.

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 of the motion 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. 86)

YEAS

Members

Alcock
Assad
Barnes
Bélair
Bertrand
Bonin
Brown (Oakville—Milton)
Calder
Catterall
Chamberlain
Cohen
Collins
Crawford
Cullen
Dhaliwal

Anderson
Augustine
Beaumier
Bélangier
Bodnar
Boudria
Bryden
Campbell
Cauchon
Clancy
Collenette
Cowling
Culbert
DeVillers
Dion

Discepola
Duhamel
Easter
English
Flis
Fry
Galloway
Godfrey
Grose
Harb
Harvard
Ianno
Irwin
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacDonald
Malhi
Manley
Marleau
McCormick
McWhinney
Milliken
Murray
O'Brien (London—Middlesex)
Pagtakhan
Parrish
Payne
Peters
Pickard (Essex—Kent)
Reed
Rideout
Robillard
Scott (Fredericton—York—Sunbury)
Skoko
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Valeri
Verran
Wappel
Wood
Zed—123

Dromisky
Dupuy
Eggleton
Finlay
Fontana
Gaffney
Gerrard
Goodale
Guarnieri
Harper (Churchill)
Hubbard
Iftody
Jackson
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
Mifflin
Murphy
Nault
O'Reilly
Paradis
Patri
Peric
Peterson
Proud
Richardson
Ringuette-Maltais
Rock
Shepherd
Speller
Stewart (Brant)
Szabo
Terrana
Torsney
Vanclief
Volpe
Whelan
Young

NAYS

Members

Ablonczy
Asselin
Bachand
Benoit
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brien
Chrétien (Frontenac)
Cummins
Davialt
Dubé
Dumas
Fillion
Frazer
Gauthier
Godin
Grey (Beaver River)
Guimond
Hanrahan
Harris
Hill (MacLeod)
Hoepfner
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)

Althouse
Axworthy (Saskatoon—Clark's Crossing)
Bélisle
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bridgman
Canuel
Crête
Dalphond-Guiral
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Guay
Hanger
Harper (Calgary West/Ouest)
Hayes
Hill (Prince George—Peace River)
Jacob
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)

Government Orders

Loubier
Ménard
Meredith
Morrison
Paré
Picard (Drummond)
Pomerleau
Rocheleau
Solberg
Stinson
Strahl
Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)
Wayne

McClelland (Edmonton Southwest/Sud-Ouest)
Mercier
Mills (Red Deer)
Nunez
Penson
Plamondon
Ramsay
Schmidt
Speaker
St-Laurent
Thompson
Tremblay (Rimouski—Témiscouata)
Venne
White (Fraser Valley West/Ouest) —80

[Translation]

Mr. Bernier (Beauce): Mr. Speaker, I will vote yes.

[English]

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

(Division No. 87)

PAIRED MEMBERS

Bakopanos
Bergeron
Caron
Debien
Lefebvre
Marchand
Pettigrew
Sauvageau
Sheridan

Bellehumeur
Cannis
de Savoye
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Leroux (Shefford)
Payne
Regan
Serré
Walker

• (1810)

The Deputy Speaker: I declare the motion carried.

(Bill read the third time and passed)

The Deputy Speaker: The House will now proceed to the taking of the deferred division on second reading of Bill C-19, an act to implement the agreement on internal trade.

* * *

**AGREEMENT ON INTERNAL TRADE
IMPLEMENTATION ACT**

The House resumed from May 13 consideration of the motion that Bill C-19, an act to implement the agreement on internal trade, be read the third time and passed.

Mr. Boudria: Mr. Speaker, I wonder if you could seek unanimous consent that all members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[Translation]

Mrs. Dalphond-Guiral: Mr. Speaker, members of the official opposition will vote yes.

[English]

Mr. Strahl: Mr. Speaker, Reform Party members present will be voting no, unless some would like to do otherwise.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, New Democratic members will be voting no.

Mrs. Wayne: Mr. Speaker, I will be voting yea, in favour.

Alcock
Assad
Augustine
Barnes
Bélair
Bélisle
Bernier (Gaspé)
Bertrand
Bonin
Brien
Bryden
Campbell
Catterall
Chamberlain
Clancy
Collenette
Cowling
Crête
Cullen
Davault
DeVillers
Dion
Dromisky
Duceppe
Dumas
Easter
English
Finlay
Fontana
Gaffney
Galloway
Gerrard
Godin
Grose
Guay
Harb
Harvard
Ianno
Irwin
Jacob
Kilger (Stormont—Dundas)
Knutson
Lalonde
Langlois
Laurin
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Lincoln
Loubier
MacDonald
Malhi
Manley
Marleau
McCormick
McWhinney
Mercier
Milliken
Murray
Nunez
O'Reilly
Paradis
Parrish
Payne
Peters
Picard (Drummond)
Plamondon
Proud
Richardson
Ringuette-Maltais
Rocheleau

YEAS

Members

Anderson
Asselin
Bachand
Beaumier
Bélangier
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bodnar
Boudria
Brown (Oakville—Milton)
Calder
Canuel
Cauchon
Chrétien (Frontenac)
Cohen
Collins
Crawford
Culbert
Dalphond-Guiral
Deshaies
Dhaliwal
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fillion
Flis
Fry
Gagnon (Québec)
Gauthier
Godfrey
Goodale
Guarnieri
Guimond
Harper (Churchill)
Hubbard
Itody
Jackson
Keyes
Kirkby
Kraft Sloan
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loney
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
Ménard
Mifflin
Murphy
Nault
O'Brien (London—Middlesex)
Pagtakhan
Paré
Patry
Peric
Peterson
Pickard (Essex—Kent)
Pomerleau
Reed
Rideout
Robillard
Rock

Government Orders

Scott (Fredericton—York—Sunbury)	Shepherd
Skoke	Speller
Steckle	Stewart (Brant)
Stewart (Northumberland)	St-Laurent
Szabo	Telegdi
Terrana	Thalheimer
Torsney	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Valeri	Vancielief
Venne	Verran
Volpe	Wappel
Wayne	Whelan
Wood	Young
Zed—169	

penalty was abolished in 1976 this is the third time it has been debated in Parliament.

Nothing has been resolved. Throughout the past 20 years the number of Canadians who support the reinstatement of capital punishment has consistently hovered around 70 per cent but MPs have steadfastly refused to represent their constituents on this issue. They have voted on the basis of their personal opinions or with the blessings of their political masters.

In my own riding 85 per cent of constituents who responded to a 1994 survey said that they wanted the death penalty reinstated. My efforts to carry out the wishes of my constituents and 70 per cent of Canadians were blocked by the Liberal dominated subcommittee responsible for deciding which private members' bills would become votable. The subcommittee decided that Bill C-218 was not worthy of three hours of debate and a free vote. This topic gets one hour and then it is dropped.

Ideally the people should finally get their say on this issue in a binding national referendum which would be held at the time of the next federal election. That is the position of the Reform Party of Canada and that is a policy I fully endorse.

However, the Prime Minister and the justice minister have already indicated that they have no intention of allowing this issue to be decided by average Canadians. My hon. colleague from North Vancouver presented a motion in September 1995 to enable legislation for a referendum on capital punishment. Again, government members refused to make the motion votable.

● (1820)

A free vote on a private member's bill would have been the next best thing, particularly if it were a truly reformed free vote in which all MPs could accurately represent the wishes of the majority of their constituents rather than voting their own conscience in spite of how their constituents may feel.

After tonight Canadians will remain frustrated with the government over this issue and they will be forced to continue watching criminals get away with murder. That is a sad statement on the job performance of MPs.

This bill is not just about capital punishment. The reinstatement of the death penalty is but one of many substantial and necessary steps Canadians have been demanding to better deal with murderers in our society. This bill was about plugging the leaking holes in our justice system.

We see murderers who show no remorse for brutally slaying their victims. They show no potential for rehabilitation and instead languish in jails at the taxpayer's expense. Worse yet, when they are released and paroled we are expected to welcome them back into our communities.

NAYS

Members

Ablonczy	Althouse
Axworthy (Saskatoon—Clark's Crossing)	Benoit
Breitkreuz (Yorkton—Melville)	Bridgman
Cummins	Epp
Forseth	Frazier
Gilmour	Gouk
Grey (Beaver River)	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harris	Hayes
Hill (Macleod)	Hill (Prince George—Peace River)
Hoepfner	McClelland (Edmonton Southwest/Sud-Ouest)
Meredith	Mills (Red Deer)
Morrison	Penson
Ramsay	Schmidt
Solberg	Speaker
Stinson	Strahl
Thompson	White (Fraser Valley West/Ouest) —34

PAIRED MEMBERS

Bakopanos	Bellehumeur
Bergeron	Cannis
Caron	de Savoye
Debien	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Lefebvre	Leroux (Shefford)
Marchand	Payne
Pettigrew	Regan
Sauvageau	Serré
Sheridan	Walker

The Deputy Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Deputy Speaker: It being 6.16 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

* * *

CRIMINAL CODE

Mr. Jay Hill (Prince George—Peace River, Ref.) moved that Bill C-218, an act to amend the Criminal Code and the Young Offenders Act (capital punishment), be read the second time and referred to a committee.

He said: Mr. Speaker, when I think of how Canadians must view this debate tonight, I am embarrassed to be an MP, a supposed representative of the people, a servant of the public. Since the death

Government Orders

We have had to swallow our disgust as some of these released murderers murder again or commit other violent crimes. We see 16 and 17-year olds with little respect for the law receiving slap on the wrist sentences for murder.

Two weeks ago in Prince Rupert, B.C., three teenagers received jail terms ranging from only seven months to two years for the clubbing to death of a fisherman known as the Gentle Giant. I do not believe that any Canadian is prepared to let these preventable crimes and miscarriages of justice continue.

Politicians and academics are fond of quoting optimistic crime rates when they argue against capital punishment. That is pointless. Canadians know their streets are more dangerous today than they were 20 years ago. Statistics do not always tell the entire story.

As members of the House are sure to mention, it is true that there has been a slight decline in the murder rate since the death penalty was abolished in 1976. However, the last execution in Canada took place in 1961, 15 years before. The murder rate almost doubled during those 15 years. The murder rate is still 50 per cent higher than it was when that last sentence of death was carried out.

Some members across the floor have argued that the sensationalism surrounding a handful of murders is driving the demand to improve the justice system. Sensationalism? How can the efforts to prevent murder, even just one murder, be called sensationalism?

We must use these tragedies as a guide to help us make fundamental changes which would prevent further anguish. This government uses prevention to justify implementing a useless bureaucratic gun registration, but refuses to even consider what the people are really crying for: punishment that fits the crime.

In a further example of hypocrisy the government embraces the policies of the Canadian Police Association when it concerns gun control, but ignores a strongly worded resolution by that same association which calls for the reinstatement of capital punishment. There were 107 police officers killed in the line of duty between 1961 and 1994.

Even after years in prison and the efforts of an army of psychiatrists and social workers, we cannot rehabilitate a violent murderer who has no remorse. In this case the punishment must fit the crime. In the case of first degree murder, 70 per cent of Canadians believe the punishment should be death. This sentiment is not a matter of vengeance but a prevailing need to send criminals the message that society is not prepared to condone or excuse sadistic premeditated murder.

I do not claim that the prospect of death will deter others sick enough to consider committing murder, but at least we would not have to support a murderer for 15 to 25 years. Lethal injection may not provide any deterrence whatsoever but it would certainly eliminate repeat offenders.

According to the 1994 report of the auditor general it costs approximately \$48,000 per inmate per year in a federal prison.

While we are supporting an incarcerated murderer it is possible that he will become increasingly dangerous with the onset of resentment and bitterness over his years of imprisonment. Even convicted murderers have expressed that death could be a more humane alternative to a lengthy incarceration.

In 1982, one-third of the 300 convicted murderers in Canada said that they would prefer the death penalty over life in prison. In 1983 a convicted murderer in Saskatchewan formally requested the death penalty by lethal injection on the basis that his life sentence was cruel and unusual punishment. His request was denied by the court.

- (1825)

In this debate we cannot forget the inevitable release of murderers. How do members feel about the possibility of Paul Bernardo some day being their next door neighbour? Canadians do not want criminals who are guilty of torture, rape and first degree murder back on the streets to kill again. They have good reason to worry.

Between 1986 and 1995, 133 convicts released from prison for first and second degree murder returned to our communities and committed crimes again. These included 87 violent crimes and sex offences and 10 murders. Two convicted murderers who had escaped murdered again. How does one explain to the families of those victims that 12 murderers were given the opportunity to strike again? How can anyone possibly defend our justice system to the family of just one of those victims?

Let us take a look at the so-called rehabilitation of convicted murderer Allan James Sweeney. He was convicted of murder in 1978. Following his 1984 release on day parole, the taxpayers who paid for his expensive jail stay were horrified that his freedom resulted in the rape and stabbing death of a 21-year old Ottawa halfway house employee.

What about the impressive rehabilitation of Jean-Guy Chantal? He was paroled in 1984 after serving 17 years of a life sentence for a 1967 murder. Three years after his release he beat a Montreal janitor to death with a pool cue and a paint can. These are just two tragedies that could have been prevented if our justice system had served our best interests.

In the event that a convict guilty of first degree murder were successful in appealing a death sentence, this bill would have at least ensured that they stayed in jail. That would have meant no possibility of day passes.

That is no consolation for the families of Wanda Woodward and Vital Piquette. They were murdered in 1987 by Daniel Gingras, a convicted murderer who used his birthday present, a one-day pass from an Edmonton prison, as his opportunity to murder again. He had been under the supervision of his social worker, a man half his size who he overpowered and tied up before he escaped to roam freely for nearly two months. Gingras should never have been let out of jail in the first place. It is too late to protect Woodward and Piquette but it is not too late for all the other potential victims.

Government Orders

This bill would have made capital punishment the mandatory minimum sentence for adults convicted of first degree murder. For those who believe this is extreme and that life in prison is adequate punishment for these murderers, I ask them to examine the extreme nature of the lenient section 745 of the Criminal Code. Incredibly, it allows convicts the right to shorten their life sentence. Even if they are ordered to serve life in prison, all convicts can have the length of their sentence reviewed by a jury after serving only 15 years. If successful, they can apply for parole.

Of all convicts who have applied under this provision since 1987, only 13 applicants have been denied an early release. That is a frightening prospect when we consider that even serial child killer Clifford Olson becomes eligible to apply for early release on August 12.

The justice minister says that he is in favour of keeping section 745 in all forms. He finds this loophole is acceptable despite a petition from 16,000 Canadians asking the government to repeal section 745. This is another example of how this government is sticking its head in the sand and refusing to carry out the wishes of Canadians.

While we mend the punitive aspects of our justice system, we must not forget to address the grey area of the criminal population known as young offenders. Currently, a young offender convicted of first degree murder faces just 10 years as a maximum prison term. That 16 or 17-year old is perfectly aware of their actions and can easily understand the difference between right and wrong.

Many people think we should focus on rehabilitating and not punishing these youths. I disagree. There must be a balance. How will a youth who has already demonstrated disdain for justice ever take it seriously if they are not held accountable for their actions?

Between 35 and 65 kids, most of them older teens are charged with murder every year. Youths aged 12 to 17 were accused of 10 per cent of all homicides committed between 1983 and 1992. As with older criminals, they also need to know that their actions are not acceptable in our society.

• (1830)

This bill would have seen a 16 or 17-year old serve a life sentence for first degree murder. Furthermore it would have ensured that this age group served at least seven years for second degree murder. For those under 16, first degree murder would have carried a minimum sentence of 10 to 15 years while second degree murder would have meant imprisonment for five to seven years. Note that the key word here is minimum, not maximum.

I recognize that in advocating capital punishment serious consideration must be given to ensure that an innocent person is not put to death. Both law and science have progressed significantly in the past 20 years. A mechanism proposed in this bill would have given the jury the option of recommending clemency so only those guilty beyond a shadow of a doubt would be put to death.

The appeal process proposed was thorough and fair. A conviction could have been appealed to the supreme court on the basis of both fact and law. This means that legal arguments could be used as sufficient grounds for overturning a conviction. More important, the facts and details surrounding the murder case could be re-examined to determine if the conviction was valid.

The investigative tools and techniques of modern science certainly diminish the ambiguity of guilt or innocence. DNA testing has been proven to be a powerful means of identifying those who may have committed serious crimes. Bill C-104 which passed unanimously by this Parliament in June 1995 makes it easier for authorities to obtain DNA evidence through hair, saliva, blood and skin samples from a person who is reasonably believed to have perpetrated a crime.

Those opposed to capital punishment would have us picture in our minds a row of convicts hanging in the gallows. That is sensationalism. Lethal injection of sodium thiopental ensures a quick and painless end and does not turn the culmination of a tragic chain of events begun by a brutal murder into a media and public circus.

I am advocating change in the justice system as an average Canadian, one who sees criminals coddled and protected while their victims are denied their basic right to safety. Reinstatement of capital punishment along with other measures such as a victim bill of rights as proposed by my colleague from Fraser Valley West would go a long way toward restoring some of the public's lost faith in our judicial system.

There are avid supporters of our rehabilitation programs who believe we can help these lost souls through counselling or training. Of course this is the same program that was allocated an entire chapter by the May 1996 auditor general's report listing a range of inefficiencies.

Canadians want to see murderers be adequately punished for their crime. Canadians do not want a murderer out on the streets to kill again. They have grown weary of watching teenagers laugh at our laws. They are sick and tired of paying for failed rehabilitation. They do not want to accept that murderers may never serve their full sentences.

Government Orders

This government says tough luck for Canadians. The justice minister and his government like the status quo. Who cares what Canadians think? Canadians are being denied the right to vote for these changes in a national referendum and now their representatives, members of Parliament, are being denied the right to vote on their behalf.

Canadians want capital punishment reinstated. Poll after poll has overwhelmingly shown this. When capital punishment was abolished in 1976 it was given 98 hours of debate. In 1996 this debate tonight warrants one hour. One hour.

If the reinstatement of the death penalty were given fair attention and due consideration by Parliament, there would be no backing down. Canadians would have demanded that this bill be passed. Given the tremendous support of Canadians for the reinstatement of capital punishment, and because it is the duty of MPs to represent their constituents' interests in the House, I seek the unanimous consent of the members present to make Bill C-218 votable this evening.

• (1835)

The Deputy Speaker: Is there unanimous consent to make this a votable item?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: I hear at least two members saying no. Therefore, there is not unanimous consent. We will proceed with debate.

[*Translation*]

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, the bill introduced by the hon. member for Prince George—Peace River is a bill to restore the death penalty. Under this bill, all cases of first degree murder committed by an adult would be punishable by death, while the sentence for second degree murder would remain imprisonment for life, although the terms of release would be stricter.

In addition, the Young Offenders Act would be amended to provide for a sentence not exceeding 25 years for first degree murder and not exceeding 10 years for second degree murder.

This reopens the debate on capital punishment. As you know, this issue has already been debated at great lengths in this House. Let us start by asking ourselves if new developments justify throwing back into question the existing provisions of the Criminal Code?

Has the number of murders increased in Canada? The latest statistics published by Statistics Canada in *Juristat* actually show a 6 per cent drop in the number of homicides in 1994, the lowest

number in 25 years. The 596 reported homicides represent a 34 per cent reduction over 1993, that is to say the third consecutive reduction from one year to the next.

The lower number of homicides committed in 1994 is mainly explained by 30 fewer homicides in the greater Montreal area. That is also why the number of homicides recorded in Quebec has gone down by 33 over 1993. In the case of the other provinces, only New Brunswick and Alberta have seen an increase in their homicide rates in 1994. Murders committed with a firearm continued to account for about one third of all homicides.

On the basis of the statistics, I do not think that there are valid reasons for looking at this issue all over again. Life imprisonment with eligibility for parole after 25 years is a sufficient sentence. There is nothing to prove that capital punishment could save lives. On the other hand, the risks are greater that an innocent person could be sentenced to death. That is essentially my position.

Let us look again, if we could, at the main argument advanced in favour of capital punishment. Proponents of capital punishment think that it is a more dissuasive measure than life imprisonment.

We must, however, point out to them that for some people, such as fanatics and those acting on impulse, no sentence will be dissuasive. There was even an overall drop in the murder rate in Canada after capital punishment was abolished. Studies done to date indicate that the death sentence is no more dissuasive than the prospect of life imprisonment. The prospect of losing one's freedom for the rest of one's days is dissuasion enough.

It is through better control of firearms and alcohol consumption, greater attention to mental health, and a more effective battle against poverty and unemployment that we will cut down on the number of murders, far more than through bringing back the death penalty. There is no foundation for the belief that the death penalty will cut down on the number of murders.

Recently, in Senneville, near Montreal, a police officer was killed while on duty, as he was about to arrest a driver for an infraction of the highway safety code. The murderer is still at large. Might the death penalty have prevented this tragedy? There is no reason to think so.

Still relying on data from Statistics Canada, in 1994 one police officer was killed in the line of duty, compared to two in 1993, one in 1992, and three in 1991. For the tenth year in a row, no federal or provincial correctional worker was murdered in the performance of his or her duties.

• (1840)

Perhaps the most valid argument against capital punishment is the risk of killing innocent people. No system can guarantee the infallibility of a ruling. There were cases in the past in which people were killed by mistake and, despite all the guarantees

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provided by our modern system, the risk remains. A witness may be mistaken or lie under oath. [English]

Our legal system is based on the credibility of witnesses. If all murderers were like Paul Bernardo and provided videotapes of their crimes, it would be different. In recent years, however, some people such as David Milgaard, Donald Marshall and Guy Paul Morin were wrongly convicted of murder. If capital punishment were still legal in this country, these three men would have been dead and buried a long time ago. The state would have become a killer without being able to correct its actions. We learned that, in the last two centuries, 343 people were wrongly convicted of murder in the U.S.

Of course, some cases, like the rape and murder of children, like the Bernardo case, are revolting. We must, however, keep in mind that not all murder cases are so shocking. It is not because of a few unusually revolting cases that we must take an extreme position that would apply to all cases of first degree murder.

Other factors such as the eventual rehabilitation of murderers argue against capital punishment. Commuting a death sentence to life imprisonment by order in council, as is proposed in the bill before us, would open the door to arbitrary decisions and would result in a loss of respect by the public for our judicial system.

The bill also proposes to give the judge who sentences a person to death the power to make a recommendation in favour of royal clemency, or to postpone the execution of the sentence for any reason and for an indefinite period. It is obvious that even the sponsor of the bill has doubts about the merits of the death sentence.

The amendments proposed by the Reform member for Prince George—Peace River also seek to amend the Young Offenders Act to impose longer sentences in the case of a murder committed by a juvenile. The bill provides for a sentence of 15 to 25 years in the case of a person convicted of first degree murder who is 16 or 17, and a sentence of 10 to 15 years in the case of person under the age of 16. The current maximum sentence is 10 years for all minors. In the case of a person convicted of second degree murder, the bill proposes a maximum sentence of 10 years and a minimum one of five years. The current act provides for a maximum sentence of seven years.

Current prison terms were just lengthened in December by this House. They better reflect the representations made to the standing committee on justice. Prevention and rehabilitation are much more effective, particularly in the case of minors, and the emphasis must be on adequate public awareness measures.

In short, I am completely against this bill, which would bring us back 20 years. I urge members of this House to do like me and to vote against this bill.

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am very pleased to participate in the debate on Bill C-218, which is sponsored by the hon. member for Prince George—Peace River.

Bill C-218 seeks to impose the death penalty for first degree murder committed by a person 18 years of age or more and it seeks to change the prison terms for first and second degree murder that can be imposed on persons under the age of 18. In my remarks today I wish to speak on two aspects of this bill: first, the wisdom of reopening the debate on capital punishment for murder, and second, the suggestion that there should be increased prison terms for murder for persons under the age of 18.

• (1845)

The issue of capital punishment has been thoroughly explored at the national level. After debating the question a number of times between 1966 and 1976, the House of Commons adopted a bill abolishing capital punishment in 1976.

The most recent extensive debate took place less than 10 years ago in 1987. The subject of debate was a government motion. It called on the House of Commons to support, in principle, the reinstatement of capital punishment and to establish a special committee to provide recommendations on two aspects: first, on the offences that should carry the death penalty; and second, on the method or methods that should be used to carry out the sentence of death. In a free vote, and after debating the question at length in the House of Commons, members of the House of Commons voted against the motion and, therefore, against the reinstatement of capital punishment in the Criminal Code.

It is notable that in the time since this was last discussed in the House, capital punishment has not been an issue of great national importance. The hon. member is introducing this bill now, notwithstanding the fact that in 1994 Canada recorded its lowest murder rate since 1969.

In 1975, just before capital punishment was abolished for murder, the homicide rate in Canada was 3 per cent. In 1987 when the last major debate on this subject took place, the rate was 2.4 per cent. The homicide rate for 1994 in Canada, the last year for which it is available, was 2 per cent. These numbers show that not only has the murder rate not gone up since the death penalty was abolished, it has actually gone down. This is hardly justification for seeking a debate on the death penalty.

While Canadians are rightly revolted by murder, which receives the most severe sanction under the Criminal Code, the case has not been made effectively to demonstrate that the current law has failed to punish murders adequately and requires change. In my view, the

death penalty exceeds what is necessary to achieve various legitimate sentencing objectives.

The onus is on those who would want to change the law in such a fundamental way to make a compelling case. I am not persuaded by the arguments being made.

I also oppose the death penalty on practical grounds, moral grounds and conscientious grounds. I believe that effective arguments can easily be advanced to support this position. Such arguments have been made in the House over the years.

Since the 1987 debates, however, two significant cases have come to light: the wrongful convictions for murder of Donald Marshall, Jr. and Guy-Paul Morin. If capital punishment had been in effect, they may not have had a second chance at life. This is why I oppose the death penalty on very practical grounds.

If we as legislators were to support the death penalty, would we or a member of our families be willing to be that first mistake? I think not. That is why I am very opposed to capital punishment.

Our system of justice, while it does a good job, certainly is not perfect and mistakes happen. When concerned with the life of an innocent individual, we cannot afford to make that mistake.

The issue of capital punishment is both a moral and a personal issue. It is also a matter of how we see ourselves as a country and as a people. To return to capital punishment in Canada would be to go against the grain internationally. The trend in the world is to abolish the death penalty. To support a return to the death penalty for murder would be a retrograde move.

We see in the neighbouring nation to the south the presence of the death penalty. Has that done a thing to stop crimes of violence in that country? No, it has not.

• (1850)

I want to turn my attention now to the proposed increased prison terms for murder for persons under 18 years of age. It is quite surprising for the hon. member to bring forward these proposals at this time when new sentencing and parole eligibility periods for youth convicted of murder came into effect less than six months ago, on December 1, 1995.

A youth who is 14 years of age or over at the time of the commission of the offence of first degree murder or second degree murder may be transferred to adult court. Depending on whether the youth is found guilty in youth court or in adult court, different sentences and parole eligibility regimes apply.

If convicted of murder in adult court, the youth will be sentenced to life imprisonment. In such a case, the parole eligibility period was formerly set by the court at between five and ten years. Since December 1, 1995, a 16 or 17-year-old youth convicted of first degree murder must serve at least 10 years before being eligible for

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parole. A 16 or 17-year-old youth convicted of second degree murder must serve at least seven years. A youth aged 14 or 15 who is convicted of either first or second degree murder in adult court must serve a period of time between five and seven years inclusive as set by the court before being eligible for parole.

For convictions in youth court the maximum penalty for first degree murder has been increased from the maximum of five years to a maximum of ten years. The penalty for second degree murder is now seven years. Sentences for both first and second degree murder in youth court have a maximum custodial portion and a maximum period of conditional supervision within the community.

The House of Commons Standing Committee on Justice and Legal Affairs is currently studying issues related to youth crime, the youth justice system and matters concerning the operation and implementation of the Young Offenders Act. We should wait for the report of the committee before amending further the Young Offenders Act. We should also wait until we have an opportunity to assess the recent modifications to that act.

In addition, further input on the Young Offenders Act will be provided by the federal, provincial and territorial ministers task force on young offenders which will be forthcoming soon.

I cannot support this bill because I do not support the reinstatement of the death penalty. I believe the proposed amendments to the Young Offenders Act have been made and any addition or changes to that act prior to further deliberations by the committee and before the input from the federal, provincial and territorial justice ministers' committee would be premature and ill-advised.

I do not support the bill. I would like to thank the House for the opportunity to participate in the debate.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is a privilege to speak to Bill C-218 which introduces once again the concept of the death penalty.

I commend my colleague from Prince George—Peace River for the courage to once again introduce this matter even though members opposite do not have the courage to put it to a vote in this day and age.

One of the questions that comes to me is why once again is it this party which is bringing forward issues that are relevant to grass-roots Canadians. On the death penalty all we are looking at is a debate and a vote. Why is it necessary to fight like we did for victims' rights? Why are these things necessary? Why is the government not running with these kinds of issues and dealing with them?

I was reading a book put out by Amnesty International the other day entitled *When the State Kills*. I will read an excerpt because it may give some the understanding of exactly what is on the minds on this side of the House. It states: "The important point is that

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every person can improve himself and should be given the opportunity to do so, however serious his mistakes have been. The reason for this is that deep down inside each human being there exists the potentiality of development towards the highest good. A death penalty would totally destroy that potentiality". Think about what it says. I would repeat this part: "The important point is that every person can improve himself and should be given the opportunity to do so however serious his mistakes have been".

• (1855)

I can provide a litany, as my colleague from Prince George—Peace River has, of mistakes. I do not know how one could say that Wayne Perkin made a mistake by bludgeoning Angela Richards to death, stabbing her 26 times. It happened in my community. He had made that same mistake a couple of years before. He got out on parole and made the same mistake again.

These are not mistakes. They are cold calculated problems. It is a human deficiency. They are animal instincts. For the life of me I cannot understand how the concept of mistake gets into it. We must deal on a better level than this.

Some comments have been made by members opposite in their speeches that I must address. Their comments emphasize exactly some problems in their logic. The Bloc member said that according to current statistics homicides have gone down in all categories. The Liberal member also said that we have the lowest murder rate in years, and that the number of murders has actually gone down.

I could give them a good idea why that has happened. I was at a victims rights rally this past Saturday and talked to a lady named Leona. Leona and I have talked a number of times. She has been through hell and back. I will give the House an idea of why the statistics show that the murder rate—murder one in particular—has gone down.

I will read exactly what Leona said in reference to Bobby Gordon Oatway. Members may remember his name was brought up recently. He was to be let out on parole in my colleague's riding. The inhabitants screamed about that and they tried to let him out in Abbotsford in my riding. We got on that, so they flew him to Toronto and there he resides.

Leona said: "I am a victim of this man and can tell you more about him than most. He is one of the most dangerous kinds of pedophiles there is. For about 10 years of my life this man raped, beat and sold his child victims. One of the men he sold us to"—she was one of them—"was Clifford Olson." I am sure most of you know about Olsen.

"We have suffered every form of abuse imaginable. Mr. Oatway changed his name in prison. His name was Robert Gordon Stevens.

When I was a young child and in my teens I was forced to witness several child murders committed by Oatway and a few deaths caused by Olson. We were forced to help bury the bodies of his victims. As one of Oatway's victims I fought this man every step of the way to try to protect the other children from the rapes and beatings and horrifying deaths which I was forced to witness".

She talked in this letter about how she tried to express exactly what was going on and how no one would listen. She continued: "The rapes I was subjected to, the numerous times I stepped in to try to prevent another death, the blood I have on my hands, the young children's bodies I have cradled as they lay there dead in my arms, it is all so horrifying and I was not the only one. There were many of us who suffered this horror. These murder charges have not and will not be brought against Oatway because I am classified as an unstable witness due to the horrors I have seen".

"There were originally 41 counts against Oatway when the charges from me were stayed, which left only 19. After all witnesses had testified crown counsel and Oatway struck a deal. He plead guilty to seven charges. Those were one rape, two bestiality, two buggery and two assaults against adult women. He was given a total of 10 years".

This is a man who has murdered children. This is a man who should have had murder one. This is a man who should have been given the death penalty. Why the statistics go down on these fellows is that lawyers and judges take over. They reduce murder one and murder two to manslaughter and to things called buggery, assault and bestiality. That is why the statistics are going down. It has become a game of lawyers and judges. They plea bargain case after case.

• (1900)

I have more. I have been there. I was at a funeral yesterday which involved such an issue. They say homicides have dropped. Outside the House there is a monument of RCMP officers who have been murdered in Canada. Roger Pierlet is on the monument. I met Roger Pierlet's brother and sister in my riding. They asked me to go to a hearing of John Harvey Miller who, with Vincent Cockriell, shot this RCMP officer to death in 1974.

They were both sentenced to hang until the Liberal government took away capital punishment. Then they were committed to life imprisonment. Cockriell got out about seven months ago. So much for life. So much for the family. So much for the considerations. Cockriell is now apparently scheduled to go to the university college in the Fraser Valley. I have to wonder what is wrong in this country. Death meant death, but it does not any more. It means ending up in the Fraser Valley college.

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The statistics say murder is going down, but it is not. The problem is there is not a government in this country with the courage of the convictions of its electorate. That is unfortunate. It is unfortunate that we could not convince the government tonight to vote on such an important issue. It would find, like many in this country feel, the death penalty is a necessary deterrent and could be a positive thing, not a negative thing.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, it is interesting to watch members of the Reform Party, the less civilized ones, trying to turn the clock back some 300 years. They do not seem to realize Parliament and Canada several years ago, by way of an historic vote, decided to eliminate once and for all the death penalty.

An hon. member: Was it a free vote?

Mr. Caccia: Yes, it was a free vote.

In Canada we can confidently look at statistics as they are and we can confidently look at the reality which surrounds us in everyday life. I would like to make two brief points because of the time limitation.

Contrary to what the previous speaker said, statistics are a reality that cannot be denied. Statistics are there for guidance. If the statistics are not liked by certain members of the Reform Party, that is too bad. Statistics demonstrate not only in Canada but also in the United States that the murder rate and crime rates are down. That may not be good news politically for the ambassadors of bad news, but nevertheless that is a fact.

There is proof on both sides of the Atlantic Ocean that capital punishment is not a deterrent. This evidently has some difficulty penetrating into the consciousness of some Reform members. It is not a deterrent and it has been proven in jurisdiction after jurisdiction. There is one just south of us which can demonstrate at any time on any day that capital punishment does not deter crime. That has been established over the last 60 years in a number of nations so much that progress on this matter has been achieved exactly as a result of these findings in recent decades.

• (1905)

For the state to have capital punishment is tantamount to giving a bad example. We want society to behave in a positive manner with respect to life. We want the state to promote that concept. We want the state to do whatever is in its power, on behalf of the population, to ensure life is protected.

If that premise holds, as most of us believe, then we cannot have the state commit murder. We cannot have the state using violence on people. We cannot have the state adopting double standards. This is another point which is so difficult for some Reform members to understand and accept. The state has to give the right example. The state cannot use violence by snuffing out life.

This is an important watershed on this issue, in addition of course to other considerations, which we all well know, of misjudgments of people who were condemned and whose life was taken away and whose innocence was proven decades later. The records are full of those cases as well.

Apart from that aspect, it is well known, an established principle, that if the state is to give the example that the population must follow, the state cannot be seen as being the one that commits the action of taking away the life of an individual. Some criminologists have claimed in their findings that imprisonment for life is a very serious and heavy punishment for any human being, the removal of liberty, freedom and being able to enjoy the things in life that a free individual can.

It is clear some Reform Party members have difficulty understanding the validity of statistics. They do not exist for them because they do not confirm their biases. That is too bad. Reform members have difficulty in understanding that capital punishment does not work as a deterrent. I invite them to visit countries where capital punishment still exists and see what they have achieved in terms of reducing the crime rate. It has not made one indent.

A concept which is perhaps too far reaching for the Reform members to grasp is that the state must give the example it wants the public to follow.

For all those reasons it seems this motion ought to be defeated. I am sure that if it ever comes to a vote it will be. We cannot turn the clock back 300 years. We have moved into an era in which we have developed values and appreciation and in which we have learned from past mistakes.

We crossed this threshold a few years ago after a very lengthy debate and a very close vote; by eight votes. However, it was done and Canada is committed to being a country in which the death penalty no longer exists. We want to make sure that for the next millennium this matter will never be considered seriously.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am pleased to speak on this for a few moments.

I really started to realize more and more what the problem is when it comes to this place and it was expressed by the previous speaker. When someone stands in the House and gives us messages about why we should not have capital punishment, they are telling 70 per cent of the population of Canada that they do not know what they are talking about. Once again the old attitude comes out that we in Parliament know best, not the 70 per cent or 75 per cent of Canadians calling for this through polls.

• (1910)

The previous speaker spoke of statistics. The polls are saying there is a very high percentage of Canadians who want capital punishment.

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The Liberals have the gall to sit in the House and send a message out across the land that they are the intelligent ones, they are the smart ones, they know best and the ordinary taxpayers do not know what is good for them, and so they will decide. This will not be a votable motion.

Then I hear the member for Kingston and the Islands shouting thank goodness the bill is not votable. I have to agree with him. They are probably glad it is not votable because once again they would have to vote against the wishes of the people in their ridings and they would not want to do that too many times. They have already done it so many times we cannot count them all. That it is okay, do not listen to the people, do what you want to do. That is the part that bothers me more than anything else.

People are saying what they want from this place. Canadians want a fundamental responsibility that has been here for ages, to provide legislation that shows responsibility to protect the lives and property of its citizens, a fundamental request from Canadians. The least we can do in the House is come up with legislation that reflects the wishes of the people who pay the bills, the taxpayers of Canada. That would be a novelty.

Look at Clifford Olson. He killed once and for that one death he could have got life in 25 years. He killed twice and that was free. The third time was free. The fourth time was free. The fifth time was free. He killed 11 times and all the rest were free. He only had to kill once to get the sentence he got.

Lo and behold, a few years back the miracle workers on the other side of the House provided a clause that said even Clifford Olson could apply to get out in 15 years. I do not believe that sits well with the people of Canada. That is the mentality that goes on over on that side of the House. That kind of mentality is what the Canadian people are sick and tired of.

Canadian people would like us to send a message to the Paul Bernardos, the Karla Homolkas and the Clifford Olsons of this country that if you hunt and you capture and you abuse and you kill another human being, the Government of Canada in the name of justice and those innocent victims will hunt and capture you. If authorized to do so after a fair trial by a court of law, we will take your life, not in the name of revenge, but in the name of justice and as a deterrent to future such acts by others. That is the statement we need to send from the House of Commons to the people of Canada and these types of Bernardos, Homolkas and Olsons.

I would like to be invited by any of those members to go to their riding to debate this topic. Let us see if they can stand in front of their people and do that. Likewise, I invite them to come to my riding and convince my people this is not good for them. They will not do that. It is more fun to sit in here and heckle and not vote on it.

I fail to understand why we have a committee in the House of Commons that determines which bills are votable and which are not. There are criteria clearly laid out as to what makes a bill

votable. When that criteria is 100 per cent met, I do not think the personal feelings of any individual from any committee should interfere with making an item votable. I have a hard time understanding that. Yet this government, which has the control of the committees, lets the personal opinion of people override the rules that are in place as to what makes an item votable.

• (1915)

Once again, it does not make sense. The little dictatorship runs on and on and personally, I am really tired of it.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I know that time is short and I have just a couple of minutes but there is a question I would like to ask the Liberal government representatives opposite. Have they not stopped to realize for one minute what the main criteria of government is? It is for the safety and well-being of its citizens. It is not for the criminal citizens in this country; it is for the law-abiding citizens. But not according to this government and its ministers who say that the first commitment with regard to crime has to be for the rehabilitation of the criminal. That is the government's priority.

I am hearing that our first concern has to be the rehabilitation of the criminal. If that is not the most sickening thing I have heard as a priority for any government of any country, I do not know what is. The government has thrown out, totally discarded the main reason we have government in this country: the safety and well-being of the law-abiding citizens.

The government, as my hon. colleagues have been saying since this debate began, seems to have gone totally the other way. We have heard about Mr. Olson. We have also heard from some of the victims' families who have to suffer with this every day.

The Deputy Speaker: I am sorry to tell the hon. member that the time has expired. Accordingly, the matter is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

RAILWAYS

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, on May 3, I stood in my place to ask the Minister of Transport questions about the policy to be pursued in the offering for sale of the grain hopper cars.

The Government of Canada has some 13,000 hopper cars for the movement of grain that it offered for sale. In his response the minister said: "In the remaining minute of question period it is difficult to deal with the hour I spent with the committee earlier

this week, which apparently the hon. member did not bother to attend. It is difficult in one minute”.

The hon. minister had been in committee but I raised the questions after the minister left. It was a curiosity for me and for other members of the House to know precisely where the minister stood with regard to the various rules that would prevail when the cars were being offered for sale.

We found out at committee from the representatives from the railways that they have in their current contract, which was renegotiated in 1993 with this government, a right of first refusal should the government decide to dispose of the hopper cars. Regardless of who was the highest bidder on those cars, according to the railways they have the right to refuse to permit the sale to go through. They can either match it or make some other arrangement.

They also have an operating agreement that does not bother me too much. I would have expected that they would have an operating agreement. However their interpretation of how much power they had to impose the existing operating agreement on the new purchaser was a little disturbing. I thought it was incumbent on the minister to explain himself a little further.

• (1920)

There has been a quite a lot of experience with leasing of rail cars in Canada. The Canadian Wheat Board has about 2,000 farmer owned cars. I was involved in setting those up a long time ago.

There is an operating agreement which works reasonably well. As one would expect, the farmers who own those cars, every farmer under the wheat board, has them administered through the wheat board which has an agreement with the railways to pull them. That is a pretty simple, straightforward agreement that any future purchaser of the 13,000 grain cars owned by the Government of Canada will have to work out as well.

There is also the experience of the Saskatchewan Grain Car Corporation, which on behalf of the Government of Saskatchewan owns cars which it leases to the railroads. The Government of Alberta has a similar arrangement for grain hopper cars, as does the province of Manitoba for a few hopper cars and a fleet of box cars to be used in the traffic up to Churchill. The various co-operative grain companies also lease cars which they then arrange with the railways to pull. That part is not something which is exactly rocket science.

However the right of first refusal on the sale does set back the farmers who attempted to bid on the sale, as do the limits the government seems to be putting on them with regard to the type of bid which will be accepted. It appears that a brokerage firm is setting up the requirements. It appears that all bidders will have to set up a share company. Apparently a co-operative is not acceptable

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according to testimony from some of the brokerage firms. The share offering will have to go through the various security commissions.

The Deputy Speaker: I am sorry to tell the hon. member that his time has expired.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I thank the hon. member for Mackenzie for his thoughtful original question and for tonight's expanded question on the very complicated issue of hopper cars.

By way of an answer to the hon. member, I want to address the issue of the operating agreement with the railways and how it might impact on the sale of the federal government's fleet of grain hopper cars.

The original operating agreement dated back to 1972 when the first set of government cars was purchased. The agreement was renegotiated in 1993 to reflect policy changes that had occurred since then.

The operating agreement provides both the government and railways with certain rights and responsibilities. For example, the railways are required to operate and maintain the cars in western grain service and to pay commercial lease rates when they are used for other purposes.

The government does not believe that the agreement will be an obstacle in disposing of the cars in an open bidding process, since both the government and the railways have a common interest in improving the efficiency of the grain transportation and grain handling system.

The system is undergoing significant change as a result of the 1995 budget decision on western grain transportation reform and this year's budget decision to sell the federal fleet and reduce the role of government in day to day car allocation. These policy changes present both an opportunity and a challenge for the industry as it continues to move toward a more commercial system.

[*Translation*]

DISABILITY TAX CREDIT

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, on March 13, 1996, I rose in this House to ask the minister of revenue a question about the tax credit for persons with disabilities, or disability tax credit as it is called in the Income Tax Act.

Since then, there has been a new development: on April 25, the minister of revenue appeared before the human rights committee, still in connection with the tax credit for persons with disabilities. On that occasion, she answered questions from opposition members as well as the other members of the committee.

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I should say that she tried to answer our questions, because these have in fact remained unanswered. That is why I raise this issue again in this House today.

• (1925)

I think that disabled people who are currently faced with legal proceedings, or who continue to file income tax returns, not only are entitled to a response to their concerns, but that this is a matter of humane treatment.

Since 1993, National Revenue has been applying a very restrictive interpretation of the clause on disability tax credits, which has meant that a number of people have been refused the credit because their disability is no longer recognized or, worse still—and this is the heart of the problem—are recognized as disabled but are deemed not to be entitled to the tax credit, because they do not meet the criteria for it.

The minister acknowledged in committee and in this House that a number of the criteria were questionable. I have repeated it and pointed it out to the minister when she appeared before the committee, even the Federal Court justices in tax cases went beyond, if you will, the interpretation department officials give to the tax credit and even beyond the letter of the law, I would say, to grant this credit to individuals with a handicap. They have in at least two decisions asked the lawmakers to redo their homework on this.

In addition, the Minister of Finance made a commitment in his budget speech in February to review taxation with respect to people with handicaps. A committee is to be struck to study it. Three months later, a decision has yet to be announced, when we know that a committee is already reviewing taxation of corporations.

I therefore ask that our questions be answered and, more importantly, that the government immediately set up a committee to review all tax measures applicable to persons with disabilities.

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I would like to thank the hon. member for his question.

[*English*]

On March 14, the Minister of National Revenue sent every member of Parliament a letter that outlined the disability tax credit program. The minister is aware that some of her colleagues have been very concerned about the administration of the program.

I can assure the member that the government has not tightened the eligibility criteria for the disability tax credit. In 1990, approximately 422,000 people claimed the disability tax credit and by 1994 this figure has grown by 138,000 to approximately 560,000.

Last year, as part of the normal post-assessment program, Revenue Canada reviewed the claims made by some existing claimants of the disability tax credit. This review was done to

protect the integrity of the program and to ensure that the provisions of the Income Tax Act were fairly administered.

The minister has now taken steps to address some specific issues which have arisen as a result of this normal post-assessment review. The minister has confirmed decisions, for instance, to only recover the disability tax credit for the year under review and, that in all cases of financial hardship, any interest which accrued on the tax liability as a result of a reassessment to disallow the disability tax credit would be waived under the fairness provisions of the Income Tax Act.

The minister has ensured that whenever a reassessment results in taxes owing, Revenue Canada works with the individual to negotiate a mutually satisfactory repayment plan in a sensitive and compassionate manner which does not cause financial hardship.

All new claims for disability tax credit will now be reviewed at the time of initial assessment. This will reduce the possibility that new claimants who successfully claim the disability tax credit will find out at a later date that they were not eligible.

The Minister of National Revenue wants to ensure that Canadians with disabilities have the information they need to determine their eligibility for the disability tax credit. Here we have to have education. Therefore the minister has asked that a new pamphlet be prepared and widely distributed to give people the information they need to better understand the credit, its purpose and who is eligible.

• (1930)

HEALTH

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the question for discussion tonight is whether the Minister of Agriculture and Agri-Food and his department have sufficient regulatory and enforcement powers as well as sufficient means to prevent the remains of diseased livestock from being used in livestock feed so as to protect the health of Canadians from an outbreak of mad cow disease.

We were pleased in the House to hear the minister state the other day that there is no evidence of mad cow disease in Canada. I hope this means his department has the necessary regulatory and enforcement powers to protect Canadians.

The potential health impacts of mad cow disease on the human population demonstrates the value and necessity of maintaining, monitoring and enforcing regulations to ensure safe food and a healthy environment for the population.

What happens in times of budget restraint is that some governments give more importance to voluntary measures in the hope the business sector will police itself and thus effectively protect the public. It is true there are some industries which voluntarily strive for standards which are higher than those set through government regulations. In this sense volunteerism helps.

Adjournment Debate

However, what must be stressed is that voluntary measures cannot replace good regulations and the funds needed to enforce them. It is foolish for some governments to promote the idea volunteerism can adequately protect public health and safety, be it in air travel, in restaurants, in food production, in water supply, in pollution control, in highway traffic, et cetera.

It becomes therefore evident the public interest is best served with a strong regulatory and enforcement policy through which the health and safety of all Canadians can be protected.

Again I ask the parliamentary secretary if he can confirm that the Department of Agriculture and Agri-Food has sufficient regulatory powers and resources to ensure Canadians are fully protected against an outbreak of mad cow disease.

Mr. Jerry Pickard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, food safety is the number one priority of Agriculture and Agri-Food Canada. It is the responsibility of the department to ensure that experiences such as with BSE in the United Kingdom do not recur in Canada.

When a single case was detected in Canada in 1993, more actions were taken by Agriculture and Agri-Food Canada than by any other country that had diagnosed this disease on its soil. It is impossible to say at this time what further actions must be taken or are necessary to ensure things remain as safe as possible, but everything will be done. I assure everyone in the House that everything will be done to ensure Canadians are safe and that the disease will not gain a foothold in Canada.

To ban the use of animal protein in livestock feed would require a regulatory change since the practice is currently legal in Canada, as it is in many other countries.

There is no scientific evidence that this practice, which has occurred for many years, has resulted in any human or animal health problem anywhere other than in the United Kingdom.

There are many differences between the feed production practices and the animal health situation in Britain and the current situation in Canada. Risk analysis of the situation indicates the likelihood of a similar situation arising in Canada as being so low as to be almost incalculable.

Nevertheless, since the World Health Organization has recommended a ban on the use of ruminant tissues in ruminant feed, we are discussing the issue of ruminant feeding with Canada's livestock, feed and rendering industries. These discussions are a high priority, as regulatory changes may be required.

With any such ban it is imperative not to cause problems within the industry. By putting a ban on the industry very quickly we could cause tremendous difficulty in major parts of the Canadian economy. It could also result in major problems with the disposal of animal byproducts which would have subsequent environmental impacts.

[*Translation*]

The Deputy Speaker: The House stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 7.35 p.m.)

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