



CANADA

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OFFICIAL REPORT  
(HANSARD)

**Monday, February 5, 2001**

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, February 5, 2001

The House met at 11 a.m.

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*Prayers*

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• (1100)

[*English*]

## WAYS AND MEANS

FINANCIAL CONSUMER AGENCY

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, there have been discussions among the parties and I believe you would find unanimous consent that a division be deemed to have been requested on government orders Ways and Means Motion No. 1 and that the said division be deferred until 6.30 p.m. on Tuesday, February 6.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[*Translation*]

### EMPLOYMENT INSURANCE ACT

**Hon. Alfonso Gagliano (for the Minister of Human Resources Development)** moved that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

• (1105)

**Ms. Raymonde Folco (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, our parents always equated work with health. Our Prime Minister often tells us work is dignity. Meeting our own needs and those of the people who depend on us is also a source of pride, self-esteem and

hope in the future. That is why this government has worked so hard, and continues to work so hard, to sustain the economic health of this country. We are very much aware that prosperity creates jobs, many jobs.

Since our government was first elected in 1993, more than 400,000 jobs have been created in Quebec. As a result, there has been a five point drop in the unemployment rate, to a 25-year low.

[*English*]

We are proud of Canada's economic performance. There are 2.1 million more jobs today than when we took office in 1993. We know that all Canadians benefit from this economic growth in one way or another. However we also know that they do not all benefit from it equally.

Therefore it is our collective responsibility to help those who, through no fault of their own, have difficulty providing for their needs. For this reason we have dynamic and effective social programs such as employment insurance.

[*Translation*]

The old employment insurance system was in need of updating. We therefore organized a broad consultation in all regions of the country. Then in 1996 we carried out an in-depth reform of this program, which is one of the cornerstones of our social security system.

We are all aware that the labour market is constantly evolving. As technologies develop, markets become globalized and new forms of work are developed, change is taking place more rapidly than ever. We therefore wanted to ensure that our employment insurance program can effectively meet any shortages in the labour market.

[*English*]

Given the extent of the reforms, we promise to monitor the short and long term effects very closely. For this reason we included an annual evaluation mechanism that enables us to identify and correct certain provisions that are not having the desired effect.

This mechanism is very useful. In 1997 we used it to correct certain deficiencies by introducing the pilot project for small weeks.

*Government Orders**[Translation]*

One of the objectives of our employment insurance reform was to encourage people to work. In order to better achieve that objective, we introduced the short week pilot project and we have made various adjustments along the way. Today we are continuing in the same direction with this bill, which seeks to ensure that the program is fair and effective.

*[English]*

As members will recall, Bill C-44, an act to amend the Employment Insurance Act, was introduced last September. This legislation was at second reading at the time of the election. Canadians supported the legislation and gave the government a clear mandate to advance the proposed changes. Bill C-2 is the same bill with an additional minor amendment concerning EI fishing regulations.

Members will recall that enhanced EI parental benefits came into effect on December 31, 2000. Payment of similar benefits to self-employed fishers requires an amendment to the EI fishing regulations. However, because of the election, amended regulations could not be approved by the House in time for December 31.

Amended regulations were tabled by the Minister of Human Resources Development and are being considered by the House. Bill C-2 would make these amendments retroactive to December 31, 2000, so that fishers can have access to the same types of benefits as other Canadians. This is the fair thing to do.

*[Translation]*

We want to provide additional help to those who are looking for work. We also want to correct certain provisions that are less effective than anticipated.

- (1110)

*[English]*

First, we are going to eliminate the intensity rule. The purpose of this rule, introduced in 1996, was to reduce the reliance of frequent claimants on employment insurance and to encourage work efforts.

Over time we have noted that this intensity rule did not produce the anticipated results and is instead seen as a penalty on workers living in communities where job opportunities are limited. Therefore we are correcting the situation.

*[Translation]*

Moreover, in those regions where seasonal industries are major economic catalysts, we will closely co-operate with the communities and with all our partners to help them diversify their economy and create jobs.

The bill also amends the criteria governing the clawback provision. That measure was introduced in the late seventies to deter

high income earners from frequently relying on employment insurance.

*[English]*

The clawback will not apply to first time claimants and claimants collecting special benefits, namely sickness, maternity or parental benefits.

*[Translation]*

Moreover, this clawback provision should reflect today's economic reality. Therefore, we want to ensure that it targets only taxpayers with higher than average incomes.

*[English]*

Therefore the net income above which benefits must be paid back by repeat claimants would increase from \$39,000 to \$48,750. The maximum repayment would be limited to 30% of net income above this clawback threshold.

The government places a high priority on the welfare of families. Therefore, we have taken into consideration the case of parents returning to the labour market after having taken an extended time off to care for their children.

*[Translation]*

The regulations governing re-entrants' eligibility for regular benefits will be amended to ensure that parents of young children who return to the labour market are not unduly penalized because of their absence. This measure is in addition to the higher parental benefits that have been in effect since December 31, 2000.

As members know, since that date, all Canadian families that have a new child can enjoy much longer and much more flexible maternity and parental benefits. Thanks to these new measures, a large number of parents will be able to spend more time with their young children.

*[English]*

The bill improves our employment insurance system even further. It benefits parents and Canadians in all regions of the country who are looking for work. It also demonstrates our commitment to carefully scrutinize the effects of this very important social program.

We are also extending until 2006 the mandate of the Canada Employment Insurance Commission to continue closely monitoring the effects of the program.

*[Translation]*

I am very pleased that the economic situation in Quebec and in Canada has greatly improved. The amendments proposed to the House today will better help those who live in regions where seasonal work and unemployment are higher than average.

Our ministers travelled throughout Quebec and Canada. They met with workers and they found out for themselves that some

provisions of the employment insurance program were not producing the anticipated results.

[*English*]

This is why we are proposing these amendments today. These amendments are improvements to the former law.

[*Translation*]

Our government promised to act. It is fulfilling that commitment.

[*English*]

**Ms. Val Meredith:** Mr. Speaker, are there not any questions and comments?

**The Deputy Speaker:** The first three speakers on this bill will have a maximum of 40 minutes without questions and comments. That could only be addressed through unanimous consent.

**Mr. Ken Epp:** Mr. Speaker, I rise on a point of order. I humbly request unanimous consent to ask the parliamentary secretary a few questions.

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

• (1115)

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, I congratulate you on your appointment to the chair.

Bill C-2 was known in the last parliament as Bill C-44 and is known more by its unofficial title of the Liberal Atlantic Canada re-election strategy. The parliamentary secretary has explained some of the details of the bill so I will not go into them. However, I will say that the official opposition does not support the approach the government is taking on these amendments.

We are not alone. There are people and organizations across the nation who feel that this is not the right direction to take: the Canadian Restaurant and Foodservices Association, the Atlantic Institute for Market Studies, the St. John's Board of Trade on the east coast, the Vancouver Board of Trade on the west coast and probably all the boards of trade in between. Even the Canadian Federation of Labour has problems with the bill.

When the bill was first introduced last fall, this is what Catherine Swift, president of the Canadian Federation of Independent Business, had to say:

After several years of making some steps in the right direction on EI policy, this is a U-turn that hearkens back to the 1970s—a big spending government promoting dependency on programs, instead of solid economic growth. We thought they had learned something from the mistakes of the past.

### *Government Orders*

We also have the International Monetary Fund report. Last week the finance minister was bragging about how the IMF supports Canada's economic incentives and economic and fiscal policies and said that he had received high praise from the IMF. However, he chose to ignore paragraph 8 in the report, which I should like to read into the record. It states:

Comprehensive reforms enacted during the 1990s to the Employment Insurance (EI) system and to social assistance programs and the introduction of the National Child Benefit have enhanced the flexibility and efficiency of the labour market, boosting employment growth and helping to reduce structural unemployment. Pressures to ease the impact of some of these reforms—particularly the 1996 EI reforms—have intensified as they have become more binding. The Government has mitigated the intended effects of some of the reforms and has proposed to rollback others. In particular, the IMF staff sees the proposed elimination of the intensity rule, which was designed to discourage frequent use of the system, as sending the wrong signal. Frequent use of the system, along with the provision of extended EI benefits for high unemployment regions for a prolonged period of time, has had adverse effects on the behaviour of both workers and employers, has significantly raised reservation wages in high unemployment regions, and has reduced labour mobility. In addition, the recent experience in the United States suggests that labour market flexibility is an important factor in fostering the rapid adoption of productivity-enhancing new technologies. Therefore, the IMF staff continues to endorse the implementation of new measures to reduce the frequency of EI use (such as experience rating of the EI premium rate, which would tie the rate for individual firms directly to the use of the system by their workers) and the elimination of regional extended benefits.

This quote is from the International Monetary Fund, which the finance minister seems to think is highly supportive of government policies. This is one area in which it has recommended and suggested to the government that the change in direction is not in the best interests of the economic future of our country.

If IMF support is so important in all other areas and if its recommendations are so valid in all other areas, why does the government turn its back on the recommendations that the IMF put forward on the EI insurance program?

• (1120)

The question is, with this coming from the IMF, why would the government go in this direction which retreats from the very policy that the IMF claims is having a beneficial economic impact on Canada.

We in the official opposition feel that it is extremely important to get the bill before the standing committee on human resources so that the committee can hear witnesses and have an indepth study to look at the EI program and the benefits and lack of incentives that are being proposed.

We would like to put Bill C-2 before the House of Commons and have the government, which said it was in favour of parliamentary reform, let the bill pass through to committee in a very real and meaningful way.

Let us see whether the government will seriously listen to all aspects of the discussion from witnesses who have a lot to say about the legislation. Let us see whether the Liberal government

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will actually allow committees to do their job, to listen to witnesses and to come up with recommendations to change the legislation and make it more meaningful.

The Canadian Alliance would like to see whether or not the government is willing to look at some of the concerns that have been expressed. One concern that has been expressed is that the legislation is taking the control or responsibility from the EI commission and placing the rate changes in the hands of cabinet.

There is a real concern out there, not only in the Canadian public, among workers and employers alike, but in labour commissions and labour organizations, that the government is trying to control this fund to a degree that we have never seen before. Instead of having the employment insurance program at arm's length from government, the government is reaching in and bringing in total control over the EI program.

One has to ask oneself why this would happen. Why would the government want to have this kind of control? A surplus of \$40 billion may be all that is needed to see why a government would want to do this. The EI fund is reaching the point of having a \$40 billion surplus. I think the government would like to see this as its personal slush fund to use at will rather than for the purpose it was intended.

The chief actuary for the fund has indicated that a \$15 billion surplus is all that is required in the program. I would like to look at last year alone. EI premiums last year were \$18.511 billion. That is money coming in. EI benefits paid out were \$9.3 billion. That leaves a \$9.211 billion surplus in this fund which the cabinet wants to control. I suggest that is the wrong direction for the country to take. It is wrong from the employer point of view and from the employee point of view. It is wrong from every way we look at it for the cabinet of a government to have control over that kind of money, which was put in place for a specific reason.

I am sure the poor working person who is paying employment insurance premiums does not want to continue paying an inflated amount of money so that the government has access to a huge surplus fund to use whenever it wants. When these surpluses were brought to the attention of the government, what did it do? It reduced premiums by 25 cents, a small, piddly amount.

• (1125)

The reality is that every worker could stop paying EI premiums for two years and we would still have the surplus in the account that is required, according to the chief actuary, to have a stable fund. We could go two years without any premium payments and the fund would be where it should be.

We must ask ourselves why the government is so intent on keeping employment insurance premiums to a level that gives it surpluses every year, to the point of building a surplus fund of \$40 billion. The reason is so that the government can balance its books.

It is balancing its books on every working person and on every business person who provides jobs for working people. That is not fair. It is not right and it has to stop.

In its August 1999 unemployment insurance bulletin, the Canadian Labour Congress states "The UI fund must be separated from the government accounts, and the authority and autonomy of the UI commission must be strengthened". That needs to be brought before the committee of parliament. It needs to be reasoned out. We need to find a way of strengthening the EI commission, of putting it at arm's length from government and taking control of it away from the Canadian government and cabinet.

This is only a drop in the bucket for the government, which takes things out of the public eye, away from commissions that do business up front, and puts them behind the doors of a cabinet meeting. It puts things beyond the reach of ordinary Canadians to understand or to know what is going on.

It is distressing to me to see that we will be continuing this direction with a government that has told Canadians it will be more transparent and more open. We see that the very first legislation to be introduced in the House of Commons is doing precisely the opposite. The government is taking something that is open and transparent and putting it behind closed cabinet doors.

More than anything else, the thing that distresses a lot of Canadians and me personally is the importance that the government places on making small amendments to the employment insurance legislation rather than looking at creating an environment of long term permanent jobs for Canadians across the country from coast to coast.

Five years ago the Liberals announced changes to EI. The Prime Minister stated "we wish to provide an incentive for people to work instead of receiving social benefits". We have to wonder why the government is turning away from that challenge.

The Minister of Finance, the Minister of Human Resources Development and the Prime Minister have said that the best way to help unemployed people is to put them to work, to give them jobs, to have jobs created so that they can find employment. I suggest that the government has done little to create any employment. The parliamentary secretary claimed that there were 400,000 jobs created in Quebec and 2.1 million jobs created across the country. I challenge her, in that it was not the federal Liberal government that created those jobs. The small business community and the business community created those jobs.

The Minister for International Trade pointed out last year that 85% of these new jobs were created due to trade. Most of the increased trade is due to the free trade agreement and NAFTA, and let me remind Canadians of elections past when the Liberals

opposed the free trade agreement and NAFTA. They violently opposed free trade and NAFTA until they formed the government.

There are some things that the government could do. The first is to substantially reduce personal income tax.

• (1130)

By leaving money in the hands of consumers, the government could have increased the purchasing power of Canadians. It does not take a rocket scientist to know that by increasing the purchasing power of Canadians one increases jobs. There are provinces that have shown that this works. There are provinces that had the courage to do what had to be done and they saw the benefits. The federal government did not have the courage.

If the government really wanted to do something concrete, something that would benefit the economy, it could have developed a vision for a national transportation infrastructure strategy program.

I am amazed that the government has such little insight and foresight and such little incentive to place the country in a position where we can compete in the North American marketplace and compete internationally.

The Liberal government is not even paying lip service to the development of a national transportation strategy. While our economy has grown, we are still relying on a transportation system that was built almost a half a century ago. We think the system should be adequate enough to service our people and our goods. In many places, the movement of people and goods is in total gridlock while the government sits back and does nothing.

The port of Halifax is a very good example of what could have been. Two years ago Halifax was bypassed as this continent's Atlantic super port. Halifax has an excellent port. It is much more convenient to Europe. Why was it bypassed? It was bypassed because there was no adequate infrastructure to move the goods from the port to the North American trade market, to the cities and towns that would be using the materials brought in. There was no adequate railroad access to the market. Why did New York get it instead of Halifax? It was because there was no adequate infrastructure program in place to support the Halifax bid.

Think of the jobs that the transportation infrastructure strategy would have created, not only in Atlantic Canada but in the north, long term jobs that would have benefited the future economy. Where is the strategy, the planning and the insight? The strategy is not there. The vision is not there.

The government wastes money on grants and all kinds of things, but it does not put money where it would have a meaningful impact on the growing economy of our nation. It is not just Atlantic Canada and Quebec, it is also the north. The north has the capacity

### *Government Orders*

and the potential of some major developments and megaprojects. The north is an area of traditionally high unemployment and it is waiting for something to happen.

The aboriginal community in the Northwest Territories is prepared to negotiate for the Mackenzie River pipeline. There is also talk of a gas pipeline from Alaska coming down through the Yukon to join the existing pipeline network that currently extends as far as northern Alberta. Alaska is also seeking a rail link from that state to join our northern rail lines that only go as far as Fort Nelson and Dease Lake in northern B.C.

People in the Northwest Territories are also talking about extending the Mackenzie Highway from its current northern terminus at Wrigley all the way to Inuvik. The extension of this highway would assist in opening up the vast untapped mineral reserves of the Northwest Territories.

Let us not forget our new territory, Nunavut, which would like a road link with the rest of Canada. While these projects would undoubtedly cost billions of dollars, they will also return billions of dollars to the federal government coffers through taxes and royalties. Equally important is that they would provide hundreds of thousands, if not millions, of man years of employment, good paying long term employment.

• (1135)

If the Liberals were truly interested in an employment strategy for the country, they would be in extensive negotiations with the territories, the western provinces, the American and Alaskan governments, northern aboriginal communities, environmentalists and the business community on how they could develop our north. However there was not a passing reference to this kind of development in the Speech from the Throne, not even a mention of developing the north.

Instead of co-ordinating projects that would employ thousands of individuals, they tinker with the EI bill by making minor amendments. They are more concerned about keeping people on employment insurance than they are in providing them with good, long term, full time employment.

Nevertheless, because of the Liberal's lack of vision we are limited to debating a handful of amendments to the EI act. There is no vision of moving forward in a strong dynamic way by making great changes and great projects. We are talking about minor changes to an existing bill that does not address the serious problems of employment.

We will not spend a lot of time on the details of the bill at second reading. We want to move the legislation before a committee. We want to see whether the Liberal government is intent on opening up the process of reforming parliament to allow real discussion and real debate on employment insurance and what it should be doing

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and what it is doing. We want to see whether things can work differently and better.

We want the first bill being debated in the House of Commons to go to committee. We in the opposition will make a commitment to go there with an open mind. We hope the government will go there with an open mind as well, so that we can hear witnesses and people who specialize in this area and, if necessary, make changes to make the legislation better. I would like to see the bill serve as an indication of the willingness of the House to do things differently for the good of all Canadians.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I am very pleased to speak today on the occasion of the start of debate on Bill C-2 on employment insurance.

From the start it is important to establish clearly the point we have reached in this debate. In January 1997, the reform of the employment insurance plan took effect. It was supposed to attune the plan closely with the realities of the labour market and enable people to return to work quickly.

However there is a major flaw in the system. Under cover of the reform, which was to improve employment insurance, the plan started pumping money to the Minister of Finance of Canada. It became one of the best tools in the fight against the deficit on the backs of the unemployed, workers and employers.

The federal government wondered how to go about collecting as much money as fast as possible and as quickly as possible, and on the backs of whomever would be the easiest. It turned toward society's most disadvantaged, the unemployed, people who were not necessarily solidly organized in social terms, and imposed the employment insurance plan on them.

I will provide an example for members. The employment insurance plan is based on contributions by employers and employees, and benefits are paid. In 1994 the surplus was \$2.3 billion; in 1995 it was \$4.3 billion; in 1996, \$5 billion; in 1997, \$6.7 billion; in 1998, \$7.3 billion; in 1999, \$6.5 billion; and in 2000, \$5.6 billion. The surplus is approaching a total of \$30 billion to \$31 billion.

Accordingly, the federal government, since imposing the new employment insurance plan, has taken \$31 billion more from the pockets of employers and employees than it has paid out to the unemployed as benefits.

• (1140)

I will not use the word that we would use back home because it would be considered unparliamentary, but the government has

plumped up its coffers by making employers and employees pay excessively high premiums and by tightening the screws across the board.

First, it looked for a way to reduce benefits to a bare minimum. One thing it came up with was the intensity rule. For the past three or four years, we have been telling the government that this rule has to go. Finally it listened to us and introduced a provision to that effect in Bill C-44. The intensity rule is federal bureaucracy at its best. The federal government is saying that our seasonal workers are unemployed because they want to be, because they simply do not want to work. The idea is that it will give people 55% of their average earnings the first time they draw EI benefits and bump them down to 54% the next time around. It figures this will encourage people to get out and work.

Let us take someone earning \$600 a week. This is not astronomical—it amounts to \$30,000 a year. If such a person worked 18 to 20 weeks, at \$600 a week, his employment insurance cheque would normally be \$330 a week. The intensity rule would lower this to \$300. This means that the government has pocketed the \$30 difference, a loss that is keenly felt at this income level. The federal government has siphoned off quite a bit this way.

The demands for changes to this rule of intensity, which the government has finally decided to change, are nothing new. They have been around for a very long time.

The government imposed a program that would collect as much money as possible to battle the deficit. I have already given some examples of the amount of money it has generated. As a result, the program no longer has any credibility.

Today about 40% of the unemployed qualify for benefits. If this were a private insurance plan, no one would subscribe to it. When we pay premiums for a car, a house or other kinds of insurance, we expect to get some benefits in the end. This one is a mandatory program to which everyone contributes. The Liberals changed the rules in 1997 and now everyone pays into it.

Young workers start contributing as soon as they start to work, even if they do not work the 910 hours required to qualify. Women returning to the workforce contribute as soon as they start to work. If the young worker has not accumulated 910 hours, "so long". No question of paying him or her any benefits. Although the worker has contributed, there is no entitlement to benefits. Today's bill does nothing to correct this.

A system has been created, a way of doing things that works to the detriment of the people in our society who are the worst off. It has, however, been realized that the surplus accumulated over the years has to be put back into the system one day in the context of the present legislation. There was a provision that the government

could decide to use this money for other purposes within one economic cycle. That it has done.

At the end of the economic cycle, it should put these surpluses back into the system but it does not want to do that. Making lower income earners contribute has worked just too well.

For example, people pay premiums on their income up to \$39,000. Someone earning \$100,000 pays premiums on the first \$39,000 but not on the difference between \$39,000 and \$100,000.

Similarly, someone earning \$45,000 pays premiums on the first \$39,000 but not on the additional \$6,000. This is assuming that person contributes to the employment insurance program, because many people do not. During his last mandate, we even informed the Prime Minister that he was not contributing to the employment insurance program. After 30 years as a member of parliament, he did not know that. We informed him of that fact.

There are others who do not contribute, including all the professionals who work but do not pay EI premiums. This means that these people did not do their share in the fight against the deficit.

When there are surpluses, as has been the case in recent years, people expect lower taxes. For some, it is the way to get something back for helping to fight the deficit. However, those who do not pay much tax, those earning \$15,000, \$18,000, \$20,000 or \$25,000 per year—and there are many who earn such salaries and even less than that—do not really need a significant tax reduction but rather an acceptable and adequate employment insurance program that will provide them with a decent income when they find themselves between jobs. The bill still does not provide such a program.

This issue was the subject of a major debate during the previous parliament.

• (1145)

The debate was so important that during the election campaign the Prime Minister was obliged to recognize that a lot of errors had been made in the reform. He said, for example, on November 4, 2000 “We realized that it was not a good decision in that we should not have done it”. He was talking about the cuts to the employment insurance plan his government had imposed.

The Prime Minister himself has recognized that the government made a mistake. Bill C-44 had been introduced before the election campaign and people were rightly saying that it was not enough. It was in reaction to this position that he said “It is true, we did make major mistakes”.

The problem today is that the bill before us is the same one we had before us prior to the election. During the election campaign,

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the Liberal Party noted very clear messages on this. It told the public that significant changes would be made.

For example, I quote the Secretary of State for Amateur Sport, who said during the election:

Once a Liberal majority is elected, we will reinstate the process and make sure that the changes are effective and meet the needs, for the most part, of the people of the Saguenay—Lac-Saint-Jean and Canadians as a whole.

The Minister of Public Works and Government Services, who is also responsible for Quebec, also supported the arguments in favour of changes to the employment insurance plan. The Secretary of State for Amateur Sport continued, speaking as well for the Minister of Public Works and Government Services, “The government is open to discussion”.

There is a problem in this government, because we did not know who speaks on its behalf, except that now we know, the bill has been introduced.

On the subject of this bill, the remarks of the Secretary of State for Amateur Sport and the Minister of Public Works and Government Services, who is also responsible for all of Quebec, were rebuffed by the government. Once again with the administration of the employment insurance account, it would appear that it is not those who want improvements who have won but the Minister of Finance. Money must continue to flow from the pump for him because he needs it and he is still getting it the way he always did.

This attitude is unacceptable. Politicians cannot expect to be taken seriously by public opinion if the government keeps acting this way.

If one makes a promise during an election campaign and, immediately after winning the election, one forgets one's promise, this fuels frustration and cynicism toward politicians. The Liberal Party is truly responsible for that.

There is even worse. Cynicism does not stop people from eating. It is something very difficult to bear and very damaging to democracy but today we have a situation where Canadians expect significant corrective measures, a situation where people going through hard times expected much more than what they are seeing.

It has been proposed that the intensity rule be abolished. It would be interesting to increase the average benefits from 50% to 55% for everyone. However we have seen that 55% is not enough. The thing to do would be to increase this percentage to a higher level, something like 60% of the average salary. Thus the unemployed could count on a decent income between two jobs, which was the intent of the employment insurance plan.

Even if economic growth is optimal, some seasonal jobs will not reap the benefits. Economic growth is important because it is essential to job creation and is part of the fight against poverty.

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In forestry, agriculture and tourism, the fact that the economy is in good shape does not necessarily translate into a significant increase in benefit weeks or hours of work. As we have pointed out, the jobs in these seasonal industries are also seasonal. These workers are therefore entitled to a minimum acceptable income.

There is also the whole issue of maternity and parental leave. After much lobbying, the government reduced the number of qualifying hours from 700 to 600. It may interest members to know that before the reform, however, a woman needed 300 hours to qualify for maternity leave.

If the government had just stuck with the requirement in the 1997 regime—20 weeks of work at 15 hours a week, or 300 hours of work—nothing would have changed and more women would have been able to qualify.

• (1150)

At the time the federal government took advantage of the situation and raised the requirement to 700 hours, or 20 weeks at 35 hours. That is many weeks. The result was that far fewer women were able to qualify. For five years, we were stuck with a regime that was divorced from the conditions workers actually face.

I will give an example. In 1989, before all the reforms, 82% of unemployed women qualified for benefits. We saw this percentage drop dramatically as soon as the Liberals introduced their change. In 1994, benefits had dropped to 59% of earnings. The downward trend continued, and in 1999, 38% of unemployed women qualified for EI.

This behaviour is totally unacceptable especially because, with the increase in precarious jobs and part time jobs, the number of people contributing to employment insurance but not eligible for benefits has increased. This is the ideal clientele for the Minister of Finance. On the one hand, he collects the money and, on the other hand, he does not give it back.

The same thing has happened with young workers. In 1989, 98% of young people between the ages of 20 and 24 were eligible. In 1999, only 24.9% were.

This means that only one young adult out of four is eligible. In Bill C-2, there is no provision in this respect. They have decided not to change their tune. I have already asked questions on this and I received the same answer as when I asked about the intensity rule “This rule has been put in place because people are unwilling to work hard. If we cut their income, these people are going to go back to work”. This is the point of view expressed by the Prime Minister himself when he referred to the unemployed as beer drinkers.

This is the bureaucracy went by for four years. People were systematically penalized. They were told they would lose benefits

because they did not want to work. We realized that after three years of studies on this matter. During that time, a lot of people lost money and could not afford to meet their mortgage or car payments or to raise their families. This is unacceptable.

Today the government is proposing that the measures be retroactive to last October. These people should benefit from retroactivity back to the date the plan came into effect because it is inhumane. Canadian workers are being treated like economic guinea pigs. It is totally unacceptable.

The conception that people are a little lazy and do not want to work is being applied to young people. The minister herself told me “If we take away the discrimination toward young people, they will all drop out”. That is the exact same conception as for seasonal workers.

When young people drop out, it is not because they do not want a job but rather because they have a problem. We see nothing to that effect in the new bill. It is as if the new bill would not change anything. This is not acceptable to me.

We have in front of us a system that does not function well. Everybody contributes from the first hour worked. There is a dramatic drop in the number of contributors who qualify. We have seen it with women and young people. There are those who earn more than \$39,000, as I was saying previously, and women who just do not qualify any more. More and more women could not qualify for the employment insurance system.

Average benefits also dropped considerably. The tables have been changed. Instead of being eligible for 40 weeks of benefits after a certain number of hours of work, people now qualify for only 32, 33 or 34 weeks, which means less income, and the creation of what has been known as the spring gap. People will live through that again this year.

Last summer there was an attempt to change the regional map. In my area, people applied for unemployment benefits between July 9 and September 17. Because the minister had changed the regional map without reasonable consultation having taken place prior, 565 hours were required to qualify instead of 420 hours previously. Instead of being eligible to 32 weeks of benefits, they were given 21.

• (1155)

We should remember what happened as a result of public protests. It was a few months before the election. The federal government was paying a lot of attention to these things. It decided to correct the situation. On September 17, it said it would return to the old rules: 420 hours to qualify and 32 weeks of benefits.

However it cannot correct the situation that it created with the summer gap between July 9 and September 17. These past few

weeks there are people in my region whose benefits are running out. It did not correct that situation, while it would have the opportunity, in legislation such as the one we have before us, to say it made no sense to create for two months sub-citizens, sub-unemployed, people who do not have what is required to qualify.

Some people came to my office. They were two friends who worked in the same business. One said "I submitted my request on September 15 and got 21 weeks of benefits". The other said "I went on September 18 and for the same length of employment I got 32 weeks of benefits". Where is the justice in this?

At the time, when this correction was made, the minister told us that it would take a legislative change. The legislation would have to be changed. Legislation cannot be changed like that. Changes cannot be retroactive.

Today the legislation is being changed. This would be an excellent opportunity to amend the act and to restore the dignity of an EI system that would provide the benefits that these people deserve. There is no such amendment, even if the Prime Minister himself was made aware of the situation.

I wrote him last December asking if there was really no way to address the situation so as to provide these people with more acceptable conditions. I am still waiting for an answer.

The government is now making some corrections that were suggested as important a very long time ago, dealing with the intensity rule, eligibility for special benefits and clawback. According to the present system, seasonal workers who make a lot of money, particularly in the building industry, have to give it back when they file their income tax, when they earn more than a certain amount.

A solution had to be found, because no one enjoys giving back part of the money earned during the year, money used to keep the family, and having to give it back suddenly in March and April.

I do not think we would like to live with this kind of situation given the kind of work we are doing. If we were told in February or March that for the purpose of our personal income tax return the vacation allowance should be considered as a supplement and returned to the government, we would not find it very interesting.

We are still faced with a situation or a government approach that is unacceptable. We have a fundamental problem that is reflected in the spirit of the Speech from the Throne. I quote the only sentence referring to employment insurance in the Speech from the Throne "There was a time when losing a job also meant immediate loss of income for workers and their families. And so Canadians created Employment Insurance".

That is a complacent statement. It is as if, when employment insurance was created, we had solved all the problems of the unemployed people who needed income between two jobs. Rather, it

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is the opposite. It is unemployment insurance that was created soon after the war in order to provide people with sufficient income. It is only when the plan was changed under the Liberals that it became the employment insurance plan.

We had an unemployment insurance plan under which people, through collective solidarity, could get a decent income between two jobs. The name of the plan was changed and not only the packaging but also the content were changed. It has become a money pump for the finance minister. It has become a way to make sure the government gets as much money as possible. This certainly does not meet the objective outlined in the Speech from the Throne, which was to ensure an income for workers and their families.

I think employment insurance has been one of the main factors in the increase in poverty in Canada over the last five or six years. We keep hearing about concerns for children with respect to the child tax benefit. It is not a bad program per se but we must remember that if there are poor children, it is because there are poor parents to begin with. If the situation were different, if employment insurance had not been cut as it has, many children would be much better fed every day in their families.

• (1200)

A lot of people would not have to resort to food banks at the end of each month. We are talking here about money and an insurance program, a program based on contributions. Society as a whole, workers and employers contribute collectively to offer those who lose their jobs some form of income. But cuts were made to this program, which changed it into a program promoting financial dependency. I think an important social pact that existed in Canada was also broken.

For many decades now the resource rich regions of Canada supplied the raw material, the basic resources our society needed to function. Now that we have also developed the new economy, this employment insurance plan has put an end to an existing agreement. Under this agreement, the resource regions that had industries, such as forestry, agriculture, tourism and fisheries, were to develop their resources but because these industries do not operate all year long, the plan would provide adequate income to workers so they could have a decent life in their own region. However the government put an end this agreement unilaterally.

One the one hand, it has decided to apply to seasonal workers the principle that they do not work because they are lazy and that putting more stringent conditions into the plan will make them work harder. Benefits will be cut and workers will have to manage.

On the other hand, the government was supposed to invest in the diversification of regional economies and thus counterbalance the

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effects of the tightening of the employment insurance plan. But that money never came, and when it did, it was invested inefficiently.

We witnessed the HRDC boondoggle. A program called the transitional jobs fund was used for electioneering purposes, especially in 1997, to help the Liberals win more ridings. We have never seen so much investment in Bloc ridings as we did then. The Liberals had carefully targeted the ridings where they wanted to get results. But this did not resolve the social pact issue.

Right now, resource regions have to adapt, and they have had to bear a disproportionate share of the fight against the deficit. Now that we have surpluses, they cannot get their fair share. I think there is a basic problem with the implementation of the plan.

There is also another important aspect. The employment insurance program has been in place for five years now. It is reviewed every year. It is in its fourth year and we are waiting for the report. We hope the report will be published soon and it would be important to have it before the end of this debate. Maybe we could adjust things based on the report.

Apart from the financial problems the unemployed may have, there is a need to bring the plan in line with the labour market. Among other things, the Bloc Québécois has proposed that self-employed workers be eligible on a voluntary basis. Why not put this possibility on the table? Today, with the new reality of the workplace, why can we not be more flexible and find a way to make the program more acceptable, since many people work part time and 18% of the people are self-employed?

The answer is always the same: the basic principle is not to provide people between jobs with a decent income but to accumulate as much money for the finance minister, so that he can invest in all kinds of activities with the money of those who are the worst off.

It is much easier to force a worker whose status is precarious, a young man or a young woman starting to work at 15 hours a week and getting a pay cheque for the first time, to contribute to the plan. How can he or she protest and say "It does not make sense for me to contribute when I do not even qualify". Before these young persons get organized and make representations, things will not change much.

People have learned their lesson. I am now very satisfied with the public's reaction to Bill C-2. I just received a call from a representative of the Mouvement autonome et solidaire des sans-emploi du Québec. I asked him if he had a problem with the fact that we considered it unacceptable for the government to legalize the misappropriation of these surpluses and, as a result, that we oppose the bill even though it proposes some improvements we have been asking for a long time. He answered that he did not

because the association thinks that the bill is a disgrace. The government ought to be ashamed of trying to use blackmail by saying "I stole \$100 from you and I am giving you \$8 back, so you should be delighted". When someone takes \$100 from me he owes me this sum and he must give me back \$100, not \$8. Otherwise it is unacceptable to ask us to be delighted because we are getting \$8 instead of the \$100 owed us.

• (1205)

I think that in this regard we are on solid ground. Unions and other representatives of the workers and the unemployed know very well that we stand for social equity. This is what the population wants and it needs no explanation. We are going to defend social equity and I am ready to debate our position at any time.

People know very well that if we just agreed with the bill, the \$30 billion surplus would just disappear into the system. The unemployed would never benefit from the surplus. All the sacrifices they had to make in the fight against the deficit would not earn them anything while other groups would benefit from those sacrifices.

Management of the system must appear to be fair for people who contribute to the plan, for the employers and the employees.

Seasonal workers are at the mercy of economic cycles. Unemployment rates are down in every region of Canada. In many places, the 10%, 12% or 13% unemployment rates we saw a few years ago are now 7% or 8%. However in those areas seasonal workers do not necessarily work a higher number of weeks. For them the situation did not change. They need to qualify for employment insurance to get an income for the winter months and the months when the industry they work for slows down. When the unemployment rate suddenly decreases in an area, instead of needing 420 hours in order to qualify, they will need 500, 560 or 600, and in the end they will get benefits for fewer weeks.

This has given rise to a situation where there are problems not only in rural areas but also in cities where there has been a big drop in the unemployment rate. There are situations where people have to work 700 hours in order to qualify and they end up being 7, 8 or 10 weeks without any income. It is not a very interesting situation in which to be.

This debate is closely connected with the issue of globalization. We must not forget that the 1994-95 employment insurance reforms were carried out because the International Monetary Fund and other organizations urged Canada to put its fiscal house in order. To be productive, Canada had to create programs that were quite similar to those of the United States.

The government tried to bring our employment insurance system in line with the American system. Sometimes it forgets to look at both sides of the fence.

Even in the United States, for example, for the waiting period, there is, just like in our system, an old principle stating that during the two first weeks, the claimant is considered to be unemployed and, therefore, he gets no benefits. That principle dates back to the time when workers did not start paying premiums the moment they started on the job. A person had to work 20 hours a week for 15 weeks in order to qualify. Now that everyone contributes right from the first hour worked, this archaic waiting period ought to be done away with, but it is still in the plan.

This is another element the government should change. There is a \$30 billion surplus and the bill involves about 8% of the annual surplus in the employment insurance fund in recent years. If there is an annual surplus of \$6 billion, that will mean \$500 or \$600 million will be put back into the fund, which is about 8% of the surplus. The government keeps the rest, which should go to employment insurance. This is unacceptable.

The government must be brought around to changing this, and I hope that will happen during the committee hearings. It will be very important for all groups wishing to make representations to come and do so. People have met with the Secretary of State for Amateur Sport, the Minister of Public Works and Government Services and probably with ministers in the maritime provinces as well, and just about everywhere else, and have been told changes would be forthcoming. Those people are not very happy this morning to learn that this bill contains nothing of what was promised to them. The only way they can get their point across properly is in a parliamentary committee.

Members can be certain that those of us in the Bloc Québécois will be open to people having an opportunity to be heard, so that amendments that reflect the points they have brought up can be introduced.

I am anxious to see the Secretary of State for Amateur Sport and the Minister of Human Resources Development contradicting each other on issues on which they have theoretically reached agreement secretly during the election campaign.

• (1210)

Somebody, somewhere, must have said "Yes, there will be changes and here is the list". I am eager to see, when these requests are made public, who will win the battle going on among the departments under the responsibility of the current Prime Minister? Who will win in the end? Will it be those who are seeking improvements or those who want the system to remain the same and to continue to grab as much money as possible?

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We, from the Bloc Québécois, have the advantage of being able to speak publicly on this subject. We do not have to hide behind cabinet secrecy or government solidarity. I can assure the House that we will fully assume this responsibility.

We were expecting much more since the Prime Minister had admitted that it was a bad reform.

Why is there an extension of the evaluation period of the system? We learned in the bill that the annual evaluation, which was to apply for a five year period, would go on for many years. The message is aimed at those who are waging a trench war to obtain improvements to the system. We will have to fight for the issues that we raised on a day to day and year to year basis.

There are encouraging signs. We have long said that we are against the intensity rule and finally the government has decided to do something about it. Our arguments are just as strong on many other issues, including discrimination against young people and women. In the end I am convinced that the government will have to act.

We do not have an election every year and this government's sensitivity is lower following an election. It seems to diminish until the next election gets close. That is a reality with which we have to live, but we still believe that the soundness of the arguments and strength of the people who come to tell us what they are experiencing will allow our views to prevail.

In recent weeks I also spoke to Françoise David from the Fédération des femmes du Québec. Mrs. David wishes to make representations to the parliamentary committee reviewing these issues, as do the union representatives and officials from the Associations de défense des chômeurs. I am convinced that in the end we can arrive at a positive solution.

I would like to refer to a release issued by the CLC, the Canadian Labour Congress. The title of the release is to the effect that two thirds of the unemployed will still not qualify. This morning Hans Marotte, who is the spokesperson for the Associations de défense des chômeurs, said the same thing:

The current bill does not in any way solve the issue of eligibility to the plan. The current program will simply improve a number of minor conditions for people already in the system, for example, by abolishing the intensity rule.

However the issues of insurability and the return of the right of access to the plan for those unemployed have not been resolved. In view of all this, clearly we cannot vote for the bill unless it is thoroughly changed.

The Bloc Québécois proposed two things. First, we recommended that the bill be split into two bills. One would be debated later and would cover the whole issue of management of the fund surplus to enable it to be come an independent fund or a payroll tax. This indepth debate would be held in the coming weeks or months.

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The other bill would concern the list of improvements to be made to the plan which we should vote on soon. We are ready every day to do so.

The argument that the Bloc Québécois is holding up the vote on improvements is totally false. We are ready to vote on improvements at any time but we will not be duped into approving a clause that would enable the government to retain control and legalize the misappropriation of surplus funds. The bill currently permits that.

The government is shifting responsibility for setting the contribution rate from the employment insurance commission to itself. If the bill is passed, next year, when the rate is set, the government would not have to take the needs of current workers into account. It would have to take the needs of labour into account along with its own financial requirements, and this would justify anything the government wants to do.

The reason this clause is included in the bill is that we are at the end of an economic cycle. If there is such a change, the government would have to put money back into the system and it is not ready to do that.

• (1215)

What people living with the employment insurance plan wants, whether they be employers or employees, is a system that gives value for money. In an insurance plan, when there are surpluses, either premiums are reduced or the terms and conditions are improved, but no third party grabs the surpluses and uses them for some other purpose. Those who pay premiums are the ones who should benefit.

We have before us a bill that is totally unsatisfying and inadequate. This is a bill that would not satisfy the unemployed, workers, employers or unions representing workers. This is a bill in which the government is trying to make a fool's deal with us, a deal where it would give us some little improvement, while what is needed is a comprehensive employment insurance reform. Such reform would ensure that the plan would be administered by the people who pay into it and give dignity back to it, so that it can really serve the unemployed and not pay for the federal government's debt.

We all have efforts to make regarding the debt. We have done some in the past but there are people who did not get the return on their investment that they deserved. On their behalf, the Bloc

Québécois will oppose this bill as long as the changes deemed necessary have not been made.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, first, I want to wish you good luck in your new position as Deputy Speaker of the House of Commons. I am sure the future holds interesting promises.

Second, I wish to thank the electors of Acadie—Bathurst who have put their trust in me for a second mandate as their representative in the House of Commons. I have always said that it was an honour and a privilege to represent the people of Acadie—Bathurst.

It is also a pleasure to rise today in the House to speak to Bill C-2. This bill was long in coming. Yet, as I will explain later, it does not go far enough. It was long awaited by those who have to rely on employment insurance benefits because of the EI economic region they live in.

As we know, legislation was passed in 1996, which may even be responsible for my getting elected in 1997, because of changes that the Liberals had brought to employment insurance. Members will remember that my predecessor, Doug Young, introduced changes to employment insurance and described people back home as lazy and do-nothings, people who did not want to work. He did not defend the interests of our region.

We ended up with a bill on employment insurance similar to the one before us today, which needs to be amended.

Bill C-2 now before us is an unfortunate one. In May 2000, through a motion that I had introduced in the House of Commons, I made a request to change employment insurance. My colleague and neighbour, the hon. member for Miramichi—there did not seem to be any problems in Miramichi—asked that changes be made to the EI plan rather than to the legislation.

The House passed my motion unanimously. All members present in the House of Commons supported my motion requesting that changes be made to the employment insurance plan. In October, with Bill C-34, we proposed changes to the EI plan. Why was it not passed? Because the Liberals preferred to wait till the last minute, because they knew that the Canadian Alliance was against all changes to the plan.

• (1220)

The Canadian Alliance had its leader come to Bathurst, New Brunswick at the Keddy's Hotel to meet the Alliance candidate,

Jean Gauvin. The day before, the Alliance leader had said in western Canada “No changes to EI. There should even be more cuts”. Once in New Brunswick, he told Jean Gauvin, his candidate, that if the Canadian Alliance were elected, it would save EI and help Atlantic Canadians. He was speaking from both side of his mouth.

The next day, in Hamilton, Ontario, he said “EI will be cut in Atlantic Canada. These people have to be put back to work. They do not want to work and are dependent on employment insurance”.

Again this morning, we heard what the Canadian Alliance member had to say.

[*English*]

The Canadian Alliance does not understand our country. It does not understand working men and women. It does not understand the jobs in the country. It is time it got out of Alberta and B.C. and came down to the Atlantic.

I hope that we go to committee. I hope the parliamentary committee travels across the country. I will invite it to come to my home area. I hope Jean Gauvin will have the guts to sit in the hall and listen to the Canadian Alliance’s feelings on employment insurance.

That party’s leader said it would not change EI and that if elected it would protect the working people. The Alliance is two-faced. It was two-faced when it said that if elected it would refuse the pension plan. Now its members must look at it again for the good of their families. That is what they are saying now.

That party’s leader said he would never take up residence in Stornoway because it was a grassroots party, and he moved into Stornoway. He said he would never use a limousine and he used one. I am sick and tired of listening to how the Alliance feels about our country and especially how it treats working people.

I will now switch topics because I do not want to spend more time on the Canadian Alliance. The Liberals are the ones who made the changes. They listened to the Reform too much when it was in the House of Commons.

We have the example of Hamilton, Ontario, right now. Workers went on strike. When the strike was over the company decided the workers had nothing to do with the strike and wanted them to return to the 85% level of production needed. They punished them by not allowing them to collect employment insurance.

The Liberal government supports Stelco which is against steel-workers local 5328. That type of program is against working people. It is not acceptable.

[*Translation*]

The surplus in the employment insurance fund is \$32 billion and all of it was taken right out of the pockets of workers without their

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permission. I have put it this way because I am not permitted to use the word that comes to mind, although according to the definition in the dictionary, it is stealing. That is what it is; \$32 billion was taken from men and women who have lost their jobs, the least well off in our society, who have no means of defending themselves, who cannot afford big name lawyers to take their case to court. These people cannot defend themselves.

It is a disgrace what the government says in the throne speech:

Now Canadians must undertake another national project—to ensure that no Canadian child suffers the debilitating effects of poverty.

It is a disgrace because 1.4 million children do not have enough to eat. These children are hungry today. What does the government say in the paragraph just before this one? It says:

There was a time when losing a job also meant immediate loss of income for workers and their families. And so Canadians created Employment Insurance.

• (1225)

The government should have gone on to say that these people were robbed by the Liberals. It should have said so in its throne speech because that is what happened. What the government did was a disgrace.

In October, not long after a motion to make changes to the employment insurance plan was introduced and approved in the House and the Liberal government said it would amend Bill C-34, it called an election.

With all due respect, the members from Madawaska—Restigouche, Beauséjour, Gaspé—Îles-de-la-Madeleine and my opponent, Bernard Thériault, all said “We want to be in the Liberal Party. We want to be in the governing party because we want to be part of the government so that we can change things”.

Bill C-2 is exactly the same as the one introduced before the election. This is a disgrace. It really is disgraceful to hear candidates like Bernard Thériault say to the population in the Caraquet area that when the Prime Minister came for a visit in Belledune, he did more in five minutes than I had done in three and a half years.

The people from the Acadian peninsula and Acadie—Bathurst did not believe that. This is why he did not get elected. People woke up and decided they would not be bought for 5%. This is what happened in my area.

How many times have I said in the House that there is a big difference between a seasonal worker and somebody working in Toronto, Montreal or Vancouver. The situation is completely different for a seasonal worker.

The Liberals must realize that it is impossible to find cod under the ice in Chaleur Bay in February. They must realize that

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blueberries cannot be picked under the snow. They must get this into their heads.

It is about time the Liberals understood that we cannot cut Christmas trees in July. This is the way the industry works in the region. Given the quotas imposed by the government, we cannot cut wood in winter in our regions in New Brunswick and in Atlantic Canada.

As I have said many times already, the people in major urban centres are always happy to receive our 2X4s to build their houses but people in my area have no choice. When the fishing season is over, it is over. There are no other jobs. Putting the cart before the horse is not the way to go. Let us put the horse in front of the cart and be sensible about the way we work at improving the economy so that people can find work. Do not take away their last resort, the only way they have to put food on the table.

It is totally unacceptable that in 2001 children are going to school on an empty stomach. The throne speech tells us that the government wants to put an end to child poverty but it is the Liberals themselves who made them poor. This is a fact.

They say they want to help people get an education so that they are better trained but they penalize people who work in the construction industry. Nowadays people who go to a technical school or a community college are penalized. Before they were not penalized when they received unemployment insurance benefits to finish school or improve their training. Now there is a two week penalty. In the meantime they have no income. For someone who works 12 months a year, this makes no sense.

[*English*]

People working in the industry, for example, who wanted to become better in their trade and obtain more knowledge, were being sent to community college and did not have a two week waiting period for employment insurance. The first day they entered community college they are paid.

• (1230)

Today what do people get? People feel they are finished because they have no money to buy food or provide for their families. Employment insurance was not meant to hurt working people. The \$32 billion does not belong to the Minister of Finance to balance his budget on the backs of people who lost their jobs. The billions of dollars in the fund was to help individuals who did not have jobs. The throne speech said that Canadians chose to have employment insurance, but the Liberals chose to take it away from them. That is not right and it is not fair. It is totally unacceptable.

[*Translation*]

Back home, in the Acadian peninsula, in the Bathurst area or in Gaspé, we have jobs in various sectors. Some people work in the

forest industry, others in the fisheries, while others work in tourism. Back home there is no more work after August 15. All the visitors are gone. Work starts on June 15 and ends on August 15.

All those who work in the tourism industry have a problem. As for the fisheries, the lobster season starts May 1 and ends June 30; herring fishing starts August 28 and goes until around September 15 or 20. After, there is nothing, absolutely nothing. Does it mean we should close down the Atlantic fisheries, that we should lock it up? We will have to close it down and it will be all over. It is a pity.

Yesterday, a lady in Moncton called me from Albert county. She had called the new Liberal member for Beauséjour—Petitcodiac. I do not know if there is a word to describe this member. I will not say his name in the House. She told him she had a problem with her employment insurance. He said that all the members are from Ontario and that we are too small a number to bring about changes to the employment insurance, we are on our own.

He should never have run if he feels he is too small and on his own. He should be in politics to speak up for the people of his area, this is what the campaign was all about. I invite the new members from our region who are very familiar with the issue of seasonal work to help their Liberal colleagues acquire a better understanding of this issue.

Whether in New Brunswick, Nova Scotia or Newfoundland, the situation is the same as in northern Ontario, Manitoba or British Columbia. A logger without a job is just that. One cannot change a logger into a cook. That is the problem. The same thing goes for plant workers. We need those workers.

Hopefully we will not fight when the bill goes to committee. Today, I tried to describe the real problem facing our regions. Families are being destroyed and people are killing themselves because they do not have anything to eat. Heads of families call to say they have nothing to give their kids during the spring gap, from February to May. They have nothing left.

What is the solution: work, employment insurance, welfare? No. We need a better system. The only way we can have a better system is by sitting down and talking like civilized people and by listening to the problems of Canadians, of workers across the country. Workers are workers, whether they are in the Gaspé Peninsula, New Brunswick, Prince Edward Island, northern Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon or the Northwest Territories, and we must understand them.

It is not easy for those people who are struggling in an industry that is very dear to us. People in Ottawa love to eat fish and lobster but there is no lobster in Lake Ontario or in Lake Huron.

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• (1235)

There is, however, in Chaleur Bay in the Atlantic Ocean, and in the Pacific Ocean as well. An understanding of and an openness to our seasonal industries is required.

Once again, and I will keep on repeating this, it should be possible to speak to one another and find solutions. It is not a question of considering Bill C-2 again and passing it as quickly as possible. The people concerned are tired of being studied. Action is required now.

I urge the parliamentary committee to visit my riding to see what it is like for men and women who work in fishplants and for woodcutters. I invite them to pay us a visit and get the whole picture. Perhaps then they would understand the situation.

[*English*]

The leader of the Canadian Alliance drew up the plan in half an hour in Bathurst. He understood that changes to the employment insurance were needed. The only problem was that when he left he forgot that the Atlantic provinces belonged to Canada and said that we should cut them again. That is how fast he forgot.

I hope the Canadian Alliance is willing to work for the better of Canadian men and women and that it has an open mind, not just for big corporations, but for the little guy and the little woman who works day after day to try to make a living.

[*Translation*]

I am glad to have had this opportunity to speak about the problems in our region. I can, if necessary, provide further details. What we need are real solutions that make EI accessible to those who need it.

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, given what we were told about the employment insurance bill, it is obvious that it will be detrimental to Canadians.

The hon. member for Acadie—Bathurst has eloquently described the negative impact the Liberal policy has had in his riding. I would ask the hon. member if his constituents are aware of this negative impact and how far they are prepared to go to get some respect.

**Mr. Yvon Godin:** Mr. Speaker, first, I want to thank the hon. member for Terrebonne—Blainville for her question and to congratulate and welcome her to her first term in the House.

Regarding how far the people back home are prepared to go, I would say they have been holding demonstrations since 1988 when the first changes were made. That is when the Conservatives under Brian Mulroney began to change the EI program. In 1986, when the government took employment insurance funds to add to the consolidated revenue fund, the people kept right on demonstrating.

Will they have to hold demonstrations all of their lives? There were 2,500 to 5,000 of them taking to the streets. The same question is being raised again this year. Will the men and women in the crab fishery be allowed to have a solidarity fund? Fishers do not have any money to invest in the fund and the government says that it cannot force them to put money into the fund. Afterward, these workers will slip into a so-called gap.

Here is what happened. The people back home took to the streets not because they wanted to but because they had to ensure that the changes that were so crucial to them would be made. I am sure the people will fight to the end, until the right changes are made.

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I want to thank the member for Acadie—Bathurst for pointing out some of the many shortcomings in Bill C-2 and itemizing how it fails to help the people, at least in the riding of Acadie—Bathurst.

We have many similar problems right across the country with EI system that has ceased to become an employment insurance system. How can we even call it an insurance program any more when it does not provide benefits for unemployed people who need them?

• (1240)

Could the hon. member expand on some of the specific problems with Bill C-2? The government changed the clawback provisions. However, even though it tried to change the intensity rule, it failed to touch on the way the benefits are calculated or what we call the divisor rule. Under these new rules workers who make applications now are getting \$130 or \$200 a week on their first paycheques, instead of \$430 which was common in the old days.

It is not difficult to see why there is a huge surplus in the fund. First the government makes it more difficult to qualify and if people are lucky enough to qualify, which is like winning the lottery, it will gouge the actual benefit they receive by using the divisor rule and calculating the dead weeks.

Could the hon. member itemize those shortcomings in the way the benefits are calculated?

**Mr. Yvon Godin:** Mr. Speaker, that is another place where the workers are being hit very hard, both men and women.

I have an example of a working woman in my riding who should have been allowed to collect employment insurance based on 52 weeks. She was not making much money; she made \$2,736. She had the hours needed to qualify for employment insurance. However, according to the employment insurance rules, it only went back

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26 weeks to calculate the money. In that 26 weeks the woman made \$629 and received \$34 per week in employment insurance. It is a real shame. If the benefits were calculated the right way then she would have received \$150 instead of \$34.

I have another case of Mr. Réginald Raïche called me yesterday. He had worked and earned wages of over \$350. Because the calculations were based on 26 weeks, instead of all his hours of work being calculated, he is receiving only \$74 instead of receiving over \$200.

That is the type of case where we have to have an open mind and make changes. That will not encourage Réginald Raïche to work more. He had a hard time getting 10 weeks. He was trying hard, even calling my office to ask for help to get some hours. He said he did not want to be on welfare. He wanted to work but there are no jobs in his riding during the winter. There are probably no jobs in some parts of the riding of my dear colleague from Winnipeg or in the ridings of some of my colleagues from the Gaspé coast. There is no work and that is the reason some changes have to be made.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I would like to congratulate the hon. member on the three specific examples he gave us of all that needs to be changed in employment insurance and the need for an in-depth reform of the system, which serves more to accumulate surpluses for the government than as a true employment insurance plan.

I would like to ask him a question about the fate of older workers. The program for older worker adjustment has not been in effect since 1995, when it was set aside. The government has programs for active measures. Today, workers aged 50, 51, 52, 53 or 55 do not necessarily have the skills for retraining in another field. Jobs in different sectors do not necessarily correspond either.

I was expecting the federal government would do something in this regard. Employment insurance money could be used or a way found to establish a bridge with old age pension benefits.

Does he agree with me that it would be relevant with respect to the surplus in the employment insurance fund, in the case of people who have contributed for 15, 20 or 25 years, to have something added to the bill so that older workers could have a proper program and so there could be something to help carry them over to their old age pension?

**Mr. Yvon Godin:** Mr. Speaker, I first want to thank the Bloc Québécois member for his question. Yes, something could be done.

• (1245)

What is going on now is regrettable. I did not say much about the divider. One can work 420 hours over a 12 week period and divide

by 14. Again, we are stuck with the divider. Bill C-2 should eliminate the divider rule.

As for those aged 50 and over, it is not easy—and I am sure you would agree with me, Mr. Speaker—with the new technology, to go back to a community college and try to learn how to operate a computer and become an expert in the new technology.

We need a program to help these people. Back home, there are plant workers who tell us “We have worked for 35 or 40 years in a fish plant; give us our pension, do something”.

For example, in the case of those over 50 and out of work, we had a system whereby they would work for six months and then let someone else take over for six months. That program worked well but only lasted five years. It had a positive effect in my region. People felt useful to the community. They felt useful in today’s world and they did not find themselves with nothing at all.

Perhaps the bill should include such initiatives to help those who lose their job at a certain age because of the new technology or cuts. We must help them upgrade their skills or find something else. An employment insurance program should be in place to help these people. We now find ourselves with something that makes no sense.

[English]

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I congratulate you on your appointment. I am not sure whether to chastise you, criticize you, or promote you. During the last parliament you were the government whip. I guess I am giving you some credit because it was a very tight majority. You never lost a vote in that three and a half years.

Although it is difficult for us on this side of the House to say it, I think you did an extremely good job. Despite our political differences, I think your colleagues recognized that. I wish you the best in the chair. Being a former NHL referee, as has been mentioned many times, it comes naturally to you. This is probably a tougher forum than some of the ones you have refereed.

Bill C-2 is a replacement for Bill C-44 which died on the order paper when the election was called. It was to address some of the difficulties the government incurred following its draconian moves on the EI file in 1996. At that time The government inflicted a lot of punishment on seasonal workers.

It really revolved around the intensity clause, which meant that if one collected employment insurance over a period of years, one would lose 1% of the benefits, up to 5% if one collected over what is called a 20 week cycle over a five year period. In other words if

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one was a claimant for five years, one would lose 5% of the benefits. That would bring it down from 55% to 50%.

That does not seem like a lot of money to any one of us in the House, but my colleagues and I have done a quick calculation based on a minimum wage worker. Many workers in New Brunswick and other parts of Canada are earning minimum wage. In some cases it is as little as \$6 an hour, or \$240 a week before taxes, before EI premiums, CPP and all other deductions are taken off. With a \$240 paycheque, how much does one have at the end of the day? It is not very much. I suggest in the order of \$200 with any luck.

• (1250)

When our jobs ran out what did we do? Was there a safety net? There was, and it was called unemployment insurance. The name has now been changed to employment insurance. I guess it is a more positive name. No one wants to use the word unemployment. Employment insurance is the instrument we would look at for some protection and support when we are unemployed.

The intensity rule meant that a minimum wage worker would be entitled to \$120 a week in employment insurance. That is what their benefit would be if they were unemployed. It would be 5% higher, somewhere in the order of \$126, maybe \$130 tops, if one had not claimed employment insurance at all. Basically, that is the straw that broke the camel's back.

The government was not being very responsible or responsive to its citizens at the time. I know some of the ministers in Atlantic Canada simply played hardball with the seasonal workers. They basically told the workers to get off their rear ends and go to work not realizing that work does not come that easily in some parts of Canada, particularly Atlantic Canada. I am still surprised at my colleagues from the united alternative, formerly the Reform Party, when they talk about lazy Atlantic Canadians. They have made that statement more than once. In fact it hung them in Atlantic Canada in the last election. They were out campaigning hoping to get elected while calling the people lazy, the very people they would have been representing in the House of Commons.

Seasonal work is not the type of work that most of those people would prefer. They would prefer full time jobs, 52 weeks of the year, but unfortunately that is not possible in some parts of the country.

When the government brought this in, it received a lot of criticism. In fact, that criticism was borne out in the election of 1997 when the Liberal Party lost 19 seats in Atlantic Canada because the feeling was that the government was not being responsive to the people it represented.

Atlantic Canada is the poorest part of Canada. We do not have oil in the ground at \$40 a barrel. If we did there would be a big

difference. We do not have a car manufacturing capacity and the benefits of an industrialized society. We will give all levels of government credit for making advancements but there is still a long way to go.

We still have fish plant workers and fishermen. We have woodworkers and people employed in the tourism sector. All of those are seasonal workers, workers who can only make a living part of the year and at the end of the year they are left to draw employment insurance.

When the government realized that it had lost those 19 seats in 1997, it decided it would do something about it. On the eve of the election last fall, it brought in a bill that would address this issue. In other words, it would eliminate the intensity clause. It decided that it had made a mistake, that the 5% punishment on seasonal workers was too much and that it was going to change it. I give the government credit for doing that.

Unfortunately, the legislation was held up in the House by the united alternative party because it does not believe in that. There was just too much generosity in the package for minimum wage workers for members of that party to swallow, despite the fact that they have swallowed themselves whole on the pension issue. They made a career of attacking big government and the generosity of government, and destroyed many political careers in the process, only to find out that every single one of them will eventually jump on the pension bandwagon which they chastized, criticized and condemned for the last 10 years of their lives. What else would we expect them to do on this bill? What do they do? They attack little people.

The government can be attacked on this as well because it is addressing the intensity clause. In so doing, it has eliminated the commission.

• (1255)

The commission is the body set up by the government to determine what the rate will be. Currently employees are paying \$2.25 into EI. That is their premium. The employer is paying 1.4% above that. Effectively the employer is paying over \$3 and the employee is paying in \$2.25.

What has the government now done? By stealth, it has limited the capacity of the commission to establish the rate because the rate is too high. The rate could be set at \$1.75 for the employee. That is borne out by the auditor, the chief actuary of employment insurance premiums. He states in his report:

It is likely that a rate as low as 1.75% could also be set for the year 2001 and kept for the indefinite future. Although this rate would contain a smaller margin of safety, the current surplus would still make it a reasonable option.

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The government has simply eliminated the ability of the commission to set the rate because it is sitting on a \$35 billion surplus in the fund. This is expected to grow to \$50 billion in the next two years while the commission is suspended.

The rate could go down to \$1.75 because the interest on that \$35 billion today has to go back into the fund. That helps keep the rate lower. The reason the government will act in stealth is that the EI surplus is just a bookkeeping entry. The government even wants to eliminate that, because once it eliminates that entry it will be free to cash in the \$50 billion and use it as it so desires. In fact it already has; this is just a paper transaction.

This will effectively allow the government to keep the rates higher. If it does not have the \$35 billion, the interest on which helps to keep premiums lower, it will then have the ability to sneak premiums up when necessary. This is why the entire bill has to be revisited. The ability of the government to suspend the commission has to be eliminated.

The government has a history of acting in this way, especially on this file. Who else but this lonely group of us at this end of the House of Commons will stand to defend the lowly, seasonal, minimum wage workers? I give the NDPers credit. They consistently support the little guy, and that is what we are doing. We cannot leave it up to the government to do it because it has a horrible history of ignoring the little people.

What happens when those safety nets disappear which we see happening at the municipal, provincial and federal levels? What do the little people have to fall back on? We are not talking about the generosity of government. We are talking about a fund that they have paid into, expecting it to be there when they need it. It is called insurance.

How many times have we heard about people being duped by insurance companies where they pay in but cannot collect? It is pretty well the same. The government wants them to pay in. It wants them to pay premiums higher than they should be, but it does not want them to go to the fund when they need help.

For example, we have government departments acting in collusion to hit little people who cannot defend themselves.

• (1300)

I refer to an article that appeared in Saint John's *Telegraph-Journal* on Friday, February 2. The headline reads "Tax case against auctioneer thrown out" and is subtitled "Justice: Revenue Canada unfairly targeted businessman, judge rules". The article about a businessman says that "Saint John auctioneer Tim Isaac's tax evasion case has been thrown out after a judge ruled that he had been unfairly targeted by Revenue Canada".

Isaac survived this witch hunt only because he had the financial wherewithal to hire a lawyer to defend him. The judge came down hard on the Department of Revenue, which is now called the CCRA, Canada Customs and Revenue Agency. The better words for that would be "Revenue Canada". That is what we used to call it.

Now we find the same thing happening to the lowly clam digger. What do clam diggers do? They go out right now in sub-zero weather—they go out in summer as well—to harvest clams in the mud flats by digging them up by hand. It is back breaking labour. These people are the working poor, there is no question about it. They average \$6 an hour, maybe \$8 an hour if they are lucky enough and strong enough.

I have just found out that there is another witch hunt underway, but this time it is Revenue Canada, now called the Canada Customs and Revenue Agency, working with DFO, the Department of Fisheries and Oceans, and HRDC, Human Resources Development Canada, to take a look at some of these clam diggers' claims. They will also take a look at some of the buyers of these clams, because somehow they feel that the tax man is being cheated. This morning HRDC officials confirmed that they have had numerous third party reports concerning claimants drawing EI who have not worked, who did not dig enough clams to actually claim the benefits they are claiming. That is the long and short of it.

What are third party reports? Are they hearsay evidence? We do not know. No one knows. These are rumours, the same kind of rumour that allowed the tax people to go after Mr. Isaac. He hired a lawyer and the government was chastised severely by the judge in that case.

In this particular case we have 33 to 36 interviews by government officials—interview is basically another word for interrogation—of the lowly little clam diggers to determine whether or not they dug clams. They had no counsel in the room with them. They had no one representing them. Not one of them, and probably not all 36 of them pooling their resources together, could afford a lawyer.

Is this the type of government we have?

When people get desperate they do desperate things. One of the things that people want to do when they get desperate is to feed and clothe their children, particularly when it is the kind of winter that we are having now in eastern Canada.

We will never know what goes on in that room when two government officials interrogate the lowly clam digger. That is digging to the bottom of the barrel when one goes in and violates people's rights or, as our justice critic says, the charter of rights. Do the government officials read the clam diggers their rights when they go into the room and interrogate them? My feeling is no, the

officials probably do not, because they know that they can kick the bejesus out of these little people, get away with it and have a minister sitting right over there defending their actions. In fact, it was government orders from right here in Ottawa that caused them to do this.

• (1305)

I am not criticizing the local HRDC officials, because if they do not carry out their actions, they are gone too. The government does not have any compassion for its own workers and has even less compassion for the disenfranchised, which is what these people are.

That is why when we stand up in the House we defend the little guy, because no one else is going to do it. The little guys cannot afford a lawyer or a consultant and there will be no one on that side of the aisle to come to their defence, and very few of us on this side. That is one of the few things I can give the Bloc credit for as well. It is not very often I defend the Bloc. They will defend their lowly woods workers and fishermen. The NDP will defend the little guy as well. So will we. The majority in the House will not do that.

This type of harassment of little people has to cease and desist. If the ministers involved had any respect at all for human life and human dignity they would get together, share the information, consult with the members on this side of the House and find a better way of doing this. In the middle of winter when it is damned hard to be make a living as a clam digger, what is now being done is wrong.

We will be proposing amendments to the EI bill. We are prepared to support it with some amendments. We do not want to go back to the old days of what they called the lottery, of working 10 weeks and loafing for 40. There must always be a balance between a system that is too generous and one that is too miserly and too hard on the workers. That is the type of balance we want to strike. That is the reason we will support anything that comes in to help the little guy, but we do not want to flip-flop too much the other way and make the system too generous.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I extend my personal congratulations and thanks to you in recognition of your appointment to the chair.

I also wish to thank the great people of Sackville—Musquodoboit Valley—Eastern Shore in Nova Scotia for giving me the honour of being their representative twice in a row.

I have a question for my hon. colleague from New Brunswick, who lives in a very beautiful part of the world. An awful lot of people were hurt by the EI changes, not only working people but small business people. We all know that if a business were to go into a certain community and say that it would drop \$20 million there, both federal and provincial governments would bend over

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backwards to do anything they could to get that business in there. Yet communities like Saint John, New Brunswick, or St. John's, Newfoundland, had almost \$100 million ripped out of the local economies because of the changes to EI. It meant devastation for small business, families and workers in those areas.

Could the hon. member please elaborate on why the Liberal government would take away that money from those hard working people and then give it away in tax breaks for major corporations?

**Mr. Greg Thompson:** Mr. Speaker, I do not know the complete answer, but it is the history of this particular party to do that. I do not want to make it sound as if big business is the enemy, because it is not. We have an economy that is chugging along pretty well and hopefully we will be able to survive the downturn in the American economy, which has hit the United States much worse than it has Canada.

It is not simply them versus us and governments always supporting big business. We must have big business and I have big business owners in my riding who are very good corporate citizens. However, if I am right about the direction the member is taking in his question about grants going to big business, which is that maybe some of the money should go to Canadians who really need the help, I do not think most of us would disagree.

That is the balance governments have to strike: governments must not only do good but appear to be doing good. That is always difficult. I know that when we talk about loan guarantees to companies such as Bombardier and so on, it is easy to criticize them, but even though Bombardier is a large corporation and a very successful one, in the marketplace those types of guarantees are sometimes important for corporations. Sometimes governments have to make them. Oftentimes, if they had their druthers, they would rather not, but there is globalization. I know that the NDP's view of globalization is not quite the same as our party's, and I think some of their concerns are justified, but on balance we need to have corporations, big and small.

• (1310)

My belief is that if all corporations, big and small, were healthy, we could do without some of the things we are actually talking about here today. Unfortunately that is a perfect world and we do not live in a perfect world.

The bill we are talking about today is about support for little people when they need it, and I think that is one area we can agree on.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I listened with great interest to my colleague's speech and I noticed that he was aware

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that on this issue his arguments were often those of the Bloc Québécois.

There is a matter of equity that goes beyond the various positions members may have on the national issue. Obviously we have created a monster with our employment insurance program. That monster has killed social equity, particularly the pact made with Canada's and Quebec's resource regions.

The member talked about amendments he would like to make to the legislation. I would like to know if these could be brought in quickly so we could vote on two bills as suggested by the Bloc Québécois and so people could benefit from improvements to the program as soon as possible. There would be a first bill aimed at improving the program, and a second bill, which we could debate later on, on the issue of the employment insurance fund surplus.

[*English*]

**Mr. Greg Thompson:** Mr. Speaker, as has been mentioned in the House, perhaps the whole EI file should go to committee, not just the specifics in the bill.

One of the points I did not make, which is not part of the bill, is about the EI boundary situation. Every four or five years these boundaries are changed, based on census data and so on. It is almost like redistribution in a political district. Some of those changes have imposed a lot of hardship in rural New Brunswick.

In my own riding it has, because we have fishing communities now lumped in with bigger areas like Saint John and Fredericton that have higher levels of economic opportunity or, in other words, lower unemployment. Seasonal workers in those larger areas are brought into these higher areas of economic development, which means they have to work longer hours for fewer benefits. The numbers are very much distorted by some of these bigger centres.

I would like the committee to take a look at how we could fine tune some of those districts to take into account some of the difficulties that are brought in when the larger centres put these rural areas at a disadvantage simply because the unemployment rates in those areas are lower. It becomes very complex. Once one part of the equation is changed, it all has to be changed, but it is one thing I would like to see discussed.

Last summer I personally organized public meetings in my constituency on that very matter, and the government did change those boundaries. Even though it is a five year process, the government said I was right, that these people were being treated unfairly. The government said it would be changed and did put it back to where it was over about a four year period. It is just a temporary fix.

The whole question of EI should be viewed by the committee in the hope of improving it from top to bottom, including the boundary situation, which is very unfair to rural seasonal workers.

**Ms. Raymonde Folco (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, several times during the debate today I have heard members of the opposition make reference to the bill going to committee.

• (1315)

I want to clarify a point. As members of the opposition know, we are now at the second reading stage of Bill C-2, after which the bill will go immediately to the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. I am clarifying this because members of the opposition all day have been suggesting that it might not go to committee. The bill will, in fact, follow due process like any other bill.

**Mr. Greg Thompson:** Mr. Speaker, we are well aware of that, but what we are referring to is the bigger picture. Obviously the bill deals with only some parts of the EI file. The boundary situation is not even mentioned in the bill. We understand that it will go to committee where we will have a chance to put forward amendments, which I think most of us will.

My party regards the bill's failure to mention boundaries as one of its errors. We have a solution or at least some ideas that might be workable if some attention is given to the bill. I think this can be done best via committee.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I will keep my comments short and ask one very specific question.

Would the PCs support an amendment ensuring that workers in the trade school component of their apprenticeship have no two week waiting period for EI? These people are not unemployed. They are still attached to the workforce. They are simply in school doing their annual six week school component.

Would the Tories support such an amendment?

**Mr. Greg Thompson:** Mr. Speaker, all my advisors tell me that we would support that. In all fairness, I have not looked at that but it is an idea that sounds intriguing. My colleagues, whom I always depend on, tell us that we could. Given that, I think we probably could do that.

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, I was interested in the remarks by some of our colleagues in trying to portray themselves as the only ones who fight for the little guy.

**Mr. Rick Borotsik:** Substance this time.

**Mr. Steve Mahoney:** There will be a lot of substance if the hon. member would care to listen. What they actually fight for is a little caucus, just to set the record straight.

However, there is a reason I have made that point. It is curious that members from eastern Canada come here and fight the changes to the Employment Insurance Act, when in fact the message came through loud and clear, through 19 Liberal seats in the maritimes, that they wanted change.

One must also remember that our government monitored the changes made in 1996 and realized that they needed an additional review. That is what this is about. Contrary to the negativity that tends to come from across the floor, they should be saying that they are pleased the government is listening.

Some members may be surprised to hear that there are members on this side of the House, myself included, who would support additional changes that may come out of committee, such as the apprenticeship issue mentioned by my good friend from Winnipeg. It makes a lot of sense.

What is employment insurance? It reminds me somewhat of the definition of life insurance. One pays a premium to a company betting that one will die. The company accepts the premium betting the client will live, and the client hopes they are right.

Employment insurance is very similar. The employees pay a premium along with the employer. In doing so, the employees are betting that they might need the use of the fund. They are betting that they could lose their job. The employment insurance commission bets the employees will not, and the employees hope it is right.

• (1320)

EI is an insurance program and not a social program which, with all due respect to my colleagues in the NDP, is how they view it. It is an insurance plan based on studies and actuarially sound financial data. The premiums are adjusted up and down as the economy functions.

Members of the Conservative Party say that the premiums are too high. It was not too many years ago, under former Prime Minister Mulroney, when the premiums exceeded \$3. Under this Liberal government the premiums are down to \$2.25. Let us not speak of premiums being too high, or of the surplus that my friends on the opposite side so eloquently discuss.

I would like to take the members back in a time machine about 10 years and have them tell me what the surplus was. Was there a surplus at all? In reality there was not. There was a deficit. Let us look at the history of the unemployment/employment insurance program. At the end of the day it is the government of the day that is responsible for ensuring that EI money is available to workers at 55% of their earned income. It is the government's responsibility to provide the money in good times and in bad. Ultimately the government of the day, whatever party, is on the hook.

How was the surplus created? It is not rocket science. More revenue is being generated in total premiums, both from workers

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and from corporations, than is being paid out in benefits because the unemployment rate is low. Therefore not all the money is needed.

What happens if the economy turns? Are we naive enough to think that we will keep rolling along, that there will never be a change, a bump in the road or a downturn? We already see it happening.

Employment insurance is not, with all due respect, just for Atlantic Canada.

**Some hon. members:** Oh, oh.

**Mr. Steve Mahoney:** Members can get excited if they want but they should talk to some of the auto workers and steel workers. Employment insurance is there to give all Canadians some security. It is there so workers will know that when there are problems on the car assembly line in Windsor or in Brampton, an insurance program is available for them.

Members opposite chirp about seasonal work as if there were not four seasons anywhere but in their ridings. What about the construction industry? Do we not have construction workers working through all four seasons? We all know the difficulty of pouring concrete in freezing weather and doing other jobs.

**Mr. Peter Stoffer:** How would you know?

**Mr. Steve Mahoney:** Mr. Speaker, the member opposite asks how I would know. I know quite well that it is extremely important to recognize that employment insurance is not a regional insurance program but a national program for all Canadians. It is there to help the fishers in Newfoundland and on the west coast, the construction workers in Ontario and all those across this great land.

The changes being made in this bill are based on the fact that the changes that were put in place in 1996 were in some instances punitive, although they were not meant to be.

It takes courage for a government to admit its mistakes. The intensity rule reduced EI premiums for repeat claimants from 55% down to 50%. The Liberal government found that eliminating the rule did not significantly change the number of claimants, and so it questioned the benefit of ever having introduced it. The government said that it was punitive to workers who needed the employment insurance fund perhaps more than those in other parts of the country.

• (1325)

Members opposite talk about the economic status of parts of the country. It is true that the economy in some parts of Canada is not as strong as it is in other parts. We have certainly experienced a boom since 1993 when the government came into office. Certainly that has been the case in Ontario. I do not deny that.

We also know there have been problems in the maritimes where employment insurance needs to be adjusted to ensure people in

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that part of this great country are treated more fairly. We are eliminating the intensity rule. Let us be clear about that. We have said it was punitive and that we put it in for a specific purpose.

I remind members that one of the reasons we put it in place was to stop large corporations such as General Motors, Ford or others, from quite legally using the employment insurance fund as an economic tool. They could shut down the assembly line for weeks while they retooled to switch to another vehicle, simply lay off the workers and allow them to go on UI or EI. Once the retooling was done they could bring the workers back.

We saw that as corporate manipulation of an employment insurance program which was put in place to provide insurance to replace income loss due to job loss. It was not for large corporations to use as an economic tool.

We put it there for a good reason, but recognized that it became punitive to those people who consistently had to rely on employment insurance. Let us also recognize that they continue to pay the premiums. The intensity rule is gone.

Let me talk about the clawback. This is one of the areas where workers in Ontario will benefit most in terms of their income. When workers attain a combined annual family income of a certain level, at income tax time the government starts clawing back the employment insurance benefits they may have received.

When Mr. Mulroney was Prime Minister I believe the level was somewhere in the neighbourhood of \$64,000 or \$65,000. Workers at that time could be on employment insurance for a couple of months, work for the balance of the year, exceed \$65,000, and Revenue Canada at income tax time would claw back their benefits.

It seemed to us that was too high. The changes we made in 1996 reduced it to \$48,750, and then again reduced it to \$39,000. In some ridings one may be able to live with a family on \$39,000 and have EI clawed back although it is not a lot of money. However, if a worker lives in the GTA, works in the construction industry and has an income of \$39,000, at which point the government starts clawing back benefits because he or she was unemployed for four weeks or eight weeks or something in that nature, it is definitely too low a threshold.

It was members of this caucus who fought and spoke passionately about returning the clawback level to a more reasonable \$48,750, so that if second or third repeat EI claimants are off for a period of time they would see when their incomes exceed \$48,750—by the way, first time claimants are exempt from any of this—a clawback of benefits to a maximum of 30% of the income over and above.

It seems to me members opposite, supposed champions of the little guy, should stand and applaud that kind of recognition of economic reality. It is an extremely important position.

• (1330)

I will speak briefly about apprenticeship training. The member for Winnipeg Centre asked the Tories if they would support eliminating the two week waiting period for apprenticeship trainees. I think that makes a lot of sense.

I intend to work at seeing that happen in committee. If it does not happen, we should not throw out the baby with the bath water. We should continue. I believe it is a sound argument and a fair argument because we do not give enough recognition in my view to apprentices.

I had a private member's bill, and the member for Winnipeg Centre had one that mirrored mine, that would have provided national standards for apprenticeship training from sea to sea to sea. We recognize high school diplomas and university degrees anywhere in the country regardless of where they are obtained. We recognize them without a problem.

Why then do we not recognize the qualifications of an apprentice in every corner of Canada? I know we do in some instances. With the red seal program some 44 apprenticeship programs are recognized nationally, but not all of them are covered.

It seemed like a very logical bill that should have been supported by all sides of the House. I really thought there was a chance for unanimity. The problem that arose was that there were two particular parties in the House more dedicated to provincial authority, provincial responsibility and the delivery of programs at the provincial level than they were to supporting national standards.

My bill would not have changed the delivery mechanism for apprenticeship training. In Ontario we have a wonderful system through our community colleges supported by the provincial government. In Ontario we would continue to deliver the apprenticeship funding and the programs at the provincial level, but it would allow for national standards to be put in place that would have no impact on provincial governments.

Unfortunately, the way things work around this place, my bill was not allowed to be votable. It was not allowed on the floor of the House for a vote of all members because the Canadian Alliance and the Bloc had provincialism as their top agenda. They are more concerned about that than they are about nation building.

I challenge every member of the House to strive to help young people, apprentices, to develop. It is fine for us to say that we would like all our kids to be doctors and lawyers, but the reality is that we need plumbers, bricklayers, pipefitters and carpenters. As a matter of fact my youngest son starts a week today as a carpenter's

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apprentice. We need all those trades to help build the nation. We should be supporting them and we should be proud of them.

In the interest of moving the debate along, I conclude by saying that the government has shown a lot of courage. We have adopted fair wage. I have not heard anyone from the New Democratic Party applaud the government for doing it. A worker's wages can no longer be used as the determining factor in awarding a contract if it is led by the government. We have adopted fair wage as a policy. We have adopted changes to the Income Tax Act that will allow for the tracing of contracts given out so that all the proper taxes are paid, that the unions have a chance to know who is doing the work and where it is being done, and that the workers are being paid properly.

We have also put in place a program of changes to employment insurance. Here is the construction trades list: repeal the intensity rule, which has been done; fix the small weeks problem, which has been done for claimants in some areas; fund apprentices, which has not been done yet; adjust the clawback, which has done and change the re-entrant rules, which has been done.

We are not only listening to the people in the maritimes who rewarded us with a substantial amount of confidence in returning a large number of Liberal Party members to the House of Commons. That should have sent a message to both the New Democrats and the Tories, but apparently they did not get it.

We are progressive. We want these changes to go through. I hope to see additional changes made at committee which will benefit the men and women in the hardworking families that help build this great nation.

• (1335)

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I have listened to much of the discussion today. As numerous opposition members were speaking I saw a lot of baffled looks on the government's side, as if they were being enlightened by all the employment insurance problems.

I wonder if the Liberals paid any attention to all the people in Canada who were complaining for over a couple of years that they were suffering and could not afford to feed their families. They just did not listen. Then, shortly before an election they tried to move the bill along, making promises all over the country. My colleague mentioned that they received a great victory down east. We all know of the employment insurance promises that were made down east by the Prime Minister.

**An hon. member:** Economic blackmail.

**Mrs. Bev Desjarlais:** Absolutely. Blackmail is a term that often gets used for that kind of thing. When employment insurance first came into being there was a vision. We had to do something to help

junemployed workers to be able to put money into their pockets. The vision was there.

When money goes into a successful program and the program develops a surplus, most insurance plans would enhance the program. What does the Government of Canada do? It wondered how it could cut back on the program to see how much money it could save or maybe it wondered how much money it needed to cut down the debt or deficit and decided to get the money out of the employment insurance fund.

Instead of having a vision for improving the lives of Canadians and unemployed workers, improving training not just in the Atlantic or the north but throughout the country, building unity in the country and providing national programs that benefit everyone, the government did nothing. It piecemealed every bit and figured out how much money it would keep, how many dollars it could shaft from workers and not give back to them.

My hon. colleague mentioned all the wonderful things in the bill. Is he willing to look at having the employment insurance program operate separately? Is he willing to have the money not become part of the government coffers but go strictly for the improvement of training and employment of unemployed workers?

**Mr. Steve Mahoney:** Mr. Speaker, that is a fair question. I knew she would get there eventually. The reality is that the auditor general recommended that the so-called surplus from more cash-flow in than we are paying out in good economic times should go to general revenue. We simply adopted the auditor general's recommendation.

Let me be clear. The member overlooked one point I made in my speech. Let us take ourselves either 10 years back or maybe 10 years ahead to a point where there is less money coming in from employment insurance premiums than we are paying out in benefits and when the plan is in a deficit.

If that plan is left to stand alone, does that then mean the plan is unable to live up to the commitment or the benefits that will be needed at a time when the economy takes a downturn? Or, does that mean the government will write a cheque, which I know is the NDP way having served under Bob Rae for five years, whenever it goes down below the break even line?

We cannot have it both ways. Employment insurance benefits workers, but it is also paid for by companies and employers as well as the workers. It is a bilateral payment agreement that ensures the money will be there when it is needed. We cannot have it both ways, like the NDP would, by simply spending it into oblivion and putting it in a place where it is no longer financially sustainable.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, my colleague from Mississauga West talked about life insurance and

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employment insurance. I think he does not understand that workers did not adopt a life insurance plan.

The Liberal throne speech says that there was a time when losing one's job also meant immediate loss of income for workers and their families. Therefore Canadians created employment insurance. It was not life insurance. I think the member is smart enough to know that it is an employment insurance program, not life insurance. He should get the record straight.

He also talked about feeling bad about people making \$39,000 a year and how it was difficult to live on that amount. I would like to see him in my area where people work for \$8,000 or \$12,000 a year.

● (1340)

I would like to have his opinion on that. Is he ready to recommend changes when people lose their employment insurance by the month of February because the fishery only starts in May and the woodcutters only start cutting in June?

What is his solution? Is it welfare? Is that how he wants to treat the workers in Timmins, Hearst, White River and Wawa, Ontario? Is that how he wants to treat the people in Ontario who have the same problem and whom I have visited personally? Would he suggest that those people are not the real workers of the country who participate in good economic development? Is he saying that those people abuse the system all the time?

He also mentioned the Atlantic provinces. Is that how disconnected they are? Do members know why sometimes people vote for the Liberals? It is because 35 days before the election they look like a bunch of NDP but the day after the election they become Liberals again. In Acadie—Bathurst, the people woke up and said to the Liberals that there was no place in the House of Commons for the Liberals. They put back another NDP and members know his name.

**Mr. Steve Mahoney:** Mr. Speaker, I guess by extrapolation what the hon. member is saying is that everybody else in the country except the wise people of his riding are stupid. I would think that is a pretty unfair analysis from that perspective.

I will clarify something. When I used the example of life insurance I made the point that people were paying a premium on the presumption that it was there to protect them. With their employment insurance premium, they are betting they will lose their jobs and the insurance company is betting they will not. Obviously the workers hope the insurance company is right and they will not lose their jobs.

I know it is a hard concept for the hon. member to understand but maybe if he has a chance to read it in *Hansard* with a highlighter he will figure it out.

In this bill the government has recognized that the intensity rule needs to be changed, which is part of the problem the member talked about when he talked about seasonal workers. It does not matter whether they are from Timmins, Ontario or from Acadie—Bathurst. It is a national program for all Canadians.

We have recognized that some of the changes that occurred in 1996 were punitive against the workers. I would have expected that member in particular to stand and applaud the government for having the courage to recognize that and making those changes.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, can the member please tell us where the \$30 billion to \$35 billion EI surplus go? The surplus belonged to businesses and workers in the country. Where is the surplus?

**Mr. Steve Mahoney:** Mr. Speaker, it is exactly where the auditor general suggested it should go. It went into general revenue. When it goes into general revenue it is used like all sources, whether it is GST, income tax or corporate tax, it is used for all sources of the government's priority.

The real question for the member opposite would be, what does the government do when the insurance plan takes a dip, when the economy goes down and unemployment goes up? They live in never never land. They think it will never happen, that things will just carry on.

I have some news for them. The United States economy is experiencing some severe trouble and there will be some impact. We are already seeing it in some areas of this country. What this government has done is made sure that the employment insurance program, which will benefit workers and the little guy they pretend to represent, is sustainable and will be there to support those people who need it.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, I sat here listening to this debate and I am dismayed that the government would actually cater and pander to a vision of the future for this country that is less than what it can be.

● (1345)

I know, and every member in the House knows very well, that seasonal workers do not want to work only part of a season. They do not want to make minimum wage. They do not want to make less than what others make. They want to maximize their potential. They want to work full time and all year long. They want to give their children a better future than they have had.

It is unfortunate that in the context of the employment insurance bill the government is catering to an old way of looking at things. Our party and our party critic have for a long time been putting forth ideas to ensure that the employment insurance plan in the country is fair.

At the end of the day this is a question of balance. It is a question of ensuring that seasonal workers and people who are unemployed through no fault of their own can be taken care of in their time of need. It is also a question of balance for the people who pay into the program, the employer and employee.

We have always striven for, and indeed the government would be wise to look at this, an employment insurance plan that strikes that balance. That is a true insurance program to make sure that in time of need a person will have enough money to live on. They will not be hard done by as members of the NDP and the Conservative Party have mentioned throughout the debate.

It is also a question of ensuring that money is there in the future. The member from the Liberal Party mentioned that. We want that too. However, it is unethical and unfair both to the employer and the employee that the government takes \$10 billion out every single year, which is more than what they use. That is nothing more than another tax on the employer and the employee. Rather than that money going into general revenues to be spent as the government sees fit, we feel it would be better to use that money specifically to ensure that those seasonal workers and our workforce as a whole have a better chance to compete in the changing economy in which we live.

We hear very little from the other side about the complex nature of our changing economy, both nationally and internationally. We live in a globalized structure. Information is passing back and forth much quicker. Political and economic shocks are felt very rapidly and quickly by nations around the world because of greater linkages. We also feel them. As a nation, we depend very much upon our ability to export and our ability to export determines our standard of living at home. These shocks affect the pocketbooks of Canadian employers and employees.

We hear very little about the ability for us to maximize our niche as a nation. We hear very little about our ability to deal with the demographic changes of our aging population and immigration. All these things are going to have a profound impact upon our ability to be competitive in a more globalized, more linked international community. As a nation, we are not only competing with the people next door to us, the people down the street, the people in the next province, we are also competing with countries from around the world.

It is incumbent for us as a country, and indeed everybody in the House, to ensure that the employees and employers of the country maximize their potential. Maximizing potential is what I am going to refer to today. My colleague, the critic, has done an excellent job of articulating our position on this view and my other colleagues will do the same.

I want to address a few specific issues that my party and many other members of the House have addressed before. How do we maximize our economy? First, we need to put the EI program on firm fiscal ground. We need to ensure that the moneys paid by the employers and employees are less. This will lessen the tax load.

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For example, if we lessen the tax burden on the employers and employees, employers would have more money to train their employees. Employers would have more money to hire people.

The Liberal member who just spoke mentioned some ideas on how we could maximize our educational abilities. This is an issue I will get to in the future and which is very important. Unfortunately, there are huge issues that have not been dealt with by the government to this day.

• (1350)

I am going to talk about the issue of taxes. A lot of people are not investing in Canada because we have a far less desirable environment because of high personal and the high corporate taxes.

Some would criticize us and say that we just want to lower taxes for the rich. That is nonsense. An intelligent tax reduction strategy, which is what we have been trying to get, ensures that all people, particularly those in the lower socioeconomic levels, have more money in their pocket. In fact, we have been articulating plans to ensure that those in the lowest socioeconomic groups pay no tax. Why? Having a job is the greatest social program we can have in this country today. I know those seasonal workers out there who are listening would be rather be working full time than have some income supplement program, some gift from the government or some cheque in the mail. They would rather earn it themselves. They could then provide for themselves and their family.

We have been trying to articulate plans for lower personal and corporate income taxes to enable our citizens to be competitive in the global economy. We know the Prime Minister is visiting the president of the U.S., Mr. Bush. We know they are going to talk about some economic issues. Mr. Bush has decided to lower taxes even more. That is going to increase the gap between us and the U.S. which will cause a huge imbalance. Some people would say so what it is just one country. The fact of the matter remains that our nation does 86% of our trade with one country, the U.S. So it matters a whole lot what Mr. Bush does. In many ways it will determine how we adapt to that.

As a nation, we should be getting together to streamline the complex morass of rules and regulations that choke off the ability of the private sector to maximize its ability. In my province of British Columbia repeated business summits have said that rules and regulations are one of the top three reasons why companies cannot maximize their potential. To put it into concrete terms, it means that those companies cannot hire people. They cannot make money. If they made money, they could hire, train and employ people. They could give people a better future than they would have on government assistance.

I would like to talk briefly about the notion of how we can deal with education. I know there has been some mention of it. It goes to the heart of enabling people in underdeveloped areas of our country to work.

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As an example, let us look at Ireland. A few years ago Ireland was in a bit of an economic backwater. It eventually said that it was not going to put up with it anymore. It said it was going to maximize its potential as a small nation. What did it do? It lowered taxes, eliminated useless rules and regulations and made an effective investment in education.

The government has been pulling money away from the provinces for education for a long time. We know we are getting into a crisis situation. Not only is there a gap between people who are graduating from high school, and not enough graduating from high school who are literate, there is also a number of students who are graduating from university without necessarily getting some of the skills to be competitive in our economy.

The previous hon. member alluded to a program which I think is very effective. I will cite an example of where it works very well. Germany has taken a very profound long range look at linking businesses with the educational community. Students will have real time opportunities to learn skills in school, be it trades or others, and get real time experience in those areas. By linking up the private sector and the educational sectors, students will have an opportunity to not only develop real time work experience but also have real skills that they can take into the employment sector when they graduate. This works very well.

We also have a lack of infrastructure in schools and trained people to teach our students. With the aging population in our universities, we know there will be an enormous gap in professors who can train the youth of today.

We have made proposals about EI. One is to give enough money to businesses so they can train their employees. Businesses have repeatedly said that it will be up to business in the future to train and retrain their workforce.

• (1355)

It is not always up to the government. If we do that, people in the workforce today and tomorrow will be able to continually keep their skills upgraded and be competitive in the ever changing global economy I mentioned at the beginning of my speech. They can only do that if employers have the money in their pockets.

There should also be a review of barriers to trade. It is extraordinary that in this day and age, in the 21st century, we have more barriers to trade east-west than north-south. How could that possibly be so? It speaks to a complete lack of action of the government since it was elected to deal with one of the major problems for trade and commerce, interprovincial trade barriers.

The government should immediately strike a task force with business to see how it can eliminate those barriers to trade. The provinces must be brought into that and the government must work

together with them. If it does that, it will eliminate one of the most profound and useless impediments by ensuring our employers have the tools to be the best they can be.

Another area we can talk about is ensuring that the government of the day works with the provinces to deal with not only land use issues but labour and employment policy. We have to take a long hard look at the employment and labour rules under provincial jurisdiction to ensure that they are not barriers to trade.

The Liberal member spoke about the unfair situation where individuals trained in certain skills could not take their skills across the country. That is a major impediment to individuals and is a barrier to the movement of manpower across our nation. It is another impediment to the nation maximizing its abilities.

In closing, for years our party proposed solutions to ensure that we were able to strike a balance in the employment insurance plan. That balance not only protects workers against unemployment through no fault of their own, but it ensures that employers can have the tools and the money to train workers and be competitive internationally and nationally. If we do not do this, employers will only be catering to the lowest common denominator and to a level of mediocrity. That would be a shame. There is much more that we can do.

**The Speaker:** I would like to advise the hon. member for Esquimalt—Juan de Fuca that he has seven minutes remaining in his time when the matter is brought next before the House, which I suspect will be later this afternoon.

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## STATEMENTS BY MEMBERS

[*English*]

### INTERNATIONAL YEAR OF VOLUNTEERS

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, it gives me great pleasure to rise in the House today to recognize that the year 2001 has been proclaimed by the United Nations General Assembly to be the International Year of Volunteers.

Volunteers are individuals who donate their time and act for the well-being of their neighbours, their communities, their country and society at large. In times of crisis, volunteers offer much needed relief on a local, national or international scale. Volunteers have contributed significantly to the welfare and progress of both industrialized and developing countries alike.

I encourage all Canadians to involve themselves locally, nationally and internationally. The service that volunteers give is called for more than ever to tackle areas of priority concern in the social, economic, cultural and humanitarian fields. They do us all a great service.

I ask the House to join me in celebrating the International Year of Volunteers and in recognizing the tremendous contributions these people have made not only in Canada but to the world at large.

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### EMERGENCY PREPAREDNESS

**Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance):** Mr. Speaker, last week's shutdown of a Department of Immigration building was just a wake-up call. The probability of a biological or chemical attack may seem low, but the consequences can be very high.

According to Emergency Preparedness Canada "There appears to be a general sense of complacency with regard to biological risk on the grounds that legislation guidelines are seen as both sufficient and respected".

Does the government have a comprehensive plan to deal with both chemical and biological terrorism beyond a normal emergency response, which Emergency Preparedness Canada has indicated would not be feasible?

Even former president Bill Clinton admits that he stayed awake at night worrying about the risk of biological terrorism. He even asked congress to spend \$2.8 billion to beef up security and research.

In closing, protecting the people of the country is the government's job. Does the government have any strategies to do that in the face of potential chemical and biological terrorism?

\* \* \*

● (1400)

### NATURAL RESOURCES

**Mr. Gary Pillitteri (Niagara Falls, Lib.):** Mr. Speaker, the Minister of Natural Resources recently informed me that Renaissance Fallsview Hotel, located in my riding of Niagara Falls, has joined Natural Resources Canada's Energy Innovators Initiative.

As an energy innovator, this hotel has made a long term commitment to the use of energy efficiency to reduce costs and, most important, to slow the growth of Canada's greenhouse gas emissions.

Today, while I congratulate the Renaissance Fallsview Hotel for its voluntary commitment to energy efficiency, I would like to invite other businesses in my riding and across Canada to make these same decisions so that they become part of the solution to climate change.

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It is through the leadership of energy innovators, such as the Renaissance Fallsview Hotel, that important goals, which will lead to a better environment, will be realized.

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[Translation]

### ORDRE DE LA PLÉIADE

**Mr. Serge Marcil (Beauharnois—Salaberry, Lib.):** Mr. Speaker, I would like to point out that Her Excellency the Governor General, Adrienne Clarkson, will be awarded the Ordre de la Pléiade today at Rideau Hall by the Canadian section of the Assemblée parlementaire de la Francophonie.

The Governor General will receive the médaille de Grand-Croix, the highest distinction of the order, reserved for heads of state and former speakers of the Assemblée parlementaire de la Francophonie. Madame Clarkson's medal will be presented by Senator Jean-Robert Gauthier.

The Pléiade is an order of the Francophonie and of the dialogue of cultures that recognizes the outstanding merit of individuals, such as Madame Clarkson, who have distinguished themselves in their service to the ideals of co-operation and friendship of the Assemblée parlementaire of the Francophonie.

On behalf of all members of this House, I wish to offer my congratulations to the Governor General.

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### GASOLINE PRICES

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, for a number of months now, Canadian consumers have been asking the same question as they fill up. They do not know the gross price of gasoline at the pump, on signs and invoices, without tax.

I am today going to introduce a bill on retailers' displays of the prices of gasoline.

Why are the Canadian oil companies afraid of posting the gross price of a litre of gasoline?

\* \* \*

[English]

### CAROL ANNE LETHEREN

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, I rise today to pay tribute to a great Canadian, Carol Anne Letheren.

Carol Anne had been chief executive officer of the Canadian Olympic Association since 1994 and had served as a member of the International Olympic Committee since 1990.

Colleagues remember Carol Anne for personifying the Canadian Olympic values of excellence, respect, fairness, teamwork, fun and leadership. Her life embodied a commitment to the benefits of

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sport, from its value in developing a sense of fair play to its role in the nation's health.

During her career, Carol Anne worked tirelessly to increase the role and level of participation of women in sport, not only as athletes but also as coaches and administrators.

She will be remembered as an energetic, courageous leader with a clear vision, who encouraged and inspired others to follow her lead.

I ask all parliamentarians to join me in expressing our sorrow to Carol Anne's family and friends and in honouring an exceptional Canadian sports ambassador.

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[Translation]

**SOIRÉE DES MASQUES**

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, the seventh Soirée des Masques held last evening in Montreal was an opportunity to see and to celebrate the remarkable talent of our hardworking artists.

I would be remiss if I did not take this opportunity to draw particular attention to some of the awards which are evidence of the diversity of theatrical production. The great man of Canadian theatre, Robert Lepage, earned the masks for best original script, best staging, best Quebec production and best set design for his play *Face cachée de la lune*; the théâtre du Nouvel-Ontario was awarded the mask for the best franco-Canadian production for *Du pépin à la fissure*; best English-language production was awarded to the Centaur Theatre Company for *The Beauty Queen of Leenane*, and best female performance was awarded to both Viola Léger and Linda Sorgini for their parts in *Grace and Glory*.

● (1405)

In closing, I would call upon this assembly to join with me in thanking all of the award winners at the Soirée des Masques for their essential contribution to the development of the arts in Canada, to the links that unite our communities, and to cultural diversity.

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**ROAD TRANSPORTATION**

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, a member of the Liberal government has succeeded in getting elected three times, twice provincially and once federally, on the promise of the same bridges for the same highway.

"Our commitment is firm. It's official for the bridges", according to the publicity by the new member for Beauharnois—Salaberry. Three hundred and fifty-seven million dollars were even

promised by the Minister of Public Works and Government Services and the President of Treasury Board within days of the election.

Almost immediately, the story changed. According to the Minister of Transport, it was "no longer a promise but a degree of commitment".

A promise is a promise. The government must not play with words. It must get down to it. Two bridges were promised, and two bridges will be built; the people have the opposition's word on it.

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**QUEBEC EAST**

**Mr. Jean-Guy Carignan (Quebec East, Lib.):** Mr. Speaker, the beautiful riding of Québec East is part of history in more ways than one. First, it has been in existence since the beginning of Confederation.

Over the course of time, the riding of Québec East has been represented by two great Liberal Prime Ministers who left their mark in our country's history, namely Sir Wilfrid Laurier and Louis Saint-Laurent.

Québec East was also represented by Ernest Lapointe, a prominent Quebec Lieutenant Governor under Prime Minister Mackenzie King and Minister of Defence during World War II. Finally, my Liberal predecessor, Gérard Duquet, held this seat for over 30 years.

I therefore thank the constituents of Québec East for putting their confidence in me at the last general election. They can rest assured that I will do my utmost to be a worthy successor to my predecessors and to serve their interests to the best of my ability.

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[English]

**TRANSPORTATION SAFETY**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, this past weekend my riding of Red Deer suffered another serious disaster. This one involved rail cars carrying anhydrous ammonia that jumped the tracks near the northwest corner of the city of Red Deer. This past July we had the deadly tornado that swept through the Green Acres campsite at Pine Lake, killing 12.

As a result of the derailment, one man is in serious condition and numerous others have been treated for exposure to the ammonia. We hope and pray for a speedy recovery for those individuals who have taken ill due to this accident. As of last night the evacuation order was dropped and people have been allowed to return to their homes.

I extend special thanks to the emergency services personnel, who have once again proven how valuable they are to the people of the Red Deer constituency. Firefighters, police officers and medical personnel have done an excellent job of bringing this serious

situation under control. I must also recognize the many volunteers who have contributed greatly to help make this whole experience a little less stressful for those involved.

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[Translation]

#### PORTNEUF

**Mr. Claude Duplain (Portneuf, Lib.):** Mr. Speaker, I wish to take this opportunity to thank all the residents of Portneuf for putting their confidence in me on November 27. I am all the happier because these people are Quebecers and they chose a Liberal candidate to protect their interests and those of Quebec in the House of Commons.

We have a common project, which is to further strengthen our economy and create even greater opportunities for Canadians from all regions of the country.

I am very pleased at the idea of co-operating with my colleagues in the House of Commons and my constituents of Portneuf to achieve that project.

Together, we will continue to build stronger, safer and more prosperous communities, and to give businesses, families, seniors and young people an opportunity to make their dreams come true.

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[English]

#### ENERGY

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, millions of Canadians have been frozen out of the Liberal government's energy rebate program. There is something wrong with a program that gives nothing to millions of people struggling with skyrocketing home heating costs but sends cheques to prisoners in jail. It is time for the Liberal government to admit that the program is flawed and to fix it.

One would think the finance minister would have taken a look at who was paying for heat and who was not before he started signing the cheques. Why does he not admit that the program was nothing but a cynical vote buying scheme announced just before the election and that it has misspent over a billion taxpayer dollars?

Worse yet, the Liberal government has done nothing to address the root causes of skyrocketing energy prices. Even if it had not mismanaged the winter's rebate program, it would only have been a short term solution.

• (1410)

On behalf of my New Democratic Party colleagues, I call on the Liberal government to work with the provinces in establishing a national energy strategy to bring energy prices under control.

#### S. O. 31

We call on the government to stop sending cheques to prisoners and start sending them to the people who need them. Let us get to work on a national energy strategy.

\* \* \*

[Translation]

#### MÉLANIE TURGEON

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, Quebec is taking the world by storm. The ability of its enterprises to outdistance their competitors and the talent of its artists and athletes have put it on the map as never before.

Recently, we scored another international success: I am referring to the achievement of the most well known resident of Beauport, skier Mélanie Turgeon.

We were familiar with her strength of character, her determination and her talent. And now so is the rest of the world. This year has been Mélanie's best yet on the world cup circuit.

She began the second half of the season by setting a new record: two medals in one day. Since then, each competition has confirmed her place among world-class athletes.

In my riding, which includes Mont Sainte-Anne, the loveliest mountain in eastern North America, skiing is an important part of our social and sports life. Because of Mélanie, the whole community takes a more than ordinary interest in this sport.

Mélanie will be in the starting gate in Austria again tomorrow. On behalf of the Bloc Québécois, I wish her good luck. Whether she wins or not, she will still be a champion.

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#### CAROL ANNE LETHEREN

**Ms. Hélène Scherrer (Louis-Hébert, Lib.):** Mr. Speaker, I know that you will join with me in extending our most heartfelt condolences to Michael Murnagham, the husband of Carol Anne, and to her entire family.

It is with terrible sadness that I inform the House today that, with the death last week of Carol Anne Letheren, CEO of the Canadian Olympic Association and member of the International Olympic Committee, Canada has lost a great friend and a great representative of sport.

Mrs. Letheren lived out her passion for sport by devoting her entire life to sports at the community, national and international levels, as an athlete, official trainer and administrator. In addition to her work with the Olympic movement, Carol Anne was directly involved, as a volunteer, in gymnastics, archery and volleyball.

*Oral Questions*

Mrs. Letheren was a member of many volunteer boards of directors in the fields of education, culture and sport. She taught at the University of Toronto and York University and worked as a strategic management and marketing consultant.

She defended the cause of amateur athletes and devoted herself to promoting Olympic values and helping the Olympic movement to spread in Canada and internationally—

**The Speaker:** The hon. member for South Shore.

\* \* \*

[English]

**FORESTRY**

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, the Prime Minister is in the United States today talking with the new president. Maybe he could clarify Canada's position with respect to the Canada-U.S. softwood lumber agreement which expires on March 31, 2001.

Certainly the Minister of Industry and the Minister of Foreign Affairs have had a hard time doing so. One publicly says that Canada wants to renew the agreement while the other says the opposite. Which one are Canadians supposed to listen to?

The lumber export industry to the U.S. is worth \$11 billion to Canadian producers and represents 30% of the softwood lumber market. Why is the government sending mixed signals to the United States on such an important issue? When will the Liberal government defend Canada's access to this market?

The United States claims that Canadian subsidies have forced 100 mills to close. A new U.S. trade representative, Robert Zoellick, has been appointed and will be defending the U.S. position. When will the Prime Minister stand and defend—

**The Speaker:** The hon. member for York West.

\* \* \*

**CAROL ANNE LETHEREN**

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I am sure everyone will join me in offering our most sincere condolences to Carol Anne Letheren's partner, Michael Murnaghan, and to her family. It with great sorrow that I join my colleagues on both sides of the House today in stating that Canada lost a great friend and advocate for sport when Carol Anne, chief executive officer of the Canadian Olympic Association and member of the International Olympic Committee, passed away last week.

Ms. Letheren's passion for and dedication to sport was illustrated by her lifetime of involvement as an athlete, coach, official and administrator from the community level to the national and international levels.

In addition to her work with the Olympic movement, Carol Anne contributed directly as a volunteer in the sports of gymnastics, archery and volleyball. She was a champion for amateur athletes and a leader for Canada. She devoted herself to the promotion of Olympic values and the development of the Olympic movement in Canada and internationally. She was also intimately involved in Canada's Olympic bid efforts for Toronto in 2008.

\* \* \*

• (1415)

**EMERGENCY PREPAREDNESS**

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, the Liberal government ignored dispatching Vancouver's search and rescue team after earthquakes in India, El Salvador, Turkey and Taiwan.

The first priority following an earthquake is saving lives, and the Vancouver team is always ready at a moment's notice. They should have been sent. Those nations needed our expertise and lifesaving technology.

The Liberal government's excuse was that it was not asked. Were other countries asked before they sent their teams? If yes, then why was Canada not asked? If no, why was Canada waiting to be asked?

A major earthquake is due in the lower mainland of British Columbia and the Liberals have closed CFB Chilliwack. The Liberals are preventing our Vancouver search and rescue team from getting firsthand earthquake experience. Why does Liberal government ignore emergency preparedness?

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**ORAL QUESTION PERIOD**

[English]

**LUMBER INDUSTRY**

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I certainly do not mind, and I hope you will not, if I use up some of my valuable seconds to acknowledge the healthy return of my colleague, the member for Calgary Southwest.

**Some hon. members:** Hear, hear.

**Mr. Stockwell Day:** Mr. Speaker, in my remaining 10 seconds I would like to reflect on the fact that Canadian lumber exports to the U.S. are worth more than \$10 billion annually and account for thousands upon thousands of jobs. On March 31 the softwood lumber agreement will expire and the lumber trade will revert to NAFTA rules.

I understand the Prime Minister will be meeting for 20 to 30 minutes with President Bush before they go for dinner. Does the

*Oral Questions*

minister responsible know how many minutes of that half hour will be spent fighting for the Canadian softwood lumber industry?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I should state that the Prime Minister will not have only a half hour meeting with President Bush before dinner. The whole dinner, for over two hours, is a working dinner at which the president and our Prime Minister will discuss a whole range of issues of concern to our two countries, domestic, hemispheric and international. I am sure that the lumber issue will be among the many important topics to be discussed, although it will be up to the president and the Prime Minister as to exactly what they will discuss and how much time they are going to take.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I hope that is true, and we sincerely support the Prime Minister in his efforts to speak for Canada. We say with sincerity that we hope it goes well.

Let me quote the industry minister, "The renewal of the existing agreement will be part of the mix when we sit down at the table". That is 100% contrary to the position of industry and labour and it is 100% contrary to the international trade minister's position. Which minister's position will the Prime Minister be representing today?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, to reply in the spirit of his question, I hope what he said in his question is true. This is a reflection on how we characterize my answer.

Canada will work actively to protect the interests of all the stakeholders in this important matter. The government will be speaking and is speaking with one voice in its commitment to all the stakeholders in this key Canadian industry.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I also hope it is true because it is the position in the statement of one of his ministers. I would think that it would be true. I am surprised to hear him contradict or question one of his ministers. However, I will ask further.

Softwood lumber is one of the major trade issues and it was recently confirmed at the hearings with the U.S. trade representative. Both the trade representative and President Bush are under enormous pressure to impose countervail duties against Canada when this agreement expires.

Which of the ministers has the responsibility of telling us today the specific steps in place now to deal with countervail measures, or does anyone care?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I was not questioning any of my colleagues, I was questioning the

Leader of the Opposition. I think I should do so again for the mistaken premise of his question.

There is no threat or action on countervail against Canada on this matter. He is well ahead of himself on this subject. We are going to have useful and constructive discussions. Canada will be speaking with one strong voice on behalf of all the stakeholders and all Canadians on this very important matter.

• (1420)

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance):** Mr. Speaker, I have great concerns when I hear the Deputy Prime Minister say there is no threat. I do not know what he has been listening to, but if it has been the U.S. Senate, this was one of the number one issues at the confirmation hearings of Robert Zoellick. I do not know where he has been. He says that Canada is speaking with one voice. If he had read the papers last week, I do not know how many different voices there were but they were coming from his cabinet.

This is a very important issue to every single Canadian. Thousands and thousands of jobs are at stake. The industry wants to know the Government of Canada's position. Canadians want to have some confidence but they are getting mixed messages from the industry minister and the international trade minister. What is their position?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the Government of Canada's position is that Canadian lumber interests produce a quality product, pay fair stumpage and should have free and clear access to the U.S. market. If the member has a different position, we would like to hear it.

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance):** Mr. Speaker, I could quote the hon. member because in fact his position was 100% contrary to that last week.

The forest industry across Canada is united in wanting free and unfettered access to U.S. markets. Is the government prepared to assure that it will stand up for all Canadians and will not settle for anything short of free trade on lumber with our friends to the south?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, at no time last week did I take any position other than that the Government of Canada believes that Canadian lumber exporters produce a quality product, that we pay fair stumpage and that we should have free and clear access to the U.S. markets. That is in fact what I said all week, what the Minister of International Trade has said and, I am sure, what the Prime Minister will be saying in his discussions with the U.S. president.

We happen to believe in this industry. We will work hard for this industry. We want to see this industry succeed based on quality, competitive pricing and a market where we think we have an advantage.

*Oral Questions**[Translation]***EMPLOYMENT INSURANCE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, access to employment insurance is constantly deteriorating, to the extent that only four out of ten unemployed people have access to it.

The situation is all the more serious when one realizes that there are billions of dollars of surplus in the fund and the bill introduced last week does nothing to improve the plan's accessibility.

Does the minister agree that her bill includes all measures necessary for getting her hands on the surplus, but nothing, absolutely nothing, for responding to the underlying problem, which is access to the plan?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we did consult Canadians on the need for change in the employment insurance bill. We coupled that with our own research. We believe that we have presented a balanced package that speaks to the concerns and the needs of Canadians.

I am sure, as the bill makes its way through the process here in the House and in the Senate, that the hon. member and his party will participate fully in the debate.

*[Translation]*

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the minister has most certainly not consulted the young people who are leaving the regions because they cannot accumulate the 910 hours they need to be eligible. Only one in four young workers can qualify, even though all four pay into it.

Can the minister explain to us just how the few changes proposed in her bill are going to do anything at all to improve the situation for young workers?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, from our point of view, the best way to help youth is to ensure that they stay in school and get an education to build a strong career.

The hon. member might be interested to note that youth have enjoyed the most significant job growth since 1990. Their employment rate today is 12.5%. In 1999 about 80,000 full time jobs were created.

From our point of view, benefits are only one piece of the puzzle. Getting a job is the most important.

*[Translation]*

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Prime Minister and

his ministers made commitments during the last election campaign to major changes to employment insurance, in order to remedy their past errors.

How can the Minister of Human Resources Development explain that she is back again with the same bill, which gives the unemployed only 8% of the \$6 billion annual surplus?

• (1425)

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, what we promised to the Canadian public was that should we be elected we would reintroduce these amendments as quickly upon our return as possible. The bill was introduced on Friday. The debate continues today.

Canadians had the opportunity to look at those amendments. What did they do? They returned a Liberal government in greater numbers to this place.

*[Translation]*

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, as the bottom line, is the government going to acknowledge that the only purpose of this legislation is to legalize, without improving access to the program, the misdirection of the surplus in the employment insurance fund into the pockets of the government?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we want to make sure that the Employment Insurance Act is comprehensive and speaks to Canadians in the best possible way.

From our point of view, we did consult Canadians. It was called an election, and the results are clear today.

\* \* \*

**TRADE**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question for the government has to do with what the Prime Minister might be saying to President Bush when they have their meeting this evening.

President Bush is in favour of a continental energy policy. The Liberals have gone some way down that road, considerably so, by signing on to NAFTA. My question is: How deep is the Liberal desire to mimic the policies of Brian Mulroney?

The Minister of Industry has already apologized to the former prime minister. I want to know if that is a sign of things to come. Has the Prime Minister gone down there to agree to a continental energy policy or will he be standing up for a made in Canada energy policy, insofar as that is possible within the NAFTA?

*Oral Questions*

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I do not know who my hon. colleague is trying to mimic but I do not think his question is getting anywhere.

The purpose of the meeting between our Prime Minister and the new U.S. president is not to reach deals. It is a “getting to know you” type of meeting. It is a meeting to exchange ideas on a whole range of subjects. I am sure our Prime Minister will speak strongly on behalf of Canada’s interests, whether it is with regard to energy or any other subject.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, one would think that on the first date the Prime Minister could at least indicate what might be permissible behaviour with respect to energy.

While we are talking about energy and given the continuing controversy about the fuel rebate, does the Minister of Finance have any intention of reviewing this program in order to address some of the inadequacies, particularly with respect to those people who need help but who are not getting it?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member asked a question on this last week and a number of members in our own caucus have raised this matter with me.

We stated at the time that because we wanted to get the cheques into the hands of people as quickly as possible that there would be flaws in the process, that there were anomalies and that we have asked our officials to look at them.

\* \* \*

**HUMAN RESOURCES DEVELOPMENT**

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, it has come to my attention that HRDC has admitted to interrogating 34 witnesses in an effort to gather evidence in a Revenue Canada-DFO-EI shakedown of seasonal workers.

Will the minister explain why her departmental officials are engaged in these heavy-handed tactics? Incidentally, the workers are not given the benefit of legal counsel.

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, let me first congratulate the hon. member in his new role as critic to the files in my department. If he would like to share the details of that with me, I would be glad to look into it further.

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, this morning in the House and later on today we will continue to debate Bill C-2, the reforms to the EI system.

The minister’s officials, who were here this morning, know full well the issue. It is hard to believe that they have not informed the minister at this point of some of the infractions going on in the

fishery community where seasonal workers, the disenfranchised, are being abused by her officials.

Will the minister act and act quickly on the abusive behaviour by her officials?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, I am not aware of such undertakings in my department. Again I would ask the hon. member that if he wishes to bring that information forward I would be glad to look into it.

\* \* \*

• (1430)

**GOVERNMENT GRANTS**

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, the Canada community investment plan was a red book commitment to improve access to venture capital in remote communities. A \$600,000 grant went to guess where? It was Shawinigan, after it was named “the most eligible community in Canada”. However that screening panel included several good Liberals who said “the panel was sensitive to regional and other political considerations”.

Why money was funnelled to supporters of the Prime Minister in Shawinigan, two of whom are now charged with embezzling in two other cases?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the member has given me absolutely no notice of the question. In any case, the notice she has served to the whole House is that she is not interested in information. She is interested in making accusations and allegations.

If the member has something substantive to put on the floor of the House and to me as Minister of Industry, I would be glad to give substantive answers. I think these questions are mere allegations, more of the same, and more of the same answers.

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, I believe more of the same answers. That is for sure.

Out of the 24 communities applying for this investment money from the Canada community investment plan, Shawinigan was rated number one by a screening panel that included two failed Liberal candidates in Quebec and a prominent Liberal from Saskatchewan. Surely that one is not a surprise to him. Surely he is up to speed on his department.

Is that what the red book really meant, that the government would manipulate departmental programs to funnel money into Shawinigan?

*Oral Questions*

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, unless and until the member gives me some notice of the question and allows me to look into the matter properly, I cannot give her a more detailed response.

The only information or knowledge I have about funnelling of money is the member making an investment in her pension plan.

\* \* \*

[Translation]

**PARENTAL LEAVE**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, as part of its family policy, the Quebec government is about to establish its own parental leave program, which will be much more comprehensive and will include all new parents.

My question is for the Minister of Human Resources Development. Will the federal government finally see the light and negotiate with Quebec, so that the federal funds available for parental leave can be added to those of the Quebec program, as provided under section 69 of the act, this in the best interests of young parents in Quebec?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the government realizes that workplace family challenges can be dealt with through appropriate legislation. One of those is recognizing that a great percentage of families are two working families.

We are very proud to have been able to double parental leave for all Canadians, including Canadians living in Quebec, within the very short period of time of one year. The program is now in place and all Canadians are eligible to benefit from it.

[Translation]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, the Minister of Human Resources Development does not understand the real issue. Her attitude is detrimental to young parents in Quebec.

Is there anyone in this government who can tell me if he or she realizes what is meant by a true parental benefits program for all parents without exception?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, on the contrary, the government understands the challenges that young families face while they work to try to ensure that they are self-sufficient and caring for their children.

We have taken dramatic action by doubling parental benefits for all Canadians. As we said earlier, if the province of Quebec wishes to do more, we encourage it to do so.

**GOVERNMENT GRANTS**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, the Minister of Industry says he needs more information on the particular subject so let me tell him a little.

In order to qualify for the Canada community investment program, one-third of the money must come from the private sector. That was not so in the case of A-R-C of Shawinigan that qualified for a \$600,000 grant.

In fact, an audit last April revealed that one-third of the private sector contribution actually came from the LaPrade fund, another federally funded agency.

Industry Canada's contribution was found to be a 99% overpayment. How much money did Industry Canada put into this and how much has been recovered?

• (1435)

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I thank the member for the specific question, more specific information versus the allegations we heard earlier.

As I understand it, there is now an agreement to recover all the funds in question.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, that is very good news. I am glad the minister found his briefing on it.

It begs the question how did this happen. In 1998 the Canada Economic Development Agency for the regions of Quebec wrote the Prime Minister's chief of staff, Jean Pelletier, notifying him that the federal controls over the LaPrade fund in Shawinigan were being relaxed. Shortly after, A-R-C of Shawinigan used LaPrade's money improperly to leverage a \$600,000 grant from Industry Canada.

What levers did the Prime Minister pull to get the grant in his riding just prior to the 1997 election? What was the role of the Prime Minister in his part of the leverage of this grant?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I have to say again that what we are seeing is a series of questions that are not designed to elicit information. They are designed to be part of a continuing program of allegation by members of the Alliance.

This kind of smear was attempted during the last election campaign. This kind of smear was judged during the last election campaign. It did not work then. It will not work now. I would suggest members get on the real issues that are of concern to real Canadians, not just smear tactics in the House of Commons.

*Oral Questions*

[Translation]

**GENETICALLY MODIFIED ORGANISMS**

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la-Mitis, BQ):** Mr. Speaker, a report by experts on the approval of GMOs, commissioned by the government and presented today, sounds an alarm on, and I quote: “the conflict of interest created by giving to regulatory agencies the mandates both to promote the development of agricultural biotechnologies and to regulate it”.

Is the minister aware that the Canadian food inspection system lost all credibility with the presentation of this report and that it is putting the health of the people of Quebec and Canada at risk?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, first and foremost, I would like to thank the Royal Society of Canada for this important report. I note that it raised no concerns about genetically modified foods already on the market.

Naturally, the safety of our food and of the public is of the highest priority for this government. We will examine this report carefully in the process intended to strengthen the system.

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la-Mitis, BQ):** Mr. Speaker, I will quote from this report:

The precaution principle the government adheres to must be better applied. . . new technologies should not be presumed safe unless there is a reliable scientific basis for considering them safe.

Could the minister tell this House whether he intends now to apply this principle and confirm that no product will be authorized until the government is satisfied it represents no danger to the health of consumers?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, public safety must remain the top priority of all the ministers of the government.

Last year, we spent \$90 million on consolidating the food regulatory system. My colleagues and I will study the report closely. I hope to have the opportunity to meet some of the members of the panel of experts. We will continue to protect public safety.

\* \* \*

[English]

**JUSTICE**

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, in 1993 the Liberals promised to overhaul the Young Offenders Act and did nothing. Upon retaining power in 1997, the minister said that youth justice was her top priority, and again nothing. Now we hear her in 2001, and as usual the media was informed before parliament.

We anticipate that the minister will introduce legislation today. Does she intend to merely rehash her previous attempt or will she get it right this time?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member knows, we consulted widely with interested Canadians, with provincial and territorial governments, and in fact with all those interested in this subject in the opposition.

• (1440)

When the hon. member sees our new youth justice legislation this afternoon, I hope he will be able to support it as the vast majority of Canadians do.

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, will the Minister of Justice admit that her youth criminal justice act in the last parliament was a fatally flawed piece of legislation from its inception? It tried to be all things to all people and wound up a hopelessly complicated failure.

Will her next attempt truly reflect the wishes of most citizens? Will she lower the age of application from 18 to 16? Will she guarantee that all killers and rapists go to the adult system, or will she just ignore Canadians once again?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, our youth justice legislation is based on three fundamental values of paramount importance to Canadians. Those values are: first, that one prevents crime before it happens; we do not need more victims; second, that when crime happens there are meaningful consequences for those who hurt others; and, third, a strong commitment to rehabilitation and reintegration of young offenders back into the society and communities from which they came.

\* \* \*

**THE ENVIRONMENT**

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, my question is for the Minister of the Environment. As of today 71 countries have signed the United Nations biosafety protocol emanating from the convention on biological diversity, but not Canada.

Could the minister indicate to the House whether Canada will sign the protocol on biosafety before the deadline of June 2001?

**Mrs. Karen Redman (Parliamentary Secretary to Minister of the Environment, Lib.):** Mr. Speaker, Canada is committed to the aims of the Cartagena protocol which sets international framework for the protection of biodiversity and biosafety. It is a complex and demanding instrument.

*Oral Questions*

Currently affected Canadians, provincial and territorial governments, as well as industry, are being consulted. The minister recognizes the significance of the signing on June 4 and will be taking these consultations under consideration and meeting with his caucus colleagues.

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**HEALTH**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I would like to go back to the Minister of Health on the issue of GM foods and a study released today by the Royal Society of Canada.

I hope the minister will reread the report because it is a scathing condemnation of the practices of the government on the question of food safety. The report says that Canadians do not know if genetically modified foods are safe because the process of approvals by the government is so flawed and problematic.

Given the concerns identified, will the minister at least do what we in the House and Canadians have been asking for many months and put in place a process of mandatory labelling of all genetically modified food so at least Canadians will know what they are eating?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, let me repeat how grateful we are to the Royal Society of Canada for its very complete report that was received today. Let us remember that the government, the ministers of the environment and agriculture and I as Minister of Health asked the royal society to undertake this work.

Canadians have the safest food system in the world. We want to keep it that way and we want to make it even better. I am happy to see that the royal society raised no question about the safety of GM foods already on the market. I am happy to see that it has added to many of the recommendations made in other countries.

We will be looking carefully at the recommendations. We have set aside \$90 million to strengthen the regulatory system. We will look closely at this report as we do that work.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, the report calls for government action, not just more fuzzy words from the Minister of Health. The report actually says that the government approval process seriously compromises the confidence society can have in knowing whether or not genetically modified foods are safe.

Will the Minister of Health do a couple of things that Canadians want and deserve? Will he put in place a process of mandatory labelling of genetically modified foods, and will he put a moratorium on the approval process for any new genetically modified foods until this mess is sorted through?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, I hope the hon. member and her colleagues want the government to do the responsible thing, which is to go out to a body of experts at arm's length, independent of government, show them what we are doing and ask them if they have any recommendations on how it can be done better. That is exactly what the government did.

● (1445)

We have now received the report, and I am here to tell the House that as my colleagues, the Minister of Agriculture and Agri-Food, the Minister of the Environment and I set about making our system better, we will carefully take this report into account. I look forward to an opportunity to meet with representatives of this special expert panel.

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**FOREIGN AFFAIRS**

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, my question is for the Deputy Prime Minister.

Departmental officials at foreign affairs were highly criticized about the recent letter of apology to Russia. When Canada apologizes to a country like Russia, does it not require the approval of a minister, or can just anybody apologize? Did the minister approve this apology specifically?

[Translation]

**Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, our primary concern is the safety of Canadians. As soon as the Minister of Foreign Affairs returns from Washington, the deputy minister will be making a full report to him on the circumstances leading up to the tragic events of January 27 of this year, including recommendations and positions in principle.

[English]

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, surely the minister does not need a briefing on whether or not he authorized a letter. Who authorizes letters of apology on behalf of the Canadian government?

[Translation]

**Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I repeat what I just said. The deputy minister has been asked to look into the matter and make a report, and as soon as the minister returns from Washington, he will receive that report so that we can begin implementing its recommendations.

\* \* \*

[English]

**HOUSE OF COMMONS**

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, the government House leader is responsible for negotiat-

ing the work of the House of Commons, including things like parliamentary budgets, standing committees and the day to day business in the House.

The House leader of the fifth party claims that our budgets may be affected by questions we ask in the House. He claims that the government House leader has said "If you lay off the Prime Minister, I could make things a little easier for you". In all the years I have worked with the government House leader I have never ever heard him use language like that in my presence.

Could the government House leader confirm if he did or did not say the words that were attributed to him? Will he confirm that questions in the House do not affect resources to members of parliament?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think those who know me know that I do not usually operate in a manner that could be considered threatening. I do not work that way. Actually I do not think if I did it would be very successful.

In terms of benefits afforded to members, since the last election there have been improvements in our constituency office budgets and other initiatives like that. I am also pleased to announce that in the throne speech there was a commitment from our government to increasing research budgets.

To the extent that I can work together with my colleagues to increase other benefits to members, I will always do so because I think members around here work very hard and are deserving of services so they can do their job better.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, in talking about the Liberals, the leader of the fifth party went on to say that they are extremely nervous about this and they are doing everything they can to stop the legitimate questions and facts being known.

The House leader of the fifth party claims that the government House leader said "If you lay off the Prime Minister, I could make things a little easier for you".

I have never heard the House leader say anything like that ever in my presence. Could he confirm whether he did or did not use these words in the House of Commons? Will he confirm that questions in the House of Commons do not affect resources allocated to members of parliament?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if I were to conclude that questions in the House affected budgets in a negative way, I am almost tempted to say that the research budgets would have literally disappeared for many people across the way. Obviously such is not the case.

I can confirm to the entire House that it is my intention, as it has always been, not to be threatening toward other House leaders and to continue to operate in a manner that obtains as many as possible

benefits to which we are entitled for all our colleagues to do the good job we are called upon to do.

\* \* \*

[Translation]

## SHIPBUILDING

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, in the last session of the last parliament, all parties voted in favour of the shipbuilding bill I introduced. Everyone admits that the Bloc Québécois bill was the solution. Even the present Minister of Industry, when he was Premier of Newfoundland, agreed.

Will the minister undertake to speedily introduce a bill to give this country a real shipbuilding policy?

• (1450)

[English]

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I would certainly be happy to recognize that the member opposite has been talking about shipbuilding. With other colleagues on all sides of the House he has been trying to raise the issue of the state of shipbuilding in Canada. I congratulate him in that regard.

However to say that I endorsed at any time, in any role I have ever had, the bill that he put before the House is more than he or I can say because I have never been part of the study of that bill although I know members on all sides have studied it.

With respect to his specific question he asked it a few days ago last week. At that time I told him I was awaiting the report of the task force which would in the middle of February.

[Translation]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, the minister perhaps did not have enough time. I repeat my question: Does the minister intend, in the near future, to introduce his own shipbuilding bill?

[English]

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I intend to do what the government undertook to do, which is to name a task force and await for its report before we decide what we will do. It is the way we operate over here.

\* \* \*

## PARKS CANADA

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, it is open season in Canada's national parks. Three separate reports recommended the issuing of side arms to park wardens engaged in law enforcement duties. Now HRDC has issued a stop work order for their law enforcement duties.

*Oral Questions*

Why has the Canadian heritage minister waited for this crisis to develop in our national parks when her department knew this ruling was imminent?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, first I congratulate the member for Renfrew—Nipissing—Pembroke on her arrival in the House and her first question.

I assure her that the first priority of the government is ensuring the safety of all parks employees and all parks visitors. That is why we have acted very quickly on the directive to make sure that the RCMP assumes all peace officer duties in the parks.

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, the minister chooses to ignore the fact that national park wildlife has been put at risk by her lack of action.

Why is the minister refusing to take responsibility for her indecision?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the labour board decision came out last week. I immediately directed the chief executive officer of Parks Canada to ensure that all peace officer duties be carried out by the RCMP.

That is exactly what he has done, because first and foremost safety is the important issue in parks: safety for the warden, safety for the employees and safety for the public. The RCMP is in a position to deliver that safety.

\* \* \*

**INTERNATIONAL AID**

**Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, as a result of a recent earthquake in India hundreds of thousands of families are homeless or have lost family members, leaving many children orphans.

What does the Minister of Immigration and Citizenship propose to assist families and orphans of this tragedy?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the member for his interest in doing what he can and what we can in assisting the families of those who are grieving loss and worry for their relatives in Gujarat province in India.

We are expediting all visa processing from the earthquake zone. Citizenship and Immigration Canada is giving priority processing to all family class, visitor and assisted relative applications. Immigration officers are being encouraged to use broad discretion in processing applications and a Canadian immigration team will visit—

**The Speaker:** The hon. member for Medicine Hat.

**FOREIGN AFFAIRS**

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, we are all puzzled and concerned about the mysterious case of a Canadian, William Sampson, who was arrested last December and has now apparently confessed on Saudi TV to a bombing that resulted in one death and numerous injuries. Under Saudi law that confession could mean the death sentence.

Could the government assure us that this confession was freely given and that this Canadian citizen's full legal and human rights are being monitored and protected by our officials in Saudi Arabia?

**Mr. Denis Paradis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, our Canadian embassy in Riyadh followed up with Saudi Arabian authorities immediately following the detention of Mr. Sampson in mid-December.

• (1455)

The Canadian ambassador to Saudi Arabia is supposed to meet Mr. Sampson in the coming week. We have pressed the Saudi authorities, both here and in Riyadh, the need to respect international norms in terms of consular access and the treatment of detainees.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, I have a question for the Deputy Prime Minister. I would like to follow up on the recent case involving the drunken Russian diplomat who took the life of an Ottawa woman and injured another.

Nine days have now gone by since that incident. Could the government explain why as of today no charges have been laid in Russia against this diplomat? Why has the Prime Minister not directly phoned Vladimir Putin, the president of Russia, to impress upon him the need to prosecute this case to the fullest extent of Russian law?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the government has taken action under our mutual legal assistance treaty with the Russian federation.

All the documents have been transmitted to the Russian legal authorities. I am confident our embassy is pressing the authorities to take the appropriate action under the treaty and in light of the documents.

\* \* \*

[Translation]

**WATER QUALITY**

**Mr. Ghislain Fournier (Manicouagan, BQ):** Mr. Speaker, federal government de-icing operations at the Sept-Îles airport have seriously contaminated the water supply of the residents of the des beaches area. Since its responsibility has been clearly

established, the Minister of Transport has come up with nothing better than to supply my fellow citizens with bottled water.

My question is for the Minister of Transport. Since the bottled water solution is only a temporary one, what is the minister waiting for before he remedies the problem his department is responsible for by constructing a new drinking water system for this sector of Sept-Îles?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I answered that question last week.

I said that the permanent solutions proposed by Transport Canada are safe and appropriate. I spoke of four solutions: an ion exchange treatment device, a reverse osmosis treatment device, bottled water delivery and the payment of a sum for the purchase of bottled water.

Two residents of the region are using one of these solutions and we are discussing them with the others.

\* \* \*

[English]

## HEALTH

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, as other members have noted, the Royal Society of Canada released an important report on genetically modified foods today and the minister has identified some of the issues that it has raised.

Specifically with regard to scientific capacity, could the minister assure the House that Canada's scientific capacity is sufficient to deal with the increasing complexity of regulating this ministry into the future?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, the member for Burlington raises an important point. In fact one of the reasons the ministers of the environment, agriculture and health appointed an arm's length panel to look at the whole question of regulating GM foods is to know how the government could equip itself with the scientific capacity to handle the volume of requests we will receive in the years ahead.

This report gives us some important guidance on how the regulations should be carried out and puts us in a position to know what scientific capacity to put in place. It is one of the reasons we are so grateful to the Royal Society of Canada for its work.

\* \* \*

## NATIONAL PARKS

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, further to the heritage minister's response that the RCMP will pick up the slack in our parks, how many more RCMP officers have been trained and outfitted for their extra workload?

## Routine Proceedings

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, obviously Parks Canada has had an historic agreement with the RCMP for a number of years. What we will be doing over the next number of weeks is assessing the need for specific requirements as they relate to the duties of a peace officer being carried out by the RCMP.

## ROUTINE PROCEEDINGS

● (1500)

[English]

### EMPLOYMENT INSURANCE

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, pursuant to section 3(3) of the Employment Insurance Act, I am pleased to table, in both official languages, two copies of the annual employment insurance monitoring and assessment report for the year 2000.

\* \* \*

### INTERNATIONAL BOUNDARY WATERS TREATY ACT

**Hon. Jane Stewart (for the Minister of Foreign Affairs)** moved for leave to introduce Bill C-6, an act to amend the International Boundary Waters Treaty Act.

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

\* \* \*

### YOUTH CRIMINAL JUSTICE ACT

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.)** moved for leave to introduce Bill C-7, an act in respect of criminal justice for young persons and to amend and repeal other acts.

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

\* \* \*

### CLEAN INTERNET ACT

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-210, an act to prevent the use of the Internet to distribute material that advocates, promotes or incites racial hatred, violence against women or child pornography.

He said: Mr. Speaker, it gives me great pleasure to take over the bill that was first introduced in the House by my hon. colleague, the former member of parliament for Halifax West, Mr. Gordon Earle, himself being an African-Canadian.

*Routine Proceedings*

• (1505)

The purpose of the bill is to protect those citizens in the country who are vulnerable to attacks through the use of the Internet. We are hoping that, with the co-operation of all parties and once the bill has been carefully studied, it will be enacted into law in the very near future.

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

\* \* \*

**INCOME TAX ACT**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-211, an act to amend the Income Tax Act (herbal remedies).

He said: Mr. Speaker, again I bring sweeping legislation to the House of Commons in the fact that as we become an aging generation, millions of Canadians are looking for alternatives to cure their many ailments.

One of those alternatives could be a herbal alternative. Quite simply, the bill states that if a licensed physician prescribes to an individual a herbal alternative in lieu of a prescription drug, the individual should then be able to claim that herbal alternative as a medical expense.

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

\* \* \*

**INTERNET CHILD PORNOGRAPHY PREVENTION ACT**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-212, an act to prevent the use of the Internet to distribute pornographic material involving children.

He said: Mr. Speaker, I am reintroducing a bill that I introduced two years ago in the House. As a father of two young children, it is extremely imperative that we as legislators in the House of Commons do everything we can to protect our most valuable resource, our children.

Through the inadequacies of the Internet and the danger that it poses for our children, I believe that once the bill is carefully reviewed by all political parties, it will sweep into legislation and protect our most valuable resource, our children.

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

\* \* \*

**CANADA ELECTIONS ACT**

**Mrs. Bev Desjarlais (Churchill, NDP)** moved for leave to introduce Bill C-213, an act to amend the Canada Elections Act.

She said: Mr. Speaker, I would like to take this opportunity to congratulate you on your position as Speaker of the House.

This bill is one that I am following up on for the hon. member from Kamloops, Thompson and Highland Valleys. It would lower the voting age to 16. I think Canadians were greatly surprised that our voter turnout in the last federal election was at probably an all time low. We have a very apathetic group of Canadians with regard to the electoral system. People just do not have faith in the democratic system any more.

This is an opportunity for young people who are still in school and still learning about our electoral and parliamentary systems throughout the country to be active participants in the electoral system. We often hear colleagues suggesting that 16 year olds, even 10 year olds sometimes, should be treated as adults through the adult court system. Certainly if anyone can suggest that young people be treated as adults through the adult court system, then young people should be given the opportunity to vote in federal elections. This is the time for it and Canada needs to address the issue.

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

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**HOLOCAUST MEMORIAL DAY ACT**

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP)** moved for leave to introduce Bill C-214, an act to establish the Holocaust Memorial Day.

She said: Mr. Speaker, it is an honour to introduce this bill and to place again before the House the idea of an act to establish the Holocaust memorial day.

Many of us in the House have been touched in different ways by the horrors of the Holocaust. When I first introduced the bill in the House last spring, I had just returned from a pilgrimage marking the 55th anniversary of the liberation of Holland and a visit to Camp Westerbork, where the Dutch Jewish population was sent en route to the death camps.

In total, 6 million Jewish men, women and children perished as a result of a deliberate and planned state sponsored persecution and annihilation of European Jewry by the Nazis and their collaborators between 1933 and 1945.

• (1510)

The bill proposes to establish a national annual Holocaust memorial day to be called Yom ha-Shoah. I urge all members to consider the importance of this initiative, which will ensure that a sorry chapter in the history of the world is never allowed to repeat itself.

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

### AERONAUTICS ACT

**Ms. Beth Phinney (Hamilton Mountain, Lib.)** moved for leave to introduce Bill C-215, an act to amend the Aeronautics Act (automatic defibrillators).

She said: Mr. Speaker, as you know, when a person suffers cardiac arrest, time is of the essence. The bill ensures that commercial passenger services in Canada with flights over one hour carry automated external defibrillators, providing passengers and crew with life saving technology. This would place in law a practice that many airlines in the world, including American Airlines, Qantas, British Airways and Canada 3000, are already following.

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

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### FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP)** moved for leave to introduce Bill C-216, an act to amend the Federal-Provincial Fiscal Arrangements Act (prevention of private hospitals).

She said: Mr. Speaker, it is my pleasure to reintroduce a bill that I had placed before the House last spring in light of a growing concern around privatization of our health care system. The bill is in response to that critical situation and in particular to the threats posed to universal public health care by Alberta's bill 11.

The specific purpose of the bill is to control the entry of private for profit hospitals into our public system. It amends the Federal-Provincial Fiscal Arrangements Act to provide that provinces be financially penalized if they allow public funds to be used for the provision of insured services in private for profit hospitals.

The bill ensures that the principles of medicare and the spirit of the Canada Health Act are absolutely and unequivocally reflected in the letter of the law.

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

\* \* \*

### BLOOD SAMPLES ACT

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance)** moved for leave to introduce Bill C-217, an act to provide for the taking of samples of blood for the benefit of persons administering and enforcing the law and good Samaritans and to amend the Criminal Code.

He said: Mr. Speaker, it is my pleasure to reintroduce a bill that I had introduced in the last parliament. The bill would allow judges to order a blood sample to be taken when the judge believes that

### Routine Proceedings

there is a strong case for either hepatitis C or HIV infection to a good Samaritan, a frontline emergency worker or someone who is helping those people do their jobs.

In the last parliament the bill passed unanimously through the House on second reading and was sent to committee. Unfortunately, the election got in the way and it died on the order paper. I do hope that members will again support the bill wholeheartedly. I have over 70 national and provincial organizations behind the bill. I do hope all members of the House of Commons will be able to support it.

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

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### PARLIAMENT OF CANADA ACT

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-218, an act to amend the Parliament of Canada Act.

He said: Mr. Speaker, I am proud to reintroduce the bill that I call the MP floor-crossing bill. Basically it tells all Canadians that in order for us to reform parliament, we have to first reform ourselves. The intent of the bill is to state quite clearly that a member of a sitting party cannot cross the floor and join another political party during his or her term of office.

• (1515)

When members have a falling out they must quit, run in a byelection where they can be nominated by a new party, and allow the people of their constituencies to decide their political fate. That is probably one of the finest pieces of legislation ever to hit the floor of the House of Commons.

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

\* \* \*

### EMPLOYMENT INSURANCE ACT

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP)** moved for leave to introduce Bill C-219, an act to amend the Employment Insurance Act (persons who leave employment to be care-givers to family members).

He said: Mr. Speaker, my last bill for the day basically states that any person who gives care to an infirmed relative or a relative in palliative care should be able to collect employment insurance and have job protection while caring for the individual at home.

The bill would allow those with serious illnesses or under palliative care to avoid becoming institutionalized. It would allow them to stay at home for the remainder of their lives and to die with some sense of dignity.

*Routine Proceedings*

It addresses financial concerns and would give remuneration to thousands of caregivers throughout Canada while they care for their loved ones at home and prevent their institutionalization. In addition, it would save millions of dollars in our health care system.

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

\* \* \*

[Translation]

**FUEL PRICE POSTING ACT**

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.)** moved for leave to introduce Bill C-220, an act respecting the posting of fuel prices by retailers.

He said: Mr. Speaker, under this bill, when a fuel retailer causes a poster, label or sign to be posted indicating the selling price for a fuel, the price must be indicated without regard to any taxes imposed on the consumer under an act of parliament or an act of the legislature of a province.

Presently in Canada oil companies are afraid to show what the price of one litre of oil is before taxes. It will have to be on the bill, but the price of a litre of oil before taxes will also have to be posted. The oil companies are afraid to do so.

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

\* \* \*

[English]

**TRANSFER OF OFFENDERS ACT**

**Mr. Janko Perić (Cambridge, Lib.)** moved for leave to introduce Bill C-221, an act to amend the Transfer of Offenders Act (removal of foreign offenders).

He said: Mr. Speaker, I am pleased to introduce my private member's bill that would seek to make amendments to the Transfer of Offenders Act.

The bill was developed in conjunction with amendments to the Immigration Act. Its goal is to facilitate the deportation of non-Canadians convicted of crimes. The bill would assist the crown in its removal of such criminals.

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

\* \* \*

[Translation]

**INCOME TAX ACT**

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ)** moved for leave to introduce Bill

C-222, an act to amend the Income Tax Act (deduction of expenses incurred by a mechanic for tools required in employment).

He said: Mr. Speaker, the purpose of this bill is to permit mechanics to deduct the cost of providing tools for their employment.

For the benefit of my colleagues, I should point out that during the previous parliament, this bill passed second reading, members supported it by a vote of 180 against only 11. So, my purpose today is to ensure that this bill is deemed adopted immediately, if possible.

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

\* \* \*

• (1520)

[English]

**PETITIONS****BREAST CANCER**

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, pursuant to Standing Order No. 36 it is my pleasure to present to the House a petition duly certified by the clerk of petitions and signed by numerous Canadians.

Whereas Canada has the second highest incident rate of breast cancer in the world, the petitioners pray that parliament enact legislation to establish an independent governing body to develop, implement and enforce uniform mandatory mammography quality assurance and quality control standards in Canada.

**YUGOSLAVIA**

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, pursuant to Standing Order No. 36 it is my pleasure to present to the House a petition duly certified by the clerk of petitions and signed by numerous Canadians.

The petitioners condemn the Government of Canada's participation in the Yugoslavian war which they feel is against international law.

**GUN CONTROL**

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, I congratulate you on your selection as Speaker.

I am pleased to rise today to introduce a petition from 440 concerned residents of Alberta. These petitioners speak in unison as they express concern for the firearms bill, Bill C-68.

They ask parliament to refute Bill C-68 and to redirect those millions of wasted dollars into reducing crime and adding more police on the street. A great number of Canadians agree with these petitioners.

## QUESTIONS ON THE ORDER PAPER

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, this is the first time I have had the floor since your election as Speaker. I join my colleagues in congratulating you. As was reported in the papers, you are the finest selection of Speaker in the last quarter century. We look forward to working with you over the next few years.

The government had an opportunity to change employment insurance into a true insurance plan. As it stands today, the government is taking \$10 billion out of the pockets of employers and employees. We feel this is nothing more than a tax.

The government should be trying to strike a balance on this sensitive issue. Certainly it must be able to reduce the amount of moneys that employers and employees pay so that there will be enough money for those who are unemployed through no fault of their own.

When the government takes excess money from employers and employees, that is a tax. It prevents businesses from having the money to train their people, invest in their companies and be competitive. That excess tax acts as a lodestone around the neck of a company, preventing it from being competitive internationally. It is at a disadvantage because it pays more out of its pockets as time passes.

This does nothing to help those who are most vulnerable in society. It does nothing for those who are making the least amount in society. It also panders to a level of mediocrity that my party and our country are fed up with catering to.

• (1525)

Let us talk about what can be as opposed to what is. Canada can have a more competitive environment which lets the private sector

### Government Orders

employ more people, have money to invest in its own companies and have the infrastructure needed to compete not only domestically but internationally.

These moneys should be invested in education. They should be applied to the debt. They should be used to lower taxes and ensure that companies and employees have the skills to be competitive in a global environment.

We live in a very complex and changing world, one which is more globalized and more interconnected. What happens half a world away impacts upon our employers and employees.

We also have a changing demographic in our society that no one is talking about. The population over the age of 65 is set to double in the next 20 years.

Do we ever hear from members on the other side of the House what they will do about that? Do they ever talk about what will happen to old age security, guaranteed income supplements, GIS? Do we ever hear about what that will do to CPP? Do we ever hear about what that will do to the changing age of our working population?

No, we do not. It is absolutely imperative, however, that we implement changes today so that our workforce will be able to provide for the social programs we have come to enjoy.

When our demographic changes as more and more people retire, our tax base will shrink unless we make effective changes in all the areas I have mentioned. Only then can we become competitive and have money through our tax base for a good health care system, for OAS and GIS plans and a CPP that works.

All those things must be dealt with proactively, not reactively. That is why many organizations do not support this bill. Ones we might have expected to support it, such as the Canadian Labour Congress, the Canadian Federation of Independent Business and others, do not. The Canadian Restaurant and Foodservices Association does not support the bill. Organizations in the maritimes, many of which rely on seasonal employment, do not support it.

Why? It is because the bill does very little to address the concerns of people. It also does little for places that are underdeveloped and could have more, such as the maritimes or indeed my province of B.C. which has had the lowest growth of any province during most of the last seven years.

The government should have taken a cold, hard, pragmatic look at the EI plan, grounded it in true insurance principles and decreased the amount of money paid out of the pockets of employers and employees. It also must work with the provinces to reduce the rules and regulations that choke off the private sector. It needs to work with the provinces so we can have a good education system that invests in people and lets the private sector invest in its employees.

*Government Orders*

We also have to look at reducing other taxes because they are hamstringing the ability of private sector employers to be competitive, to hire people and to provide the most important social program of all, a job.

It is incumbent upon the government to listen well and act responsibly. If it does that and listens to members from across party lines, we can build a true and effective EI program on true insurance principles that can be sustained into the future.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I admire greatly the member from Vancouver Island who just spoke, but I have a couple of concerns.

The member from Mississauga finally did admit on behalf of the Liberal Party that EI funds were used for other purposes. That is simply unacceptable.

I want to give the member from Vancouver Island one opportunity and one opportunity only to apologize to Atlantic Canadians for the disparaging remarks made by John Mykytyshyn, and by a certain leader of his party who indicated in Acadie—Bathurst that better EI was needed but who immediately upon leaving New Brunswick changed his mind.

He should also apologize for comments the member for Calgary—Nose Hill made before the last election. They were disparaging remarks against the EI system and workers in Atlantic Canada.

I will give the member the opportunity, being the honourable person that he is, to once and for all apologize to Atlantic Canadians for remarks made by the Canadian Alliance Party over the last few months.

• (1530)

**Mr. Keith Martin:** Mr. Speaker, the member's question draws attention to a very important issue. There is not a single member of the House who does not want to see every Canadian fully employed. There is not a single member of the House who does not want to see the future of the country be the best it can become.

My friend from Nova Scotia who asked the question wants exactly the same as we in this party want. We have spoken at length about what we want: a future in the maritimes that is better than what it has been over the last 10 to 20 years. We do not want in any way, shape or form the same level of mediocrity the government has offered to the people of the east coast.

We have drawn attention to the example of Ireland. We have said that the east coast can look at Ireland. By reducing taxes, by eliminating egregious rules and regulations, and by working with the federal government to reduce interprovincial trade barriers the east coast could become an economic tiger in Canada. There is no reason it cannot.

There are many areas and economic niches that the east coast can maximize. Furthermore, it can maximize north-south trade. I know the member has worked hard in this area and knows that there is an enormous market companies on the east coast can maximize.

Why do we accept that people on the east coast want seasonal work? They do not want seasonal work. They want full time work and they want to make a lot of money. They also want to take care of those people who cannot take care of themselves. That is a Canadian sentiment. That is what we stand for as Canadians and that is what we will strive for.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la-Mitis, BQ):** Mr. Speaker, except for today's question period, this is really the first opportunity I have had to rise in the House in this 37th parliament.

First, I want to thank the constituents of Rimouski—Neigette-et-la-Mitis for their tremendous support during the last federal election. I am proud of the confidence they have shown me and I can assure them that I will continue to make their interests my first and foremost priority.

To you, Mr. Speaker, I also want to extend my congratulations on your election as Speaker of the House. I was very impressed by all the comments I have read about you in the papers. Best of luck in your new duties.

Let us now turn to today's debate. Last Friday, February 2, the government introduced Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations.

Those of us who have followed the recent election campaign of the Liberals, mainly in the maritimes, the Lower St. Lawrence, the Gaspésie area, the North Shore and Saguenay-Lac-Saint-Jean, expected the government to show a little more respect for the people and not to have so much amnesia.

If that had been the case, the government would have introduced a very different bill from the one now before the House. When I saw the Secretary of State for Amateur Sport, I told him "Now we will look for results. We have kept abreast of the promises you made". He answered "Do not worry, we will keep our promises".

• (1535)

We are off to a really bad start. The bill we have before us for study is, unfortunately, identical, but for a few commas here and there, to one introduced just before the House was prorogued, Bill C-44.

I would like to make some things perfectly clear concerning Bill C-44. Just before the last general election was called, the Liberal

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government wanted to head off to the hustings with the advantage of Bill C-44, which brought in a few changes to the conditions for eligibility for employment insurance.

It therefore sought the unanimous support of all House leaders in place at that time to help accelerate the process of getting Bill C-44 passed.

All opposition parties refused to give this consent to the leader of the government. The Canadian Alliance had its reasons and the Bloc Québécois had its own, as did all parties in opposition.

We were mainly opposed to the outright theft of the surplus in the employment insurance fund. We had the support of Action Chômage and various lobby groups in the province of Quebec. They were not prepared to trade a few meagre improvements for the theft of billions from the fund's surplus. We therefore opposed rapid passage of the bill.

When the government says that the Bloc Québécois voted against the bill, it is engaging in misinformation, disinformation and even demagoguery, since a vote on this bill was never held in the House. It is true that the Bloc Québécois refused to be an accomplice to the theft of the employment insurance fund, because we learned at a very early age that he who holds the loot bag is just as guilty as the one who fills it. So, we refused to be the accomplices of this government by agreeing to quickly pass this legislation.

Then came the general election. What happened? Every day, there were all kinds of polls. Among other things, we heard that the Progressive Conservative Party and the New Democratic Party would disappear, that they would fall into oblivion, that they might manage to save a few seats, but that they would no longer be official parties in the House.

We also heard an increasing number of experts, analysts, parliamentary correspondents, journalists and professors of political science say that we seemed headed for a minority Liberal government, something which became a source of concern for the Liberal Party's top strategists. These people said to themselves "We need a good cause. We should make a good sales pitch so that Canadians will like our party and give us a majority government. Then we can do whatever we want". It was to be promises during the campaigns and then arrogance, contempt and, above all, no recollection of the commitments made.

In order to make sure the Prime Minister would get the Guinness record he wanted so badly, that is to get a third straight majority mandate, top Liberal strategists said "What would be good for the Liberals would be to make people from the maritimes and Quebec believe that if they elect us we will change the employment insurance program".

• (1540)

Several ministers got down to work and travelled throughout Quebec and the maritimes, especially in the regions most affected

by unemployment, and promised that the employment insurance plan would be changed.

It is amazing how easily people let themselves be fooled once again. The government has broken its electoral commitments. The new Bill C-2 is the exact copy of Bill C-44, introduced before the election.

The government has done exactly what it did when it promised to scrap the GST, to use the Prime Minister's words.

We should examine what some members of the government said. It is a very revealing exercise. On January 17, 2001, *La Presse* reported comments by the Secretary of State for Amateur Sport, who never misses an opportunity to make promises concerning the employment insurance system. Unfortunately, he is not as good at it as when he makes promises about sports. He has a better command of his own portfolio than that of the human resources minister, who does not seem to understand the commitments he has made on her behalf.

Here is what *La Presse* wrote on January 17 "If well reasoned and justified arguments are brought forward, we are open to change". He further clarified "The public works minister and myself are open to this kind of dialogue. We are open to discussions".

Some openness. The government's mind is completely closed. We are caught in the same situation we were in with Bill C-44. The dilemma is absolutely unbearable: we are penalized if we vote for it and penalized if we vote against it. The government puts us in a very uncomfortable position.

The Secretary of State for Amateur Sport said that if we had good and justifiable arguments, his government would be open to change. We have been here since 1994. We were elected in 1993 and began sitting in parliament in 1994. What have we been doing since 1994? Day after day, all the critics for the Bloc on that very important issue, be it the hon. member for Mercier or the hon. member for Kamouraska—Témiscouata—Rivière-du-Loup—Les Basques, asked questions about the issue first to Mr. Axworthy, then to Douglas Young and to the current Minister of International Trade. As for the present minister, we confronted her day after day, but to question her about a scandal so outrageous that we did not have time to ask questions about the employment insurance plan.

However we did question her three predecessors about their employment insurance reforms. We reminded them of the position they had taken when they were in the opposition and were opposed to the changes proposed by Mr. Valcourt but that was like talking to a wall. They all had the same answer, always the same answer: "The hon. member did not read the documentation. He or she does not understand and will not understand anything about the reform".

This is what we were told day after day. All those ministers showed how they betrayed Canadians.

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• (1545)

They have never been able to explain the real idea behind the reform. The government wanted to get more money into its coffers because it needed billions of dollars to pay for its scandals, for its expenses and to grease its friends' palms; that is why it had to reform the EI on the backs of workers and employers, that is on the backs of those contributing to the EI fund.

Time and again at committee stage, we put forward justified and justifiable arguments showing the need to change that plan which is against the young and discriminates against them. It is so discriminatory to young people that I cannot see how it could be constitutional.

Earlier, I heard the member opposite—I do not remember the name of his riding, but it is close to Nunavut or Abitibi—say that young people do not leave our regions because they do not have jobs. Of course, they do. Over the past five years, in my region, we have seen 700 young people aged between 15 and 29 leave.

Do you know what it means when young people aged between 15 to 29 leave? It means that the population is declining, that we no longer have the resources we need to develop, that the government could not care less what happens to the regions. Yet, it is prepared to spend millions of dollars to get elected, as we have seen in the Gaspé, while letting people wallow in unemployment.

They are asked to work 910 hours. It is impossible for a young person to work 910 hours. They really have to leave the region and go to a large centre to find other jobs in order to manage, and to work the famous 910 hours. Then, they never come back to the region, or almost never.

I myself heard the Prime Minister, the member for Saint-Maurice, make his promise during the campaign. He had forgotten, and his organizers made him get back up on the stage. I saw him with my own eyes and heard him with my own ears say “Oh yes, that is true. I had forgotten to promise that we will rework the plan”. What did he say? He said that they would, in February, give money to the unemployed retroactively. “Housing costs are not paid retroactively”, commented my leader.

How can the Prime Minister, who knows what really goes on in his government, say that there will be retroactive measures? We tried for retroactive measures for those who lost their job between July 17 and September, so they would be included in the same plan as the temporary measures proposed by the government. The government refused to allow a retroactive arrangement for these people. However, they will have to face the gap, as my colleague from Acadie—Bathurst said. The spring gap is coming. The Prime Minister will not notice, any more than will the minister.

What was the Secretary of State for Amateur Sport saying during the election campaign? He said “Once a Liberal majority is

elected”—ah, now the cat is out of the bag. They wanted a Liberal majority so they could continue being arrogant with people—“we will reinstate the process and make sure that the changes are effective and meet the needs, for the most part, of the people of the Saguenay—Lac-Saint-Jean and Canadians as a whole. I have made a commitment to change the law and we will see to it”.

• (1550)

The Secretary of State for Amateur Sport, who is also a boxer, has become a featherweight in this government since he has been unable to include one single amendment in this bill. Not one.

Moreover, we may soon be gagged both in the House and in committee because the government will find that too many people are complaining about its arrogance. It makes no sense at all.

The Prime Minister added “We realized that it was not a good decision, and that we should not have done it”. That is what he admitted, in the Canadian Press, on November 4, 2000, in the middle of the election campaign, on the subject of the cuts to the employment insurance plan his government had imposed. He recognized that it made no sense, but now that he is back in power with a majority government, it suddenly makes sense to him to keep on being arrogant.

I could keep on quoting clips collected during the electoral campaign, but it would remind Canadian and Quebec people too many bad memories.

I am sure they bitterly regret now what they did on November 27, because in other cases they did the right thing. In my riding, 60% of the people supported me when I told them I would come to Ottawa with a strong voice to represent them and to defend their interests about unemployment insurance and the Young Offenders Act. The government is up to its old tricks.

As for parental leave, the government has no idea of what makes sense.

My colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, our critic on this issue, explained very well this morning that we will unfortunately be faced with having to vote against the bill, not because we are against tiny improvements, at least they are improvements.

There are some improvements. There is the elimination of the intensity rule, the elimination of discrimination concerning the rule of tax clawback for frequent users, the change in the definition of new entrants or re-entrants to the labour force for special benefits, which applies mainly to pregnant women, the indexing of yearly insurable earnings and the reduction of the premium rate to \$2.25, which is not enough but is still better than nothing.

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What is terrible is the stealing of the fund. Never would I have thought that the Liberal government would do such despicable things. Once again, it has fooled the people on all counts.

Canada made some progress when minority governments were in office. It is very sad that there is not one this time. Imagine how different the bill would have been if the leader of the government had to deal with the four opposition parties to give us a bill that fulfilled the Liberal Party's promises.

**Ms. Christiane Gagnon (Quebec, BQ):** Mr. Speaker, during question period today there were questions raised regarding the new employment insurance bill.

One of our colleagues, our critic on this issue, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, asked the Minister of Human Resources Development why she felt justified in reintroducing the same bill that was proposed before the general election.

She said that the percentage of support that her party received in the general election gave her the legitimacy to go ahead with her contested bill.

• (1555)

I would like to ask my colleague who defended this issue remarkably in her speech to explain her understanding of the situation. Did the people who voted in the last election really say to the minister to go ahead with Bill C-44, a bill which excludes four persons out of ten, which requires people to work more without qualifying for employment insurance and which gives back to the men and women who lost their jobs only 8% of the \$6 billion paid every year into the employment insurance account?

I think we can explain the results of the election in a more refined and accurate way, instead of interpreting it as support for the bill reintroduced by the minister, Bill-C-44, which will be discussed in committee. I would remind members that we will invite people to appear before the committee to voice their opposition to the minister and to tell her that the bill is not generous enough. I would like my colleague to give us her interpretation of the last election results.

**Mrs. Suzanne Tremblay:** Mr. Speaker, I thank my colleague from Quebec City for her question. I would just like to make one small correction: the number who do not qualify is six out of ten, not four.

That having been said, according to official OECD figures, 30% of Canadians are illiterate. We think this refers to adults. They are considered illiterate because they are unable to read the dosage on a bottle of aspirin.

It is with great sadness that I note there seems to be a heavy concentration of these illiterate adults among the members on the other side and among their handlers because they are incapable of understanding what is going on. One of the reasons they gave for introducing reform was that the system was costing too much and they needed more money. They solved that rather well. Their second goal was to adapt to the economic reality facing the country. In my view, they are incapable of understanding that reality and no one is able to explain it to them. Concerning the minister's interpretation, in my riding I told people to vote for me and we would block Bill C-44. Sixty per cent of them gave me their vote.

The member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said the same thing. He won 60% of the vote. The fact is that wherever there are unemployed workers, in the riding of Acadie—Bathurst, for instance, people were more inclined to trust the member who was there than the Liberal candidate who ran. In certain other ridings, one would have to look at how the campaigns were run and what the member did before and after.

During the campaign we learned about a few little things that had gone on. In addition, in the case of the minister, there were some little scandals in Nova Scotia. We learned about it during the campaign. We did not know about it beforehand. I myself heard people say "We could perhaps vote for the Liberals. They are the ones who have the money and give it to their friends". These are not very good reasons to vote for a party.

The minister has it all wrong. During the election campaign, when the Liberals talked about employment insurance, they told people to elect them and they would make changes. Our response was to ask people to elect us and we would do the same. Since those for whom the public voted, whether Liberals or Bloc Québécois, promised change, this change must come about or some of us will be liars.

**The Speaker:** The member knows full well she cannot use that word in the House.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I listened with great pleasure to the speech by my colleague who happens to represent the riding next to mine. We live in an area where there are a lot of seasonal workers, where people working in the forestry industry are experiencing hardship due to a slump in the U.S. market, and also as a result of the softwood lumber deal, which does not permit free trade and has killed a lot of jobs.

• (1600)

For years we have been saying that the intensity rule is a punitive measure that had nothing to do with the reality of the labour market. It took three years for the government to finally admit it.

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Is it not eventually going to come to the same conclusion regarding the eligibility of women and young workers? Between 1993 and 1999, the percentage of women receiving regular benefits dropped from 63% to 38%. For young people aged 20 to 24, it dropped from 70% to 24%.

This means that we went from a plan that used to insure a majority of people to a plan that no longer insures women and young people.

Is the government not going to reach the same conclusion as it did regarding the intensity rule, namely that after having harmed people for several years it will come to the conclusion that this rule, aimed at tightening up eligibility, was only punitive and in no way aimed at putting people back to work and that we are faced with the same situation as with the intensity rule? Would it not be better for the government to act right away and put something in the bill that would make it easier for people to qualify?

**Mrs. Suzanne Tremblay:** Mr. Speaker, it is an excellent question. It goes without saying that the government, if it were truly aware of the facts, would ask itself right away why it should wait to make changes at a later date when they are needed today.

Again, this afternoon, the human resources development minister—and the international trade minister said the same thing over and over again when he was the human resources development minister before her—said that the government's measures would help young people. On the contrary, they are hurting them. When will they understand? It is easy to understand. One does not have to be a rocket scientist to understand such a thing. It is very easy to understand. The measures are hurting young people and the women.

Some women in my riding have to work 600 hours while the guy next door has to work only 425 hours, do you think that is just? They have to do it if they want maternity leave. It is indecent for the government to be so dense. It does not make sense that the government does not realize right away that it should make the changes right now, just as it has promised.

[*English*]

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, I join my colleagues in congratulating you on your election as Speaker. We look forward to working with you.

As this is my first speech of the 37th parliament I take this opportunity to thank the constituents of Calgary East who, with a resounding victory, sent me back to represent them in the House of Commons.

I also congratulate all members who have returned and those newly elected members who have received their own votes of confidence from their constituents and are here to represent them. I

want to go on record as stating that I strongly believe in Canada like most of us who have been elected in the 37th parliament. Canada is a land of opportunity. Canada has been built over the years by creating bridges. These bridges are very important to our regions.

I was saddened today when my colleague from the NDP started accusing us and asking for an apology for someone else's comments. This kind of rhetoric creates division among regions and creates a problem in our vast country.

Let me tell the Liberal government that there is western alienation. It should not think for a moment that it does not exist. It exists because the government has not built bridges over the years. It has taken the west to be its backyard and western Canadians are saying that can no longer be the situation. They want to be equal partners in Confederation. They are asking for change. If the government keeps ignoring them it may have some serious repercussions for the country.

• (1605)

Today we are debating Bill C-2, the Employment Insurance Act. The Employment Insurance Act is one of our social safety nets and one that we have talked about a lot. Over the years it has assisted many Canadians during a time when they may have had a temporary break in their working career, which is an understandable thing and the reason the legislation was created.

However, as time has passed something has happened.

Before being elected to parliament, I was a small businessman. In 1985 and for the past 15 years I had my own business. With my accounting experience, I saw this one graph line that kept going up and up. This graph line represented the government's increases in payroll taxes and EI, and its introduction of service charges. These things created a heavy burden on Canadian businesses that had a hard time meeting their payroll obligations.

New immigrants, especially from open markets like Hong Kong, who came to Canada to set up businesses, looked at the taxes and said that they could not survive. They packed up and left. These were warning signs that were ignored by subsequent governments.

In 1993 the Liberal government curtailed benefits to the EI program but at the same time leaving high premiums. The result was a huge surplus in the EI fund. This provided the government with the opportunity to reduce payroll taxes and EI premiums for both the employer and the employee. This would have provided businesses with more opportunities to reinvest and create more jobs.

The Bloc member spoke about the softwood lumber issue having an impact on his riding and creating unemployment. I would like to tell him that softwood lumber is not part of the free trade

agreement. It is tied to tariffs. It is where the market is curtailed and Canadian companies cannot take advantage of that market.

As borders open up there is a need for Canadian businesses and companies to stand up and compete with everybody from around the world. As we open up free trade agreements and our borders, competition increases. We have to compete with business people from other parts of the world selling the same product. How are we going to compete?

We all know that 43% of Canada's GDP is tied to international trade. This shows how important international trade is to Canada. One out of three jobs is tied to international trade. Have we realized what has happened? We are now in competition with everybody who is trying to sell the same product. Whoever is more competitive and selling their product cheaper will take the market. There is no more loyalty.

• (1610)

Every corporate business person knows that loyalty does not exist any more. Even I as a businessman knew that. People are now looking for value for their money. The same applies to businesses and corporations. Therefore we have to say that we have products at good market value, that there is good value for what we are charging.

I have travelled with Canadian business people around the world where they sell products in competition with others. The same happens. Companies from every part of the world are bidding along with Canadian companies. However, when foreign companies come back they have to work under the conditions that exist in our country. Those conditions include high payroll taxes and high taxes.

Let me give a short example from Alberta. As members of parliament we have constituents coming to our office. My cases were concerned with EI because it is a federal responsibility. People who did not qualify or who had problems sought the assistance of their members of parliament. However, I have noticed that the number of constituents looking for assistance with EI problems has diminished dramatically. Why? It is because today in Alberta they can find jobs. They are no longer unemployed and fewer people are losing their jobs.

Why is there a market for jobs in Alberta? Before the Klein government was elected, the previous government followed policies similar to those of the present federal government: high taxation, spending government money, pouring money into the economy, artificially propping up the economy, and saying it will to work. It did not work.

Then the Klein government came in and said that this was not the way it would be. It was simple mathematics: it had to reduce taxes and reduce the debt. It went on a cutting spree. There were protests by the people affected but the Klein government carried on. It has

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reduced government expenditures and directed money toward the debt and toward creating an atmosphere of sound economic principles where businesses could compete.

Many people will say that Alberta is rich because of the high price of oil and the high price of natural gas. Let me tell the House what just happened recently. Alberta has put its house in order by laying a sound financial foundation. That is the reason Alberta today is reaping the benefits. We could contrast that to British Columbia where the situation is similar. That is the problem, simple and straightforward.

Today the government of Alberta can reduce taxes and can invest in health care. It is investing in more equipment.

• (1615)

I was invited by the government of Alberta to attend a globalization conference which was held in Banff in October. There were CEOs from all across the nation, the key players in our economy. Message after message came through that we had to be competitive. If we are not, there will be clouds on the horizon.

In April this year, we are going to have a free trade of Americas conference in Quebec City. Now these people want to protest. It is an old policy where they still want to go back to 30 years ago. Anyway, they are welcome to protest. They are already detached from the Canadian public, so it is okay they can protest. It is no problem. The fact of the matter is that the borders are going to open up.

I am not going to say that globalization by itself unchecked is the best thing. We have to make sure that everybody benefits from this opening up of the market and not create fortresses. Canadian businesses need to get into that place. They need to be updated to grab the opportunities. The way is not to keep taxing. The way is not to keep a burdening us. The way is not to reduce the competitiveness of a Canadian business. It is as simple as that.

What do we need? What did I hear from the business people? They need a lower tax regime so that they can reinvest, not make profit. They need to be allowed to take advantage of emerging technologies. They need a trained workforce. They are willing to be partners in the training of that workforce but they need to have that room. They then said they would be in a position to take advantage of the opening up of the market.

I said this in the House before. The Minister for International Trade keeps going across the world signing free trade agreements. If we are not going to take advantage of the free trade agreements for Canadian companies, what is the point of signing the agreements? We can go on as many trade missions as we want. Let us look at the result of Team Canada's trade mission.

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Yes, it is nice. Business people are going there looking for opportunities. When they come back, they find that they cannot take advantage of those opportunities because the economic regime allowing the competitiveness does not exist right now in Canada. The Minister of Industry, who is now the Minister of Foreign Affairs, stated contrary to what his counterpart was stating. He admitted to that. He of course had to backtrack. That was not the government line.

I will never understand the transparency point. The Canada Employment Insurance Commission looked at this thing. It was independent but I do not know if it was really independent or whether it had patronage appointments or whatever. Now that has been taken away. Again the government controls it. We have a massive overpayment in EI and the government does not want to do anything about it. It does not want to clear the regime. It has also taken the ability of somebody else to come along, an independent commission, and make sound recommendations. The government wants to make the sound recommendations.

My colleagues and I will talk and try to improve on the legislation.

Before I conclude, I want to make this point very clear. Before the free trade of the Americas meeting in Quebec City, our trade minister is going to the USA. The appointment of a new U.S. trade representative opened up an opportunity for us to become a world player and sell our products. We will fail to take advantage of all this if we do not create sound economic principles.

• (1620)

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, the member for Calgary East said that when we try to defend our area it makes a division in the country.

When the leader of the Canadian Alliance was in the west during the election he said that if he was elected he would cut employment insurance. When he came to the east to support one of the candidates, Jean Gauvin, he said that he would save employment insurance. I wonder why he had two different messages. Is that the way to bring people together?

The problem we have today is that we do not understand each other. I am very proud that Calgary is doing well. The problem is like being a millionaire. When one becomes a millionaire, one becomes selfish. When a province starts to do well I do not want it to become selfish and not do anything for its neighbours.

If we are going to be part of the country and be united, we must look after each other. The fish plant workers did not choose that there would be no more codfish in the Atlantic Ocean. How do we expect them to be able to go from one season to the next? Are we

saying it is over? Are we saying it is over to the woodcutter? Are we saying it is over to all the people of the Atlantic provinces?

If we are expected to work together, we must start to respect each other.

**Mr. Deepak Obhrai:** Mr. Speaker, talk about someone building bridges. While we understand there are seasonal workers in the Atlantic provinces, I do not understand my friend saying that when we talk about employment insurance, it has something to do with Atlantic Canada. It has to do with all of Canada. The employment insurance program is for all Canadians.

He says Albertans are selfish. When his colleagues single out one region, they forget the fact that Albertans believe in, support and have been paying equalization payments. The last report indicated Alberta was paying more than it was getting. Does it bother Albertans. No, it does not.

We are making sure that every Canadian from region to region can access the same services and have the same standard of living. We do not want to create division.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I listened to my colleague's speech with great interest. I especially noted what he said about the Employment Insurance Commission.

The current legislation provides that the Employment Insurance Commission will determine the level of contributions after consultation with the government. The bill introduced by the Liberals proposes that the government alone determine the level of contributions.

Does the member not agree that this change would make legal the misappropriation of the funds contributed by employers and employees, which the federal government has been carrying on for several years? In fact, the surplus has reached more than \$30 billion.

Would this measure not make legal such misappropriation of funds? Would it not also turn the employment insurance system into a payroll tax, legalizing a practice the federal government has been developing for several years?

• (1625)

Would such a decision not have a negative effect when in the last parliament all opposition parties, led by the Bloc, put forward a joint proposal to establish a separate employment insurance fund controlled by employers and employees, that is those who contribute to it?

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[English]

**Mr. Deepak Obhrai:** Mr. Speaker, I would like to thank my colleague for an excellent question. I wish the NDP could think that deep.

The member is absolutely right. That is the problem with the legislation. He said that it was a form of legalized tax grab. That is one of the reasons why we have difficulty with this.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am glad to have an opportunity to join the debate on Bill C-2, especially following the eloquent remarks from the previous speaker. Building from that, I will try to demonstrate that some NDP members are in fact deep thinkers and I will share some of those deep thoughts with the him.

We are discussing Bill C-2, which really seeks to fix what I believe is an irreparably broken program. I believe we should start from the basic premise that the EI system is busted. It is broken. The wheels have fallen off it. It does not work any more. It ceased to fill its mandate long ago. Let us be clear that its mandate was to provide income maintenance to unemployed people.

We now have a program where less than 40% of unemployed people can hope to get any benefits whatsoever from the program. What kind of an insurance system is that? What if people had house insurance policies that they were forced to pay into because they had no choice. However, when their houses burned down there was less than a 40% chance of collecting any benefit whatsoever. They would think they had been robbed. They would think they had been fleeced by some clever insurance salesman. That is the only conclusion they could really come to.

That is the situation Canadian workers are facing today. Believe it or not but the figures are even worse for women. There is a gender issue here. Unemployed women have a less than 25% chance of collecting any benefit. It is even worse for youth. An unemployed youth under 25 years old has a less than 15% chance of collecting any benefit.

It is not as though the fund is unable to pay those benefits out. The fund is operating at a surplus. There is \$500 million a month, not per year, being paid into the program. That is more than is being paid out. The dollar figures are the fund paid out \$7 billion worth of benefits last year to unemployed workers and has a surplus of \$7.8 billion. Less than 50% of the revenue generated by contributions from employers and employees goes to its intended purpose, which is income maintenance and training for unemployed workers. Over 50% goes into the general revenue for the government to do whatever it wants to do.

These are pretty poor odds. A person gets better odds than that from a VLT machine in Las Vegas. They pay out 94% and they are a rip-off. Frankly, we are being really ripped off when we pay out less than 50% of what we are putting in.

Let us keep in mind another important fact. The government ceased to pay anything into the UIC fund in the late 1980s. It used to be kind of one-third, one-third, one-third. The government stopped paying in at all. It is now solely made up of contributions from the employer and the employee. For every dollar the employee contributes, the employer contributes \$1.40.

What gives the federal government the right to use the surplus money at all? It is not its money. The member for Mississauga West argued that because the government is responsible for any shortfall, when that happens, when there is a surplus it is the government's.

When we added up the total accumulated aggregate deficit that the fund had ever gone into, it was something like \$11.4 billion. Over the course of many years, and during those years when there was not enough money in the fund to pay for all the unemployed people, we did go into the red.

• (1630)

We now have a surplus of \$32 billion and it is growing. By the government's own logic, it should take back the \$11.2 billion and put the rest back into benefits, into income maintenance for unemployed workers as it was intended. In that case that would be fair and I do not think there would not be any protests from the NDP.

We should take that \$32 surplus, pay back all the money that we were credited with by the government during those periods of high unemployment and use the rest for income maintenance for unemployed people. What could be more fair than that?

Bill C-2 tinkers with a broken system instead of taking active steps to repair it. It tinkers with the intensity rule, the least of our problems. It tinkers with the clawback provisions, again a minor detail. The real problem unemployed workers have is the divisor rule. The method by which benefits were calculated changed dramatically in 1996 and left people, if they were lucky enough to be eligible at all, with collecting less money per week for a shorter period of time.

The divisor rule is so fundamentally wrong because eligibility is calculated based on the hours worked in the previous 52 weeks or one year prior to becoming unemployed. In other words, if a workers get enough hours to qualify in that 52 week period, they will get a claim. However the benefit is calculated on the 26 weeks immediately prior to their filing.

In the carpentry industry some of those might be dead weeks. Maybe there was no work at all for many of those weeks. It used to be that the benefit would be calculated by the previous weeks that one had worked. Obviously the average benefit will be dragged down if in that 26 week period only 13 weeks were worked and the other half were not worked at all. Right away, after making an average of that, it is 50% lower.

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We have unemployed trades people and unemployed seasonal workers filing their claims. They used to receive maybe \$400 a week in benefits because of the way it was calculated. With the new divisor rule, it is not unusual to see those same people coming in with paystubs for \$128, \$213 or \$34. We had one actual illustrated example of a seasonal worker in New Brunswick who used to be able to count on approximately \$315 a week. She now receives \$38 a week.

No wonder there is a surplus. Hardly anybody qualifies and those who are lucky enough to win the lottery and qualify receive dramatically reduced benefits. There is a basic unfairness. If the system were being maxed out or there were a shortage in the system, we would have to be more miserly in the distribution of the benefits, but with a surplus of \$500 million every month it is obscene.

I have often said that if we deduct something from a person's paycheck for a specific purpose and then use it for something completely different, in the very best case scenario that is a breach of trust. We entered into a trust relationship with employees when we took money off their cheques and told them we would hold it for them until they needed it. Then, on the very day they need it, we tell them we have changed our minds and we are spending that money on building roads, hospitals or for whatever else the government is using its consolidated revenue fund.

This is beyond a breach of trust. It is out and out fraudulent. People have reasonable expectations which were created when we told them that we were taking the money off their cheque for a specific reason, to give them income security if they become unemployed. We created that trust relationship and I would say it is a legal relationship. As the hon. member from the Bloc Quebecois very accurately pointed out, Bill C-2 seeks to institutionalize what is fundamentally wrong. It seeks to legalize what I believe is a challengeable situation.

That is what is wrong with Bill C-2 in a nutshell. It could have dealt with eligibility. It could have dealt with the real issue that less than 40% of Canadians qualify. It could have lowered the bar so that more people were eligible because the impact in certain regions is horrific.

We have heard members talk about Atlantic Canada today. Let me give one example from my riding of Winnipeg Centre. It is the third poorest riding in the country by whatever measurement is used, whether incidence of poverty or average family income. In the third poorest riding in the country the changes made to the EI program sucked \$20.8 million a year out of my riding alone. That is just one little neighbourhood in the core area of Winnipeg. That is \$20.8 million of payroll that would otherwise have been spent in the local economy.

• (1635)

Let us imagine that a company wanted to move into my riding with a payroll of \$20.8 million. We would pave the streets with

gold to attract that company. It would get government grants and subsidies. We would welcome it with open arms because it would generate a level of activity of \$20.8 million a year.

We have had \$20.8 million sucked out. The reverse happened in my riding. When we add what happened in St. John's, Newfoundland, the total impact is over \$100 million a year. The very poorest and most vulnerable people have been pushed over the line from a reasonable income maintenance benefit into poverty.

What happens to those people? They go on social assistance, so the burden is offloaded on to the provinces that are already maxed out. The CHST is cut back, adding to the burden of the provinces, and their ability to provide income maintenance to poor people is reduced because of the reduction of EI benefits.

If the government were sincere about fixing the EI program it would have talked about eligibility in Bill C-2, but there is no mention of that. The government does not seem to think there is anything wrong with it. Why? It is a cash cow. It is a goose that lays golden eggs. It just keeps squirting out these treasures every month.

It has paid down the deficit on the backs of unemployed workers, the most vulnerable people in the country. Even worse, it has not just paid down the deficit with that money. Now it is giving tax cuts to the wealthy with that money. It is a sick and perverted form of Robin Hood, to rob from the poor to give to the rich.

The member across says that is nonsense. What would the member call a further reduction in capital gains tax? What would the member call a reduction in the corporate tax rate from 17% to 16%? Where is the government getting that money to give away? It is getting a considerable amount of that money, \$32 billion of it, from the EI fund, from unemployed workers who would otherwise receive benefits and now get zip, zilch. They are shut out of the system. We are not pleased with Bill C-2. We are kind of upset by it.

There is one point that is even more galling. As a tradesman I served a four year apprenticeship. It is a beautiful system because one is engaged with the workforce. One can earn while one learns. One has an attachment to the workforce while in school with the community college component of the apprenticeship.

When I went to community college for my apprenticeship training I received EI benefits. It is one of the designated uses listed in the EI act. It was a great system. The EI system used to purchase block seats in community colleges. It would buy a whole classroom of seats and provide income maintenance to the students while they were there.

Now there is a two week waiting period. Now EI is treating the students as if they are unemployed. When they leave the job site and go to the community college, with no interruption in their work

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they are not unemployed. They still have bosses and they still have jobs. They are just going through the school component of their apprenticeships.

An insignificant amount of money is being gained. It is a miserly thing to do. The total impact of this for all apprentices is about \$80 million a year when a surplus of \$500 million a month is being shown.

I will tell the House the predictable consequence and exactly what is happening. Apprentices are not taking their schooling when it comes up. They get their notices from the community college that it is their turn to go to school. Struggling apprentices with young families are faced with two weeks with no income whatsoever. They are just passing on it and saying that they will not accept it this year, that they will try next year when their number comes up again, extending their apprenticeship and disadvantaging the industry that needs graduating journeymen.

That is one example of the many hundreds of tiny things the government did to the program in 1996 which has caused this incredible windfall surplus. There is no mention of that in Bill C-2.

We will be moving that as an amendment and we would seek broad support from the other parties for the basic, fundamental issue of income maintenance for apprentices while they are in community college. I hope we will get broad support for that. I understand that even the Progressive Conservative Party sees the logic in that issue.

There is a huge gender issue here too, which I think should be raised on behalf of the many women who are disadvantaged by the EI system. I have already said that less than 25% of unemployed women are eligible for EI. There is a reason for this. Women are often more likely to be in part time jobs where they have difficulty getting the number of hours they need to qualify.

There is a charter challenge. I am proud to say that the community unemployed health centre located in my riding has managed to succeed to the next level of federal court with an argument that the current EI system structure affects women in a way that violates article 15 of the charter which states that everyone deserves equal access to all the benefits and the provisions of being a citizen of Canada.

• (1640)

It disproportionately affects women in a negative way far more than it affects men. I believe the women of Canada and their advocates have a legitimate case to make. Whether it was by design, by omission or by accident, there is a gender imbalance disadvantaging women more than men.

Even the whole hour system is structured in a way that fewer people qualify. I am not trying to hearken back to the old system as

if it were perfect, but if people worked more than 15 hours in one week in the old days they were given credit for one insurable week. Granted the benefit would be lower because it would be a low income week, but at least they received credit for the week.

Now 920 hours are required to requalify into the program, with 700 hours being required for an initial application. Rather than 14 to 20 weeks depending on where one lives, one now needs 700 to 920 hours. That is a lot more. It is like six months of work. The eligibility bar has been raised. A lot of people working part time will never get 920 hours. UFCW workers who are store clerks at Sobey's or Canada Safeway are deliberately held down to 15 hours a week. They will never qualify. They have to pay in but they never qualify. This is absolutely unfair.

A number of things in the EI bill are fundamentally wrong. It is a revenue generator for the government. It is not an insurance system. It ceased to be an insurance system a long time ago when it failed to provide reasonable income maintenance for unemployed workers as per its original mandate. At \$500 million a month the Liberals cannot afford to be fair. If that is the case, maybe we should pack the system up because it is failing to meet the needs of unemployed workers.

I mentioned the intensity rule and the clawback rule. Both of these will be changed by Bill C-2. They are positive steps. We do not deny that these are two of the things that needed to be changed. However they are insignificant. The intensity rule meant an individual was punished for being a frequent user of the system. If one collected this year one would lose 1% of the benefit the next year on a rolling scale up to a total of 5%. If one collected five years in a row, one would be 5% lower than one's colleagues.

The Canadian Labour Congress put together a series of proposals to improve the system and make it more accessible. It is shooting for 70% and 60%. Seventy per cent of all unemployed workers should qualify and they should be compensated at sixty per cent of their gross earnings. This would be an employment insurance system that would actually provide insurance for unemployed people.

It is supposed to be unemployment insurance system. The government changed the name in a very cynical way in 1996 to try to take the focus away from what it was originally intended to do: to provide income maintenance and training for unemployed people so they could re-enter the workforce.

We heard a lot about labour market training in the Speech from the Throne. Suddenly there is a renewed interest in a highly skilled workforce where key elements in building a highly skilled workforce are being taken away. I am talking about job security, income maintenance when unemployed and good access to labour market training so individuals can get back into the workforce should they be unfortunate enough to become unemployed.

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What would members say of home insurance program if they had less than a 40% chance to collect? What would we say of any kind of system that paid out less than 50% or what was put in? The odds are better in a Las Vegas VLT where at least 94% is paid out. Here \$7 billion is paid out and \$7.8 billion is put into surplus and then squandered by the Liberal government spending it on whatever it wishes.

Unemployed workers in this province have been fleeced. They have been hosed since 1996 and they are fed up. They are coming to us pleading for the government to understand what it means to be a seasonal worker, a construction worker or any Canadian who finds himself unemployed and needing income maintenance.

Bill C-2 is as flawed as the employment insurance system.

• (1645)

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I thank the member opposite for his remarks. I was particularly struck by the figure he cited with respect to what was lost in employment insurance payouts. It was \$20.8 million in his riding alone, which works out, if he has about 80,000 people in his riding, to \$260 a person. That is just what is lost as a result of the changes, so I would understand from him that there is a very major and systemic problem in his riding in Winnipeg. I have great sympathy, and I can see where he comes from when he has a situation like that in an urban community.

I would like to ask him one question that has always bothered me, both with respect to this legislation and the legislation as we originally changed it. One of the things that it did not properly address and still does not properly address now is the fact that in Manitoba, I believe it was, people working with school boards in clerical jobs and that kind of thing would work for 10 months, quit, collect employment insurance or unemployment insurance, call it what you will, for two months, and then be re-hired.

One of the things that always distressed me about the system as it existed before we changed it, and as it still exists, is that this seemed to me to be an abuse of the system, because it was a classic case where the employer was taking advantage of employment insurance to pay the workers less for 10 months rather than paying the workers fully for 12 months. Could the member opposite comment on that?

**Mr. Pat Martin:** Mr. Speaker, I do not have a lot of personal information on the specific job the hon. member raised in his question. I do know that some industries use the EI system in order to maintain a skilled workforce for when the work is there. If we value those industries we need to find a mechanism by which they will not all wander away and move to Alberta. Frankly, we would not have any carpenters left in Manitoba if we did not have some way of giving them income maintenance for the period of time

when there is no work. Unless companies want to retrain a whole new workforce every time the economy picks up, they try to retain the employees they have.

I apologize for the fact that I am not personally familiar with the issue raised by the member. I would be happy to see if I could find more information and get back to him.

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, I listened to the presentation of the NDP member, and from his comments I can understand why the NDP lost seats during this election campaign. His solution to the problem in employment insurance seems to be to pay out the surplus through larger payouts to unemployed people rather than to do what would create jobs, in fact, and what would lower premiums. It has been well documented that payroll taxes, including unemployment insurance premiums, are big job killers. Rather than focusing on having business create new jobs by lowering the premiums, he has taken the approach that we have this huge surplus and we just have to spend it, we just have to get it into the hands of people.

Of course coming from the NDP that is not too surprising. Coming from this member, it is not surprising at all, because this is the same member who on Friday, in introducing his private member's bill, proposed setting up a price setting commission. He referred to any Albertans opposed to a new national energy program as being somehow consumed by corporate greed and suggested that Albertans are selfish if they do not support some type of new national energy program.

I could not believe that this member would propose such a thing. Certainly if we want to alienate western Canada, Alberta in particular, that is how it is done. The member has certainly done a good job of that. I have had very few issues on which I have had as many calls from constituents as I did on this issue.

• (1650)

Why is the member proposing this change which would in fact kill jobs rather than create jobs? Would he not prefer to see people work rather than see higher payouts? I would also like him to comment on his proposal for a new national energy program.

**Mr. Pat Martin:** Mr. Speaker, the issue of how any surplus in the EI fund should be used is really pretty straightforward. The federal government pays nothing into the EI program. It is all made up of contributions by employers and employees. It is our money, and income maintenance, frankly, is what the designated use of the EI fund was.

When the member says the NDP would squander it by giving that money to workers, let me say that first, it is their money, and second, the Liberals already squandered it by spending it on whatever they felt like. They had no right to do that. They had no right to use that money for anything other than what the act states, and that is for income maintenance and labour market training.

That is why we pay into the fund. It was the expectation, and a reasonable expectation, on the part of workers that they would qualify for some kind of income maintenance should they become unemployed.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I was somewhat surprised by comments from the government in regard to suggesting that employers circumvent the system to misuse the EI fund. Employers pay into the EI fund as well, and I actually have very good knowledge of the situation with regard to school districts that the previous member asked my colleague about.

Having been a former school trustee, I know that most schools operate 10 months a year. That is the nature of the beast. They do not operate 12 months a year. There are some school districts that operate for longer than 10 months, but for the most part throughout Canada school districts operate 10 months a year. The bottom line is that it was not a matter of school districts trying to rip off the government or anything of the kind. There were 10 months of employment. The work was in place for 10 months and then the employees were laid off and re-hired.

I find the suggestion that they were being unscrupulous really disheartening, as was the suggestion that school districts did that throughout the country. I suggest, quite frankly, that all those employees, who were making good salaries in a good many cases, paid their income tax and paid into the EI fund. It is wrong to suggest that those employers were being unscrupulous by allowing those employees to access EI during the two months when there were no jobs available.

**Mr. John Bryden:** It is wrong.

**Mrs. Bev Desjarlais:** It is not wrong. To suggest that they did it as an underhanded alternative is quite unacceptable. On the other hand, what we do have is a Liberal government that nitpicked parts of the system to get some money from it so that the government could have its cash cow instead of putting back into the system. Maybe it should have offered additional training for those workers. Maybe it should be encouraging year round schools so that we can meet the educational needs of all Canadians. That is what we should be doing.

**Mr. Pat Martin:** Mr. Speaker, the member for Churchill is absolutely right. She seems to know what she is talking about on this matter. I concur wholeheartedly with her remarks.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I appreciate the remark of my Liberal colleague across the floor when he says he sympathizes with my colleague from Winnipeg

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Centre who said his riding is losing \$28 million in employment insurance benefits.

For the record, Acadie—Bathurst loses \$69 million of benefits per year, which really hurts small and medium sized businesses. That is why I say the whole program is wrong.

Would my colleague from Winnipeg Centre explain to us how the people are affected in the Manitoba regions and in the city of Winnipeg? It seems to me that people think it is only the Atlantic provinces that have a problem with employment insurance. I have gone across the country many times and this is a national problem. I would like to hear more about is happening in Winnipeg.

**Mr. Pat Martin:** Mr. Speaker, in actual fact the Canadian Labour Congress, in co-operation with the unemployed, help centres across the country, paid for a very detailed and comprehensive study for every riding in the country, for all 301 ridings, and measured the actual impact of the cuts to UIC.

• (1655)

That survey was mailed to every member of parliament. All members have received a package telling them exactly what the impact was of the cuts to unemployment insurance per year in their ridings. In some parts of the country, it is horrific.

[*Translation*]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, to start with, I would like to congratulate you on your appointment as Deputy Chairman of Committees of the Whole House.

As this is my first speech since parliament resumed, I would like to thank voters in the riding of Chutes-de-la-Chaudière who elected me for the third time and for the trust they showed in me. I can assure them that I will do my best to honour their trust. I especially thank those who voted for me. At the same time, as you know, Mr. Speaker, when we are elected, we must work for all our constituents, and this is what I pledge to do.

I am mentioning the election because this bill amending the Employment Insurance Act was introduced in the weeks before the election was called, and an election was indeed called. As much as the government tried to blame the Bloc Québécois for preventing the passing of the bill, it should be pointed out that we never got to vote on the bill.

We opposed it but I want to remind members why we opposed a certain part of the bill. It was because it made official the plundering of the EI fund surplus by the government to reduce the deficit or just show a surplus.

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There was no vote and I will point out that the same thing happened with the bill on shipbuilding that I introduced. I was in the same situation. The bill had passed all stages, including second reading and clause by clause study in committee. Then suddenly the Prime Minister decided to call an election three and a half years after the last one. Why? Because he wanted to take advantage of what was favourable to him and his party. A number of bills such as this one died on the order paper. This is the reason the bill had to be reintroduced now.

This is not the topic we are dealing with today but the context in which a bill is introduced must sometimes be recalled.

I want to relate the bill to something that happened during the election. Many, at least in Quebec, deplored the fact that a lot of young people did not exercise their right to vote because they felt abandoned by the government in many ways, including with regard to employment insurance.

I think they are not totally wrong. I talked to some young people who did not vote. First, they had a problem with registration; they were not on the voters' list. Moreover, there was only one office in each riding where they could register.

This feeling was shared by many young people. They told me afterward that they felt ignored, that they felt like they were being treated differently and that they did not get the special attention they needed.

During the election campaign I often heard the Liberals, including the Prime Minister, try to ridicule the leader of the Canadian Alliance for wanting a two tier health care system. That is rather bizarre because, since 1995, we have had a two tier employment insurance system, one for those who have received employment insurance benefits before and one for those who have never received employment insurance benefits.

• (1700)

How is that? Some people have to work 900 hours to qualify, which is more than for others. Obviously I will not get into the number of hours required by region because, as members know, it varies from one region to the next depending on the unemployment rate.

I say that we have a two tier employment insurance system because there is one set of rules for one group and another set of rules for another. Yet the Liberal Party kept criticizing the leader of another party or a member of that party for alleged plans with regard to health, never realizing that there was a contradiction between the words and the actions.

Young workers were the first to be hurt by this two tier system for the new unemployed. Women were also affected. After deciding to stay home for a number of years to raise their children—and that is a choice they made—when they want to get into the labour

market, and in some cases find their first job ever, women find themselves in the same situation as young workers who have never worked. The tough part is to work 900 hours to qualify for employment insurance benefits.

Let me digress once again. Lately I have seen the government ad we keep seeing everywhere, the one dealing with parental leave. That issue is not addressed in the bill but it is somewhat related to our debate. The employment insurance program is being used to provide parental leave to everyone. That is the impression we get but it is not so.

The mother or the father who has not worked the required number of hours to qualify for employment insurance cannot benefit from this program, where the leave has gone from six to twelve months as of, I believe, January 1.

What I also find outrageous about this program, which is not, in my mind, a real parental leave program, is that it uses the employment insurance program. The government is trying to look good by saying "This is our program".

I sat on the Standing Committee on Human Resources Development when the consultations that led to the 1995 reform were carried out. The federal government has not put a single dime into the employment insurance fund since 1991, except to pay for outstanding deficits, which it does not have to do anymore.

Eligibility for the program was so reduced that the government now has a surplus that has reached a total of over \$31 billion in five years. That is an enormous sum. It is almost as much as Quebecers provide to the federal government every year from all the various sources.

**Ms. Raymonde Folco:** They get plenty back in return, plenty of services.

**Mr. Antoine Dubé:** Mr. Speaker, I would greatly appreciate it, should the hon. member across the way repeat this behaviour, if you would ask her to pipe down. I can barely hear my own voice.

Women and young workers are the main ones to bear the brunt of the deep cuts to employment insurance. It is all very well that the government has managed to deal with the deficit but it has affected one category of the population, mainly the poorest and the unemployed.

What do these people do when they cannot receive employment insurance? They are forced onto welfare, a provincial jurisdiction. This program is now subject to the Canada health and social transfer in which the federal government has made substantial cuts. Everything has been dumped onto the provinces.

As for young workers, before the reform 54% of young people aged 20 to 24 were entitled to employment insurance; in 1999 the figure was only 24.9%.

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• (1705)

I endorse what the NDP member before me has said. What would people think if this were another type of insurance, whether fire or theft insurance, crop insurance, or some other kind? There are many kinds of insurance. If people knew in advance that they had only one in four chances of receiving any benefits, as the young workers do, would this be any encouragement to say “now I feel I am being treated fairly”? On the contrary, young people are justified in feeling that they are being treated unfairly.

At present, this is the case of the employment insurance system. This is the impression shared by all the people who pay employment insurance premiums, since only 41.9% of all unemployed workers, of all contributors, qualified for benefits in 1999. It is not only women and young people, but mostly young people and women. That is unacceptable. Yet, in its bill, the government did not change anything pertaining to eligibility.

This is my opinion and I know that our critic, the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, agrees with me. I would like to take the opportunity to mention the absolutely remarkable work he has done since he was elected. He has been the Bloc Québécois critic for human resources development since 1997 and he took part with me in consultations within the Standing Committee on Human Resources Development, during the first mandate. He is a formidable and relentless worker. This has led to many results. Many of my relatives live in his riding. I myself am a living example of the young people who leave a so-called remote area. Indeed, I come from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques or, more specifically, from Sainte-Rita.

There were not and there still are not many jobs in that area. I must pay tribute to the work of this member and to the work of others such as the remarkable work of the member for Acadie—Bathurst, who, although he is not a member of our party, has his heart in the right place. He has vigorously defended and represented those who have felt the backlash of the cuts to employment insurance. I also want to recognize the work of the member for Québec, who toured her region and all of Quebec in connection with poverty. When we spoke of poor people, she spoke of people who had felt the downside of the employment insurance reform. These members have done a phenomenal job.

I see the member for Sept-Îles, who did terrific work during his campaign in eastern Quebec and on the north shore. These people were re-elected. The member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques increased his majority incredibly. He should be congratulated. I think the members opposite should congratulate him, but they will do nothing. However, they do recognize that he is a defender of the people, the poor, the people who face worry and insecurity daily. Mothers or fathers wonder every week if they will get through, be able to properly feed and clothe their children, and so on. How many people worry,

like the MP for Acadie—Bathurst, about the famous gap, the period that is missing in order to get through to the spring and for seasonal work to begin?

Despite the opinion of all the members of the opposition, we have this problem. The members of the Alliance might be the exception, since I have already heard them say—although not today—that their approach to resolving the problem of unemployment is to abolish employment insurance. That way everyone will go hungry and take ridiculous jobs, will move from one province to another and will end up finding work. It is incredible.

• (1710)

It is as if we told the sick that everyone would be in good health if hospitals were eliminated. It is incredible to hear such magical thinking.

I now go back to my point. As the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said, we are once again subjected to blackmail.

The Bloc Québécois would have supported a proposal to include the proposed amendments in a bill. While deploring the fact that this legislation was not changing anything regarding eligibility, we would have supported it, because we have a heart, and we care about our constituents who are going through a rough time. We would have voted in favour of this bill, even though we were hoping for a better program.

Now the government wants to formalize what the Minister of Finance has already been doing for five years, that is to take money from the surplus generated by the employment insurance fund to manage its mismanagement, and to counteract the continued laxness of a government which will just not cut certain expenditures.

That is not the issue, since all the parties have found areas where government expenditures could be reduced. But no. This government makes cuts affecting the poorest in our society, those who should not be affected by cuts. It makes cuts to EI, and tightens up eligibility requirements. This is unbelievable.

I am told the bill's effect would be retroactive to October 1, as the Bloc Québécois leader pointed out. During the whole period that followed the election, however, the Prime Minister did not convene the House, while he could have done so before Christmas. People would have liked to see these amendments take effect before the holiday season. But no, the government took its time. There was no rush. The election had taken place and the Liberals had just won a majority government. So, the Prime Minister preferred to wait and then say “Yes, we will do this retroactively for you”. But people's rent and other expenses cannot be paid retroactively.

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The day after the election I continued to see people in my riding office as though nothing had changed. People asked me “If the government is talking about a retroactive system, will their wonderful parental leave be retroactive as well?” No, it will not. Things are retroactive when it suits the government because it has said that they will be. I find this government’s lack of compassion appalling.

Finally, when he called the election, the Prime Minister had only one thing on his mind: getting elected for a third majority mandate. He was not thinking about the good of the country, about the plight of the poor and the unemployed. He apparently wanted to go down in history as the prime minister who, after Laurier, had the most majority mandates.

Unbelievable, but there it is. How can we complain about the poor voter turnout when there was so little to vote for? While not encouraging this, I can understand it. The election was called for no other reason than opportunism, not out of any desire to tackle the real problems facing a certain segment of the population.

I was re-elected for the third time with a strong majority. Members of the House know that shipbuilding is an issue of great concern to me. It is an issue that is well covered by the media in certain regions but unfortunately not on Parliament Hill. No Hill journalists are interested in the topic.

• (1715)

The shipbuilding sector is a sector that has been hit hard by unemployment. It is a sector that has been affected by the problems of the intensity rule, the rule applied to those who are frequently out of work.

Each year these people have lost 1% of their employment insurance benefits because there were periods of unemployment. This represents millions of dollars in my region that were lost not just by unemployed workers at the Lévis shipyard but also by businesses in my region. When people have less money in their wallet they spend less. This has an effect on the whole community.

**Mr. André Harvey (Chicoutimi—Le Fjord, Lib.):** Mr. Speaker, allow me first to congratulate you on your new job. I am convinced you will use your wisdom for the benefit of the House of Commons and all Canadians.

Allow me also to say how much respect I have for my colleague from Lévis who works very hard for his riding and his whole

region. As a matter of fact, I had the opportunity to see him work on the issue of shipyards.

With regard to the issue we are dealing with today, namely Bill C-2 on unemployment insurance, I would like to say that I too was targeted. During the election campaign there was a lot of reference to what was called the theft of \$40 billion over a period of several years. However, what they did not say is that the fund is actually managed as part of government operations as a whole. One should always look at it in the light of the planned tax reduction of \$100 billion over five years.

However, people forget to say that lower premiums will result in savings of several hundreds of millions of dollars. The Bloc often asks, as a key element of parental leave reform, that funds be repatriated to Quebec. This reminds me of Quebec’s traditional demands and positions regarding, among others, manpower training.

Four years ago there was a deal with the federal government. Some \$700 million a year is transferred to Quebec via Emploi-Québec. One day I would like to have the opportunity to analyze the efficiency and productivity of Emploi-Québec in terms of the transferred funds. I may be wrong, but I keep on hearing negative comments in this regard.

I would like to turn my colleague’s speech into something more positive. Could he list some key elements that would help slow down or stop the exodus of young people? I know a brief was tabled at the United Nations by a group of world economists. Some important parameters are needed to ensure the economic development of a given area. I would like my colleague to talk about these instead of talking only about unemployment.

**Mr. Antoine Dubé:** Mr. Speaker, I also want to say that I had a lot of respect for the hon. member for Chicoutimi. I use the past tense because I lost some of it when he crossed the floor to sit with the Liberal government at which he had previously aimed what I consider just criticisms.

I remember some of his comments, even the last one about the Liberal government’s lack of compassion for our young people at the time. He says that this is a positive initiative. I want to put to him a question dealing only with employment insurance, which was one of the major concerns I expressed in my speech. Would he support, like I would, an amendment to put an end to the two tier employment insurance system, one for the older workers and one for the younger ones?

In my speech, I said that unfortunately our young people were the first ones to be hurt by this system. I believe that returning to a

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fairer system for everyone would encourage more young workers to stay in their ridings or their regions and to even create their own jobs in some cases. I do not want to go on and on about this, I will limit myself only to that one suggestion.

The hon. member would hence be able to follow the agenda and stay true to the criticisms he made while sitting on this side of the House.

• (1720)

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, just for the information of the member for Chicoutimi—Le Fjord, I will remind him that this is a debate on employment insurance and not on economic development.

With regard to changes to the employment insurance system, I would like my colleague from the Bloc Québécois to tell us if he has had this experience. During the election campaign, it seems that if one wanted changes to the EI system, one had to vote for the Liberals because they were the only ones who could deliver on that. I remember that the Liberals in all the ridings in our area were telling people that if they voted for them, they would make changes to the employment insurance system.

Did the Liberals use the employment insurance system only to win votes or were they really serious about correcting the problem that was created through changes that hurt employers and employees who contribute to the employment insurance plan?

I would like to know if the member has experienced the same thing I have in Acadie—Bathurst.

**Mr. Antoine Dubé:** Mr. Speaker, we have the same opinion of what they were saying. During the election campaign, I watched the news like everyone else. When the Prime Minister was campaigning, in your neck of the woods, I believe, he said this about Bill C-44 “We realized that it had not been a good decision; we ought not to have done so”. He was referring to the cuts to employment insurance eligibility.

The hon. member for Bourassa made a personal commitment to making corrections to the employment insurance legislation. Many people understood this to mean corrections that would improve the bill that had been introduced just before the election.

The result as far as concrete measures are concerned, with the exception of a few lines or phrases, is that nothing substantial has been changed. It is as if there had never been an election. It is as if those words had never been spoken.

That is why in the speech I have just given I said that, on occasion, I am beginning to understand why people are fed up with politics. When a person listens to what is said during election

campaigns, particularly by the people across the floor, words that are not respected afterward, not taken any notice of, it is as if nothing has happened at all.

I would say, however, that the voters did a good thing by re-electing a number of opposition MPs, particularly the hon. member for Acadie—Bathurst, and all the others I have just named, to act as watchdogs over this government. I would have a word of caution for the hon. member for Chicoutimi—Le Fjord, for whom I still have considerable respect. When a person crosses the floor of this House, before he does so, he needs to be vigilant about maintaining his opinions, his values, the things he wants changed.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, does the hon. member for Lévis-et-Chutes-de-la-Chaudière think that the members for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok and for Bellechasse—Etchemins—Montmagny—L’Islet will vote in favour of the bill in its present form, a bill in which there is nothing that was not already in Bill C-44? Do these members go along with the Prime Minister’s trickery, who said “Some major changes are in order and we will make them” whereas, now that the election is behind us, the Prime Minister is forgetting the reality?

Does my colleague agree that during the election campaign the members representing the Gaspé and the Etchemins—Montmagny—L’Islet ridings came and told us that major, indepth changes were necessary? Today no such changes have been made. How will these members vote at second reading? Since no changes have been made to the bill, this means they now agree with the content of that bill, while they were opposed to it during the election campaign.

What does the hon. member for Lévis-et-Chutes-de-la-Chaudière think these members will do?

**Mr. Antoine Dubé:** Mr. Speaker, unfortunately, I think they will follow the pack, toe the party line and remain silent.

I remember that the Liberal candidate in my riding refused to have any debate. It was the same with the other Liberal candidates in the Quebec City region.

• (1725)

Allow me to make a brief comment. In the ridings of the Quebec City region, with the exception of Bellechasse, the candidates tried to convince voters to vote against the Bloc Québécois to bring the issue of mergers to the Quebec political arena. This is our second week in the House and these members are no longer talking about mergers. They do not ask questions on this issue and they do not make comments.

We are getting used to this pattern. Once the election is over, the Liberals either remain silent or else they toe the party line.

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**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I just wanted to draw to your attention that about a year ago I toured the Gaspé. I talked to a lot of people. Those people said to me that they had no interest in the government of Quebec under Mr. Bouchard because Mr. Bouchard's government had no interest in the Gaspé.

As Mr. Bouchard is so closely associated with the Bloc Québécois, they had no interest in the Bloc Québécois either. I suggest it is no wonder that the Liberals were elected in the Gaspé in the last election.

*[Translation]*

**Mr. Antoine Dubé:** Mr. Speaker, this is the first time I have heard this MP speak of the Gaspé, and I am delighted.

The new member representing the Gaspé, whom we have not yet heard speak, should draw on his energy and his influence to speak in support of the Gaspé.

*[English]*

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, it is my pleasure to join the debate, but before begin I would like to point out that I will be splitting my time with the very learned member for the riding of St. John's East.

*[Translation]*

Before I begin, I would like to thank all those in my riding who gave me this opportunity to again represent the riding of Fundy—Royal. This is my second term in the House of Commons and I would once again like to thank the voters in my riding for giving me the responsibility of representing them here.

*[English]*

When I approach this bill and think about what we are talking about, one of the things we are looking at doing is strengthening the economy as a whole throughout the country.

Before entering public life, I was a debt and deficit activist. I used to say about the debt that we were mortgaging the future for younger generations and we needed to get our fiscal house in order. It is the minimum that we owe our future citizens. I also believed fundamentally that the best way for us to grow an economy was to ensure that our tax rates were competitive with those of our trading nations, primarily our American cousins.

We could look at free trade. Our trade with the Americans in 1988 was \$90 billion. Today we trade over \$320 billion each and every year. Those are the basics of our economic fundamentals.

We have a situation where we will have a February pass where we actually may not even see a budget, despite the fact that we could be on the eve of facing some form of a recession. The Americans are actually looking at a perspective where they may be lowering taxes en masse, and we will not be following suit.

I prefaced my comments with those remarks before talking about the EI bill because they are what drove my politics for the most part. The Progressive Conservatives believe in a market economy, but we do not believe in a market society.

To illustrate that, when the Liberal government chose to select its restraint measures, instead of actually looking at reducing spending on massive made in Ottawa programs, where do we see the bulk of its cuts, its draconian measures in terms of what took place?

● (1730)

It attacked the provinces with respect to gutting health care and post-secondary education by 35% in the budget of 1995. Post-secondary education and health care are fundamental priorities of our society, yet the government chose to attack those fundamental planks.

It also chose to attack the poor. I campaigned in 1997 and if I were to review my remarks in the course of that campaign, I am sure I would have commented on the fact that there was at least a \$5 billion surplus in the EI fund at that time.

Those are draconian taxes that tax every new job created. The chief actuary at the time, Bernard Dussault, mentioned to us and the public that the EI fund would be sustainable at around \$2.40 per \$100 insurable earnings. Today I believe it is around \$1.75.

I am talking about the tax cut side of this matter because that money belongs in the pockets of Canadians. I am proud to say that I learned a lot over the course of my mandate. The other side of the equation is that 75% of the individuals who collected EI in the year that the Liberals made these draconian cuts earned less than \$10,000. They attacked individuals who earned less than \$10,000 per year. That is essentially the cause and effect of that initiative. It was wrong.

I say that as a devout fiscal Conservative who wants to get our fiscal house to ensure that we pay down the debt for future generations and lower taxes. This is not in any way socialist propaganda, as I heard a Reform member say in the past. This is not a regional subsidy in terms of EI.

If we talk to individuals in the northern regions of Alberta, Manitoba, Saskatchewan, British Columbia, New Brunswick or even in my riding of Fundy—Royal, we see that there are pockets where seasonal work in winter has a cumulative effect on seasonal communities.

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I am very proud to have been in the coalition of Progressive Conservatives, social moderates, fiscal conservatives and some individuals who spoke out on the particular issue.

I compliment the NDP member for Acadie—Bathurst for bringing the issue forward. I compliment Jean Dubé, the former member for Madawaska—Restigouche who is running in a byelection today. I wish him well as the polls close in about two and a half hours from now.

Above all, I compliment Angela Vautour. Angela Vautour raised the profile of the EI seasonal worker and these draconian cuts in terms of the intensity measure. She actually brought the issue before Canadians. I almost call it the Angela Vautour bill.

Her efforts, the efforts within the Bloc in defending its seasonal communities and the efforts within our Conservative caucus in terms of the members for New Brunswick Southwest and for St. John's East, formed a coalition that guilted the government into action. Only on the eve of an election did it actually have the guts to go forward and do it.

This was an ill-advised bill, particularly concerning issues relating to women. The intensity rule actually attacked how we have our children. A woman may have two children, but if she did not work the number of weeks or hours necessary between the two pregnancies, she would not be eligible for EI to start off with. Moreover, she would be cut from her previous benefits because of the intensity rule. The legislation was anti-women and anti-family.

• (1735)

Corrections are long overdue. They are on the floor of the House of Commons today because of work of opposition members, primarily the Bloc and the New Democrats. Principally the member for Acadie—Bathurst for the New Democrats put his shoulder to the wheel on this issue.

I pay tribute to two members who are not here. They left a very lasting legacy and will help families in their own communities for years to come. I compliment Jean Dubé and Angela Vautour for the work they did on behalf of Canadians.

With those comments, I will entertain any questions and answers members may have, but I will also issue a challenge.

[*Translation*]

I would like to hear the members for Madawaska—Restigouche and Beauséjour—Petitcodiac. They have a responsibility to express their opinion of this bill. These two Liberal members must speak to this bill.

[*English*]

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I would like to say I am sorry to the member opposite. He will have to make do with me in response to his speech.

As we know, both the employer and the employee pay employment insurance premiums. Is it not true that if we cut the EI premiums to the auto giants, one of the major employers in the country, it will be a windfall profit worth millions of dollars to them?

**Mr. John Herron:** Mr. Speaker, lowering EI premiums for the employee and the employer provides more stimulus in our economy. As any economist who studied this issue has always maintained that payroll taxes are one of the largest deterrents of economic growth in our economy.

Companies may actually make money and profits, one of the things Progressive Conservatives think is good and actually grows the economy. Liberals would rather stifle the economy and shame on them for taking that perspective. Lowering premiums for the employer and the employee is the right thing to do. Almost every major economist will categorically subscribe to that perspective.

Given that the surplus is almost \$9 billion on an annual basis, there is more than enough money in that process. That money belongs to the taxpayers. Through tax cuts that money should be put back in their pockets where it belongs to repair the draconian damage that Doug Young and the Liberals did in 1995.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I congratulate my colleague from New Brunswick, the province which neighbours the beautiful province of Nova Scotia. We already know that the Progressive Conservatives will support the waiver of the two week rule when it comes to labour training. We thank the Conservative Party for its support of that initiative.

We already heard the member from Mississauga admit that EI funds come from employers and employees and not from government. It comes from the businesses and the workers. The member from Mississauga clearly stated that the money was used for purposes other than labour training or income security.

Would he comment on the revelation of the longstanding member from the Liberal Party as to why the Liberal government was able to get away with using funds other than for the purposes they were intended?

**Mr. John Herron:** Mr. Speaker, the reason the Liberals were able to get away with it is was that there has not been a political party in the House over the last seven years that has the critical mass and strength to be able to hold the government accountable.

• (1740)

I remember the first leader that made an issue of the EI surplus and hammered it day in and day out, the Hon. Jean J. Charest. He actually hit that issue time and time again. Once the surplus started to evolve and build, he started pointing out the fact that the money belonged in the pockets of Canadians through lower premiums and

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that there was no need for the government to make the draconian cuts which it actually did at that time.

With respect to the comment of using the money for other purposes, I think it is a breach of trust. It is disingenuous to the taxpayers. It is a shame, and we should be lowering taxes in that regard.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I would like to put a question to my colleague from the PC Party. He said that his leader, Mr. Charest, fought about the employment insurance surplus. With all due respect, it seems to be that every time they speak about employment insurance they talk about the premium.

Before bringing down the premium, would he agree with me that the real thing to do is to resolve the problem of employment insurance for people who do not qualify for it and then look at the surplus and the premium?

**Mr. John Herron:** Mr. Speaker, the magnitude of the amount of money that is involved from a surplus perspective is nearly \$10 million annually. The government is misusing or misappropriating so much money in terms of its intent about how it is collecting it that both can be done exactly at the same time. There is no reason to wait in that regard. There is clearly enough room to be able to move in both directions.

The New Democrats and the Conservatives at some point will say enough is enough in terms of the benefits. The cuts that I am resisting relate to those made in 1996 that attacked people making less than \$10,000 per year.

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, it gives me a great deal of pleasure to say a few words in this debate.

We on this side of the House have been calling for four years for changes to the employment insurance system. The first set of major changes brought in by the Liberal government about four years ago had the effect of making life very miserable for a number of my constituents. It also had the effect of making life very miserable for people in Atlantic Canada generally who happened to live for the most part in a seasonal economy.

When the unemployment insurance system became the employment insurance system, the new rules forced many people in Atlantic Canada to become mobile. The new rules forced many seasonal workers to move because it became much more difficult to qualify for employment insurance benefits. When they did qualify it was for fewer benefits for a shorter period of time.

This caused quite a great deal of difficulty for Atlantic Canadians. Seasonal workers were penalized for the intensity rule, which dropped their rate of benefit every year because they happened to be repeat users of the system.

I do not see too many changes in some of the really important aspects of the unemployment insurance bill. The divisor rule had the effect of lessening the monetary value of the weeks worked and drove down the weekly EI benefit. I do not see too many changes that would reverse that effect.

● (1745)

The net result is that about 35% of unemployed people actually qualify for benefits. Because women of course have a different work pattern than men, about 30% of women actually qualify for benefits. That is causing a great deal of hardship among the workforce generally.

Newfoundland is the hardest hit of the Atlantic provinces with respect to the EI changes. That, combined with the downturn in the fishery, has meant a steady out-migration of people from the province. The population of the province is steadily going down because of many of the draconian measures the government has taken.

The truly sad part of this is that the out-migration was not accidental. It seemed to be a deliberate part of the whole plan. The architects of the new EI system knew that there would be a part of the year when seasonal workers would not be able to qualify for benefits. If they did not qualify for benefits they would be faced with a choice. They would have the choice of digging into their savings, going on welfare or moving to another part of the country.

Some might say so what if they have to move to another part of the country. However, if they happen to be seasonal workers, their wages very often are low. They cannot afford to move their families, lock, stock and barrel, to another part of the country.

The changes brought in by the Liberals in changing the system from UI to EI have cost the province of Newfoundland \$1 billion annually. The city of St. John's has been losing \$75 million annually. The riding of St. John's East, which is made up of part of the city of St. John's and the rural areas of Conception Bay, is losing about \$52 million annually. Neighbouring St. John's West is losing about \$56 million annually. Burin—St. George's is losing \$80 million a year. A lot of these towns and communities happen to be in a seasonal economy because of the fishery. Newfoundland being on the government side did not seem to help either. In the five ridings outside of St. John's, the EI cuts have had a really devastating effect on the rural parts of Newfoundland and Labrador.

Last fall the government decided to loosen up on some of the EI rules because an election was in the offing, but it failed to pass the EI bill before the writ was dropped. We were supposed to forget then, and we are supposed to forget now, that there has been a massive surplus in the EI account for quite some time. The

government could have and should have acted on the unemployment insurance problems in Atlantic Canada long before it did. It did not do so simply because it was leading up to an election, so we have an EI bill before us today that still fails to address the problems of a seasonal economy.

I want to say a few words about women and EI. Earlier I said that about 30% of unemployed Canadian women qualify for benefits these days. That is not my estimate; that is from Statistics Canada as well as the employment insurance commission. Only 30% of unemployed Canadian women actually qualify for benefits.

• (1750)

In the spring budget the Liberals made much of the fact that EI maternity leave would be extended from six months to a full year. Given that only 30% of women qualify for any benefits and given that it is harder to qualify for maternity benefits than it is for regular benefits, only a political party with the gall of the Liberals would boast about improvements to maternity benefits.

There are some good points about the bill and I do not think they should be overlooked. One good point is that the bill raises the income threshold for clawback. There is no clawback for first time claimants and for people who avail themselves of maternity benefits or sick benefits. This is very good and I want to compliment the government on this. People coming off maternity or parental benefits will now have an easier time getting back into the employment insurance system because they will no longer be treated as people with no attachment to the workforce.

Why was all of this not done earlier? Why was this not done this spring when the length of the maternity benefit period was increased? If only 30% of unemployed women qualify for benefits, as I said earlier, all of these improvements are cold comfort to the other 70%.

Also, I do not see any changes in this bill with regard to easing up on the qualifying requirements for regular benefits, nor do I see anything that increases the time during which one can draw regular benefits. This means that there is still a period of the year in which an unemployed person will have no income. The divisor rule, which lowers the monetary value of the weeks worked, is still there and the value of the weekly benefit has not been changed. While the improvements to maternity benefits and the clawback provisions are certainly welcome, for regular benefits the EI system is still nowhere as generous as what it should be.

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I thank the member opposite for his remarks. I listened very carefully. Incidentally, I am very fond of his province. I have been down there a number of times. It is probably one of the most beautiful corners in the country or, for that matter, anywhere in the world.

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I do sympathize with him on this problem of the migration out that occurs in Newfoundland, because of lack of job opportunities, I suppose. In that context, I would ask the member, then, if it would not be better to allow the rich corporations in central Canada to continue to pay relatively high premiums into the EI fund? With that surplus the federal government can invest in infrastructure in Newfoundland that creates jobs. Is that not a better solution for Newfoundland than reducing premiums?

**Mr. Norman Doyle:** Mr. Speaker, no, that is certainly not the way it should be. I believe there should be a general recognition by the federal government of the fact that we either value seasonal workers or we do not. If a province happens to have a seasonal economy as we do in Atlantic Canada, the federal government can and should be looking at making the employment insurance system a lot more generous. If 10 and 42 was too generous, which it probably was, then 10 and 21 is certainly not as generous as it should be.

This is the question we have to ask ourselves when we are talking about employment insurance: do we value a seasonal economy? Do we value the fishery in Atlantic Canada? Do we value loggers in Atlantic Canada? Do we value construction workers in Atlantic Canada? These people make a very valuable contribution to the Canadian economy.

It is not only Atlantic Canada that has a seasonal economy. Parts of Ontario have a seasonal economy as well. I think it is incumbent upon federal government to realize that it has an obligation toward the regions of the country. We should not always be looking to the centre. To think that to make things better in the centre and things will all of a sudden become a whole lot better in Atlantic Canada is the wrong approach.

• (1755)

The hon. members opposite who happen to be representing ridings in Ontario should realize that. Ontario is not the only province in Canada that makes a contribution to this economy. The people of Atlantic Canada make that contribution as well. Fish may not be very appealing to the member opposite, but fish are a very important part of this economy and we have fishermen in Atlantic Canada who need a more generous employment insurance system than what the federal government is providing now.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, one of the problems with what the Liberals have done with the draconian cuts to EI is that they have increased child poverty in this country. They have also increased the number of food banks we have in this country. It is absolutely criminal that this government can get away with that. In my own riding, in Chezzetcook, they opened up another food bank the other day because people simply do not have enough money to buy their own food.

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This is what happens when we have a centrally based government that ignores the regions of the country.

Could the hon. member from St. John's East tell us what effect it has in his communities in terms of the children of his riding when parents do not have enough money to clothe or feed their children?

**Mr. Norman Doyle:** Mr. Speaker, the hon. member has asked a very good question and a very important one. I believe that food banks are being used today at unprecedented rates, not only in Newfoundland but in a lot of Atlantic Canada.

I was part of a committee on poverty that travelled this country from Newfoundland to Vancouver. We held public meetings and had people come forward and make presentations. One of the things people said to us consistently was that the unemployment insurance system and the changes that the federal government made to the unemployment insurance system had lowered their income levels to such an extent that they depended on food banks on an almost weekly basis. The government should be held to account for that.

**Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.):** Mr. Speaker, it is a pleasure to have this opportunity to speak on behalf of my constituents of Western Arctic and on behalf of my government in favour of these changes to the employment insurance legislation.

I have been with HRDC since 1993, when EI was still UI, as it was known then. It was under the leadership of former Minister Axworthy that the initial discussion on review and reform began. It was an attempt to look at the inequities in the system, at the issues and at the long outdated problems that had occurred within the system and needed to be changed. The ensuing debate was on those issues. Subsequently we went through successive ministers, four to be exact, the most important to date our current minister, who has undertaken to complete the file on the changes for these particular sections.

The changes we are bringing forward under this bill are important and necessary. As members of the House know, this bill was introduced in the House last fall and debated in second reading. That is why we are reintroducing this bill. The changes herein reflect the mandate that Canadians gave us in the last election. They also follow from our government's ongoing monitoring and review of the EI system and our belief in fairness.

• (1800)

There is always an effort made to ensure that the best results come from any reforms or reviews of legislations, programs and services. This monitoring has led us to recognize that some of the changes brought in then have caused unanticipated difficulties, especially some of the impacts that they have had on seasonal

workers and parents who take extended absences from the workforce to care for young children.

We want to provide a program that is fair and that Canadians can count on for support when they are out of work or when they are preparing for work. We have continued to monitor the process. By and large we can say that all the core elements of the reforms undertaken in 1996 are working well. However, we also recognize that some improvements need to be made. That is why we are doing this legislation reform.

I see the legislation as good news for families and their children. By eliminating the intensity rule, for example, we will improve the situation of workers and their families who often have to rely on EI more than they would like to because job opportunities may be limited. For many people in situations like this the existing legislation may be perceived to be punitive, especially in regions where jobs are scarce. This is something that is recognized by these changes.

Remember the intensity rule was put in place to discourage the repeat use of EI. Unfortunately, it has not achieved the desired results. Looking at my part of the country, for example, we do not have the same job opportunities as some other areas of the country. In some regions of my riding of Western Arctic, jobs are very scarce or at best very seasonal.

Not everyone is in the same situation across the country. Take for example the individuals employed in the transportation industry, the ferry workers and the longshoremen of the Northwest Territories. These men and women ensure the transportation of vital goods to many small communities in the western Arctic. Many people would not know but we do not have a complete highway system. We do not have 100% of the transportation grid in our area, neither does Nunavut and some parts of the northern areas of provinces. These jobs are at best very seasonal. These men and women, try as they might, cannot always work year around. The weather simply makes it impossible. Should they be penalized by the intensity rule?

The same is true in a number of other industries in northern communities, such as commercial fisheries. Our communities also depend on firefighters to prevent and extinguish forest fires. Sometimes they work in very remote locations and sometimes they go abroad and assist because they developed the expertise and are asked to make a contribution nationally and internationally outside of our region. Nonetheless, their work is seasonal work. Should these workers be penalized by the intensity rule?

Oil and gas workers, as well as mining industry workers, are other groups who are a vital part of the communities of the Northwest Territories. This work is highly seasonal for the very fact that we do not have permanent roads. We depend on winter roads which have a very short window of opportunity because of

the environment. We are not allowed to continue with the transportation of goods once the ground softens. This really has an impact on the livelihood of many of those people. Once again, while they would like to work year around, the reality of our weather, climate and winter prevents this. The intensity rule has caused hardship for many people in circumstances like this.

We all agree that the emphasis should be on encouraging people to gain long term employment. I know that is what people in the north want to do. That is the long term strategic goal of the north, to become self-sustaining. With the opportunity of now having two diamond mines in full swing, we anticipate camps that have 800 people.

All the same, many of the people who transport fuel and goods are seasonal workers because of the very nature of the climate and circumstances that our environment entails in the north. It is not a government device. We report the weather but we do not create the environment that makes the weather. That is the way it is. Once again, while they would like to work year around, the reality is their circumstances prevent it.

● (1805)

We have to be realistic and we are. We want a system that is fair to all Canadians including those whose incomes depend on seasonal employment. We can do that by eliminating the intensity rule and backdating the change to October 1, 2000, as the legislation proposes.

I know all members want this. We want to restore the basic rate of 55% for everyone. This is good news. I also see good news in the proposed legislation for those individuals and their families whose income includes special benefits under EI. By this, I mean benefits paid under EI for maternity or parental leave or in cases of illness.

Under the current system special benefits can be subject to the clawback. Under the legislation before us, that will no longer be the case. When Bill C-2 is passed, people collecting maternity, parental or sickness benefits, will no longer have to repay their benefits.

First time claimants will also get a break from the clawback. A first time claimant has often paid premiums for many years without ever drawing on their benefits. At the same time, the government proposes to raise the income level at which the clawback kicks in for repeat claimants, from \$39,000 to \$48,750 net income.

After the legislation is passed, only higher income Canadians who have repeatedly received EI will face the prospect of paying back their benefits.

I note the legislation proposes we make this repayment adjustment apply starting from taxation year 2000. In other words, the change will provide benefit for all of 2000 and from that time forward.

### *Government Orders*

The bill also proposes changes that will help parents of young children to more easily qualify for regular benefits after they have re-entered the labour force. If the bill is adopted, parents would require the same number of hours as other workers to qualify for regular benefits, between 420 and 700 hours depending on the unemployment rate where they live.

The new rules will recognize the strong workforce attachments these parents had prior to taking an extended period away from work to raise their young children. For example, we have heard about women who felt they had been penalized for taking time away from work to care for their children and that existing regulations did not give them adequate credit for past participation in the labour force.

The throne speech gave a flavour of the kind of care, and previous budgets have also indicated the care, that we give to young children, to families and to the youth of the country. This is a reflection and an extension of that. We want all young children to have a good start. Any legislation that we have put forward has dealt with early intervention and prevention programs. We will ensure that there is compatibility between these changes and the results that we desire.

We are extending the look back period used to determine eligibility for EI regular benefits by four years to make sure re-entrant parents are not treated unfairly. This is an important amendment for my constituents.

Members of the House may not be aware that the Northwest Territories and its neighbour Nunavut have one of the highest birth rates in Canada. In 1999 the birth rate for the Northwest Territories and Nunavut combined was 22.7 births for every 1,000 residents. This compares to an average of 11.2 births for every 1,000 residents in Canada as a whole.

The changes will benefit many people in my riding and neighbouring ridings in the north. I see this as another positive change for Canadian families, particularly in light of the new extended parental benefits. It will remove the penalty these parents, and especially women, could face when applying for EI after an extended absence.

● (1810)

There are numbers of ways the changes in Bill C-2 will benefit unemployed Canadian workers and their families. The bottom line is that by addressing some very real concerns which have been brought to our attention, concerns of my constituents and of the government itself, we are moving to ensure that northerners and all Canadian families are treated fairly under EI, and that they have more money to meet the needs of their families.

*Government Orders*

However, the bill is not the end of our work to ensure fairness under EI. I mentioned at the beginning of my remarks that we are committed to an ongoing process of review, that we will continue to monitor and access how EI is working and to ensure that the EI system does the job we want it to do. That is why I am pleased to speak in favour of the legislation for northerners and all Canadians.

[*Translation*]

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I am pleased to speak to the bill on employment insurance. I was listening to a woman in parliament talk about fairness and fair treatment, words that are to be found in Bill C-2. As we know, the treatment women are subjected to in order to qualify is totally unfair.

When the minister tells us this reform was necessary, I quite agree with her. However, when one looks at the bill with respect to parental leave, about which the minister was boasting in terms of what the government is doing, it is like putting one's head in the sand. This means that women are not eligible for employment insurance.

When one requires that women work 600 hours while in some regions where unemployment is high, men or women only have to work 420 hours in order to qualify for regular benefits, when one boasts about the parental leave bill, that means that one is not looking at how many women will qualify for parental leave.

The government says that 42% of pregnant women are eligible for maternity leave. It is fine to boast about doubling the number of weeks and hours that a woman will be able to spend at home with her child, but it remains that she has to qualify and to be able to afford it. With 55% of a precarious salary, a woman will not be able to afford to stay at home for two years to care for her child.

When the minister talks about fair treatment, I do not believe it concerning women, for several reasons. As we know, women are the ones in precarious jobs. According to the Canadian Labour Congress, 10 years ago 70% of women had access to employment insurance. Nowadays, it is the reverse: 70% of women are excluded.

I dare the minister to tell me this is treating women fairly.

[*English*]

**Hon. Ethel Blondin-Andrew:** Mr. Speaker, I think members understand that these are very specific reforms. These changes are not a panacea to all the woes, problems, hardships and challenges that face women. There are many other opportunities that we have to look at.

Some members in the House cannot distinguish between the issue of guaranteed income and a specific program like employ-

ment insurance. We need to have a different set of discussions on whether or not there are other issues we have to look at to perhaps enhance the economic well-being of women. It is a fact that women are benefiting from our economy as a whole. There were 31,000 new jobs created for women in December. Employment for women increased by 1.1 million jobs since 1993.

No, we cannot resolve all the issues because these are specific reforms. Look at the benefit repayment clawback, the re-entrance provision and the retroactive fishing regulations which ensure that women in the fishing industry can access the same parental benefits as other women. This is progress and the hon. member should recognize that.

• (1815)

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I would like to have some details from the Secretary of State for Children and Youth.

In 1989, when my predecessor, Doug Young, was in opposition, he said that he encouraged all New Brunswickers to fight any changes to the unemployment insurance system with vigour because they would spell disaster for New Brunswick.

In February 1993, the leader of the opposition, who is now the Prime Minister of Canada, said that we should attack the economy, not the most vulnerable people in our society.

Today, the minister is telling us that minister Axworthy did what he had to do, which was to reform the employment insurance plan.

Could she tell me the difference? When she was a member of an opposition party, that party was fighting any changes proposed by the Conservative government to the unemployment insurance plan. Now that the Liberals are in power, it is apparently all right to steal \$32 billion from workers. Could she explain that to me?

[*English*]

**Hon. Ethel Blondin-Andrew:** Mr. Speaker, perhaps the hon. member should reflect on the fortunes of his party and consider the whole issue of reform and review. That is where the reform needs to be.

It is undeniable that we are living in a world of change. We have high technology, mechanization, digitalization and a shift from a resource based economy to a high tech, innovative economy. We have challenges to face and one of the challenges is adjusting to change.

The hon. member's comments serve to remind many Canadians that his party is unwilling to change, unwilling to meet the challenges and unwilling to make tough decisions in the short term

for long term gain. I think that is what it is all about. The hon. member should consider those comments.

[*Translation*]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, between 1993 and 1997, I sat on the human resources development committee and the secretary of state was performing about the same duties as today.

Since very few changes were made compared to what people requested throughout the consultation process and since the secretary of state is very much aware of the situation, how does she explain the fact that the eligibility rule has not been modified?

The House has to realize that no changes whatsoever were made to the eligibility rule. The changes only affect those who are already eligible to employment insurance benefits. There is nothing in this bill for those who could not previously qualify for employment insurance.

The secretary of state has read the reports prepared by the committee that even travelled to my region. How can she justify and support this bill that does not include any of the suggestions concerning the eligibility issue?

[*English*]

**Hon. Ethel Blondin-Andrew:** Mr. Speaker, the hon. member should recognize that we took on the reforms in 1996 to make the system fairer, reduce dependency, assist claimants in low income families with children, reduce program costs and emphasize active measures, all the while leaving the core elements of employment insurance intact. Perhaps this is not his view, and I doubt that it is.

These are facts. These are not my opinions. These goals are just as important today as they were in 1996. This is what we aspire to. I am sad and sorry that the members opposite do not feel the same.

Let us look at the changes. In 1997 we saw an inequity and created the small week pilot project. In the 2000 budget we extended parental benefits. These are all changes. Today we talk about clawback and intensity. These are very specific. Do the hon. members not recognize that these are changes?

I do not know how we can convince them. I am sure that with more time we can, because they will come to their senses and realize this is the thing to do.

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, my question is for the Secretary of State for Children and Youth.

I find it incredible that those in power are able to say, during an election campaign, that they are there to make changes when young university students have trouble studying and working at the same

### *Government Orders*

time. Many of them work part time but some of them work full time. These people receive very little benefits if any.

• (1820)

I want to ask the secretary of state how she can say such things during an election campaign, then introduce a bill without make changes to allow young university students to have enough money to get by, especially to allow them not to pay employment insurance premiums or, at the very least, to receive benefits.

[*English*]

**Hon. Ethel Blondin-Andrew:** Mr. Speaker, the difference is that we believe in creating opportunities for those students rather than have a system where they depend on only one form of support, which would be EI.

We would rather create economic opportunity for smart, clever young people who make an investment in their education and who want to work. That is what we prefer to do. We do so by investing a lot in post-secondary education. We invest \$1.2 billion into youth programs and support programs. We have a summer employment program. All these things speak to the kind of world we want to create for young people.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, it gives me great pleasure to rise in the House in the final minutes of this debate on the very important issue of unemployment insurance.

It is interesting to see the arrogance ooze from the pores of the Liberal members. It is absolutely incredible that the government thinks for one second that it has not only the legal authority but the moral authority to tell businesses and workers what to do with their money.

This is not government money. This is not Liberal money. This belongs to the hardworking members of both the working class and the business community. It is their money. I doubt very much that an ounce of consultation went on with the various businesses or union organizations throughout the country.

It is absolutely astounding that in 1989 the Liberals agreed with an Ed Broadbent motion to eliminate poverty by the year 2000. Since 1993 when the government took power, poverty has increased four times. More and more food banks are opening across the country because parents do not have the funds to look after their children's daily needs.

It is an absolute scandalous shame that government members can tell us that they are doing is a good thing. They need only come to my riding, come to areas of Newfoundland and come to other areas throughout the country to see the devastation their policies have invoked across the country.

*Government Orders*

**Mr. John Bryden:** Mr. Speaker, I rise on a point of order.

**Mr. Peter Stoffer:** Mr. Speaker, let us completely ignore that man and carry on. The Liberals wish to rise on a point of order simply because they do not understand what their devastation has done to the EI system.

**Mr. John Bryden:** Mr. Speaker, you did indicate that the member only had a minute left to speak. I believe you may have lost track of time in his particular instance.

**The Acting Speaker (Mr. Bélair):** No, I did not lose track at all, because before I gave him the floor I said “Resuming debate. The hon. member has 20 minutes left”. I give him back the floor.

**Mr. Peter Stoffer:** Mr. Speaker, that shows the attention the Liberals pay to very important issues throughout the country. I thank you for correcting that error.

It is unfortunate that the government has no understanding of what it has done. I notice my new colleague, the member for Bras d'Or—Cape Breton, is in the House today. I welcome him to the House. No offence to him personally, but I do wish that Michelle Dockrill was back. Now that he is here, however, I am sure he will stand up for the good fishing communities of Cape Breton.

It is simply scandalous that he can sit in the House and say his Liberal colleagues will do a good thing with EI. I would love to tour with him in his riding after the bill gets through. I know the Liberals will rush the bill through with no positive amendments from our side. They will see exactly what happens a year from now, the devastation that the bill will continue to have on the good people of Cape Breton.

• (1825)

It is most unfortunate that this is happening. In fact, my hon. colleague from Winnipeg Centre has clearly pointed out the fact that the two week penalty for employees who wish to go back and get training at vocational school is still in effect.

We hope the government will accept this amendment. By taking away that two week clawback, the government will not penalize any person in this country who wishes to upgrade his or her skills. We would like the government to eliminate that penalty against workers so that they can have the opportunity to upgrade their skills, especially in aspects of the new economy.

It is most unfortunate that the government members in the House of Commons think that because they have 170 seats they have a mandate to do whatever they please. We in the NDP, although we may have been reduced in numbers, will continue to stand up in the House for the workers of the country and for the small businesses of the country, because these are the backbone of our society, the backbone of the outer regions of our society.

I could not help but notice that one of the members from Prince Edward Island is here. It is an unfortunate shame that a lot of the shell fishers in his area have gone through a personal hell over the last four years due to what HRDC, Revenue Canada and DFO collectively have done to his good people in his riding.

Now we hear from the member for New Brunswick that the same thing is happening to the clam fishers in New Brunswick. The same thing is happening to shell fishers in the Gaspé region as well and in other areas of New Brunswick. It is unfortunate that the government continues to punish those people in our society who make under \$10,000 a year. It is absolutely criminal that the government can stand up and say it is going to do what is right.

To do what is right is, first of all, to respect these people. Although they do not make an awful lot of money, they are still Canadian citizens. The last time I checked, they had a right to be governed in a respectful way. It is a shame that the federal government, through its departments, can display such arrogance toward these hardworking Canadians, when in actuality all they really wish to do is look after their families and live in the communities of their ancestors.

My colleague from Acadie—Bathurst went across the country a couple of years ago and came up with an EI report. My colleague from the Conservatives gave a lot of credit to Angela Vautour, who, by the way, was a former member of the New Democratic Party before she crossed the floor, and I give her credit as well for raising this issue, but I believe the fact that the government is even talking about EI is due to the incredible hard work of my colleague from Acadie—Bathurst. He deserves an awful lot of credit for bringing the issue to the House and shaming the government into doing something right.

I will give the Liberals some credit. I do not often give them credit, but a couple of things in the EI changes are positive. The unfortunate fact is that the government has the money and the time to move forward, invoke all the changes and make sure that an awful lot of people can access EI funds for many positive reasons, but it does not.

There is one thing the government could do, which I offer to it. I could not help but notice in the throne speech the situation of parents who look after children needing palliative care. The parents may be able to access income security and job protection at the same time. That was taken right out of my private member's bill. The only unfortunate part is a lot of it was missed.

I am going to give this advice to the Liberal government and to my good colleague from Cape Breton. Here is what can be done. Any person that looks after an infirm relative, one under rehabilitative or palliative care, should be able to take time off work, access EI funds and have job protection for up to a year. This gives the person the opportunity to look after a loved one, be it under a palliative care or rehabilitative care situation, and to care for him or

*Government Orders*

her with some dignity. It also relieves our health care system and gives great relief to other medical concerns out there.

If the Liberals would have taken up that one, they would be getting a lot of support and high praise throughout the country. They did not. They just took a little bit. In order to move this issue forward, I am offering them the entire private member's bill. We all know that when we care for a loved one or an individual under a palliative care situation in our own home, it gives that individual a lot more care and dignity than would be the case if the person had to be institutionalized.

I want to say once and for all that the government does not have the right to use the EI money as it pleases. It belongs to businesses

and the workers in Canada. Before it invokes any major changes, the government should consult Canadians to see what should be done with the burgeoning surplus.

**The Acting Speaker (Mr. Bélair):** I am sorry to interrupt my hon. colleague. I would like to inform him that he still has 13 minutes left in his speech when the matter is next brought before the House.

[*Translation*]

It being 6.30 p.m., the House stands adjourned until tomorrow at 10.00 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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