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OFFICIAL REPORT  
(HANSARD)

**Friday, May 3, 1996**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Friday, May 3, 1996

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*Translation*]

### UNEMPLOYMENT INSURANCE ACT

The House resumed from May 2, 1996, consideration of Bill C-12, an act respecting employment insurance in Canada, as reported (with amendments) from the committee; and Motions Nos. 1, 2 and 3.

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, I am delighted to rise in the debate on unemployment insurance reform. Like my colleagues, I will speak with the aim of shedding a little light on its impact on the world of culture.

This reform being proposed by the Liberal government will have a profoundly negative impact on people and employment, as the hearings of the parliamentary committee have shown. It appears to a number of people, including the Bloc Québécois, that employment insurance, new terminology defined by the reform, is nothing more than impoverishment insurance. In other words, the unemployed have no more assurance of employment, but they have the certainty of going poor.

The conditions of eligibility have been tightened. Eligibility under this bill increases the threshold level from 12 to 15 15-hour weeks to 12 to 20 36-hour weeks, in fact more than double. The effect of this new eligibility criterion is to make the system less accessible to most employees, especially those who are currently working part time.

Whereas all workers will have to contribute as of the first hour, in Quebec, as in Canada, tens of thousands of workers will have to pay premiums without being assured of receiving a single cent of benefits in the event their job is terminated, and, in this regard, artists, creators and people working in culture will be penalized first.

Bill C-12 provides for employment insurance protection to part time workers and to those holding a number of jobs, but provides

no such protection for self-employed artists. Artists are considered to be self-employed and therefore are not eligible for employment insurance. The government's main argument for excluding self-employed workers from the system lies in the fact that workers in this category can terminate their employment themselves, therefore voluntarily.

Of the 156,000 people working in the cultural sector surveyed by Statistics Canada, 29 per cent were self-employed, 47 per cent were employed and 24 per cent were both self-employed and employed. In other words, more than half the people working in the arts and culture are partially or fully self-employed and are therefore considered independent.

The number of independent jobs, that is, part time jobs and multiple jobs held by a single individual, increases much more quickly than the number of so-called traditional jobs.

• (1005)

Basically, the Bloc Québécois, the official opposition, feels that Bill C-12 should be withdrawn. Our party wants the government to withdraw this bill and to have another consultation process to ensure a reform of the unemployment insurance system that is suited to the new realities of the job market, including the job market in non traditional areas.

Amazingly this bill on unemployment insurance reform does not allow self-employed workers to benefit from the system even though it was estimated that the costs to the system would be relatively low. Indeed, according to projections, extending protection would entail, percentage-wise, a relatively low increase of the system's net costs by the year 2004.

If Bill C-12 does not allow artists and many others workers in the creative and cultural fields to benefit from what is now called employment insurance, why levy premiums on their low wages when they are systematically excluded from the system? That does not make sense.

These people are denied access to the employment insurance but we levy premiums on their wages from the very first hour worked. Considering that most artists as well as numerous other workers in the cultural field cannot claim UI benefits or take advantage of employee assistance programs—they do not even have a pension plan—it is outrageous that Bill C-12, this UI reform project, does nothing to remedy the situation.

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The employment insurance system conceived by the federal government and supposedly in tune with the 21st century's reality, offers no coverage to artists and workers in the cultural field. And I repeat, the new provisions concerning part time jobs and multiple jobs are no help at all for self-employed artists, who are not eligible for employment insurance benefits.

As official opposition critic in matters of heritage and cultural industries, it is my duty to condemn this government's lack of action and this reform's unfairness, since there is no definition of self-employment or independent work, and no rule or regulation is suggested concerning these cases.

The government did not deign to take into consideration the brief submitted by the cultural sector human resources council. To quote only one example, Revenue Canada recently communicated with several theatrical booking agencies in Toronto to tell them that since they were hiring actors, consequently they should contribute as employers to the unemployment insurance system. But the fact is actors are self-employed, they are the ones paying for the services of booking agencies, it is not the other way around.

It should be noted that in this particular case, Revenue Canada and its management are acting in such a way that they add insult to injury. Not only are actors, artists and creators not entitled to UI benefits, but Revenue Canada wants to extort UI premiums from casting agents or others, on behalf of people who are not entitled to benefits under this plan. We recognize here the Liberal way to do things for the sole purpose of padding the public purse and getting the deficit under control at the expense of ordinary people, especially artists, creators and cultural workers.

I would like to conclude by reminding this House that, in 1980, over 15 years ago, the federal government signed the UNESCO Belgrade recommendation concerning the status of the artist, clearly upheld in the Status of the Artist Act, which received royal assent on June 23, 1992.

The status of the artist, clearly defined by the Belgrade recommendation, endorses the notion that artists must be eligible to the same UI benefits as any other citizens.

• (1010)

As the opposition critic for heritage and cultural matters, I condemn this government's ignorance, its blatant ignorance regarding the Belgrade recommendation it signed. Nowhere in the bill on unemployment insurance reform, nowhere in Bill C-12 is there mention of the status of the artist, of the words artist, creator, cultural workers.

The words artist, worker, creator are not part of the vocabulary of the government or the Minister of Human Resources Development. We have every right, on this side of the House, to ask this government, in the name of justice and fairness, to withdraw this bill.

[English]

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, I am very pleased to have the opportunity to speak on this bill. In particular, I want to comment on how disappointed I was to sit through part of the committee's deliberations on the bill. This committee meeting went on for 24 hours, three full working days. During that time the Bloc Quebecois did not put forward one single amendment of any substance whatsoever and certainly not on the issue of artists and employment, about which the member has just spoken.

I wonder where the lack of interest in this important sector of our economy is: on this side of the House or on the other side of the House.

I want to speak on what this legislation does for women who, as all of us know, have significant barriers to advancing in the workplace, to having equality economically as workers, and to talk about some of the ways in which this bill has significant advantages for women.

The bill ensures that women will have their benefits reduced less than men. Whereas men in the workforce will see a 10 per cent reduction it will be 7 per cent for women by the year 2001. This is important because Canada has been a world leader in its commitment to gender analysis of major new policy initiatives. This is the first major new policy initiative on which a gender analysis has been done and for which the minister, cabinet and members of Parliament have the full ability to understand how a piece of legislation affects women differently from men and ensures that we are moving toward equality rather than away from it in the measures we take.

All part time work will now be insured. This is a major boost to women in the workplace who are nearly 70 per cent of Canada's part time workforce. For the first time a quarter of a million women who hold down part time jobs will have their work insured. They will be entitled to claim employment insurance benefits if and when they lose their jobs.

Under employment insurance many women will be able to escape the so-called 14-hour job trap. Because all jobs will be insured, employers will no longer have an incentive to keep jobs under 15 hours a week. Women who hold down more than one job to make ends meet will now be fully insured.

Under the new process all hours worked, every single hour, will count toward a claim for people who become unemployed. This means that multiple job holders will be fully covered if they take sick, if they take maternity or paternity leave or lose one or more of their jobs for one reason or another.

While more women will be covered, many others will have premiums refunded. About 700,000 women who earn \$2,000 or

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less a year will receive a refund, including 495,000 who pay premiums today and have little chance of qualifying for benefits.

• (1015)

Equality of opportunity is a basic Canadian value. We have implemented measures to help single parents and low income families get back on their feet. Low income families, two-thirds of which we know are headed by women, will see their employment benefits actually increased by 12 per cent thanks to the family income supplement and other measures. Benefits for single parent families specifically will increase by 13 per cent.

The family income supplement will boost the weekly income of many low income families, many of which are headed by women. It will boost the living standard of children in this country. The family income supplement will provide an average top up of \$800 per family for families with incomes of under \$26,000 a year.

Exceptions to the intensity rule will also help women. We have also made a provision so that women returning to the workforce perhaps after having taken five years off to care for a child will have access to employment programs. It also means that low income women will be able to increase their weekly income while claiming benefits. The increased earnings exemption will mean women are able to earn up to \$50 a week or 25 per cent of their benefits, whichever is higher, while on claim.

Because there has been so much discussion about this issue in the House and in public particularly in the last few weeks, I would like to talk about the role members of Parliament have played in this legislation. One of the commitments our government made when it was elected was to give members of Parliament a stronger role in developing legislation and in representing their constituents. This bill is a very good example of that process.

The bill was referred to committee before it was debated in Parliament and before it was subject to any approval or voting whatsoever. Through that process members of Parliament from all parties had an opportunity to shape the bill, to suggest changes to it and to bring back a full report without the constraints of it being government policy and something to which they had to adhere before Parliament debated the bill. Therefore, Parliament would be able to debate it in full awareness of the views of members of Parliament from all parties and from all regions of the country.

When the bill went back to committee, members of Parliament were very instrumental in amending the bill. I want to mention three members of my own party in particular who brought forward significant amendments. They told the minister this was not good enough for their constituents. This is the way members of Parlia-

ment effectively represent their constituents, by identifying problems and working to solve those problems.

I pay particular tribute to the member for Fredericton—York—Sunbury who dealt with the seasonal employment workers who work a bit, then do not work and then work again. He made sure it was their total working time that counted and that the gaps in between those periods of working did not discount their benefits.

I pay tribute to the member for Halifax West who ensured that there were higher payments in high unemployment regions.

I pay tribute to the member for Etobicoke—Lakeshore who made a significant change to encourage people to find work, which is one of the fundamental principles of this bill. This bill encourages people to find work and does not penalize them when they find an extra day, a week or an hour of work. The member for Etobicoke—Lakeshore was key in making a change that would make it more productive for people as they would not lose benefits by taking on extra work that supplemented their income.

This is the way our government has encouraged Parliament and members of our caucus to work. Through that, I believe it has encouraged members of Parliament from the different parties to work together more closely. That is why the consideration of this bill over the last few days has been very discouraging.

• (1020)

The Bloc Quebecois simply filibustered in the committee. It kept the committee sitting all night, not doing any work on the bill, but just debating. Bloc members talked endlessly, hour after hour throughout the night. Not one single amendment to the bill was put forward. There were no constructive ideas, no positive contributions. They just sat there and talked over and over again.

I am pleased to support the bill. As with every piece of legislation that passes through this House it is not perfect but it does make major progress for the workers of this country.

[*Translation*]

**Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Mr. Speaker, there is unanimous agreement on Bill C-12 dealing with employment insurance. For two years now, in Canada and in Quebec, we have seen Canadians and numerous groups representing them oppose this unfair bill which will only make workers poorer, especially young workers and women who already have a most difficult time on the labour market.

If government had not gagged the human resources committee, these groups could have explained once more how the bill will not help the jobless because the reform it proposes will create even more poverty and, by modifying eligibility criteria, will send more people onto welfare.

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During the last election campaign, the Liberals, besides promising to scrap the GST, also used another very important slogan: jobs, jobs, jobs. Now, Quebecers and Canadians know quite well the value of promises made by members of this government. What has the government accomplished since October 25, 1993? The answer is simple: it has just carried on with the previous government's program, the Mulroney agenda. Cut after cut, social programs, and therefore the have-nots, are the main targets.

Our harsh judgment is not based on an erratic bias against an intelligent reform of social programs or a logical reform of our unemployment insurance program. The proposed reform makes no sense. These programs must be reviewed so that they will equitably meet the real needs of people who are having a hard time finding and keeping jobs. But there is only one objective to the current reform: to make blind cuts that will hit hard the poorest and workers. The government is artificially reducing the deficit at the expense of employers and workers who contribute to the unemployment insurance fund.

Indeed, since 1990, that is for the last six years, the government has been pulling out of financing the fund, while continuing to manage it. The very substantial surpluses realized by the funds these last few years have been used to reduce the deficit. Premiums have been slyly disguised as a tax to reduce the deficit. Those who are lucky enough to work have the exceptional privilege of paying this new tax called unemployment insurance contribution, even though it is not being used exclusively to meet the needs of those who are not as privileged.

The Bloc Québécois, in its minority report on social program reform, proposed "that the unemployment insurance fund be treated as a non-budget entity managed by an independent organization. The way the program is controlled and contributions used must be changed". Therefore, the preferred route chosen by the Bloc Québécois would be to give management of the program to the provinces. We could also set up a new organization which would exercise a better control over unemployment insurance and would not come under the control of the Department of Human Resources Development.

• (1025 )

Major labour confederations in Quebec and Canada, as well as organizations like the Canadian Manufacturers Association and the Conseil du patronat du Québec were highly critical of the government's accumulation of surpluses in the unemployment insurance fund. Such surpluses, combined with the fact that the government continues to cut into the program, do not contribute in any way to job creation. On the contrary, they are a major obstacle.

As for unemployment insurance eligibility, Bill C-12, if passed, will have a devastating effect on the possibility of benefiting from

unemployment insurance in case of job loss. In 1990, 87 per cent of unemployed people were receiving benefits, while only 46 per cent do today. It does not make sense to think that this percentage could decrease even further.

Yet, what the minister is proposing to us in his bill will not increase this percentage, quite the opposite. In fact, the number of hours required to qualify for benefits is more than doubled, going from 420 to 700 hours, instead of the 180 to 300 hours required at this time. For new workers, it will be even more dramatic, because they will have to work for 910 hours before qualifying.

Furthermore, the maximum benefit will decrease from \$448 to \$413 per week. This \$35 cut thus reduces by more than 7 per cent the maximum a person losing his job will be entitled to, provided, of course, he meets the eligibility criteria. So, their reduced buying power will force the unemployed to curtail their lifestyle and cut into some of their most basic needs. It is a bread and butter matter. Everyone understands that, except the government, of course.

So, people will have to work longer to receive fewer benefits and for a shorter period. That is how the Liberal government sees the improvement of the system. These new eligibility criteria will particularly affect young people and women. Since these groups represent the majority of part time workers, they will need a very high number of hours to qualify for benefits.

The Minister of Human Resources Development should take example on his colleague from the finance department who, as recently as yesterday, in the House, during question period, reiterated his statement that the promise to abolish the GST had been a mistake. He even said he was making this statement on behalf of the government of the Liberal Party. It is high time the minister admitted that his bill is a gross error and that it must be withdrawn without delay.

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

What stands out from these remarks made by the Minister of Human Resources Development when he was in opposition is that, with Bill C-12, the degree of security the minister is referring to

will certainly turn into income insecurity for those who will lose their jobs under the Employment Insurance Act. It is unfortunate that logic is dependent on which side of the House one sits on.

• (1030)

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, B.Q.):** Mr. Speaker, I am pleased to speak today to Bill C-12, concerning the unemployment insurance reform. This bill has been shamefully entitled an act respecting employment insurance in Canada.

Through this bill, the government claims, and has clearly said so, to be pursuing two goals: first, to promote job creation, and, second, to improve the system's fairness. However, we will see that this bill will do exactly the opposite and that, here again, the government is about to increase the unfairness of the system, as was pointed out by my colleague who spoke just before me.

First, there will be no job creation. Why? As we all know, the Prime Minister has been repeating ad nauseam for a few weeks that the government is not there to create jobs. With the massive layoffs in the public service, the privatization of ports, airports, railway lines and bridges, and now the disposal of railway cars announced in Bill C-31, where at least 10,000 railway cars will be sold, it is clear that, instead of creating jobs, the government is organizing a gigantic closing sale.

The Prime Minister is perfectly right in saying that a government does not create jobs. However, the Prime Minister says: "Government does not create jobs. I urge the private sector to join with us to make that job growth happen; the private sector will create jobs".

Again, this is only partly true, because it is not large companies that create jobs. In fact, these companies are the ones laying off the largest number of people, this at a time when their profits are higher than ever before. General Motors made profits of \$1.39 billion, but laid off 2,500 employees. In 1995, Bell Canada made profits of \$502 million, but laid off 3,200 employees, in addition to the 8,000 that had already been let go since 1990. Petro-Canada, which sort of belongs to us since we paid for it, made profits of \$196 million, but laid off 564 employees. Shell made profits of \$523 million in one year, but laid off 471 employees. Imperial Oil made profits of \$514 million, but laid off 452 employees.

And, last but not least, the five major Canadian banks, which made total profits of \$4.9 billion. This means 5,000 million dollars in profits. Still, these banks laid off 2,800 employees.

Do not tell us that major companies create jobs when they make profits. Do not tell us, as the Prime Minister did, that private companies are the ones that will create jobs.

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The presidents of these banks are paid incredibly high salaries. Jeffrey Simpson, from the *Globe and Mail*, recently wrote a very good article on this issue. He said the situation was totally unacceptable, because these undue benefits and enormous salaries are not related to performance. Just remember Canary Wharf, in which Canadian banks lost hundreds of millions because they made bad investment decisions. The banks do not always make the right decisions. Yet, not one of these bank presidents had his salary cut. There is no connection between performance and salaries. Their salaries go up each year, while employees are being laid off. This is what is happening.

If, as the Prime Minister says, it is not the government that creates jobs, and if, as we can see, it is not large companies either, then who will create jobs? It is small and medium size businesses, it is, as Mr. Parizeau said, the "tiny, tiny businesses". They are the ones creating jobs; yet, they are also the ones that will be penalized with Bill C-12, as we shall see.

Under the old system—I use the word "old" but I should say "current"—workers and employers start paying unemployment insurance premiums after 15 hours of work or \$163 in earnings. The amount earned is called the insurable earnings. This is what the current system provides for.

• (1035)

But with the changes being introduced, employees and employers will pay UI premiums from the very first hour of work. Who usually hires people for less than 15 hours a week? Not large corporations, not Bell Canada, not General Motors, not Petro Canada; small and medium size businesses do. What will it mean for them?

Previously, people could work for up to 15 hours a week without either the employee or the employer having to pay UI premiums. Now, as soon as a person works an hour, both that person and the business will have to pay premiums. That means that the whole payroll is covered, from the first hour of work, which directly hits small and medium size businesses.

This new grab for premiums will bring close to \$1 billion into the unemployment insurance account, and that huge amount will come from low wage earners and from all small businesses, which are the only ones creating jobs in Canada. And they talk about job creation.

Meanwhile, what is happening at the other end of the system? They are lowering the contribution ceilings. Previously, people were contributing into the UI account up to maximum earnings of \$42,380. This meant the worker contributed up to that amount and the employer was also paying his or her share up to that amount. That ceiling is now being lowered to \$39,000 and both workers and businesses will pay less.

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Therefore, that billion dollars will be taken from the small business sector, the one that creates jobs, which will allow for the same amount of savings for large corporations that are laying off people in droves. So, Bill C-12 will not create, but kill jobs.

It is easy to understand. Here is an example. Under the present plan, if a company has an employee who earns \$40,000 a year, both the employee and the company contribute to the UI fund on those \$40,000.

Since the earnings ceiling is \$42,000, contributions would be paid on the whole amount. But under the new plan, if the company has a surplus of work, it will be much more profitable to have the same employee work overtime for \$30,000 or more, with his annual earnings going up to \$70,000 a year or more, because there are no contributions for the earnings over \$39,000.

Instead of hiring another employee to do the work, it is much better for the company to have its existing workers work overtime. This bill will not accelerate, but slow down job creation. We talk about work sharing, but it is obvious that this bill does not deal with this issue at all.

We have also been told that greater equity was another goal. That was their second argument. But the bill will actually make things more unfair. High income earners will pay \$900 million less in premiums.

With Bill C-12, high income earners and big companies, which do not create jobs, will get a \$900 million cut in contributions. That is a nice little gift. But to compensate that, low income workers and small businesses, which do create jobs, will have to pay more. That is what is happening with Bill C-12.

I remind the House that 82 per cent of all spending cuts across federal programs are in unemployment insurance. Needless to say, Mr. Speaker, as you are indicating that my time is almost over, that with Bill C-12, the government not only breaks its promises to create justice but also balances the budget with the workers's money. This is a collective salary grab of \$5 billion, since the money in the UI fund is not the government's money but has been contributed by workers and businesses, and the government is using this money to reduce its deficit.

• (1040)

In our view, this bill will stimulate poverty instead of employment.

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, as my colleagues did earlier, I would like to say a few words about this bill, not about each of its clauses, because it is a rather thick, not to say dense, document and I would need more than one day to go over everything.

The fact that some 220 amendments to what the government thinks is a perfect or almost perfect bill have been moved goes to show that it is in fact far from perfect and needs a few alterations at least to make it better.

We only need to look at the title to see all the problems the government had to deal with to make this bill look more attractive. The government wants to replace an insurance against unemployment by an insurance that almost goes against employment, but of course, it cannot put it this way. I had a professor, at university, who used to teach us about insurance and explain the principle behind insurance, as was developed by the British, as follows. He would say it in English and we would be very impressed since, at the time, although we did not speak English fluently, we paid a lot of attention to whatever was said in English or to English principles.

The professor used to say: "The principle behind insurance is as follows: "To divide amongst the many the losses of the few"". He would then explain in French, for those who like me at the time did not understand a word of English, that it meant to divide amongst the majority of the people concerned the losses of a number of them. So, the object of the unemployment insurance program we used to know was to divide among the majority of the people who were lucky enough to have a job the losses incurred by the few who had the misfortune to lose their jobs and end up on unemployment. That is the fundamental principle behind our unemployment insurance system.

Now, we see that the government wants to change the name, probably to suggest that we want to divide among as many people as possible or among the majority the losses incurred by those who would find a job. I hope that is not what it means. You do not get insurance against a job, although that could make some kind of sense, because the government kept talking about jobs, jobs, jobs, and people could say: "What if I suddenly find a job, maybe it could hurt me. It might be better to keep receiving UI benefits or to find something else", since the jobs currently available are not enough to make a decent living.

I am kidding when I say that, because it would be ridiculous for the government to seek passage for a bill that would protect us against the risk of finding a job. What the government tells us, and I think this is how we must interpret it, is that this bill seeks to assure people that they will keep or find a job on the labour force.

Now we must ask ourselves this: Does the bill, as drafted, reach this goal? I cannot demonstrate that every section of the bill does not meet this goal, but I would like to give some examples of real cases in our ridings, particularly in mine.

• (1045)

I will give the example of women or men, but as it happens it is more frequently women, who want to re-enter the labour force after



having raised their children or for some other reason, after having been outside the labour force for some years. What happens to these women? Those who are lucky enough to find a job will have to pay UI premiums as soon as they start working. But to be entitled to benefits, even if their job is a short term one and if they work only for a few weeks or months, they will have to have worked at least 910 hours. What does that mean, in practical terms? We have to compare because for people who are already working and lose their job, the number of hours is not as high. I believe it is something like 700 hours.

What does that mean in practice for these women? After having raised their family, they cannot rest on their laurels because they want to get back to work. Let us say a woman finds a job where she works 3 hours a day, from 9 to noon, 5 days a week, which amounts to 15 hours. If this person is very hard working and really wants to make more money, she also works on Saturday. So she works 6 days a week, 3 hours a day, for a total of 18 hours. At a rate of 18 hours a week, this person will have accumulated at the end of the year—and I am counting only 50 weeks because this person really deserves 2 weeks holidays—900 hours of work. It would only be 750 hours if she worked 15 hours a week. Since the law requires a minimum of 910 hours to be eligible for employment insurance, this person, after having worked 900 hours during the year, will not be deemed eligible for employment insurance if she loses her job.

So this person pulls herself together and tries again the following year. She starts working in January at a rate of 15 hours a week because there is no other job to be had, and her boss needs her for only 15 hours, or 18 hours, a week. She starts working again, and will accumulate 750 hours if she works 15 hours a week or 900 hours if she works 6 days a week. At the end of the second year, she will have accumulated 900 hours again. If she loses her job at the end of the second year, she will not be eligible for employment insurance again. But she will have paid premiums from the beginning.

From the very first hour of work, this worker has paid premiums for unemployment insurance, or employment insurance as we must call it now. At \$2.95 for each \$100 earned, her contribution will total \$186 at the end of the year. After two years, it is two times \$186. After 5 years at \$186 a year, those contributions amount to close to \$1,000. However, that worker would still not be eligible for employment insurance. If that is what the government calls helping people to get back to work, I think that it will have to realize that it is not the right way of helping people.

We could take the example of day care workers. In remote areas, families where the father and the mother work have difficulty finding people to take care of their children. These people do not want to declare their earnings because, of course, they do not make enough and they would be penalized. How does unemployment insurance help those people? It cannot help them because there is no way for them to become eligible for unemployment insurance.

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I would also have liked to give the example of training courses denied to people who are already too resourceful. When they find themselves unemployed and they want to improve their skills to redirect their career, they are told that they are too resourceful or too highly educated to have access to the courses and that they must continue to get unemployment insurance benefits and look for a job without additional training. This is ridiculous.

• (1050)

I would have liked to talk about self-employed workers but, since my time is running out, I will leave that to my colleagues. Maybe I will have an opportunity to do so myself later on if the government allows us to debate this bill all day today and again next Monday and Tuesday. We will have the opportunity to deal with these points and to say how this legislation does nothing to help people who are unemployed or who want to find steady employment.

Mr. Speaker, I see that you are listening to me with great interest and respect, as you always do, and I thank you for that. Once you leave the Chair, you will no doubt help me convince your colleagues of the validity of my remarks.

**The Acting Speaker (Mr. Kilger):** I am sure the member for Joliette understands full well that, as your Speaker, I never let party politics get in the way of my work.

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, I rise in the House today to speak to Bill C-12, an act respecting employment insurance in Canada.

This is certainly a strange name for a bill that will be harmful to certain groups of Canadians and Quebecers, denying them the protection of the UI system and plunging them deeper into poverty. 1996 is the International Year for the Elimination of Poverty, a fact the government seems to have forgotten.

I would like to begin by saying that Bloc members are not opposed to social program reform. We are, and have always been, in favour of UI reform in order to keep the system up to date.

In our opinion, Bill C-12 fails completely to meet this need to move with the times. Under the reform now before us, the poorest members of society would essentially end up paying for the financial irresponsibility of the financial government, and the latter would see its role in provincial areas of jurisdiction increased.

In fact, this is quite the opposite of the promises made by this government barely six months ago in Quebec. One that is particularly representative comes to mind, something about having to face the music. In light of what has happened since, it is clear that the Prime Minister was addressing not just the Quebec government, but also had in mind Quebecers who were unemployed, particularly women and young people.

*Government Orders*

We must analyse this bill for what it is and not for what certain Liberal members would have us think it is. It is estimated that over 30,000 Quebecers and Canadians will be forced to turn to welfare if this bill is passed. As recently as yesterday, an article in *Le Devoir* reminded us, and I quote: "According to a study commissioned by the Quebec Department of Manpower and Income Security, single mothers were the group particularly affected by unemployment insurance reform. A sizeable number of them would be forced onto welfare rolls".

The situation is clear. Several of the measures contained in the bill will affect the disadvantaged, whose jobs are generally unstable and at the bottom of the scale. For example, at present, workers are required to contribute to unemployment insurance once they have worked 15 hours in a week, or have earned \$163. Bill C-12 proposes to make everyone contribute from the first hour worked.

Workers get their contributions back only if they have earned less than \$2,000 in a year, and only when filing their income tax return. Until then, the government has the use of the workers' contributions, and the interest earned on them. This simple measure will affect part time workers in particular, and 70 per cent of these are women or young people. Let us not forget, as well, that the government can dip just as freely into the UI fund, to which it does not contribute one red cent.

The reform proposed by the Liberal government will also restrict access to the plan. At present, a worker has to work at least 15 hours a week, for 12 to 20 weeks, to be eligible for unemployment insurance.

• (1055)

Amendments in Bill C-12 will force possible claimants to work at least 35 hours a week for 12 to 20 weeks, depending on the area. Keep in mind that 31 per cent of women in Canada and Quebec work less than 35 hours a week. Therefore this is a double penalty.

Moreover new workers will be forced to work more than 910 hours before being eligible, a three-fold increase. This measure will seriously impact on women who return to work after have stayed home for a while. Young people just coming onto the job market are also hard hit. Many women and young people will contribute to the unemployment insurance fund but will not accumulate enough hours to be entitled to claim. They will pay premiums without ever being able to receive UI benefits.

It is no wonder therefore that so many women's groups and student associations have submitted briefs against the proposals. They understood, just as we did, that because of those measures they could very well be prevented from ever participating in the system. The Syndicat de la fonction publique du Québec maintains

that this legislation is violating section 15 of the Canadian Charter of Rights and Freedoms because of its discriminatory impact on some disadvantaged groups.

Moreover, certain provisions of the bill provide for a 1 per cent reduction in benefits for workers who have claimed benefits for 20 weeks or more during the last five years, up to a maximum of 5 per cent. Again, this will have a negative impact on seasonal and contract workers.

Again, women and young people can be found in great numbers in areas where seasonal and contract work is the norm. The government wants to punish women and young people for being too often on UI, treating them as if they were to be blamed for losing their job and for the precarious nature of the labour market.

Using family income to determine eligibility for the family supplement has harmful effects. This is a form of income support which is closely related to welfare. This is not the role of unemployment insurance. Why not increase the child tax benefit instead? Shamefully, this measure brings women back to square one with regard to their financial autonomy.

Finally, since I am running out of time, I would like to mention one last measure contained in Bill C-12, which discriminates against women in the area of maternity leave. Fewer and fewer women are entitled to maternity leave. Current statutory provisions require a minimum of twenty 15 hour work weeks to be eligible for maternity leave. Under the new provisions, over 700 hours of work will be needed.

However, the very person in charge of the status of women keeps on denying that these measures are disastrous for women and young people. The Secretary of State for the Status of Women, appearing before the Standing Committee on Canadian Heritage, claimed that, far from penalizing women, the unemployment insurance reform would benefit them.

And yet, even the Minister of Human Resources Development has recognized that his reform would be harmful and that the bill should be amended. This incident reminds us that since the government abolished the Canadian Advisory Council on the Status of Women, there is no longer any group defending women's interests within government.

What can we say about this government's attitude and its lack of compassion for young people? The only measure it implemented was to create a training program called "Experience Canada", which constitutes another intrusion into provincial jurisdiction. But the best part is, just listen to this, the program is managed by the Council for Canadian Unity. As young people would say, things are not cool between the Council for Canadian Unity and young people. Do not treat us like a bunch of twits.

• (1100)

Ultimately, what we are asking today is that the Minister of Human Resources Development do what his ex-colleague Sheila Coppins did and keep his word by withdrawing his unfair Bill C-12.

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## STATEMENTS BY MEMBERS

[English]

### SCIENCE FAIR

**Mr. Ron Fewchuk (Selkirk—Red River, Lib.):** Mr. Speaker, recently I had the pleasure of attending the opening ceremonies of the Science Fair at River East Collegiate in my riding. I was impressed by the fact that some 20,000 students participate in science fairs at the regional level.

About 400 of Canada's finest will go to a Canada-wide science fair this month in Ontario and will compete for more than \$100,000 in awards. Five students from River East Collegiate will be among them.

I would like to congratulate the moms and dads and the many volunteers for their time and hard work. I would also like to wish them the best of luck.

\* \* \*

[Translation]

### GOODS AND SERVICES TAX

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, last Wednesday, following the resignation of the Deputy Prime Minister, the Prime Minister called a byelection in the riding of Hamilton East for June 17.

What is the real meaning of this election? If the former Deputy Prime Minister is re-elected, will we be able to reasonably conclude that the people have absolved the government for reneging on its promise to scrap the GST? We do not think so.

For quite a while now, politicians have not been getting a passing mark as far as credibility is concerned, and this government, which does not hesitate to sacrifice the neediest in its fight against the deficit, must recognize its mistakes and reaffirm clearly its willingness to treat people with fairness and common sense.

Absolve the government on the GST, no, never.

\* \* \*

[English]

### PAUL AND ELIZABETH PETERS

**Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.):** Mr. Speaker, for a few days each year, Paul and Elizabeth Peters gather with

*S. O. 31*

others who share their joys and concerns parenting handicapped children.

I want to extend this tribute to the Peters in recognition of the 20th anniversary of the annual retreat they initiated at Camp Assiniboia in response to the needs of these families.

The camps have provided a very valuable service to our local communities over the years and have helped address the special needs of the participants. Through the Peters' efforts, families have been able to share their experiences and learn more about opportunities for the handicapped.

In these challenging times, I am encouraged by the generous acts of outstanding Canadians like Elizabeth and Paul Peters.

\* \* \*

### THE PRIME MINISTER

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, the Prime Minister is blaming the current public awareness of his incompetence on acts of God. I disagree.

It was not an act of God that produced his government's acceptance of NAFTA nor the subsequent problems over the tariffication of supply managed products. It was bad advice and bad decision making.

It was not God that tried to cover up facts in the Somali affair, it was trusted officials. Nor did God start the multimillion dollar lawsuit against a former Prime Minister over Airbus. It was government officials.

God did not tell Public Works to push Anne Rainey off the Peace Tower project because she was a woman, nor did God cause the discrimination against Chander Grover at the NRC. Government officials did and they gave financial backing to the perpetrators of this inequality.

God did not kill the Crow rate, nor the GST promise, nor the day care promise. The government did.

In our system of parliamentary government, the Prime Minister is god. His acts are indeed the problem.

\* \* \*

### PARTNERS IN YOUR SUCCESS

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I am pleased to host, along with members of the Canadian Bankers' Association and the Ottawa Carleton Board of Trade, "Partners in Your Success" a seminar for business owners, entrepreneurs and interested members of the community.

This event also involves many key business organizations, including the Business Development Bank, the Export Development Corporation, Canadian Commercial Corporation, OC-EDCO, Canadian Chamber of Commerce, Industry Canada and the Department of Foreign Affairs and International Trade.

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We are also delighted to have the Minister of Industry as our honoured guest and keynote speaker.

I would like to congratulate and thank all of the organizers for their hard work and dedication in putting this important event together.

\* \* \*

• (1105)

### REFORM PARTY

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, I was pleased to learn last night that the leader of the Reform Party was finally going to take action and teach his caucus members something about respect for human rights.

I have a few questions. Where was the leader of the third party when other members of his caucus have shown the same intolerant attitudes? Where was the leader this week when another member of his party supported discrimination against gays in the workplace?

When the immigration critic said Jamaicans were responsible for crime in Toronto, the leader blamed it on the media and said there was no need to apologize for grassroot conversations. When a member of his party blamed women for domestic violence, the leader said it was a question of political correctness. Where was he when a member of his caucus mused aloud in this Chamber that the country might be better off without francophones?

Intolerance is not a new problem in the third party.

\* \* \*

[Translation]

### DEVELOPING COUNTRIES

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, in this difficult period of increasing globalization and competition, where some are tempted to withdraw into their shell, it is reassuring to note that some Quebecers continue to be care about developing countries and do not hesitate to get personally involved.

It is therefore with much pride that I salute Claude St-Hilaire, Viateur Alain and Mario Ferland for their work in Senegal in their respective fields of endeavour, that is management of a building company, recycling of plastic waste and the establishment of a school of commerce at graduate level. Their volunteer work overseas, for the International Services of CESO, deserves our admiration.

We are very glad to note that human solidarity with developing countries remain an important value, which should inspire our governments in their relations with our political and trade partners.

[English]

### ADVANCED CORONARY TREATMENT FOUNDATION OF CANADA

**Mrs. Carolyn Parrish (Mississauga West, Lib.):** Mr. Speaker, the Advanced Coronary Treatment Foundation of Canada is working with local partners in the region of Peel, metro Toronto and Montreal to help high schools implement a four-hour CPR program into the core curriculum of health and physical education.

The program is based on ACT's successful 1994 project in Ottawa which now involves 10,000 grade nine students each year. Students learn heart health and how to help a family member in an emergency.

ACT's corporate support is led by Astra Pharma, Hoechst Marion Roussel, Merk Frosst and a number of other pharmaceutical companies. As the CPR program expands, local corporate support is necessary to equip schools with CPR mannequins.

I urge members to support the high school CPR initiative as they move into their constituencies and to encourage local corporate support for the CPR mannequins needed to empower our youth and to save lives.

\* \* \*

### GOODS AND SERVICES TAX

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I wonder if the people of the Atlantic provinces really are aware of how much extra tax they will have to pay because their provincial Liberal governments have come to the rescue of the federal Liberal government as it desperately tries to save face on the GST nightmare.

The actions of their governments will mean that consumers will now pay taxes on such things as children's clothing, second hand goods, heating oil, gasoline, new homes and funerals. While the rest of the country's taxpayers will pay for their government's inability to keep a promise, the people of the east coast will ultimately be the ones to suffer under this harmonization scheme.

The GST rate may be lower for the time being, but when the so-called subsidy runs out and the provincial governments find they have to make up this difference, where will it come from? According to the memorandum of understanding it could come from the Atlantic Canadians themselves as they face increased provincial taxes to cover the shortfall.

Harmonization is not what the government promised on the campaign trail and harmonization, plain and simple, means higher taxes for all. Talk about government by broken promises.

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**REFORM PARTY**

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, the problems of racism and intolerance go beyond a few misspoken words. It is a matter of action as well.

Events of the past week cause all of us to examine our actions and positions as well as our words. I hope that members of the third party will take seriously the challenge to tackle the roots of racism and not try to paper it over by simply cleaning up some language.

Since the last election we have seen a pattern in the intolerant statements of members of the third party. Sometimes they are dismissed, like the slur on Chinese culture, or blaming blacks for crime. Sometimes there is an apology for the language, like the comments about Muslim veils, but no change in position or action.

This time I hope we will see some action and change in position to show that they have really learned something about the meaning of equality in this country.

The third party came here with a promise to do politics differently. So far, the differences it has introduced have not been very encouraging.

\* \* \*

● (1110)

**REFORM PARTY**

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, the leader of the third party has chosen in the 11th hour to discipline the member for Athabasca for his bigoted comments against gays. Unfortunately, for the people of Canada who have been hurt by the continuous stream of harmful and discriminatory comments made by Reform MPs, the action is too little and much too late.

Why has he not asked for the resignation of those three MPs making discriminatory comments: the members for Nanaimo—Cowichan, Athabasca and Wild Rose?

Further, why did he not take action against the member for New Westminster—Burnaby in December 1994, who offended all Canadians when he blamed women for domestic violence? What does the leader of the third party have to say to the member for Macleod who says that unwanted sexual touching is not an act of violence?

The leader of the third party dismisses his members' comments as politically incorrect. He has never apologized. I say shame, shame, shame.

\* \* \*

**REFORM PARTY**

**Mr. John Harvard (Winnipeg St. James, Lib.):** Mr. Speaker, I am pleased to see that the leader of the third party has finally taken action, although belatedly, to deal with the offensive and disgust-

ing behaviour of two of his caucus members. I hope this will finally force him to review the record of all members of his caucus when it comes to human rights.

I hold out little hope that this will actually happen when the leader of the third party has attempted shamefully to minimize their actions and to blame the media for his members' outbursts. I am sorry, it is not the media that is responsible for the long record of intolerant statements made by Reform Party members.

Was it the media that prompted the member for New Westminster—Burnaby to blame gay men for violence against gays? Did the media make the member for Athabasca repeat his offensive remarks? How can the member for Nanaimo—Cowichan now blame the media for his bigoted comments when he stated similar views in 1994?

I hope we will see genuine action against intolerance—

\* \* \*

[Translation]

**FREEDOM OF THE PRESS**

**Mr. Gaston Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, today is the world day in favour of freedom of the press.

The Bloc Québécois joins with all those who will rise to remind us of the importance of a conscientious and honest press in a democratic society. We deplore the killing, the imprisonment and the disappearance of journalists whose only crime was to want to inform. In 1995, in Algeria alone, 22 journalists were killed while fulfilling their duties.

Although such a tragic situation does not exist in Canada, we must be vigilant, as evidenced by recent statements by Joan Crockatt, news desk officer of the *Calgary Herald*, who said that Southam News should create news on national unity and that it had a plan to promote national unity. This shows how fragile our system is.

In the debate that is currently—

**The Acting Speaker (Mr. Kilger):** I am sorry, but the hon. member's time is up.

[English]

**The Acting Speaker (Mr. Kilger):** The hon. member for Yorkton—Melville.

\* \* \*

**CORRECTIONAL SERVICES**

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, we have a correctional system which is no longer effective in deterring criminal behaviour because it has lost the will to punish.

*Oral Questions*

Three decades of correctional experiments in which many violent and serious criminals are forced against their will to participate in rehabilitation programs has proven costly and largely ineffective. The collapse of Edmonton's facility for women illustrates the failure of Canadian corrections to manage criminals, let alone change their behaviour.

Making prison conditions too easy only undercuts the deterrent effect of imprisonment. The philosophy that dangerous, violent and repeat offenders serving hard time should live in residential style cottage units, benefit from taxpayer funded perks such as university education, cable and colour television and special meals is wrong-headed.

Canadians want dangerous offenders held in maximum security institutions, not in prisons where the electronic door locks and alarm systems do not work. Canadians are demanding public safety first, punishment second and rehabilitation third. When will the Liberals learn from their mistakes?

\* \* \*

**REFORM PARTY**

**Mrs. Karen Kraft Sloan (York—Simcoe, Lib.):** Mr. Speaker, for the third time in one week we have witnessed offensive and hurtful comments being spread by members of the Reform Party.

I am referring to the comments made on Wednesday by the member for Yorkton—Melville. Once again a member of the Reform Party has lashed out against a minority group, this time Canada's aboriginal community. This Reform member made derogatory remarks about Canada's native leadership when he said that its leadership will turn native self-government into fascist states. These statements are inexcusable. He has chosen to condone Neanderthal sentiments by repeating them in this chamber.

The Reform Party leader has assured Canadians he would no longer tolerate this behaviour in his caucus. Further outbreaks would warrant their expulsion.

• (1115)

Canadians must count on the leader of the Reform Party to keep his promise and ask for the resignation of the member for Yorkton—Melville. Canadians must be assured that even Reformers can keep their promises.

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**ORAL QUESTION PERIOD**

[Translation]

**ORAL QUESTIONS**

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

Quebec is exasperated. On January 18, 1996, Minister of Employment Louise Harel submitted to the federal government a proposed agreement to implement the Quebec consensus on the repatriation of manpower training programs. On April 17, a meeting between that minister and the Minister of Human Resources Development was cancelled without being rescheduled. On April 25, the Société québécoise de développement de la main-d'oeuvre in turn urged the federal government to respond to Quebec as quickly as possible. As far as we know, it did not get an answer either.

Instead of announcing programs that only increase overlap and complicate the situation even further, does the minister not recognize that the time has come for him to sit down at the negotiating table with Quebec and at last fulfil his government's promises?

**Hon. Douglas Young (Minister of Human Resources Development, Lib.):** Yes, Mr. Speaker, I do think the time has come to see how we can negotiate with all the provinces of Canada in order to meet our commitment with respect to training programs. However, since the consensus the hon. member is referring to was confirmed in Quebec after my meeting with Mrs. Harel in Quebec City, I think it is important—once all the provinces are sitting down at the negotiating table with us—to have an offer reflecting the reality in Canada, in Quebec of course, but also elsewhere.

I hope that, with the co-operation of all our provincial colleagues responsible for manpower and employment, we can come to an agreement. But I can assure the hon. member that, once we are sitting down at the negotiating table, our intention is to have a very legitimate, clear, comprehensive, unambiguous offer so that we can enter into negotiations that will finally lead to the conclusion everyone is hoping for.

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the minister is far from reassuring. The Quebec consensus includes manpower adjustment programs, manpower policies, and not only manpower training. That is clear, as the Chambre de commerce de Québec and the Conseil du patronat reiterated before the Standing Committee on Human Resources Development.

Does the minister not agree that Quebec's exasperation is justified? It is this consensus Quebec is asking the minister to act on by finally sitting down at the negotiating table with Quebec. When will the minister do so?

**Hon. Douglas Young (Minister of Human Resources Development, Lib.):** Mr. Speaker, as I understand it, the Quebec consensus is very clear. I agree with the hon. member. It is in this context that I and the Government of Canada want to be sure we do not sit down to another failure at the negotiating table.

*Oral Questions*

But, as the hon. member might agree, dealing with active measures can be very complicated. As far as manpower is concerned, I agree with the hon. member that we have already said we would indeed withdraw.

As for the other elements, commonly referred to as Part II of the Employment Insurance Act, it is a very complex matter because the needs across the country vary widely. We are familiar with Quebec's demands, and that is why we will go much further than simply withdrawing from the area of training. We want to look at all these other elements the hon. member was referring to.

Once we sit down at the negotiating table, I can assure the hon. member that the Government of Canada will put forward a straightforward proposal that, I hope, will meet the demands made by Quebec and all the other provinces.

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, I am taking good note of the minister's answer. I am also taking good note of the fact that no date has been set for these negotiations.

• (1120)

Does the minister not agree that the federal government seems much more concerned about its plan B, the Guy Bertrand version, than about recognizing in concrete terms the Quebec consensus on manpower policies?

**Hon. Douglas Young (Minister of Human Resources Development, Lib.):** Mr. Speaker, it is precisely—at least in part—to avoid bringing into the debate all the other well-known elements related to manpower training and the active measures to help create jobs that we want to be certain our proposal will be very easy to understand. In my opinion, we will then have a legitimate hope of reaching an agreement not only with Quebec, but also with all the other provinces.

Once our work is done, and we are almost there—I do not like to set deadlines when we are not certain we can meet them—I am confident that, in the near future, we will be able to sit down at the negotiating table with our colleagues from all the provinces. Of course, there is always the possibility that the Prime Minister will hold a conference with his provincial counterparts from across the country; there are all kinds of timetables that must be considered.

We want to assure the hon. member as well as all those interested in this issue that we will go ahead. We want to make sure that our proposal, when it is presented, will be well thought out and meet the needs not only of government officials but also of the people we really want to help: the men and women working in all kinds of jobs across the country and those looking for work.

**The Acting Speaker (Mr. Kilger):** I ask members and ministers to please make their questions and answers a little shorter.

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**GOODS AND SERVICES TAX**

**Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Mr. Speaker, my question is for the President of the Treasury Board.

Yesterday, in this House, the Minister of Finance stood by his statement to the effect that his government had made an honest mistake in promising to abolish the GST. He even said that he was speaking on behalf of the government when he made that comment.

Will the President of the Treasury Board confirm that the comments made yesterday by the Minister of Finance do reflect his government's thinking?

[English]

**Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I was privileged to be a member of the finance committee which travelled across the country for the consultations with respect to the GST. I was accompanied by members of her party and of the third party.

We heard Canadians, we consulted with Canadians and we responded with a package of changes and a harmonized national value added tax. We listened to Canadians. We did what they asked us to do and it is consistent with our red book commitments.

[Translation]

**Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Mr. Speaker, my supplementary is also for the President of the Treasury Board.

When the Prime Minister refused to recognize he made a mistake regarding the GST, he spoke on behalf of his government. When the Minister of Finance openly said it was a mistake, he claimed to be also speaking on behalf of the government. Who are we to believe: the Minister of Finance or the Prime Minister?

[English]

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, there is no divergence from what the Prime Minister has said, what the Minister of Finance has said and what the former Deputy Prime Minister has said.

The fact is this government is committed to the elimination of the goods and services tax. We are achieving that goal by the vehicle of harmonization of sales taxes with the provinces which is now well in train. I think in the next few months we will see even further progress on this issue.

This government is working to fulfil its promises and is doing so in a very difficult financial context. Despite the best of intentions

*Oral Questions*

sometimes reality confronts us. The Minister of Finance and the Prime Minister have been very open and forthright in admitting that.

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**LIBERAL PARTY**

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, yesterday the Prime Minister said that politicians cannot be held to their election promises because acts of God can knock them off track. This is the same man who promised Canadians during the last election "there will not be a promise in the campaign that I will not keep". The Prime Minister cannot have it both ways.

• (1125)

I ask the government, which is it? Will the Prime Minister keep every commitment he made to Canadians during the last campaign, or will he admit that his government has broken election promises?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, time and time again the Prime Minister has stated that this government has a very proud record of discharging its promises as laid out in the red book in the last election. We are discharging our promises.

Perhaps I could ask the hon. member about his party's promise. His party campaigned on doing things differently in politics, a new way of politics. Is the new way of politics reflected in the statements of the hon. member for Nanaimo—Cowichan, the statements of the hon. member for Athabasca, following on statements I could cite from other members in this House? That is not the new way of doing politics.

I would submit our record in discharging our promises on this side stacks up very favourably compared to that of the Reform Party.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, perhaps the defence minister is rehearsing for when he becomes a member of the opposition again. It is the opposition that asks the questions. The government answers them.

The Prime Minister said that acts of God prevented him from keeping some of his promises. Was it an act of God that made the Prime Minister sign NAFTA? Was it an act of God that made the Prime Minister cut CBC funding? Was it an act of God that cut provincial transfer payments to social services and health care? Was it an act of God that cut old age security by 10 per cent?

The Prime Minister can blame God, floods, famine or locusts for his failure. He is the one who broke his promises. Will the Prime Minister simply admit that his promises are worthless?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, it is this

government that has delivered on its commitment to reduce the deficit. It is this government that has delivered on its commitment to restore faith and integrity in public office in this country.

The right hon. Prime Minister has led the way in many of these promises which we have outlined in the red book. We feel that by the time the next election comes, Canadians will judge us on our performance and they will see that we have delivered on the promises we made in that election.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, the Prime Minister claims that he has fulfilled 75 per cent of his red book promises which is not true. It is simply not true.

There are 157 promises in the red book and his government has only kept 37 of them. That is barely 25 per cent. It must have been some act of God, a huge tornado that swept away 75 per cent of the red book promises. The Prime Minister's signature in the red book is not worth the paper it is written on.

Does the government still intend to implement all the promises in the red book, those promises it made to get elected?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, when it comes to credibility and believing promises, I certainly would put my faith in the Prime Minister.

When it comes to adding up the promises we have kept, the figures of the Prime Minister are more reflective of reality than those of the hon. member.

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[Translation]

**REFERENDUMS**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, next May 13, the Quebec superior court will be hearing the case of Guy Bertrand, the lawyer who claims the 1995 Quebec referendum was illegal under the 1982 Constitution. Yesterday, the Minister of Justice indicated to us that the government is seriously considering intervening in this case.

In order to inform the public and to demonstrate his good faith, is the Minister of Justice prepared to table in this House the legal opinions he has in hand concerning the Bertrand case?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, it is true that the federal government is contemplating taking part in the proceedings before the Quebec superior court. I would, however, like to point out that our reason for this is not connected with the positions of either Mr. Bertrand or Mr. Singh, but rather the position taken by the Government of Quebec.



*Oral Questions*

On April 12 for the Bertrand case, and May 1 for the Singh case, the Government of Quebec presented two requests for dismissal without a hearing of the two cases which challenged the legislation or other measures being used to make a declaration of sovereignty legally binding.

• (1130)

In support of those requests, the Government of Quebec takes the position that neither Canadian courts nor the Canadian Constitution have anything to do with Quebec's declaration of sovereignty.

The question we are asking at this time is whether the Government of Canada ought to have something to say in response to this position, that is to say the position of the Government of Quebec.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, we totally subscribe to the Quebec position, particularly since Quebec is absolutely not in agreement with the 1982 Constitution, having never signed it.

If his government intervenes actively in the Bertrand case, will the Minister admit that this confirms the existence of a Plan B on the rules of secession, and that he is preparing for a legal denial of the fundamental right of the Quebec people to determine their own future?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** No, Mr. Speaker. Our consideration of these questions, our consideration of the possibility of participation before the courts is merely, as I have said, related to the position taken by the Government of Quebec. I would also like to stress that we have not yet made a decision on this; we are considering our decision.

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[English]

**GOODS AND SERVICES TAX**

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I could not find anywhere in the Liberal red book where the Liberals promised to replace the GST with a billion dollar cash incentive to three provinces. Nowhere, not even on page 22.

On the campaign trail the Prime Minister did not say: "I hate the GST, I will kill the GST and I will spend a billion dollars to do that".

What act of God is this government hoping for to convince Canadians that this government did not break its GST promise and that it is not wasting a billion dollars on a cash incentive to hide this broken promise?

**Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I am glad the hon. member has asked

that question. It gives me a chance to remind the hon. member that on numerous occasions when we have had structural adjustment the government has responded with assistance to those regions that require it. That is what is taking place in the implementation of the national harmonized value added tax in the Atlantic provinces.

I will repeat again what the member and others in his party have heard time and time again. It is worth repeating one more time in the hopes that they will absorb it this time. It is going to be an enormous improvement for those Atlantic provinces. We are sharing the cost of adjustment with those provinces, consistent with what we have done for instance out west in western grain payments to grain producers when we ended the Crow rate subsidy.

I do not recall—

**The Acting Speaker (Mr. Kilger):** Order. The hon. member for Calgary Centre.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, the Minister of Finance and now his parliamentary secretary object to the word B-R-I-B—you get the picture. They call it the cost of adjustment.

I am starting to wonder if it is only the government that is paying it and the premiers who are receiving it who have a problem with that word. The premiers of Alberta and Ontario, the B.C. government, journalists across the country and Canadians from coast to coast see it for what it exactly is.

**The Acting Speaker (Mr. Kilger):** I would ask the hon. member for Calgary Centre to put his question, please.

**Mr. Silye:** Mr. Speaker, when will the finance minister stand up and admit that this billion dollar cash incentive, this billion dollar cost of adjustment has nothing to do with good policy but everything to do with political expediency?

**Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, it has everything to do with good policy and it is good for the country.

I do not recall the hon. member suggesting that fishermen were bribed or that western grain producers were bribed. This is how we do things in this country. We are implementing a national value added harmonized tax. It is good for the Atlantic provinces and it is good for Canada.

\* \* \*

[Translation]

**FEDERAL HARBOURS AND AIRPORTS**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, my question is for the Minister of Transport.

For a number of years now, the federal government has been trying to privatize several regional airports. Last December, it also announced its intention to turn over harbour management to

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regional bodies. However, the Government of Quebec rightly maintains that several of these harbours and airports are presently in need of extensive repair that could result in costs to the provincial governments.

• (1135)

Can the Minister of Transport assure us that he will respect the opinion of the Government of Quebec in the process of privatizing federal harbours and airports?

**Hon. David Anderson (Minister of Transport, Lib.):** Mr. Speaker, I had some very constructive discussions with Quebec's transport minister, Mr. Brassard. We spoke about the need to exchange information with regard to the transfer of airports to municipalities, the province or private interests.

We will continue with the program, but it is my hope that in future we will be able to continue to have, in a spirit of co-operation, discussions that are productive for both parties and for these airports during the transfer period. There are, I believe, \$35 million set aside to help with the transfer, that is to improve the infrastructure of these airports before they are turned over to municipalities.

What I am waiting for from the province of Quebec is a decision on its part to allow the 12 municipalities who wish to enter into discussions with us to do so. In the province of Quebec, they cannot deal directly with the federal government without Mr. Brassard's permission. I hope to have this permission within a few weeks.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, the Government of Quebec is wary of Greeks bearing gifts. We need to know the conditions and repercussions of decisions.

Does the minister intend to make the necessary repairs to federal harbours and airports before privatizing them, or to make financial compensation available in order to ensure the viability of these privatized facilities?

**Hon. David Anderson (Minister of Transport, Lib.):** Of course, Mr. Speaker. We have \$35 million for the airports throughout the country. I hope that that will be sufficient; we will see. The money is there, set aside for this program and for the purpose mentioned by the hon. member.

At the same time, it should be pointed out that \$125 million have been earmarked for the same reasons, to help with the transfer to the private sector, to municipalities. Sometimes, for example, in ocean harbours, provincial ferries may now have a harbour under federal authority that we want to turn over to the province.

The money is there. We will see how many requests we get. I am certain that with the help of my hon. colleague, and of the Quebec transport minister, we will be able to have some very productive exchanges that will be to everyone's benefit.

[English]

**SOMALIA INQUIRY**

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, yesterday we learned more about the systematic cover-up in national defence. This is the same cover-up that government lawyers wanted to keep the commission from investigating. It is the same cover-up that has seen evidence destroyed and documents hidden right under the minister's nose. It is the same cover-up the minister has been evading since day one.

The minister has been saying that the leadership crisis in his department is not his fault nor General Boyle's fault. Are we then to believe that it was an act of God?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I can only repeat some of the points I have raised in the House in answering other questions over the last couple of weeks.

The commission of inquiry is an independent commission that will hear all the evidence and will get the answers the hon. member and other Canadians want. This government wants to get to the bottom of the problems surrounding the deployment to Somalia in 1993 and the commission will do that. We have to allow the commission the opportunity to do its work in an unfettered way and not raise questions every day in the House based on the previous day's testimony. That is a recipe for disaster.

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, the problem here is leadership in the department as well as in cabinet.

After Nancy Fournier's testimony, no one can deny the fact of a cover-up. Rightly or wrongly, General Boyle is widely seen as involved. Surely he cannot continue to run the department while this crisis remains unresolved.

• (1140)

In light of the increasing evidence, why has the minister failed to provide the leadership his department so desperately now needs?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I have said that we owe all those people involved in this matter the courtesy of being allowed to give their views at the commission so that it is done in a very systematic, calm and rational way. I think most Canadians feel that is the appropriate way to go about it.

Contrary to the comments of the hon. member and his leader in the last few weeks, it now seems the hon. member's leader is coming to that view of justice. This morning on "Canada AM" when he was asked why he took so long in reacting to the statements by the hon. members for Athabasca and Nanaimo—Cowichan, the hon. member's leader from Calgary Southwest said: "It took us two days before reacting because we have to give these

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people a hearing. We have to ask them what they really meant. If we do not do that we would be accused of being discriminatory ourselves”.

I think the hon. member should reflect on his own leader's statements and in future let the commission do its work before he makes any judgments.

\* \* \*

[Translation]

**GUARANTEED INCOME SUPPLEMENT**

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

For the second consecutive month, a large number of concerned and destitute seniors have not received their guaranteed income supplement. Last week, at the Saint-Léonard office, in Montreal, 135 seniors were turned away by overburdened officials who asked them to make an appointment even though the phone lines were always busy. Worse still, when an official could finally be reached on the phone, he said that he did not know when the situation would be rectified.

Will the Minister of Human Resources Development confirm that, not only have these seniors been deprived of their guaranteed income supplement without knowing when the problem will be resolved, but they have also been unable to obtain adequate service from his department?

**Hon. Douglas Young (Minister of Human Resources Development, Lib.):** Mr. Speaker, I agree with the minister—my mistake, the member—that this situation is totally unacceptable. We have had bad experiences over the past two months with the delivery of certain programs. There have been flaws in the system which I find utterly deplorable.

You will understand that our department serves hundreds of thousands of people. These people are among the most vulnerable in our society. It is totally unacceptable to cause them concern because of this kind of problem.

I can assure my colleague that I did all that could be done, considering the technology involved which makes these things very complex, to try to prevent this type of situation from occurring again in the future. In the meantime, we took immediate action by calling these people to explain to them what the problem was and to assure them that they would receive their cheques as soon as possible.

I sincerely apologize to these people who did not get good service from my department.

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, I would urge the minister not to call me minister because I am afraid he will hold me responsible, with him, for the present situation.

What guarantee can the minister give the House that seniors affected by this problem will be reimbursed without delay?

[English]

**Hon. Douglas Young (Minister of Human Resources Development, Lib.):** Mr. Speaker, I want to give the hon. member every assurance that we have already begun the process. Many of the people who have been affected by this unacceptable technical error have already received their cheques or have been contacted directly.

I give him every assurance we are taking every measure possible to make sure senior citizens who have been upset by this inappropriate kind of situation will receive the money coming to them as quickly as we can do it.

In addition, I repeat to the hon. member that we are doing everything we possibly can to ensure it does not happen again. These people have enough to worry about without having to be concerned about whether they will receive the appropriate amount they are due each month.

I share the hon. member's concerns. I want to say to Canadians who have had to put up with this glitch that it is unacceptable and we will do everything we can to make sure it does not happen again.

\* \* \*

• (1145)

**SUPPLY MANAGEMENT**

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, my question is to the Minister of Agriculture and Agri-Food.

The minister is no doubt aware that in Canada's second submission to the NAFTA panel there is reference to the fact that Canada should have been more specific on whether tariffs for supply management are a GATT or NAFTA issue.

Could the minister assure the House this admission in no way compromises our position with respect to our commitment to protect supply management?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, media coverage in the last several days clearly demonstrates how vigorously we are defending, as promised, our made in Canada supply management system before the NAFTA panel.

This defence is a truly Team Canada effort because it involves all relevant farm organizations and all provincial governments. We are all working very closely together.

Canada is fully convinced that on any plain reading of the words of the FTA and the NAFTA we in Canada have the full legal right to

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do what we have done with our tariff equivalents under the WTO. The United States in our view is entirely misconstruing the negotiating history of the NAFTA and the WTO. It is now trying to obtain by the dispute settlement mechanism what it could not obtain at the bargaining table, and Canada will stand up for itself.

\* \* \*

**FISHERIES**

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

On March 29 in a press release the minister said conservation was the purpose of the B.C. fisheries buy back. As recently as two days ago the minister did a flip-flop and admitted his plan has no teeth and will not do anything to conserve salmon.

We would think that with that admission he would reconsider the plan before turning the lives of fishermen in British Columbia upside down. Will the minister admit conservation was just a cynical excuse to sell his plan?

**Mr. Ted McWhinney (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, at the time the hon. member raises his question the minister is in the west. He has had 24 hours of extensive discussions with stakeholders in the fishery industry on the west coast. He is meeting today with people for an exhaustive study.

I thought the member's comments on the minister were perhaps imaginative but I think we would have to read the text of what the minister said. It has very little to do with what the member suggested.

It is our expectation that as a result of the minister's discussions, the plan the government has, which stresses conservation but which recognizes conservation is the key to the survival of the industry, will be fully implemented.

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I remind the minister that on March 29 he said: "A reduction of 50 per cent of the commercial fleet in British Columbia is necessary to promote conservation of the resource. Conservation is our top priority".

Two days ago in the House he said: "The plan may not result in fewer fish caught". He admitted the plan is a complete failure even before it starts, yet his government is recklessly going ahead with it anyway.

Why is the government pursuing a plan that will destroy the livelihoods of thousands of fishermen and B.C. coastal communities when the minister has admitted in the House that the plan will not work?

**Mr. Ted McWhinney (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, we are not in a game

of playing with words. If we were, we would look at the words more closely.

The minister and the government are engaged in preserving an industry that was on the point of disaster in 1996. We are making emergency planning for 1996. The committee of which the hon. member is a member is hearing from key experts in the field this coming week. We are looking to long range planning as well.

The plan is not a failure. The plan is being considered in the light of the thoughtful recommendations made by everybody, the three categories of fishers, the union, the food processors, the wildlife people and the habitat people. It will be a comprehensive approach to solution of something in the best interests of the west coast.

\* \* \*

[Translation]

**FEDERAL PUBLIC SERVANTS**

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, my question is for the President of the Treasury Board.

Since the Liberal government took office, federal public servants have been hard hit, despite the promises made by the hon. member for Hull—Aylmer during the election campaign. Bill C-31 now goes even further to undermine the rights of federal public servants.

• (1150)

Why is the minister abolishing the Public Sector Compensation Act while, at the same time, amending the Public Service Staff Relations Act so as to suspend binding arbitration?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, this year, Bill C-31 provides for the resumption of collective bargaining and for possible wage increases for our employees. This was well received by our employees.

We are suspending binding arbitration, because, in the years to come, we want to be directly accountable to Parliament for wage increases granted to public servants, so that we can meet our fiscal objectives.

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, will the minister admit that, by denying access to binding arbitration in case of a deadlock at the bargaining table, he is forcing public servants to go on strike if they cannot agree with the government?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, obviously, in the years to come, the government and unions will have to take their responsibilities to Canadians, and the best way to ensure that they do so and that the government is directly account-

able to the House for its decisions is for the government to remain responsible for approving the outcome of negotiations and to be accountable for the outcome before our colleagues in this House.

\* \* \*

[English]

#### CANADIAN BROADCASTING CORPORATION

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, 70 per cent of the workers at CBC are set to strike. They listen to the government when it says it is committed to stable multi-year funding for the CBC, but management knows better.

The Liberals do not keep their promises because in spite of their so-called commitment the government's 1996 budget and main estimates cut almost \$400 million from CBC funding.

Will the minister admit the government has not kept its promise, is sowing discontent and confusion at the CBC bargaining table and has no long term plan for the CBC?

**Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, I thank the hon. member for his question. It gives me an opportunity to clear the air.

There were no new cuts announced in this year's budget for the CBC. The government has announced its long term plans for CBC with regard to funding. Almost a billion dollars in funding, \$800 million within the next fiscal year, which has been allotted to CBC is plenty of money for it to operate.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, by comparison with the Liberals, the Reform Party policy is clear and consistent on the CBC. We call for the privatization of the CBC.

In spite of spending \$2.5 million trying to come up with this funding on the wasted Juneau report, Liberals are still going ahead with the \$400 million in cuts. They are getting into privatization through the back door, and the union knows it because its jobs are being contracted out to private industry.

Why will the parliamentary secretary not admit the government is doing privatization at the CBC in spite of the fact it is saying it is not, and this without public debate?

**Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, we well know the policy of the Reform Party with regard to the CBC. It wants to gut it completely. It wants to eliminate it.

The government has committed CBC funding for the next number of years on a long term basis. We have committed to responding to the Juneau report in the very near future. We have committed to helping our cultural industries and there will be a

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cultural fund set up that all cultural industries will be able to access.

I can honestly say in this regard when it comes to the Reform Party talking about cuts, here it is on one side complaining we are not cutting enough and all of a sudden it is complaining we are cutting too much.

\* \* \*

• (1155)

[Translation]

#### INDIAN AFFAIRS

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Serious problems have for some time disrupted the peaceful life of the Lake Barriere community. The troubles there are quite serious. The school is still closed, people are leaving their homes and the community is torn apart.

Could the minister or his parliamentary secretary tell the House what efforts the government is making to bring back harmony within the Lake Barriere community?

**Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I thank the hon. member for his question. Last November, the Lake Barriere community chose an interim band council by petition. This interim band council was given the mandate by the community to write down the band's custom for the purpose of ratifying it. Once ratified, the custom would be used to elect new leaders.

But a group opposed to this interim band council has control over the road to the reservation, which is the reason why the school was closed. Considering the continuing stalemate, the dissenting group asked for the help of a mediator, which the interim band council also agreed to on April 25. I can announce today to the House that both parties have agreed on the choice of a mediator, whose role will be essentially to work with band members to develop an electoral code.

\* \* \*

#### RCMP

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, my question is for the Minister of Labour, who seems eager to reply.

On November 17, 1994, during debate at second reading on Bill C-58 dealing with labour relations within the RCMP, the Minister of Labour declared: "the purpose amendments do not change the status of the RCMP. They only confirm the status it had prior to the

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Federal Court decision". However, the Sims report says exactly the opposite: "the bill will have a major impact on the rights of management and members of the RCMP".

The minister clearly contradicted Mr. Sims' analysis. Therefore, is he prepared to review his position and allow members of the RCMP to form a union and to undertake collective bargaining, like their provincial and municipal counterparts?

**Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I wish to remind the Hon. members that the Sims' report was tabled at the end of January and the bill he alluded to was introduced a year earlier.

During consultations on the Sims' report, in Toronto, I had the pleasure of meeting representatives of the RCMP. They made representations about their desire to come under the Canada Labour Code. I took note of their representations. I have completed consultations on the issue, and I am in the process of preparing my report to cabinet on amendments to part I of the Canada Labour Code. I am sure that when I have completed this task, the Hon. member will be able to learn the outcome, and he can then comment on it.

\* \* \*

[English]

**EDMONTON INSTITUTION FOR WOMEN**

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, my question is on the Edmonton women's prison.

The eye in the sky camera was not in place when it opened. The electronic door locks never worked and were never repaired. The alarm systems have never worked properly. Security specialists were not involved until just last week. Residents were promised that maximum security prisoners would never be held there. This is a terrible embarrassment for the government.

My question is for the acting solicitor general. Why were maximum security prisoners transferred to a prison like this?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, it is true we have encountered difficulties at that facility.

I told the House earlier this week that through discussions between the Solicitor General of Canada and Attorney General Evans of Alberta arrangements have been made to transfer inmates to a provincial facility.

Steps are being taken to overcome difficulties at the federal Edmonton facility to address some of the security items to which the hon. member referred. We are hopeful that in due course the

facility will be ready to return to its function, housing inmates in accordance with the law.

\* \* \*

**RAILWAYS**

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, my question is for the Minister of Transport.

In the government's original offer for the sale of grain hopper cars it said it would consider all proposals put forward for the acquisition of the cars and that the government would take into account the interests of producers, shippers and railways.

Since then the committee was told yesterday that the transport department has already protected the interests of the railways in an agreement signed between the federal government and the railways in 1993, which is said to give the railways not only the right of first refusal in terms of any sale but also a virtual veto over who can get the cars if the railways decide not to exercise that first right.

• (1200)

Can the minister tell the House and the bidders from farmer groups why their bids must be subject to that previously secret arrangement? Will he table the federal government railways operating agreement so everyone can know what the rules really are?

**Hon. David Anderson (Minister of Transport, Lib.):** Mr. Speaker, in the remaining minute of question period it is difficult to deal with the hour I spent with the committee earlier this week, which apparently the hon. member did not bother to attend. It is difficult in one minute.

Let me try to point out to him that shippers, that is the people who move grain, the producers, the railways and other groups such as pension funds that might want to invest in a transportation system will all have the opportunity to bid on the hopper cars when the time comes for us to dispose of them.

We will have open bidding. Obviously we have put restrictions on this to protect western shippers and western grain growers, to ensure there is an efficient transportation system. Nothing could be more damaging to the western producer and the western shipper than to have the railways in such a situation where they cannot meet costs and thus will continue to operate or use equipment which is inefficient or not in the best of condition.

The rail system in western Canada is run under adverse climatic and geographic conditions. We have to make sure we have an efficient system in the interests of the producers and the shippers—

**The Acting Speaker (Mr. Kilger):** I want to save enough time for one last question.

## AIR POLLUTION

**Mrs. Eleni Bakopanos (Saint-Denis, Lib.):** Mr. Speaker, during the 1980s, air issues dominated the political agenda as governments joined together to tackle the problem of acid rain.

Today, the focus on air issues should be equally important as new evidence links air pollution to increased cases of respiratory diseases like asthma, which is a growing problem in my riding of Saint-Denis and in all of Montreal.

Can the Parliamentary Secretary to the Minister of the Environment tell the House what this government is doing to continue to focus political attention on these crucial air issues?

**Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.):** Mr. Speaker, I would like to thank the hon. member for her question.

This week I had the pleasure of participating in the clean air conference in Saint John, New Brunswick. This conference was hosted by Premier McKenna. It was organized for the premiers of eastern Canada as well as the governors of New England states. Both areas have common air pollution problems as the source of the air pollution comes from southern Ontario and the eastern United States.

As the the member stated, air pollution contributes to human health concerns. The federal government is committed both nationally and internationally to working on solving this problem.

Among many initiatives we are specifically working to strengthen the Canada—

**The Acting Speaker (Mr. Kilger):** I apologize to all of you, but this concludes question period for today.

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## ROUTINE PROCEEDINGS

[English]

### GOVERNMENT RESPONSE TO PETITIONS

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

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### COMMITTEES OF THE HOUSE

#### HUMAN RIGHTS AND THE STATUS OF PERSONS WITH DISABILITIES

**Mr. Russell MacLellan (Cape Breton—The Sydneys, Lib.):** Mr. Speaker, I have the honour to present, in both official lan-

### Routine Proceedings

guages, the first report of the Standing Committee on Human Rights and the Status of Persons with Disabilities.

In accordance with its order of reference of Wednesday, May 1, 1996, your committee has considered Bill C-33, an act to amend the Canadian Human Rights Act, and has agreed to report it without amendment.

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 15th report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of various committees.

If the House gives its consent, I intend to move concurrence in the 15th report later this day.

\* \* \*

• (1205)

### AGRICULTURAL MARKETING PROGRAMS ACT

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.)** moved for leave to introduce Bill C-34, an act to establish programs for the marketing of agricultural products, to repeal the Agricultural Products Board Act, the Agricultural Products Cooperative Marketing Act, the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act and to make consequential amendments to other acts.

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

**Mr. Goodale:** Mr. Speaker, for the information of the House and in accordance with Standing Order 73(1), it is the intention of the government that this bill be referred to a committee before second reading.

\* \* \*

### STATUTORY INSTRUMENTS ACT

**Mr. Ted White (North Vancouver, Ref.)** moved for leave to introduce Bill C-278, an act to amend the Statutory Instruments Act (disallowance procedure for delegated and subordinate legislation).

He said: Mr. Speaker, I actually have three private members' bills to introduce.

The first bill I wish to introduce today, an act to amend the Statutory Instruments Act, would establish a statutory disallowance procedure that would be applicable to all subordinate and delegated legislation subject to review and scrutiny by the Standing Joint Committee for the Scrutiny of Regulations.

In doing so, the bill would ensure that Parliament will have the opportunity to disallow any statutory instrument made pursuant to authority delegated by Parliament.

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

*Routine Proceedings***CANADA ELECTIONS ACT**

**Mr. Ted White (North Vancouver, Ref.)** moved for leave to introduce Bill C-279, an act to amend the Canada Elections Act (electronic voting).

He said: Mr. Speaker, this bill would amend the Canada Elections Act by permitting electronic voting and recognizes that the technology of today puts many tools at our beck and call and one of them could be used for voting.

The bill provides for electronic voting by touch tone telephone as an alternative to casting a written ballot. Those wishing to vote electronically would still be enumerated and would apply to vote electronically. Having done so, they would be given a PIN number and then could vote electronically using their touch telephone.

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

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**DEBT SERVICING AND REDUCTION ACCOUNT ACT**

**Mr. Ted White (North Vancouver, Ref.)** moved for leave to introduce Bill C-280, an act to amend an act to amend the Debt Servicing and Reduction Account Act (gifts to the Crown).

He said: Mr. Speaker, this bill involves gifts to the crown, particularly when someone makes a donation to the debt servicing and reduction account. Presently it is a bit of smoke and mirrors and tends to result in a reduction of the deficit.

This bill would cause the crown to keep the money in a special account where it must stay until such time as the budget was balanced and it could then be used for debt reduction.

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

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• (1210)

[*Translation*]

**EMPLOYMENT INSURANCE ACT**

BILL C-12. NOTICE OF TIME ALLOCATION MOTION

**Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, it was not possible to reach an agreement pursuant to Standing Orders 78(1) and 78(2) with respect to the proceedings at report stage and at third reading of Bill C-12, an act respecting employment insurance in Canada.

Therefore, I give notice that, at the next sitting of the House, pursuant to Standing Order 78(3), a minister of the crown will be moving a time allocation motion for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage.

\* \* \*

[*English*]

**COMMITTEES OF THE HOUSE**

PROCEDURE AND HOUSE AFFAIRS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if the House gives its consent, I move that the 15th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

PROCEDURE AND HOUSE AFFAIRS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if the House gives its consent, I move:

That the following change be made to the membership of the Standing Committee on Procedure and House Affairs: Jim Silye for Bob Ringma.

(Motion agreed to.)

\* \* \*

**PETITIONS**

HUMAN RIGHTS

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I wish to present two petitions on behalf of the constituents of Simcoe Centre today.

The petitioners request that the Government of Canada not amend the Canadian Human Rights Act to include the undefined phrase sexual orientation. Refusing to define this statement leaves interpretation open to the courts, a very dangerous precedent to set.

Parliament has a responsibility to Canadians to ensure that legislation cannot be misinterpreted.

AGE OF CONSENT

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, the second petition concerns the age of consent laws.

The petitioners ask that Parliament set the age of consent at 18 years to protect children from exploitation and abuse.

VETERANS OF WARTIME MERCHANT NAVY

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, I wish to present a petition signed by concerned constituents in several ridings around British Columbia.



They urge the government to consider extending benefits or compensation to veterans of the wartime merchant navy equal to that of veterans of Canada's World War II armed services.

## CRIMINAL CODE

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, I would like to present two petitions.

The first is signed by concerned citizens of my riding and across Ontario. These petitioners call on Parliament to repeal section 43 of the Criminal Code which permits parents, teachers and guardians to use reasonable force in disciplining their children.

They are very concerned that the term, reasonable force, has been interpreted very broadly by the courts and permits severe physical punishment of children.

The petitioners feel that section 43 contravenes the United Nations Convention on the Rights of the Child and that children in our society must be protected from physical abuse.

## HUMAN RIGHTS

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, I am also pleased to present some 300 petitions signed by thousands of concerned citizens from across Ontario.

These petitioners call on Parliament to create an environment of justice and equality for all Canadians by amending the Canadian Human Rights Act to prohibit discrimination based on sexual orientation.

## RIGHTS OF THE UNBORN

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, I have two petitions today.

The first petition is signed by Canadians primarily from the Calgary area. They ask Parliament to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

## HUMAN RIGHTS

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, the second petition is signed almost exclusively by residents of the town of Unionville in the area north of metropolitan Toronto.

They pray and call on Parliament not to amend the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

## Routine Proceedings

## TAXATION

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have two petitions today. The first one comes from Burnaby, B.C.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession that has not been recognized for its value to our society.

• (1215)

They also state the Income Tax Act discriminates against traditional families that make the choice to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

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

## ALCOHOL CONSUMPTION

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the second petition comes from Vancouver, B.C.

The petitioners bring to the attention of the House that consumption of alcoholic beverages may cause health problems or impair one's ability and specifically that fetal alcohol syndrome and other alcohol related birth defects are 100 per cent preventable by avoiding alcohol consumption during pregnancy.

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

## DRUNK DRIVING

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, I rise to present a petition from people in my part of Ontario, Bobcaygeon, Dunsford and the surrounding areas.

The petition requests Parliament to ensure that people who drink and drive will be dealt with in accordance with the severity of the crime.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 8 will be answered today.

[Text]

Question No. 8—**Mr. Hermanson:**

Concerning the Western Grain Transition Payments Program (WGTPP), (a) which specific farm organizations were consulted by the Department of Agriculture about the program prior to and after the announcement of the WGTPP

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on February 27, 1995, (b) which specific farm organizations have indicated support of the WGTPP in written form along with the date of that support and (c) which specific farm organizations have indicated opposition to the WGTPP in written form along with the date of that opposition?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** The issues surrounding the reform and upgrading of western Canada's grain handling and transportation system have been the subject of intense study and debate across the prairies for at least 25 years. Within days of the 1993 election, the newly elected federal government was required to begin dealing with these issues in the context of the Uruguay round of world trade negotiations because those negotiations were beginning the process of eliminating "trade distorting export subsidies", and grain subsidies under Canada's Western Grain Transportation Act, WGTA, were included, in part, within that definition. Consultations were appropriately undertaken at that time by the Minister of Agriculture and Agri-food through the grain representatives serving on the sectoral advisory group on international trade, SAGIT. These included the Saskatchewan Wheat Pool, the United Grain Growers and the Canadian Federation of Agriculture, among others.

The consultative process has been intense and ongoing ever since. This has included a great deal of correspondence and, more important, dozens of face to face personal meetings and teleconferences involving virtually every major western farm organization, several national organizations with an interest in the western grain handling and transportation system, untold numbers of individual producers, grain companies and co-operatives, the railways, municipal organizations, and provincial governments.

It would be impossible to reconstruct an absolutely all-inclusive listing of all those consulted prior to the February 27, 1995 federal budget, but the more prominent groups included in these consultations were: Canadian Federation of Agriculture, Keystone Agricultural Producers, Canadian Cattlemen's Association, Unifarm, Saskatchewan Association of Rural Municipalities, Alberta Association of Municipal Districts and Counties, Union of Manitoba Municipalities, Western Canadian Wheat Growers Association, Western Barley Growers Association, Canadian Canola Growers Association, Canadian Dehydrators Association, Western Canadian Flax Growers, Western Canada Pulse Growers, Manitoba Pool Elevators, Saskatchewan Wheat Pool, Alberta Pool, United Grain Growers, Canada Grains Council.

In addition, at the request of the minister's address to over 90 industry stakeholders in November of 1994, more than 30 other groups provided written input on WGTA and grain transportation reform prior to February 27, 1995. These included, most prominently: Prairie Farm Leaders Group, Alberta Canola Producers Commission, Alberta Cattle Commission, Prairie Pools Inc., Saskatchewan Cattle Feeders Association, Manitoba Pulse Growers, National Farmers Union, Canadian Special Crops Association.

Prebudget consultations were, of necessity, general and broad ranging, but they clearly signalled the government's direction toward a western grain transition payments programs, WGTPP. The nature of the WGTPP, as announced in the 1995 budget, required ongoing postbudget discussions with farm groups about specific aspects of the program's design and delivery and related adjustment measures. The minister therefore continued to seek broad producer and industry input through further correspondence, teleconferences and personal meetings held through the spring, summer, fall and winter of 1995.

Through all these consultations in whatever form, opinions have been expressed both for and against the reform which have been undertaken. While there is general agreement that the reforms were necessary and unavoidable for trade, efficiency, diversification, innovation and fiscal reasons, it must also be noted that few organizations unequivocally approved of each and every aspect of the WGTPP. Advice and reactions were typically mixed. It is therefore very difficult to characterize any given organization as totally supportive or opposed. In most cases they were a bit of both. Not unexpectedly, everyone would have preferred to have more money available for distribution through this program. On the other hand, those consulted also acknowledged the compelling imperative of fiscal responsibility.

One point is clear. Few other initiatives in the history of Canadian agriculture have been subject to such open, lengthy and comprehensive consultations before, during and after implementation. The process continues.

[English]

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

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

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[Translation]

### EMPLOYMENT INSURANCE ACT

The House resumed consideration of Bill C-12, an act respecting employment insurance in Canada, as reported (with amendments) from the committee; and Motions Nos 1, 2 and 3.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, I am both happy and sad to rise this afternoon to contribute to the debate on Bill C-12, an act respecting employment insurance in Canada. I am taking this opportunity, at report stage, to join in the discussion on the work by the standing committee.

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The day when, after third reading of Bill C-12, the government will ring the bell to call us to the House to vote, will be a day of national mourning. All Quebecers and Canadians should fly their flag at half mast. The government is so ashamed of its reform that it has used very special measures at each stage, when democracy was calling us to debate this bill here in this Parliament.

After first reading—a misnomer, at this stage, one looks, rises, and sits down, first reading is over—the government did away with second reading. Usually, at this stage, the official opposition has the opportunity to present, discuss, and debate all its objections to a bill. It has the opportunity to do so in the House since second reading takes place in the House.

What did the government do this time? It decided to do away with second reading, following instead a rather odd procedure called preliminary study; the opposition was allowed to make six ten-minute speeches, for a total of one hour, to explain and voice all its objections against a bill containing 190 clauses. It was then referred to committee. In committee, the bill was again under a gag order. Not one of the groups wishing to appear was unable to do so for lack of time.

Usually, committees travel across Canada when the game is worth the candle. However, this time, for an in-depth reform of the unemployment insurance program, the government deemed it unnecessary for the committee to travel and hear people's views on this reform. The government preferred to stay on the hill, completely disconnected from reality, and to go ahead with a bill that nobody wants. Perhaps the government got a little scared, given the strong and unanimous opposition to this legislation across the country.

• (1220)

I dare the Prime Minister to let members of his party vote freely on this bill, as he did in the case of Bill C-33, which sought to recognize a basic right. Should the Prime Minister do that, I think his party would bring the government down.

The committee only had 10 hours to do a clause by clause review. This is a big joke, given that there are 190 clauses in the bill. The government, with its arrogant majority, could not care less about democracy and Canadians.

Now, the minister on call wants to gag the official opposition. When the government wants to gag us it asks the labour minister to table a notice of motion; or at least he is the one who always did it for this bill. The minister responsible for the reform does not even have the courage to rise to gag us. He prefers to ask a Quebecois to do the job for him. Barely 10 minutes before I took the floor, we were told by the government that, on Monday, it would table a motion to gag us once again, to keep us from speaking in this

House about a reform that does not make any sense and that Canadians do not want.

There are 190 clauses in this bill. Since it could not stop the train, the official opposition tried to propose amendments. Would you believe that a total of 221 amendments, more than the number of clauses, were proposed? A Liberal member decided to propose one. His party will probably support it, to reward him for having dared to say something. Eleven amendments were made by the Reform Party, 13 by the minister, including 6 that are insignificant and of a purely technical nature, and 196 by the Bloc Québécois, including several which have the support of the New Democratic Party.

These 221 amendments were put in 15 different groups to facilitate their discussion in the House. The first group included Motion 9A, proposed by the Bloc Québécois. That motion referred to the Quebec consensus concerning Quebec's reclaiming all manpower training programs and job creation programs, along with financial compensation.

Unfortunately, we shall not be able to debate this matter, because the Chair has refused to admit it, seemingly because it involves a royal recommendation, or so I was told. I myself must admit I do not know what that means. What are we doing here if we are refused the right to table an amendment because it needs a royal recommendation? Can anyone be more alienated than a people that requires a recommendation from someone else? Why are we not capable of dealing with the necessary amendments on our own? As a citizen, and even less as a member of Parliament, I have no idea what the expression "royal recommendation" means.

The government, however, in my understanding of the situation, is caught in a trap. Once again, it is speaking out of both sides of its mouth. When responding to questions in the House, or when speaking to the public, it claims to want to get along with Quebec, and that it is Quebec that does not want to get along with Ottawa. This is what we have been hearing for nearly 10 years, as this government is reforming this and that, since Meech anyway, that Quebec is supposedly never satisfied. Yet, when the government is invited to put its money where its mouth is, when there are meetings with the Quebec minister, meetings cancelled with no reason given, the minister not turning up, not submitting what he was meant to, not responding to the Quebec consensus, when we want to repatriate manpower training and employability enhancement programs in Quebec, hypocritically the government digs its heels in every time. What a farce. Mark my words, though, the farce is nearly over. This morning's survey, as reported by *l'Actualité*, was very clear. Every step this government has taken since the last referendum has added to the popularity of sovereignty. This morning we reached 56 per cent, the highest since Meech Lake. You better not forget it. This is only the beginning, the ascent to secession, as you call it, or to sovereignty, as we see it.

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• (1225)

The people of Canada and Quebec will recall as well at the next elections that the old traditional parties have nothing more to offer. They are all cast in the same mould. Whether it is the Liberals or the Conservatives, there is no difference. In official opposition, they criticize. On the campaign trail, they promise the world. In government, once elected, they do nothing. They take the issues of their predecessors and do what they had previously criticized.

For the benefit of those listening, I would just like to quote something I find quite admirable: "The point I am trying to make, which many of us will have to look at seriously, is the whole notion of trust and credibility. Canadians are prepared to share the burden, if they think it is being done fairly. Unemployment insurance, family allowance and old age pensions are a sacred trust. We must not allow the trust of Canadians to deteriorate to a point where they become cynical. I have listened to people talk about New Zealand, the United Kingdom, and about other countries and how they do it. There are basic standards, basic programs, universal programs, and programs that allow people to deal with their future with some degree of security". Who said this? None other than the hon. member for Gloucester, the father of the reform we reject.

**The Acting Speaker (Mr. Kilger):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Kilger):** All those in favour will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Kilger):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Kilger):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** The recorded division on the motion stands deferred. The division will also apply to Motion No. 3.

We now proceed to Group No. 3, which contains Motions Nos. 4, 5, 6, 200 and 201.

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

Motion No. 4

That Bill C-12 be amended by deleting Clause 2.

**Mrs. Francine Lalonde (Mercier, BQ)** moved:

Motion No. 5

That Bill C-12, in Clause 1, be amended by replacing lines 6 to 28, on page 1, lines 1 to 44, on page 2, lines 1 to 42, on page 3, and lines 1 to 8, on page 4, with the following:

"6. Subsection 25(11) of the Unemployment Insurance Act is repealed."

**Hon. Douglas Young (Minister of Human Resources Development, Lib.)** moved:

Motion No. 6

That Bill C-12, in Clause 2, be amended by adding, after line 8, on page 4, the following:

"(5) For the purposes of sections 15 and 145, the Commission may, with the approval of the Governor in Council, make regulations for establishing how many weeks of regular benefits a claimant was paid, in order to take into account benefit reductions or deductions in the calculation or payment of those benefits."

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

Motion No. 200

That Bill C-12 be amended by deleting Clause 177.

**Hon. Douglas Young (Minister of Human Resources Development, Lib.)** moved:

Motion No. 201

That Bill C-12, in Clause 177, be amended by replacing lines 22 to 25 on page 134 with the following:

"ance Act;"

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, I would like to echo the words of my colleague, the member for Rimouski-Témiscouata. During the whole process leading to this moment in the House, not only the official opposition, but also the people who wanted to be heard, did not have the opportunity to voice their concerns.

• (1230)

Rarely have the people concerned been prevented from truly speaking their minds on such an important issue as this one, which will affect the lives of millions of people in a very practical way, since it will deny them access to a minimum level of security if they lose their jobs, it will reduce their benefits and it will cut the period of eligibility for those benefits. Millions will be affected by this bill, which has not been discussed adequately and about which the official opposition and the people have not had the opportunity to voice their concerns.

The government seems utterly unconcerned about what will happen to men, women, young workers and older ones, workers living in seasonal work areas and pregnant women. The government could not care less about the fate of these people.

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This unemployment insurance system is the pillar not only of economic stability in times of recession, but also of a minimum security for those who do not have total job security or who cannot rely on personal or family wealth. That affects a wide segment of the population, and if the government had not acted as it did, it could have designed a real system by widening the assistance and especially by widening the base for those who can contribute to make this system a real one.

This government did not want to have a real system. It has preferred to reduce benefits and to make them unavailable to many people.

We now know that time is running out for us, which is a shame. We now know that the party in power does not want us to expose the true nature of this bill. We will try, during what time we do have, to repay it back in kind, because this is totally unacceptable.

All the people at home who may listen to members opposite were told, regarding this reform, which proposed a new concept based on hours worked, that they would get a better system, but that is totally false. At first glance, it might seem interesting to take hours worked into account, but the truth is the government took advantage of this change, to a great extent, to multiply by three the eligibility criteria.

Someone who was not in the system, a young person or a woman who got out of the workplace to have a child or who never got into it, or whoever has not been in the system for more than two years, for whatever reason, could go back into the system by working twenty 15 hour weeks. There was a threshold. The government had said that twenty 15 hour weeks, or 300 hours, was a threshold.

• (1235)

From now on, how many hours will the government require for these same persons to become eligible? The bill stipulates 910 hours, or twenty-six 35 hour weeks in a year, instead of twenty 15 hour weeks each. Those are the facts. Some will have to wait two years to become eligible. Even if they are in need, there is no eligibility until they have reached the number of hours required.

In a way, those affected are really those who need the system most. A researcher said that young people in particular must have access to real unemployment insurance, because jobs are so scarce. According to researchers, one of the main differences between someone who is eligible for UI benefits and someone who is not, is that the former will stay on UI for one more month, and use it to look for a job, a better paid job.

Is that wrong, considering the cost of living and the fact that young people, especially those who are thinking about starting a family, cannot possibly do so on minimum wages and will have trouble doing so if they are the only breadwinner and earn \$10 or \$12 an hour?

Good jobs, like good bosses, are extremely hard to find. Nowadays, what we are seeing is that businesses that provide stable well paid jobs are more likely to be closing down rather than starting up. Companies that paid good salaries are closing and are replaced by small businesses which, in many cases, do not pay salaries that allow people to live decently. This is, and will be, extremely hard on a lot of people.

What about someone who is in the system? Since the last change was made, when the unemployment rate was at its highest, the person must work twelve 15 hour weeks. What will happen now? From now on, the same person will have to work twelve 35 hour weeks. This is for the regions where the unemployment rate is highest.

In regions where it is lower, such as Victoria and Vancouver, people will have to work twenty 35 hour weeks. When the human resources development committee went there, it found out that, yes, there are rich people, but there are also many for whom this affluence only makes the cost of living higher, including their rent. The result is that so-called ordinary people have a hard time. They may lose their job and it may take time before they find another one. Still, these people will have to work twenty 35 hour weeks.

Between these two extremes, there is a whole scale of variable conditions. For the Montreal region, the requirement will be fourteen 35 hour weeks, or 490 hours. The bill went from weeks to hours worked, but the government has used the opportunity to increase the basic requirements considerably.

• (1240)

The bill does not take into account the fact that, for many people, one hour of work does not necessarily equate with one hour of wages. Part time teachers who often earn very little money and work in difficult conditions need a true unemployment insurance system between periods of employment. For these people, one hour of work does not equate with one hour of wages.

The same is true for musicians, actors and many people in this “new economy”, where an hourly wage is not the rule. This bill is unfortunately legislation right out of the past. It is a pretext to make the system more inaccessible to those who need it. It is a bill that the population will reject.

The next government to be elected will pledge to change it. Jean Chrétien, leader of the official opposition—

**The Acting Speaker (Mr. Kilger):** Order. Without getting into the issue of using titles rather than names, I must inform the House that the member's 10 minute period is over, unfortunately.

[*English*]

**Mr. Charles Hubbard (Miramichi, Lib.):** Mr. Speaker, being from Atlantic Canada, it is certainly important for us to present our views on the employment insurance act. It is particularly important

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to bring to the House some of the important concerns we have in Atlantic Canada.

As Liberals, we have always prided ourselves in introducing the original unemployment insurance bill, changing it in the 1970s and promoting and encouraging it, and to see that Canadians who are unable to find work are protected by legislation and by a program that will enable them to have a satisfactory standard of living.

Since the Liberal Party formed this government, we have been involved in discussions across the country through the HRD committee and through our members of Parliament meeting with constituents to discuss the ramifications and look at their concerns about unemployment.

Jobs are the major concern of many Canadians. Many of our young people, especially those in the 15-24 age group, have great difficulties finding jobs. Nearly 10 per cent of our labour force at any given time has difficulty finding work.

In Atlantic Canada, as in the rest of the nation, people do not want to be unemployed. They would prefer to find work, to have steady income. We as members of Parliament and as a government must attempt to bring forward measures to encourage programs, to develop an environment that will enable Canadians to find satisfactory and worthwhile forms of employment.

Since the bill was originally introduced last December, most of us went home to our constituencies and held town hall meetings. We attempted to find the concerns with the legislation originally introduced.

In Atlantic Canada there were two major concerns. Some people were concerned with what is called the gap, the idea that weeks were being presented on a consecutive basis. If one were to file for unemployment, HRDC would look at the consecutive weeks of work. In many cases in Atlantic Canada that was a major problem.

Others were concerned with what is called the intensity rule. It is the concept that those who filed annually or were unemployed annually were being penalized because jobs in their areas were not available year round.

• (1245)

In Atlantic Canada a lot of jobs are seasonal in nature. We do not have seasonal workers, we have seasonal jobs. In the forest, the fishery and the tourist industries people generally are only able to work when the season is right. When three feet of ice covers Miramichi Bay it is impossible to fish. When the snow is four feet deep it is impossible to conduct forestry activities. Even though New Brunswick has promoted winter activities in recreation and tourism, this industry is basically one which is conducted in the summer.

The committee which studied the bill when it was reintroduced has come up with solutions to the gap in the system. The system will apply so that one may go back 26 weeks to pick the best weeks that will add up to the required number of weeks in order to qualify for unemployment insurance. The committee also recommended that the intensity rule would only apply to those with family incomes of over \$26,000.

We as Liberals are able to protect those people in society. We have not been able to bring forward a guaranteed annual income, but we certainly have brought forward a system of protection so that those who are most needy are able to gain the most benefits from the program.

There are some other positive aspects to the bill. The system of hours of work for example will assist many people in terms of qualifying. Many workers in the past who had small numbers of hours in any given week were not allowed to count those hours toward their benefits. Now all hours will qualify. For those who might criticize that system we must point out that those who have paid in on an hourly basis and are unable to draw because they are students or are involved in a short term enterprise may apply for a refund of their contributions. The hours system is good because those who work long hours for example in the construction industry will be able to use the 35 hours as the basis of a week.

There are five cornerstones here which will help people who are unemployed. There is the system of wage subsidies and earning supplements. More money is being put into the self-employment assistance program. More than 45,000 people across the country are involved in becoming entrepreneurs and developing their own companies and businesses, thereby being able to employ others and continue in full time employment. Money is going to be put toward skills and loans grants for enabling people to further their job skills to better qualify for employment.

There will be a fund which will enable communities to participate in providing work. The fund will enable environmental, community and other groups to develop programs and improve their communities. They will use money from the fund in order to make their area a better place in which to live.

I have listened to members opposite. I know they have many concerns, as we in Atlantic Canada have many concerns. We are concerned with the fact that people need jobs. By the same token we are concerned about the fact that people need help when those jobs are not available.

We must respect those 90 per cent of Canadians who on any given day are working full time and who through their contributions to the system are paying 3 per cent of their wages into a fund which will help those who are unemployed.

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This week the fishermen in Atlantic Canada, especially in my area, went out in their boats for their annual fishing season. The fishermen's UI is separate from the major part of the program.

• (1250)

I hope when we eventually bring before the government an unemployment insurance system for fishermen that we will be able to have a dialogue and hear their concerns. It will bring to the people of Atlantic Canada and those on the west coast about whom they spoke this morning a program which will enable them to remain a viable part of our economy. It will enable our fishermen to go out and fish each summer. The fishery is a very important part of our Canadian economy.

I support the bill. It certainly is not perfect. There are some members who would like to have a perfect bill. We never have perfection but we as Liberals try to work toward that degree of perfection. We try to work toward the concept that we as a party and as a government will look after those people who are most in need. We want to assure them of our concern and support of their best interests.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I think it is a disgrace that the government has decided to move a time allocation motion on such an important bill. Let me explain why it is a bad decision.

Under the definition provision, which is part of the amendments before us, insurable employment is defined. The definition of insurable employment has been a major problem for several years now: there is an incredible backlog of applications waiting for a decision by Revenue Canada. There are more than 20,000 applications on hold.

This bill had been under consideration for two years now, and we still have not found a solution to the problem; we have not come up with a way to deal with this very real problem. The government has only one goal, to recover \$2 billion through this reform. That is its only goal. To get \$2 billion in cuts. In the meantime, the problem is not going away.

Let me explain the problem with insurable employment. In some cases, employment can be considered non-insurable because the employee and the employer are not dealing with each other at arm's length, and the people concerned often file an appeal. It is true that sometimes the employment is proven to be non-insurable, but in thousands of cases, nothing can be proven and the people are successful in their appeal. The government has not dealt with this problem; it has not even come up with an amendment on this issue, even if we suggested some changes and mentioned the problem to the minister when he appeared before the committee.

By moving time allocation, the government is only prolonging these kinds of problems. The people affected by this issue are not the banks, nor the individuals who make billions of dollars in profits, but rather wives who work alongside their husbands on the family farm, for example, or spouses who open a business together or the sons and daughters who work with their parents. These are the kinds of situations we see in real life. No, the government is not ready to correct these situations, it is not ready to solve them. It will rather gag the House by skipping debate at second reading and limiting to ten hours consideration in committee.

As for the report stage, the government will also limit debate next week while there are concrete examples of problems that need to be addressed. The only way to settle these problems is to put an amendment forward or, ultimately, to send this bill back to committee so that it can do its job and solve these problems because this is totally absurd.

Pursuant to the appeal process, people who are not satisfied in the first stage must then deal with the revenue department. Across this country, Human Resources Development Canada has employment centres providing first line services. These centres are close to the people and can give advice, interpret the legislation. However, the government could not find a way to give them the authority to make the decisions in this process. No, they wanted the revenue department to do it, although it must deal with a mind-boggling number of cases, more than 20,000 cases, like I said. This is utterly unacceptable.

At the same time, on the subject of definitions, they tried to pull a few fast ones on us. First, they decided to give the definition of an affidavit. Do you know what an affidavit is? It is a statement which you make when you lost a document or when you witnessed an event that you have no proof of other than to swear it is true. Affidavits can be made in all sectors of life. But a definition is added here in the legislation to limit its application. And I can assure you that, when going after persons guilty of fraud and offenders, this legislation is a regulatory jungle.

• (1255)

The Unemployment Insurance Act can be compared to a highway on which there would be ten or fifteen different speed limit indications on a two-kilometer stretch and police everywhere making sure you are not over the limit. Often, it is not a question of being dishonest, it is just a failure to understand. The definition of affidavit will be a means to catch people, to ensure that we will be able to catch them. It is unacceptable and we have asked the government to withdraw it.

The same can be said of the word document. They put in a catch-all definition of what a document is for the purpose of the Unemployment Insurance Act. They did this to reinforce again the principle that people who receive unemployment insurance are trying to abuse the system. To consider that Canadians are neces-

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sarily trying to rob the system is an unacceptable basic element of the government's bill.

According to statistics we have received, it is proven that fraud amounts to no more than 4 per cent. Four per cent of 2 million UI claimants—last year's figures—is not much. If we submitted businesses and taxpayers to such an inquiry, I believe we would discover a higher rate of fraud. But they decided to go after these people because they are less organized, less resourceful. That is where the government wants to go.

This time allocation motion will prevent us from doing an in-depth study of this bill. It is an important piece of legislation that will govern unemployment insurance for years to come. There will not be such a reform every year. The government has enough trouble as it is dealing with the impact of this reform on workers. You can be sure that it will not impose another reform on the maritimes because if the Liberal members from that region vote for this bill here in the House, they will certainly pay the political price for it in the next election.

What is the impact of this reform? It is a one-way street to poverty. One of my constituents told me on the phone yesterday that the Liberals argue that changing the system from weeks to hours worked will improve the situation, but we need concrete examples to support that. Here is a concrete example.

Previously, to become eligible for unemployment insurance, a person had to work 20 15-hour weeks, a total of 300 hours. Now, a new entrant on the job market will have to work 910 hours, or 26 35-hour weeks. So the government has dealt a fatal blow to CEGEP graduates who work in seasonal industries such as tourism, recreation and applied ecology. All those who have seasonal jobs or even those who just started their first job will be systematically forced onto welfare. And the present government has the audacity to use the term employment insurance to refer to a piece of legislation that will do nothing but send people on their way to the welfare office.

Because that is what awaits those who went to school, who attended primary school, high school, college, university. If they do not work 910 hours the first year, or 26 weeks at 35 hours a week, that is 26 weeks of full-time work, they will not be eligible. There are a lot of seasonal industries where it is impossible to work 26 weeks. Just try working in a peat bog or in the forest for 26 weeks to see what it is like. Just try working 26 weeks in the woods.

Yesterday, a Liberal member said that this legislation would motivate people to work a little more. I can tell you that, where I come from, the problem is not motivation but finding jobs. Things will be a lot more difficult for people who, even now, must keep two or three different jobs to accumulate the 12 weeks presently required.

True a system based on the number of hours may be interesting for some people. However, it is totally false to say that the government has tried to improve the situation. Besides going from weeks to hours, the government raised all the system's criteria and standards to make unemployment insurance less accessible. The savings give us an example of that.

The UI program will produce surpluses averaging \$5 billion every year. It is not an underfinanced program, but a program used by the government to reduce its deficit. Since it was unable to get that money from foreign markets, it decided to penalize UI claimants without raising taxes.

• (1300)

It is a sad thing to see because, in the past, Liberal governments showed from time to time that they cared for the regional economic development by putting in place a good regulating system in periods of economic downturns, but the present government is killing it. Unemployment insurance plan is supposed to help alleviate the overly severe effects of recessions and prevent depressions like the one we had in the 1930's.

Today, we can say without a doubt that if the measures proposed by the government are allowed to stand, in the next recession we will find ourselves facing situations that are going to aggravate the economic crisis, which will have the effect of driving people from the regions to the cities, where there will not necessarily be any jobs. We are in the process of creating a model seen in certain developing countries, but that we never thought we would see here. The present government is creating this type of situation.

Another thing I find completely unacceptable is keeping the intensity rule. Under this rule, someone who draws UI benefits for 20 weeks loses 1 per cent of his benefits, another 20 weeks, another 1 per cent. At this rate, within three years, anyone who regularly draws UI benefits will drop from 55 to 50 per cent.

I will conclude my remarks with this. Twenty-five dollars a week is perhaps not much for people earning \$60,000, \$70,000 or \$80,000. But people getting \$500 a week will end up with \$25 less, which now can be used to buy things, to keep the economy going, but especially to help people put bread and butter on the table. Canada's present government, with its reform, will bring all this to an end. I think it should be made very clear that gagging us will not solve the problem. This problem will dog them for many years to come.

[English]

**Mr. Ron Fewchuk (Selkirk—Red River, Lib.):** Mr. Speaker, I am pleased to have the opportunity to speak on the report stage of Bill C-12 concerning employment insurance.



*Government Orders*

It is evident that a change is required to our unemployment insurance program. The old UI program is outdated and out of touch with today's working environment.

I have spoken with many of my constituents who are looking for employment. Some of my constituents have over 100 CVs floating around in the employment market. It is a very competitive market today.

Employers can pick and choose from an enormous number of candidates. It is not uncommon to hear that 200 or 300 people are applying for one job opening. That is incredible. It is why Canadians who are looking for work today need, require and deserve protection. It is why they require a safety net called employment insurance to help them during this critical time of job hunting.

A growing number of Canadians are holding down more than one job to make ends meet. In most cases, they are not permanent jobs. Chances are they are working just as many hours per week as the traditional full time single job worker. Their work is not insured under the old UI program. These jobs hold no benefits if employees are sick. They do not get maternity or other benefits. They do not qualify for many government employment programs if they find themselves out of work.

The reasons why this unfortunate situation occurs is because eligibility for UI benefits in any job is based on weeks of work, with a minimum requirement of 15 hours per week. One can work five different 10-hour per week jobs, totalling 50 hours per week, but as far as UI is concerned, it counts for nothing.

I am pleased that Bill C-12, employment insurance, will rectify the situation. Employment insurance eligibility is based on hours, and all hours count, whether one puts those hours in for one, two or five different employers.

Working counts with EI. Many people who work two or three part time jobs will get insurance protection for the first time. In fact, statistics show that some 500,000 more part time workers will be insured under the EI system than were under UI.

• (1305)

Another example of improvements under the new EI system is that a worker who holds down a full time job which pays \$500 a week and also works at a part time job which pays \$100 a week will now be better off. Under the previous program of UI only the first full time job is insured but under employment insurance both jobs will now be insured.

This will make a difference to a worker if he or she loses his or her full time job. In this situation the benefits under UI would be

considerably lower than under the new employment insurance. That is because when UI calculates the insured weekly earnings, it ignores the part time job that pays \$100 a week. That part time job is not insured.

The new employment insurance takes that extra \$100 into account. When the calculations are done the worker ends up with \$275 per week in benefits. Under the previous system the benefits would be reduced by \$31, as a result of continuing to work while receiving UI benefits. Therefore the benefits would fall to \$244 a week.

Under the new employment insurance system the worker will receive \$330 and the benefits would be reduced by only \$18. The worker would be able to earn up to \$82 from a second job without reducing the worker's weekly benefits. Therefore the worker's cheque actually amounts to \$68 more than under the old UI system.

Bill C-12, employment insurance, simply works better for all Canadian workers. I believe that this new EI system better protects working Canadians and addresses the problems that they face in a more realistic way.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I called last week the week of the gag. We have just be notified that there will be a time limiting motion once again, to be announced Monday. So, here we are headed for a second week of the gag.

This current week, however, has been the week of problems relating to keeping or not keeping one's word. Without going into great length, I would like to take a few seconds to read certain paragraphs of a letter by the present Prime Minister. As I have already read it out in the House, I will not read it all, but some parts of this letter, written to the Mouvement Action-Chômage when he was Leader of the Opposition, merit rereading.

On March 26, 1993, he wrote as follows:

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

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

Skipping several paragraphs, he goes on to say in the second-last paragraph:

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

*Government Orders*

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

Since then, he has heard plenty of "positions on this issue".

• (1310)

It started in the human resources development committee. During six weeks of conducting hearings across the country, we heard a good many positions. We also witnessed a good many demonstrations. Let me only recall what happened in Montreal. I do not say that I approve, but at some point, people get fed up. We have said this repeatedly. Last week, they wanted to gag us, now they want to do it again. It will not work. We will be heard.

In summary, after the hearings held by the committee, the Liberals decided to wait until after the referendum in Quebec. They waited all that time. Then in December, after the referendum, they came out with a special step called a pre-study, they eliminated second reading, supposedly to give the committee more time. What was done in committee? It was just before the holidays, not a proper time to look at a bill. Not only that, people did not have much time to present submissions. There were many submissions. Therefore, the committee started examining them.

However, the government came up with the most brilliant idea. It decided to have a speech from the throne. It wanted to make something new out of old stuff. It wanted to reintroduce, and in fact did reintroduce some ten bills, under new numbers. Bill C-12 is the same as Bill C-111, as it was called before. So, during that time, we waited again, because the throne speech put an end to the session and the committee's proceedings. We resumed work hurriedly after the throne speech.

Last week, the committee began clause by clause study. We got as far as clause 2. The government wanted to limit study of each clause to five minutes. In the group of motions dealing with clause 2, we ask that the whole clause be deleted. What is in that clause? All the definitions. Take the first one for example: "affidavit". It is an addition, it did not exist before and people did not know exactly what it meant.

But there is worse than that; because I have very little time, I will read a clause we wanted to examine more thoroughly. At the bottom of page 3, it says:

(3) A document or other communication under this Act or the regulations may be in electronic form.

We are talking about electronics. But what did we hear this morning? For the second year in a row, people are waiting for old age security payments. Last year, about 50,000 people have seen their payments delayed. The minister admitted it this morning.

This year, the same thing happened again. Now they would like the unemployment insurance reform to bring a similar system.

Frankly, I think we were right to voice our concerns in committee. For the second time, the government gagged the committee. Its imposed time allocation on a very important bill to bring it back to the House as quickly as possible. Now, we were just told that after a day and half of debate, there will be time allocation, the same system used in the case of the rail strike. This government is going to be known as the gag government, because there are no precedents, except once under the Conservatives. Before them, this had never happened in the history of Parliament.

There is another clause I would like to talk about and on which we had proposed an amendment, which is to strike the two clauses denying people the opportunity to appeal decisions relating to the unemployment insurance bill. We find that is very important.

As an example, so that our listeners can understand, we wanted to correct the bill so that anyone could challenge a government decision under any program. Why did we want to do that? It is because the Mouvement action-chômage, in Quebec city, among others, told me that, when a decision of the unemployment insurance commission was challenged, the claimant was found to be right in 75 per cent of cases, and the government itself admits that.

• (1315)

I will show the House a report we asked for in which the minister makes alarmist comments about the increase in fraud cases. So what does the report say? In 1991-92, 130,081 people were charged with and convicted of unemployment insurance fraud. By 1995-96, that figure had fallen to 116,603.

Some may say: "Wow, that is a lot of people". True, that is a lot of people, but the figure applies to all of Canada. The total is not so high considering that some 3 million benefit claims are submitted in a year—which does not mean 3 million unemployed. Some claims may be for a short period only. Out of a total of 3 million, the number of fraudulent claims amounts to less than 6 per cent. The auditor general has already determined that there are always cases of fraud in any government program, regardless of what segment of the population it is intended for.

What is happening? We could have recovered \$272 million last year. In cases of fraud, however, only \$93.4 million were recovered. The remaining \$179 million was due to honest mistakes, occasionally by recipients but, three times out of four, by the unemployment insurance commission.

This explodes the myth of fraud, which is, in fact, the basis for this reform. They want stricter controls and increased mechanisms.

*Government Orders*

They want better control of measures. Why? To catch more people because unemployed Canadians are seen as potential cheats.

We object to this kind of approach, because we know that, in many cases, UI benefits keep people from starving after they lose their jobs.

There is something else we find quite extraordinary and revolting. I often tell this story to help people understand. Everyone knows the story of Robin Hood. I am not saying he was right, but he used to take from the rich to give to the poor. But what is the Liberal government doing by lowering the contributory earnings ceiling from \$43,380 to \$39,000? It is saving \$900 million. It is giving a present to the better off in our society. I am not saying that people making \$40,000 are rich. The government is giving a present to business, to large corporations. But what is it doing to compensate for this \$900 million? It is collecting this \$900 million from those working less than 15 hours a week, who had not been paying UI premiums. And 70 per cent of those working less than 15 hours a week are women and young people. This is unacceptable.

By calculating benefits based on the number of hours rather than the number of weeks, the government is heating up the competition for McJobs. People who want to qualify for benefits will apply left and right to take someone else's job.

This bill is unfair. It is not an employment insurance bill, as it ensures that fewer people will qualify for benefits, thus hurting the most disadvantaged in our society. That is why the Bloc Quebecois is spending all its energy fighting this bill to have it withdrawn by the government.

[*English*]

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I had intended to address some of the points raised by the member for Mercier. Instead I must address some of the points raised by the member for Lévis.

Is there a reason the member for Lévis is dealing in rhetoric rather than in substance? What he is doing in dealing in rhetoric is the same thing that was done at the committee hearings. They do not want to deal with the substance because it will show what is really in the bill, that the bill has been improved for the working people of the country.

• (1320)

Opposition parties led by the Bloc filibustered debate for approximately 26 hours at the beginning of clause by clause examination of Bill C-12. The filibuster took place from approximately 9.30 a.m. on Tuesday, April 23 until 4 p.m., Wednesday, April 24. As a result, we missed being able to debate the substance of the issue and really get the facts out there.

Let me address the points raised by the member for Mercier, the Bloc critic for HRD. I grant that her heart is in the right place and

that she does care, but she should look at the facts as they relate to the bill. Her remarks were long on rhetoric and extremely short on facts.

The member argued the issue was not debated and she alleged the government does not care what happens. She is just plain wrong. The social security reform committee, which I believe she was a member of, held 600 hearings. There were public meetings held by MPs. The idea was to hold 100 hearings, and I believe close to 90 hearings were held.

The people of Canada showed their concern. The difference between the Bloc, the Reform and the Liberals is that when Liberal members heard those concerns we proposed amendments to the bill. If we look at the Order Paper, at the positive changes made by the minister and other members of the Liberal Party to that bill, we looked at the concerns of Canadians and have tried to address them.

In my past life as a farm union leader I had considerable experience dealing with legislative committees. In all my experiences before legislative committees I have never seen such substantial change come to a bill addressing the concerns of Canadians. Very seldom does a minister say he recognizes there are some problems with it. Both the previous and present Ministers of Human Resource Development have said there were some problems with Bill C-11 and C-12 and asked the committee to address them.

The difference is that Liberals on the committee said "yes, we will go the people, we will put forward positive amendments. All the Bloc, the Reform and some labour unions could say was scrap the bill. That is not productivity.

Members on this side of the House have addressed the gap, which was a serious problem. We have addressed the divisor, which was a serious problem. We have addressed to a great extent the problem of the intensity rule. Through the amendments we will address the concern that there may be too much control by the governor in council so that debate in the future on the divisor in terms of weeks will be done in the House. We have made major improvements. The bill has become an expression of what Canadians want.

The member for Mercier talked about shorting access to benefits. Let me again clear the record for the member. The fact is 350,000 claimants in low income families will get a supplement. With regard to part time workers, 500,000 more individuals will have their work insured; about 380,000 of these will have all their premiums refunded; 140,000 part time workers who pay premiums today will also have their premiums refunded. The list goes on. Some 90,000 unemployed people who not now eligible for UI now will become eligible for EI. Those points should be put on the record.

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Again let me correct the member for Mercier on the point about women. On eliminating the 15 hour per week job trap, to avoid paying UI premiums some employees restrict part time workers to less than 15 hours per week. An hour based system will eliminate this 15 hour trap. Extending coverage to part time workers, the hour based system broadens coverage to 270,000 women who work part time. Of these, 204,000 will have their premiums refunded.

• (1325)

In terms of women holding multiple jobs, a greater share of working women hold multiple jobs and under the EI hours based system all hours count toward an EI claim. This means multiple job holders will now be fully insured should they take sick, maternity or paternal leave or lose one or more of their jobs for another reason.

There are exceptions to the intensity rule which will help women. The intensity rule, which reduces the benefit rate by 1 per cent for every 20 weeks of regular benefits claimed over the past five years, will not apply to 108,000 women who receive the family income supplement and have a history of past use of EI. It is important that I put these points on the record and correct some of the rhetoric of the member for Mercier.

I want to correct a point by the member for Kamouraska—Rivière-du-Loup on his concern about Revenue Canada. Since 1971, for administrative and cost efficiency reasons, responsibility for the determination of the insurability of employment earnings and assessment of premiums was legally transferred from the commission to Revenue Canada. The hon. member was informed of that at the committee but because of their filibuster it might not have sunk in.

Of some three million UI claims per year only some 60,000 or 2 per cent are sent to Revenue Canada for insurability rulings. These requests are an important control feature to ensure UI benefits are properly paid, thus saving the UI program some \$116 million annually.

I point out for the member's benefit as well that there are 10 Revenue Canada tax service offices in Quebec which provide rulings on the insurability of employment. Five of these offices handle appeals to the minister in terms of minister's determination, and with this are the fewer than 28 human resource Canada commissions adjudicating claims in Quebec. These are more than sufficient to handle the 3,938 appeals to the minister in a typical year.

The member for Mercier talked about UI as economic stability. I point out to her that is what we see as a major important plank to the EI system. It is an economic stabilizer in the country. That is why we are trying to target the benefits to regions and to people with low incomes.

We have the clawback provisions and we recognized long ago that EI is important in terms of working men and women's lives

and in terms of having an insurance program. It is an important economic stabilizer for the country as a well. It ensures that workers are available and that skills are available in the various regions throughout Canada.

In terms of the amendments in the bill put forward by the Liberals, we will improve that and ensure economic stability so there is prosperity in the future across the country.

[Translation]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I have let the hon. member speak have his say, but he mentioned that we, the members of the opposition, had not made a positive contribution to the work of the committee and that we had not proposed any amendment. I wish to get things straight. We proposed some 15 amendments, which were all rejected except the amendment I proposed, which dealt with a single word.

I wanted to get things straight in order to avoid leaving the impression—

**The Acting Speaker (Mr. Kilger):** I regret to interrupt the hon. member but that was a point of clarification and, insofar as the issue has been settled, I think it will be generous enough to say that it was rather a matter of debate.

It being 1:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[English]

### THE CONSTITUTION ACT, 1996

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.)** moved that Bill C-213, the Constitution Act, 1996 (balanced budget and spending limit), be read the second time and referred to a committee.

He said: Mr. Speaker, it is a great honour for me to speak on Bill C-213, which one might call the bill to prohibit deficits and limit the size of government. In order to avoid this mouthful of a description, from now on I will call it the taxpayers protection act.

This bill addresses one of the most fundamental problems facing Canada and other modern democracies. It addresses a problem which has already been taken care of by similar legislation in many of the provinces.

It is unfortunate the government has decided all we can do is speak about it for a few minutes today and publish an obscure text. It will not be made a votable bill. I am very disappointed about this. However the people of Canada will have to judge whether or not this was justified.

In the next 20 minutes I will present my arguments for the necessity of this bill. I will provide a background. I will outline briefly the main provisions of the bill. I will take care of the objections which are certain to arise in the speeches the government has prepared in response to my analyses.

The need for a taxpayers protection act has arisen since the 1970s when suddenly outside of wartime, governments in Canada and in other western democracies began to spend money that they had not raised through taxes. In other words, they ran deficits.

It is well known that very soon the federal debt will reach \$600 billion. That amount of money is incomprehensible to most people. Suffice it to say that very soon, in order to service the debt approximately one-third of every dollar raised from Canadians will go to pay the interest on the debt. This is more than a transitory problem.

I have attended a large number of university seminars. I have read many studies. I am personally acquainted with a man who received the Nobel prize in economics for developing a theory which I will sketch briefly. It explains that the deficits in the western world run by governments have been called the Achilles' heel of modern democracy. It is called the public choice theory.

Governments have found it to their advantage to increase spending targeted at providing benefits to special interest groups, groups which have assembled and organized themselves for whatever reason. As a result of those spending allocations and tax concessions these groups receive benefits which in the aggregate make it very worthwhile for them to respond positively to the government. It has also led them typically to resist any opposition party which would promise in an election campaign to cut those special benefits.

Those special benefits typically are not in the interests of all of society. Clearly, they benefit the group to whom they are given but not society as a whole. In looking carefully at subsidies to industry, to agriculture, to wherever our money is going, we clearly see a pattern for many. It is such that if there were a free vote and average Canadians had been asked whether they wanted to be taxed to serve this type of program, they would have said no.

• (1335)

How do politicians get away with giving these benefits to special interest groups? Who is paying for it? The answer of course is that the rest of Canadians are paying for it. Why do Canadians not rise up and say to stop this? The answer is quite simple. The cost per Canadian for each individual program is very small. As a result, it does not pay for them to organize and provide politically effective opposition to these kinds of tax concessions.

What is worse, there are Canadians who will have to pay for this bribing of special interest groups, this buying of votes and these

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people cannot protect themselves. They are our future generations. They will have to pay the interest on the debt because some governments, rather than raising the money now to pay for the special interest groups, have found it more convenient to let future generations pay. Nobody is speaking for them.

This is the modern theory of public choice. It is widely accepted as a fair description of processes that have haunted all modern societies. While we have begun to take care of the current deficit, there is no guarantee these problems will not be repeated in the future. That is why we should have legislation, preferably constitutional requirements to limit deficits and the size of overall government spending.

In all those issues the question always arises, why did all these spending explosions take place in the 1970s? Why were governments suddenly able to get away with adding to the debt and letting the unborn and unprotected generations pay for it, rather than facing the voters and taxpayers of the day? The answer comes in two parts.

Modern communications technology has made it possible even for relatively small interest groups to get together and become very effective in making themselves known to government. They make it known that they can deliver the necessary marginal votes which will bring about a victory in crucial electoral districts.

Also, a revolution in thinking about the nature of capitalism which was brought about by Keynesianism removed the previously existing stricture on deficits. Until the 1970s deficits had been a sin for governments which they engaged in only at the expense of severe punishment by the voters.

Then came a revolution in economics. I was a graduate student at the time and learned and absorbed it. I was soon cured of it and have been fighting against it ever since. Even today there is still a generation of economists who believe that deficits do not matter, that they can be piled on to future generations in order to maximize output today. I believe this is also being reversed.

• (1340)

Having set the stage for explaining the necessity for Canada to have a constitutional provision or at least an act that prohibits deficits and limits the size of government, I will sketch briefly in non-legal form the provisions in my bill.

The first provision is that the government must balance its budget every year. The second provision is that the size of government must be limited to the extent that we take today's spending and allow increases in spending only to reflect inflation and population growth.

What is innovative in the bill is the third provision. If the government does not meet the deficit target, that is, it does not have a balanced budget in any year, there will be penalties. The

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penalties will be reductions in the pay of members of Parliament who voted for the budget. For example, if there is a budget of \$200 billion with a deficit of \$10 billion, that is 5 per cent. According to my proposed legislation, the pay for that year of members of Parliament would be reduced by 25 per cent, the 5 per cent deficit times five.

Similarly, there would be provisions for penalizing government members of Parliament who voted for a budget which resulted in an increase in the size of government going beyond that which was specified. In other words, spending in the next year must increase by no more than inflation and population growth.

Turning now to the topic of the objections I am sure both the government and the opposition will raise to my proposed bill, the first is that the sovereignty of Parliament will be violated. I must confess that for many years I was on the side which I am sure they will represent. In my naivety as a young man I believed that every four years voters had the right to throw out those bastards and therefore there was no reason at all for there to be an externally imposed limit on government. Democracy works that way.

I have written a major study and have read a lot of different thinking on this matter. One thinking is that all parliaments of the world have had limits imposed on them. We could look to England and the Magna Carta and the United States with its constitutional amendment on freedom of speech. Yes, even Canada has put limits on the freedom of Parliament.

Parliament is not able to pass legislation which violates the charter of rights and freedoms. It embodies our fundamental rights which are not to be violated by a simple majority vote in Parliament. I believe that future generations should be protected through a similar charter which would protect their right to their income, unburdened by obligations incurred by past generations over which they had no democratic influence.

● (1345)

An amendment to the Constitution is as important as the charter of rights and freedoms. It does no more than the charter of rights and freedoms does on certain legislation. Democracy cannot be run by simple majority on issues which affect fundamental human rights. It has to be limited because sometimes people, overrun by the heat of a current debate, by a current issue, will be tempted to ask Parliament to pass laws which in themselves will destroy the very foundation of a democracy.

That is the justification for having freedom of speech as one of the most fundamental rights; the right to a fair trial, to be innocent until proved guilty. Those are fundamental rights which no Parliament may override.

I believe that in the same vein we need protection for future generations which cannot be overridden by Parliament.

The second objection that I know will be coming is that it is impossible to balance the budget every year. Here too I had a conversion. I believe the Minister of Finance in this government has given me the clue on how it is done. The government builds in a contingency reserve. It simply makes sure that its estimates of spending are conservative, that its estimates of revenue expected are conservative. If they happen to go in the wrong direction, the government has a cushion so that it does not have a deficit.

In spite of such conservative attempts to make sure there are no deficits, there may be unforeseen contingencies. It could be an earthquake, it could be a war, it could be almost anything. Under those circumstances Parliament should be protected.

I cannot go into the details here. If Parliament is asked to define what is an acceptable contingency, it is in the same position where, in the English style democracy, the government really is a dictator and can say: "We simply define it is a contingency and therefore we can run deficits".

Other parliaments have handled those situations by requiring that there be a 75 per cent majority vote in favour of accepting what is an acceptable contingency which would permit the government to run a deficit in that year.

Similarly, on limits of spending levels I have provided a flexibility that they must be equal only over a three-year period. There will be a downward bias in overall government spending. This is all deliberate because a bias is also offset by the fact that the contingency spending every year will result in a reduction in the debt. Therefore, more money is becoming available every year because the interest cost on the debt decreases and therefore this will sort of wash out.

Finally, I know a general objection which probably will never be raised by the Liberals who have such unlimited faith in the ability and honesty of government. The Canadian public is cynical. They will say: "What good does it do to pass such a bill?" I am an accountant and I could cook the books such that whatever the limits are, they can be got around by redefinition and by the shifting of expenses between periods and categories and all that kind of thing. I was very much aware of this. Therefore I have some technical provisions which suggest that it should not be possible to do so.

I hope we will have a lively debate on this subject and I look forward to the comments from the other members who are here taking their Friday afternoon to debate with me.

• (1350)

**Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, I rise to speak against Bill C-213.

The hon. member's proposals at best reflect, as he admitted, a fundamental mistrust of the parliamentary system and the Canadian public, doubts I do not share. At worst, they amount to fiscal foolishness.

This bill is really the Reform Party's zero in three budget in disguise.

[*Translation*]

On February 21, 1995, the leader of the Reform Party presented what was called the taxpayers' budget, the Reform Party's strategy to eliminate the federal deficit in three years.

The public did not accept it. In fact, the Reform Party has stopped making proposals in view of the response they have received.

So, here we are today before a desperate attempt to revive this failed budget in the form of a private member's bill.

[*English*]

The Reform Party's slash and burn taxpayers' budget paid no regard to the consequences of the actions it proposed. If one is willing to institute mindless cuts, a favourite Reform strategy, indeed one can achieve short term savings and a balanced budget, but only if one believes in substituting decisiveness for thoughtfulness and fairness.

The hon. member's proposed bill would surely result in substantial long term costs. The proposed fiscal straitjacket could mean gutting social programs, leaving the vulnerable in society to fend for themselves.

It could mean cutting assistance programs without giving Canadians the tools to help them get back to work. It could mean eliminating tax preferences for small businesses which over the long run would result in less innovation, fewer companies and less employment. When one's only tool is a hammer, everything one sees looks like a nail. That would be the effect of this bill.

In short, the member's strategy would be more hardship, a weaker economy and much greater spending pressures in the end, sabotaging the very goal of his legislation.

The proposed private member's bill would put the government and the economy into a straitjacket. To meet its balanced budget goal would require that taxes be raised and spending be cut during a recession, rather than allowing the automatic stabilizers built into the tax system to work. The legislation would force government to make any recession worse because it would not be allowed to take action to assist Canadians.

### *Private Members' Business*

The Reform Party, the hon. member, and the government have a fundamental disagreement about the role of government. Canadians want a government that has the flexibility to act and to tailor its actions to meet the circumstances of the day. Canadians will not be fooled. The Reform Party goal, reflected in the hon. member's bill remains what always has been, to emasculate government as an end in itself. Canadians do not want a government that stands aside. Canadians want a government ready and able to stand alongside them.

This legislation would put controls on total government expenditures without any regard to whether these spending pressures came from national or international developments, from developments over which the government has little or no control.

Does the hon. member believe Canadians want to see their government respond, for instance, to interest rate swings by immediately slashing elderly benefits, unemployment insurance benefits, transfers to the provinces for medicare and social assistance? That is not what Canadians want and that is not the policy actions of a responsible government.

Perhaps the hon. member is under the mistaken impression that because the United States has balanced budget legislation, Canada too should have the same. There is a bit of faddishness to what is going on here. Let me remind the hon. member that our systems of government, as he well knows, are quite different.

In the United States, the executive branch, the president and cabinet, is separate from congress. Both prepare budget plans on which consensus must ultimately be achieved. That consensus is difficult to arrive at. Balanced budget legislation proposals came about in the United States because of a lack of consensus among legislators and the executive.

In Canada, there is no similar distinction between the branches of government. Parliament is ultimately responsible and accountable.

[*Translation*]

In 1991, the sponsor of this bill claimed, in a document entitled constitutional limits on public spending and Canada's deficit, that in practice deficits could not be prohibited, quite simply. It was also not desirable to do so for reasons of economic efficiency.

I suppose if it were true then, it is still true now. We have no need for this type of legislation. The ultimate aim of this government is a balanced budget. We have come up with a balanced and fair strategy to achieve this end.

• (1355)

[*English*]

The hon. member and his colleagues have a fundamental mistrust of government. But we are proving every day that a govern-

*Private Members' Business*

ment can be fiscally responsible and do it in a way that does not gut the country in the process.

It has set two-year rolling deficit targets and it is committed to achieving them. It is accountable to the Canadian people year after year in meeting those targets and at every election we are ready to be judged.

To date, the government has bettered the targets it has set and it will continue to meet its future targets for a number of reasons. First, for budget making purposes it is using economic assumptions that are more prudent than the private sector average.

Second, it has built into its fiscal targets a contingency reserve which provides an extra measure of back-up against errors and economic planning assumptions. The proposed bill calls for a contingency reserve to be put in the legislation. There is no need to. It is already included in the fiscal plan.

Finally, the government is undertaking fundamental reforms to provide for a stronger economy which in turn will lead to lower deficits.

In closing, I would like only to say that there is no need for this proposed bill. The member's proposal would amount to a triumph of dogma over good sense. The government's finances are on track. It is pursuing a deficit reduction strategy that is measured, deliberate and responsible. I urge members of the House to reject Bill C-213.

[Translation]

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, I am pleased to speak on the bill of my colleague for Capilano—Howe Sound, Bill C-213, The Constitution Act, 1996 (balanced budget and spending limit).

The preamble to the bill states as follows: "Whereas section 44 of the Constitution Act, 1982—and I emphasize this point—provides that, subject to sections 41 and 42 thereof, Parliament may exclusively make laws amending the Constitution of Canada in relation to the executive government of Canada or the Senate and House of Commons". Then, when the actual bill begins, it states: "The Constitution Act, 1867 is amended by adding the following after section 57".

After that come 11 sections focussing on regulating government expenditures and forcing it to balance its budget. Included are all of the mechanisms, and even—as my colleague from the Reform Party has said—penalties set for senators, MPs, public servants and so on. This is, therefore, a very strong commitment and a bill with a very precise method of implementation.

We are convinced that my honourable colleague's bill is well founded on a desire to force the government to balance its budget. In three years, we in the House have seen Canada's debt go up by \$100 billion, and it is still rising. That debt was created by the Liberals.

Recently, the *Wall Street Journal*—as my colleague is already well aware—referred to the possibility of bankruptcy in the long term. Our Reform colleagues, or the majority of them, have referred to that same possibility, stating quite openly:

[English]

"If we do not do something rapidly, we are going to probably hit the wall quite soon".

[Translation]

This is why I think my hon. colleague is being true to himself in tabling such a bill. Obviously, the Bloc's position is different. We advocate an analysis of government spending budget item by budget item along with a full review of the use of tax shelters.

We have just been promised a complete review of tax shelters. We note that it will be done outside the House by the very people who use them most. So there has been no follow up to what the Bloc wanted. For the time being, the government is satisfied with garnishing collective salary from unemployment insurance in order to balance the books and shift part of the deficit onto the provinces.

The requirement for this government to balance its budget could be presented by my colleague simply in legislation before the House. However, as my colleague is a man of action, he decided to take the bull by the horns and propose a constitutional amendment. I think he knows what he is doing. The Constitution establishes an obligation not just for one government, but for each successive government, and is very difficult to change.

• (1400)

The Constitution would be a very restrictive framework for the government. The hon. member states in his bill that the government would have to achieve fiscal balance within three years. Given this year's deficit of \$24 billion and the anticipated deficit of \$17 billion for next year, it is inconceivable that, under the circumstances, we could have a balanced budget in three years without making massive cuts—and I mean massive—in social programs, which would jeopardize the future of generations to come.

I remember the hon. member for Chambly clearly saying in this House that the Reformers' economic or fiscal policy could often be summarized as follows: "If you are in debt, stop eating for a year. It will solve the problem".

Achieving fiscal balance in the long term is a good principle. However, Bill C-213 is much too compelling and its provisions are way too strict.

That being said, the hon. member is making a totally surprising suggestion at this point in Canadian history, by proposing a constitutional amendment. The word Constitution has almost become taboo.



In January, the president of the Bank of Montreal travelled to Reform country, I believe it was in Calgary, and said: "I am a banker. I know how important the economy is. However, under the circumstances, I think we will have to stop talking about the economy and start dealing with the Constitution. There is not much time left. We have 15 months to solve the issue". This was in January, which means that we now have 11 months to solve an issue which seems much more important than the one being raised here.

Following that statement, businesspeople from everywhere got together. Some met here in the Château Laurier, others in Montreal, to start seriously thinking about what should be done in the months ahead, given that this milestone is fast approaching. As well, Gordon Gibson started travelling across Canada with an extremely well made book entitled *Plan B*, which I recommend to everyone. The book provides a perfect description of the current situation, the constitutional deadlock, and points a finger at the federal government.

We have also seen just recently the statements made by Peter White in *La Presse*, I think: "The Prime Minister does not realize that the constitutional problem is serious, according to the president of the Council for Canadian Unity—he is definitely not a member of our party. Canada has two or three years to settle the constitutional problem. After that, it might be too late and—I quote the exact words—if these two or three years' respite are not put to good use, we are done for; if nothing substantial is proposed during that period, Lucien Bouchard will have the right to win his next referendum".

Mr. White is fully aware of the seriousness of the situation, but I think he is not aware of its urgency, because we do not have two or three years to settle this problem, we have a few months.

It is therefore somewhat ironic, in light of the bill before us today, that at a time when bankers are telling us that we must stop talking about the economy and start talking about the Constitution, a first in Canadian history, now politicians are telling us that we must reopen the Constitution to sort out economic problems. The world is full of surprises.

In his bill, my hon. colleague refers to the 1982 Constitution, and that is the problem. Quebec is not a signatory to this Constitution. And in accordance with the provisions included, naturally we cannot allow anything to be enshrined in this Constitution. Quebec, it will be recalled, was excluded from this Constitution. Federalists or sovereignists, we in Quebec did not give our agreement. And this unilateral patriation without Quebec's agreement was an obvious breach of contract.

Then came Meech and Charlottetown, events everybody would like to forget, which were supposed to get Quebec to sign the 1982 Constitution so that it could apply to all Canadians, including

### *Private Members' Business*

Quebecers. This deadlock led to the 1995 referendum which, as we know, was won by the skin of the teeth, but was in fact a photo finish.

Quebec's expectations are still as urgent as ever. The Constitution must be reviewed before April 1997. We have a few months ahead of us.

Instead of invoking the 1982 Constitution, as my colleague did, to deal with economic problems, I think he should see to it that Quebec signs the Constitution to make it legally binding on all Canadians, including Quebecers if they sign it.

• (1405)

We are now faced with another deadlock and we cannot count on the Liberals to sort this one out. That is why, I think, my colleague from the Reform Party could perhaps help us. We cannot count on the Liberal Party because the Liberal Party has never kept its promises.

In 1974, it got elected by promising not to impose wage controls. Once elected, it did the opposite. In 1979, it got elected by promising not to tax gasoline or not to increase the tax. Once elected, it did the opposite. In 1989, it promised, if elected, to tear up the Free Trade Agreement. As we know, the Free Trade Agreement is still with us today. In 1993, it wanted to scrap the GST, we should know, we talked about it for one full week, but it never did.

Constitutionally, and I will conclude with this, in 1980, Mr. Trudeau was fighting for his life. The solution arrived at was the 1982 patriation, which resolved nothing, and led to promises that have not been kept. If my colleague truly wishes to resolve Canada's economic problems, I think he should first sort out the constitutional problems, for only then will we be able to find answers to these other problems.

[English]

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, I am pleased to debate this motion. I congratulate the member for Capilano—Howe Sound for the work he has obviously put into his proposal. I know he is a very reflective person, one who has studied these matters deeply, being an economist. Being a lawyer myself I will refrain from the usual economist jokes about the gloomy profession and I am sure the member will be pleased that I am so doing.

Perhaps he will forgive me if I start by saying I had some problems with this bill from a technical perspective when I first looked at it in terms of how it would work. Having heard the member introduce it I now have some profound problems about where it is coming from.

I was listening to the member and I wondered why he did not propose we go back to the gold standard. It might have been about the same sort of proposition to achieve the same ends, to create a

*Private Members' Business*

rigid system within which governments cannot function, cannot move out of straight-jackets and which is generally to the benefit of the moneyed classes, generally to the benefit of those who have large investments because they can be guaranteed that governments will not impinge on them by inflation or other measures which the member referred to.

The member began by reminding us, and quite appropriately so, that we in Canada have become familiar with the fact that deficits are dangerous things, that we are mortgaging our children's future if we spend unwisely and put it into debt. I respect what the member had to say on that.

However, the conclusion he came to was rather startling for me coming from the Reform Party. Its members day after day in the House hesitate to say how they are voting because it must be made very clear that they wish the appearance at least to be there that whenever they vote they are reflecting the immediate wishes of their constituents. How often have the member's colleagues stood in the House and told us "I am not voting on this, my constituents are voting; I have consulted my constituents and I am the representative of direct democracy"?

The member introduces the bill by telling us he does not believe in democracy. The bill is an anti-democratic bill. The member wants to introduce a constitutional change which will inhibit his constituents, my constituents and every other Canadian from voting for individuals or governments that intend to address economic problems in a way that would be inconsistent with the bill. It would put a straight-jacket around government functions in a way that is quite extraordinary. That this is coming from a party which pretends to be in favour of democracy is quite extraordinary.

• (1410)

This party will not vote a change to the human rights code to prevent discrimination against a class of individuals based on their personal characteristics, but it will propose a bill which would make it impossible for the government to affect the economic well-being, the money they have in their pockets.

The member is assimilating the bill to the charter. The member does not even know about the charter. The charter contains in it a notwithstanding clause. Did the member for Capilano—Howe Sound not realize that? It has a provision whereby if Parliament wishes to deal with something outside the constraints contained in the charter both the federal and provincial houses can do that.

He does not even propose that in his bill. His notwithstanding clause is a narrow technical clause which gives war, acts of God and revolution an opportunity to get around the provisions of the

bill, and I will come to that when I move into problems with the way the bill operates.

I start by fundamentally pointing my finger to my real philosophical problem with the bill. It is totally and utterly inconsistent with every precept of government and democracy that I have heard advanced by the members of the Reform Party so far in the House.

That being as it is, it is passing strange but it often happens in politics that people propose inconsistent measures. It is curious that inconsistency from that party comes when it comes to a question of protecting money but there is no inconsistency when it comes to protecting basic human rights of human characteristics.

The second problem I have with the bill is its inspiration is, I believe, fundamentally American in nature. This is an American concept. One can understand the American concept of government. In the congressional system one can understand why members of Congress have proposed such a bill. They are trying to constantly deal with that struggle between the legislature and the executive as represented in the president. The bill which has been introduced in the United States is a part of that dynamic of the constant fight between Congress and presidential authority. Congress is seeking a way to impose its will on the president and on the spending of the president as well.

That may make sense in the American system but it does not make sense in a parliamentary democracy like ours where we function under very different rules.

Those are my basic problems with the bill. I now will deal with the recognition by the member that such a strait-jacket could never be automatically applied. Even the member has said we could not lock a government in completely. I recognize his intellectual honesty in that. Then we have to be straightforward and honest about it. We have to look at the nature of exemptions which he has provided in the bill. War is an obvious one.

I suggest that in an international interdependent world in which Canada presently lives creating a bill as simplistic as this does not recognize the problems that will come. The Mexican currency crisis was one. There will be others like that. We will be called on to be involved in many international events that will be imposed on us.

I am not suggesting we as Canadians wish to adventure outside the country into foreign adventures. The integrated world we live in will be imposing things on us which are unforeseeable and unforeseen in the bill. They will then require expenditures. They may involve peacekeeping. These are large expenditures of billions of dollars in order to preserve the integrity of Canada. Whether we are talking about its security, its environment or its health, these expenditures will be necessary.

*Private Members' Business*

Because the bill imposes a strict limit on the expenditures of government the inevitable consequences will be that this will be paid for out of the domestic side of the economy and the social programs of Canadians, their health, their unemployment insurance. The guarantees they have for a healthy productive society will be threatened because we have not been able to deal flexibly with the immediate challenges which are bound to come in 21st century.

I leave it with the member that my other problem with the bill is I do not think it is adapted to the modern world in which we are entering. I do not think it is adapted to the enormous complexity of the new international world into which we are moving which will require a great deal of flexibility on behalf of Canadian governments.

Another problem I have with the bill is that it fails to recognize, if I may go back to its anti-democratic roots, the nature of the Canadian people.

• (1415)

In electing this government with the promise it made to reduce the deficit to 3 per cent, by efforts it has been making to do so, it is clearly foreseeable that within two years Canada will be the lowest deficit country of any of the G-7. We are on the deficit reduction track.

Canadians have, through the course of this lesson, learned what are the consequences of overspending. All of us are pulling in what we are doing. In my riding of Rosedale, which is a downtown riding in an urban centre, there are enormous problems of social housing, crime and issues that require a lot of government action and attention, most of the citizens there have willingly recognized that we have to rein in what we are doing.

We wish to discipline ourselves in an intelligent way. We do not just wish to discipline ourselves automatically. The member from St. Paul's called it hitting the nail with a hammer because you happen to have a hammer in your hand and nothing else.

What we need in today's social circumstances is a surgeon's scalpel and not a hammer. The member has provided us with a hammer. In so doing, he will not allow us to adjust in a way in which the government is already indicating governments can adjust and will adjust.

I will conclude by saying that the government has a different approach. It was shown in the last budget, and I am sure that future budgets will show it as well.

[*Translation*]

In conclusion, this proposal is fundamentally undemocratic and impracticable, and serves only the interests of the richer members of society, not those of average citizens.

[*English*]

**The Acting Speaker (Mr. Kilger):** I have taken note of the request from the hon. member for Capilano—Howe Sound in whose name the motion stands before the House today that, under right of reply, if the time permitted, we could grant him up to no more than two minutes of final comment.

We recognize the work that goes into private members' bills. This one is not votable but the House must understand clearly that he will be the last to speak. After his two-minute conclusion, we will move on to the last order of business.

**Mr. Grubel:** Mr. Speaker, I appreciate having two minutes. I will be very fast. I appreciate the thoughtful comments from the members for St. Paul's and Rosedale. It is rare that we have a discussion at this level of intellectual rigour. Nevertheless, some rhetoric sneaked in.

The main point I would like to make in response to what was said is this. It was said that this is an ideological position embodied in this bill. It is.

I have asked my colleagues, my friends, constituents, this question. The governments of Canada are now spending over one-half of your income. Are you getting your money's worth? I have never yet met anyone who said: "Yes, I am".

The question that has to be addressed when we talk about the ideological basis of this kind of an approach to limiting government is, how did we get there and how can we protect ourselves from going even further because of all of the good sounding arguments being made for specific cases of people needing help. Measures get put into place. They never get eliminated. That is the main issue.

I find it somewhat below the intellectual capacity of these individuals to call my ideas faddish or incorporating unreasonable dogma, or go back to the gold standard or that an idea that comes from America is the worst of all possible things.

I will write a letter to all the members of the legislatures of the provinces in this country that have adopted a similar bill to tell them they are faddish, dogmatic and influenced by Americans. There was nothing about the merit of the bill itself. That is very sad.

Almost all the objections that the members raise have been taken care of by provisions in my bill. The fundamental difference is that I represent that segment of Canadians who believe government is too big, has become too bloated and we need some institutional device for slimming it down. We cannot trust the same system that got us here simply on the promise that now that we have learned in the future we will not do it again.

*Private Members' Business*

**The Acting Speaker (Mr. Kilger):** The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper.

It being 2.20 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24.

(The House adjourned at 2.20 p.m.)

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