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Thursday, October 6, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, October 6, 1994

The House met at 10 a.m.

Prayers

[*Translation*]

PRIVILEGE

COMMENTS BY PRIME MINISTER—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised by the hon. member for Roberval last Friday, September 30, 1994, concerning comments made by the Rt. Hon. Prime Minister on September 28, 1994.

In his presentation, the hon. member for Roberval claimed that the replies made by the Prime Minister during Question Period were contradictory. This, he argued, impeded the opposition in the discharge of their duties, since the nature of the answers given by the Prime Minister changed a particular line of questioning followed by the Leader of the Opposition. Quoting from *Erskine May*, the hon. member held that such action constituted a contempt of the House.

[*English*]

To support his contention, the hon. member pointed to the exchanges which took place on September 29 between the hon. member for Sherbrooke and the President of the Queen's Privy Council for Canada and the Deputy Prime Minister during question period, as well as the point of order raised by the hon. member for Sherbrooke following question period.

The hon. member for Roberval also submitted that, in his view, as the behaviour of the Prime Minister constituted an obstruction of the House, the matter should be referred to the Standing Committee on Procedure and House Affairs, where the answers and the behaviour of the Prime Minister could be reviewed and witnesses summoned.

[*Translation*]

Joseph Maingot, in his book entitled *Parliamentary Privilege in Canada* at page 205, notes that if a member of the House has admitted to deliberately misleading the House or through his or her conduct in some other concrete, tangible way has become a subject of a question of privilege, then that member would

probably forthwith be the subject of a motion for contempt. Maingot goes on to quote Speaker Michener's famous ruling in the Pallett privilege case of June 19, 1959. At that time Speaker Michener stated in part:

Simple justice requires that no hon. member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

In his May 5, 1987, ruling at page 5766 of the *Debates* Speaker Fraser said something which is apt in our current circumstance. He stated:

I would remind the House, however, that a direct charge or accusation against a member may be made only by way of a substantive motion of which the usual notice is required. This is another long-standing practice designed to avoid judgment by innuendo and to prevent the overextended use of our absolute privilege of freedom of speech.

[*English*]

I now want to address the allegation of the hon. member for Roberval that the Prime Minister's answers misled the House and whether in the specific circumstances a contempt has taken place.

[*Translation*]

I have carefully examined the exchanges which took place on September 28, 29 and 30, especially during the Question Periods of those days. It is clear to me that there is disagreement among members over the facts surrounding the issue. And furthermore, no evidence has been presented to support the contention that the Prime Minister deliberately misled the House.

[*English*]

The chief government whip quoted from Beauchesne's sixth edition, citation 31(1) which states:

A dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

(1010)

Speaker Fraser noted on December 4, 1986 at *Debates* page 1792:

Differences of opinion with respect to fact and details are not infrequent in the House and do not necessarily constitute a breach of privilege.

[*Translation*]

There are numerous other rulings, such as those of Speaker Lamoureux on February 3, 1971; November 16, 1971; and March 2, 1973; as well as those of Speaker Fraser on June 1, 1987, and finally, December 16, 1988, which amply demonstrate that this is a long-held view of the Chair.

Routine Proceedings

In light of the arguments put forward and the decisions of my predecessors, I must conclude that the matter before us is a dispute as to facts and does not constitute the basis of a question of privilege.

I thank hon. members for their contributions.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to table, in both official languages, pursuant to Standing Order 36(8), the government's response to 11 petitions.

* * *

THE ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I wish to advise the House that the government is taking three important initiatives to fulfil our red book promises on environmental assessment.

[Translation]

First, the government will proclaim the Canadian Environmental Assessment Act. This means that the Canadian Environmental Assessment Agency will be up and running in January.

[English]

Second, the government will publish in the next issue of the *Canada Gazette* a complete list of new, greener environmental regulations required to implement the Canadian Environmental Assessment Act. These regulations follow one year of intensive consultation with the provinces, territories, business and environmentalists.

In parenthesis I might add that the legislation follows seven years of intensive consultation. I want to personally thank not only my parliamentary secretary who has done yeoman's service in moving a very complicated file forward but also and most particularly the team headed by Michel Dorais which worked very hard and very long for many years on this issue.

Third, I wish to advise the House that the government is proposing three amendments to the environmental assessment act. The first amendment will entrench in federal law the principle of one project-one assessment. The second amendment will guarantee the public the funding necessary to take part in major environmental assessments. The third amendment will

require a decision by cabinet in response to any recommendations of independent review panels.

[Translation]

With the new agency, the new regulations and the new amendments, the government is moving to implement our election promises on environmental assessment.

The federal government intends to proclaim the Canadian Environmental Assessment Act which was conceived and developed by the Hon. Leader of the Official Opposition in the fall of 1989. When the bill was in preparation, my hon. colleague said and I quote: "This law will surely be the best law of its kind in the world".

I would like to take the opportunity on this memorable occasion to congratulate the hon. member for Lac Saint-Jean for his role in the development of this Canadian law. I also want to commend the hon. member for his support, even during the recent election, when he said on *Le Point*, and I quote: "There is also the federal government's jurisdiction which must be respected".

I await the support of the hon. member for Lac Saint-Jean, to whom the environment is more important than petty jurisdictional quarrels between different levels of government.

(1015)

[English]

Members on all sides of the House understand that environmental issues go beyond partisan political bickering. Members on all sides of the House know that whatever is thrown into Hamilton harbour eventually finds its way to Sept-Îles, dans le fleuve Saint-Laurent.

[Translation]

Neither the fish in the St. Lawrence nor the migratory birds on the Prairies carry passports.

As every Canadian knows, the process of environmental assessment in Canada has, in the last decade, become mired in controversy.

[English]

Business is unhappy because the current process has become unbelievably complicated and unpredictable. Environmental groups are unhappy because the process is haphazard, arbitrary and incomplete. The public is unhappy with the current process because it drags on forever and the public interest is sometimes lost in squabbling among jurisdictions and various interest groups.

[Translation]

Today's announcement will change that. We are strengthening environmental assessment, and we are also making assessment of projects fairer, less complicated, less costly and more transparent. The new system will ensure that the environmental effects of projects are considered before these projects are approved, will encourage sustainable development and will require that transboundary issues be considered.

Routine Proceedings

[*English*]

What we are putting in place are practical and effective rules that everyone can understand from the start. We are getting rid of a system where clarity and sometimes lack of clarity have resulted in many court actions.

We are going to have a straightforward, streamlined approach. Small scale routine matters will be dealt with through a simple screening process. Big projects or environmentally sensitive projects will undergo a comprehensive study.

[*Translation*]

The new regime introduces the concept of mediation to see if environmental issues surrounding a project can be resolved to everyone's satisfaction by consensus.

[*English*]

For the first time we are introducing the concept of mediation, in the hopes that some environmental differences might be resolved by the parties without the necessity of long and arduous procedures.

[*Translation*]

These first three steps—screening, comprehensive study and mediation—will eliminate the headaches and the waste and the bureaucracy that have resulted in so much time being wasted on minor or easily resolved issues.

[*English*]

That means that a project will reach the stage of review by an independent public panel if there are difficult environmental issues that cannot be resolved by any other means.

When the environmental impact is important enough to be subject to an independent public review, the new rules allow for the public to be fully involved and the new rules mean a more rigorous assessment of the projects. For all projects we want everything out in the open and we want to ensure that the public interest is paramount.

[*Translation*]

With one of the new amendments, when a review panel makes recommendations, no individual cabinet minister will have the power to accept, reject or change those recommendations. Only the government as a whole will have that authority.

[*English*]

The Canadian Environmental Assessment Act recognizes the importance of federal-provincial co-operation and promotes harmonization of regimes. I am working closely with the Canadian Council of Ministers of the Environment and with ministers in each and every province. Indeed over the course of the last few days I have been in touch with every provincial environment minister to assure him or her that it is our intention to work collaboratively. We need to continue a co-operative

approach, a common sense approach to environmental assessment.

[*Translation*]

The government believes that the actions I am announcing are fair and forceful. To be absolutely certain, we shall have a one-year monitoring program. We want to make sure that the new law and the new policies do not place an unnecessary burden on industry. We also want to guarantee that no projects with significant environmental impact slip through the cracks.

(1020)

[*English*]

The new rules recognize the unique and historic responsibilities of aboriginal people for the stewardship of their traditional lands. Today's actions give Canada what we believe is one of the world's best environmental assessment systems. The whole point is to make the best informed decisions and to make environmental thinking a fundamental part of the planning of any project.

The aim is to prevent environmental damage rather than clean up after the fact.

[*Translation*]

Sound environmental thinking is essential to international competitiveness and, even more so, it is central to the legacy we leave our children.

What we must do now is try to strengthen the environmental assessment of projects under federal jurisdiction. What we need to do next is find ways to improve how we assess all new policies and programs of the federal government. We must, and we will, clean up our own act. In the months ahead, we shall be announcing further policies for the ongoing greening of government.

[*English*]

It has been seven long years since the Leader of the Opposition first conceived of the idea of the Canadian Environmental Assessment Act. My hope is that future actions to create a healthier environment can come much more quickly.

We need to do everything we can as members of Parliament and as Canadians to honour our environmental heritage and to honour our responsibility to future generations. I believe that today's announcement is a step in that direction.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, today the Minister of the Environment and Deputy Prime Minister has announced a decision by her department that affects all those concerned with projects that have an environmental impact. This announcement is consistent with the centralizing approach that drives the federal government and indeed sustains it.

Routine Proceedings

The minister is preparing to proclaim the Canadian Environmental Assessment Act, which would allow the federal government to interfere in areas of provincial jurisdiction. This act, and the related regulations, authorizes the federal government to block projects that are industrial in nature or that relate to provincial trade. Once again, the federal government has gone right ahead and meddled in someone else's area of jurisdiction. Its cavalier attitude is a sign that this new era of so-called co-operation is ultimately just so much window dressing.

When the minister points out that one of the amendments to the act is the principle of one assessment per project, she seems to be disregarding the system already in place in Quebec, which has its own environmental assessment agency. The federal government's action is all the more unacceptable because Quebec's assessment process is recognized as one of the best of its kind. It is credible, well established and has demonstrated its effectiveness.

Seven hundred and forty-five projects have gone through the assessment process since 1980. Two hundred and ninety projects are at various stages of the process and assessments are completed on twenty-five major projects a year. The reinforcement of the federal environmental assessment role will lead to dissension and conflict, sole responsibility for which will rest with the federal government, the very one who wanted to put an end to the provinces' vacillation where environmental assessment was concerned.

With no regard for the process in Quebec and the specific situation in each of the provinces, the federal government has stepped in and imposed a uniform system for all the provinces that adds nothing to what we in Quebec have been doing, with considerable success, for 15 years now. It is therefore not surprising that the minister makes no mention of the provinces' satisfaction with the new regulations being introduced.

(1025)

This duplication, I need hardly repeat, is completely unproductive. Regulations in hand, the Minister of the Environment wishes to work with each province towards harmonization. The question is whether it will be based on federal or on provincial regulations.

Even more amazing, officials from Quebec and the other provinces have been working with federal officials for a year now on a harmonization project designed to define more clearly the environmental responsibilities of the two levels of government. These discussions, which are still ongoing, deal with the environmental assessment process in particular. With this sort of attitude on the part of the federal government, harmonization is headed nowhere.

Despite the minister's apparent goodwill, the act places environmental assessment under federal jurisdiction. There will be no delegation of responsibilities to the provinces, because a federal assessment is required, even if one has been done by the province. At best, an assessment could be conducted jointly with a province, theoretically anyway, since in practice the federal government would retain final responsibility for the process. As it has the right to participate in the appointment of the chairperson and to determine the mandate of the review panel, whose reports it wants to see, the federal government has exclusive authority in this area.

There is therefore a considerable contradiction between the spirit of the Canadian Environmental Protection Act and the Canadian Environmental Assessment Act. The existing equivalence agreements allow the provinces to settle certain pollution problems without the involvement of the federal government. This will not be the case here. The federal government is not interested in delegating this authority to the provinces.

The Minister of the Environment thinks that industry will be thrilled with this federal initiative. She is quite mistaken.

Last February, the director of the Centre patronal de l'environnement du Québec denounced the Environment minister's wish to make the environmental assessment process more rigorous. This group including more than 50 of Quebec's largest businesses and some 15 associations endorsed a request by the provinces to amend the federal law to provide for mutual recognition of assessments ordered by either level of government.

The Quebec industry is wary of federal legislation because it duplicates provincial legislation, which causes delays and can discourage private sector investment. So it is rather premature to maintain that the industry will applaud the federal regulations.

There is no question that the environmental impact of projects must be assessed in any society. Governments, businesses and conglomerates no longer undertake major building or development projects affecting waterways without first assessing their environmental impact. Such environmental assessments must be rigorous and methodical with a view to sustainable development.

However, the federal government's attitude toward environmental assessments suggests that confrontation with the provinces is the starting point for promulgating the Canadian Environmental Assessment Act.

If the new regulations to be published soon in the *Gazette officielle du Québec* reflect our apprehensions, this government has shown its usual intransigence and we can only denounce this practice.

Routine Proceedings

Quebec, which has been a leader in environmental assessments in Canada and acted with exemplary consistency and rigour, will thus continue to assure Quebecers of an open, effective and full process.

From Quebec's viewpoint, the federal minister's initiative has nothing to do with better environmental management. It only appears to be an unjustified intervention in an area already very well managed by the Quebec government. This is another concrete proof of the federal government's ability and eagerness to create duplication and increase costs.

(1030)

[English]

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, for those who are a little bit vague about what the Canadian Environmental Assessment Act really is, it is an information gathering process. That is really what we are talking about. It is used to predict potential environmental impacts on future projects.

The old act was passed by the previous government. However, it was somewhat like a eunuch; it was there in body but it was not very productive because the regulations were not there. I am pleased to see that we are finally getting to the point where we have the regulations coming down.

The problem with the old bill was that there were a number of exemptions. Hopefully these exemptions, for example radioactive waste and exports of oil and gas and hydroelectric projects, will be covered in the regulations.

It has taken us seven years to get where we are today and I am really pleased that we are here. I do have some concerns but they are hard to address because we do not have the regulations in hand as yet. There have to be clearly spelled out rules on what is and what is not subject to these rules.

One major problem is the federal-provincial overlap which the minister has addressed. Until we get rid of this turf war about whose ground it is, federal or provincial, we will be forever fighting about what goes on. The Kemano project is a good example. In some areas people said: "It is clearly provincial" and other people said: "No, it is federal because fisheries are involved". This has to be clarified. For example right now Alberta has an agreement in place but it is really agreeing to agree. We have a long way to go.

In terms of the process, I understand from the minister that on minor or fairly simple projects, it will go along quite easily. It is when we get into the contentious ones that we really get into the glue.

My riding of Comox—Alberni includes Clayoquot Sound. I have been part of the process over the last 10 years. It was sitting on the back burner and then heat started to rise to the point where it was really boiling a couple of years ago. I was able to watch

the different processes, the round tables, the square tables, the oval tables. It was open and transparent. However, it became very clear to some people at the table that the process was not going to solve their problem, so they walked away from the process.

We need to have open, clear dialogue. We have to realize that if the agenda of particular people is not going to be solved and they walk away from the table that the government is going to have to step in. That is a double-edged sword because the previous government ruled that in Kemano no environmental assessment was required. We have paid dearly for that in B.C. because we have been fighting for the last number of years. Business is mad, the environmental community is mad, the fishermen are wild and the public is confused.

That is what happened by going the wrong way. In the Clayoquot Sound decision basically the full spectrum of ideas were there. The provincial government stepped in and said: "This is where it is". I believe that was a good ruling.

The government is on tender ground on this one. If it goes to cabinet after the review that is fine. It would be highly dangerous if the government then ignored that review and went off on another track.

In summary, we have to wait until we see the regulations and really have a chance to look at them because that is really what is going to make it work. I look forward to having a look at them and moving ahead.

Mr. Taylor: Mr. Speaker, on a point of order.

I am wondering if I could seek unanimous consent of the House for two minutes to respond as the New Democratic environment critic and as the critic in the previous House who sat through much of the creation of Bill C-13. I would like unanimous consent of the House to have two minutes.

(1035)

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am very pleased that the Minister of the Environment has chosen to use Statements by Ministers to proclaim the act today. I think it is an important use of the House to take this route today.

I am also very pleased to see that the act has finally been proclaimed after the amount of time it took in development.

The act has the potential to be the most important environmental and economic legislation that this country has at this time. For that reason I was happy to participate in its development and now to see it proclaimed.

Government Orders

I am disappointed of course that the process has taken so long to get us to this point but in hindsight it is understandable. We all knew that the regulatory process was going to slow us down. It has. We tried to address that in the committee but now that we have that under wraps, I am happy to see it has moved along. In addition to the amendments that the minister outlined she will be presenting to the House this morning I would like to indicate that I think there is a need to further amend the regulatory process and involve members of the House and Parliament to a greater extent than the process. I will be working to see that that happens.

In conclusion, I would like to suggest to the minister that in keeping with her comments about the aboriginal rights and the stewardship of their traditional land that she consider applying the new process to the situation in Labrador and the Innu at this time.

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INCOME TAX ACT

Hon. Roger Simmons (Burin—St. George's) moved for leave to introduce Bill C-282, an act to amend the Income Tax Act (medical expenses—disabled senior citizens).

He said: Mr. Speaker, the objective of this bill is to reduce income tax for disabled seniors with extra medical expenses. Under the current law the first \$1,614 or 3 per cent of net income is required to be spent before you can take it into account for income tax purposes.

This bill would make it possible for all eligible medical expenses from the very first dollar to be effectively income deductible for disabled seniors. I believe there is a need to do that.

While disabled seniors have higher medical expenses than others they generally have lower income than other people. Paying out of pocket medical expenses is therefore a heavier burden for this group of people, disabled seniors, than for others. This bill is a step in the direction of easing that burden.

In that context I have much pleasure in having the bill introduced at this time.

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

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STANDING COMMITTEE ON HUMAN RESOURCES DEVELOPMENT

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you will find there is unanimous consent for the following motion:

That notwithstanding any order of the House, the report deadline for phase II of the order of reference to the Standing Committee on Human Resources Development on February 8, 1994, government business No. 4, be extended to February 6, 1995, and

That the committee be empowered to authorize radio and television broadcasting of any of its proceedings.

(Motion agreed to.)

* * *

(1040)

PETITIONS**ASSISTED SUICIDE**

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, pursuant to Standing Order 36, I wish to table a petition from several of my constituents who humbly pray that Parliament not repeal or amend section 241 of the Criminal Code in any way to uphold the Supreme Court of Canada's decision of September 30, 1993, to disallow assisted suicide or euthanasia.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Kilger): Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***SOCIAL SECURITY PROGRAMS**

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification) moved:

That this House take note of the progress made to date on the government's forthcoming reform of social security programs and of the views expressed by Canadians with regard to this reform.

He said: Mr. Speaker, let me begin by expressing my appreciation to House leaders of all parties in the House for their agreement in helping to organize this first major debate where we have an opportunity to begin to express our views as parliamentarians.

I have been a parliamentarian for over 20 years. I have always had a deep abiding belief and faith that this is the place where people prevail, not the self-appointed experts and commentators and people who rush to the mikes before they read reports. This is the place where people gain their voice. This is the place where each of us has an opportunity to speak on behalf of our constituents, who really are what makes this country work, to go beyond and around and through the smokescreens and static and noise that we often hear in terms of the immediate surrounding corridors of Parliament Hill and get back to where people really have an opportunity to decide.

Government Orders

The debate that we will engage in for the next day or two is really the first step in inviting Canadians to fully participate. After all, what we are debating are decisions that affect themselves, their families, their children, their training, their jobs, their hopes and their opportunities.

It is not a time to impose top-down decisions, to rush to the barricades with quick answers, but to really say let us give people a chance to become involved in a real way and to express their concerns and aspirations. That is why Parliament is so important. That is why the parliamentary committee will undertake this very monumental task. I extend my appreciation to the members of that committee for the work that they will undertake over the next several months in crossing this country and inviting Canadians to become part of the democratic process.

I hope what we can do today is start that dialogue with Canadians by reflecting for a moment or two on those moments that each of us finds as public servants where certain things happen to us, where we come across an experience, a certain happening, an event that defines for us what the issues are all about, that really begins to explain to us what is happening in our country.

I would like to begin this morning by giving members a brief account of my own sort of sense of epiphany of that happening on an early morning during the last campaign when I was knocking on doors on a very modest street in the Fort Rouge area of my district. When I came down the street I saw a woman leave a house with her briefcase and walk out. As I went up to the door I was greeted by a young man in his early twenties. Behind him was his wife and a young child maybe seven or eight months old.

Before I got to the normal introduction of who I am he said: "You don't have to say anything, Mr. Axworthy, I know why you are here. That woman who just left is my social worker. She comes to my house every two weeks to check up and make sure I am living up to all the rules so I will get my next cheque". He said: "I have been unemployed for 18 months and it is driving me crazy. I have a young family. I want to give them some hope and I need work to do that. I am going to vote for you this time because I am putting my hope in you, Mr. Chrétien and the party to make a difference for me. I know there are no guarantees. I know there are no easy solutions, but I am giving you a chance to show what you can do".

(1045)

Today we are launching what we can do to begin to restore that sense of hope for hundreds of thousands of Canadians. We can make a difference. We can break away from the tired, old conventional wisdoms. We can begin to look at programs that

have been in place for 30 or 40 years which served a valuable purpose but no longer work as well.

We can reach out and talk to those three million Canadians who presently exist on some form of assistance, be it unemployment insurance, social assistance, or some other benefit. They are the ones who really want the change. Forget all the academics with their foundation grants seen on television who have the best answers as to how the system works. Talk to the people who are there now. Ask them if they want change and you will get 100 per cent approval saying: "Let's make a change. It is essential. Let's do something for ourselves".

That young man in my riding did not want a cheque. He wanted a job. He wanted a chance to put his talents to work as an individual. If we write those individuals 100 times or 1,000 times in each community across this country it adds up to a much stronger nation and then we can say to the world: "We have the best trained workforce in the world". We will attract the needed investment, create the required new products, and will develop the innovation we have if we put our trust and faith in investing in the people of this country. That is what this reform and these proposals are all about: trusting and investing in people and giving them a chance.

I hope we will use the debate in the next day or two to draw upon those experiences of small businesses that want to hire people but because of a whole series of rules cannot get workers when they need them. We have a social assistance system that tells a disabled Canadian: "You declare yourself unemployable in order to get a benefit". We are wasting the incredible pool of talent of four million Canadians who want to work if they are given the chance.

Over the next day or two let us talk about the children in this country. Over a million of them live in poverty because there is not proper child care, because there are not proper work opportunities for their parents, because there is no child support system to make sure the custodial parent does not have to raise them by themselves.

Let us talk about those experiences we see every day in our constituencies. Let us break through the fog, the mist and the smokescreens that have been created by those who have a vested interest in the way things are. Let us talk to people who want to change things to make things better and improve our social security system.

I rise today in that spirit of reform, of change, of looking for ideas and inviting Canadians to participate. I call on my colleagues in the House to join in a crusade to attempt to make a difference. Let us give Canadians the chance to define once again who they are and what they can be in this country of the 1990s and into the next century.

Government Orders

We do not want things the way they used to be. We are not living in some nostalgia about the good old days because nostalgia will not help that young man get a job. Harking back to the good old days will not restore the opportunity for young children to get nurturing, proper nutrition and proper care. That is why we must take up this mission together.

[*Translation*]

Together we must find immediate solutions for all Canadians. Canadians are proud of their social security system, but it is clear that times have changed. Our system no longer meets requirements; the time has come to take action. Too many children live in poverty and this reality goes beyond all jurisdictions. To us, poor children are poor children whether they live in Gaspé or Medicine Hat.

(1050)

The status quo is not an option. Changes are needed now. Some people do not want us to do, change or cut anything. Others ask us to spend more on social programs. We are also asked to eliminate the deficit. We always have to deal with contradictory requests.

I think that most Canadians would like us to make adjustments but to act carefully and intelligently. They want a new social pact for the coming decades, long-term jobs for them and their children. I think that our first responsibility as a government, as members of the House of Commons, is to look for ways to deal with the problems of poverty and unemployment.

[*English*]

We must do this carefully, deliberately, attentively. We must listen to the great wide voice of Canadians. Those who recommend we come in with an axe in our hands to chop, cut, slash and burn are not listening to Canadians. They are not listening to Canadians who say: "Reform, don't destroy, don't break down. Reform, do it with change, have a new blueprint". The reason is very clear. There are some sobering new facts in the Canada of today.

About 10 years ago, before I was asked to go on sabbatical in the opposition, I was the minister of employment. I have a comparison as to what was happening then and what is happening now. When I was minister of employment about 10 or 12 per cent of those who were on unemployment insurance used the system frequently, every year. Today over 40 per cent of UI users are on that program virtually every single year.

That clearly demonstrates something has fundamentally changed in the workplace. It is not simply a matter of a few people abusing the system. It means there has been an underlying revolution in the way people work in this country. Many of our traditional industries no longer provide the same employ-

ment opportunities. They are declining. People are being caught up and are being washed away from the mainstream.

That is why we must make changes. We must help them find ways back into the employment market, find ways back into the labour market. We must equip them with new tools. That is why simply having a benefit program and writing a cheque every month is not sufficient. People need to have opportunities to become more literate, to learn French, English, or mathematics so they can begin to understand the new kinds of work.

All of us get our cars repaired. Have you looked under the hood of your car recently? No longer is it a simple carburettor with a little gas and air going through it. Now there is a computer attached to it. People in the car repair sector say there are 10,000 jobs missing in Canada because we do not have trained automobile technicians with the skills to adapt to that new technology now found in our automobiles.

People ask where the jobs are. Jobs are lost in this country every day because we simply do not have the people to pass the test. Yet on the other side of the ledger there are hundreds of thousands of Canadians who want to work but do not have the skills or abilities to pass that test.

People have said to me: "I saw somebody last night from one of the social groups who asked where the jobs are". Last year 170,000 people came into Canada under our immigration program on an employment authorization because there were not sufficient people in this country with the skills we require for our economy.

People I recently met with in the software industry said there are 15,000 potential jobs in this country in the next five years but Canadians are not trained to meet those jobs. At the same time people say: "Don't put a cent into training. Don't transfer resources into where it really counts. Keep people on unemployment insurance". Is that what we really want? Is that the hope for Canadians, to stay on UI year after year? Or do we want to say to them and their kids: "We are going to give you some hope and a chance to get a job that really means something".

(1055)

In the unemployment insurance system there is an interesting figure we should pay some attention to. Last year 14 per cent of the companies were responsible for close to 40 per cent of the UI payouts. That means that over time because of the existing system a variety of companies, both public and private, have used the UI system not to help people get jobs or make a transition but simply to pad the payroll.

A whole series of layoffs are designed to meet the duration of benefits under the unemployment insurance system. There is a massive cost subsidization taking place from one industry to another, from one region to another. They are basically saying that does not help the other regions develop their economies.

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It creates a reliance upon the system and people say: "If we can get 30 or 40 weeks, if we can lay off our workers for June and July—which many school boards do—and we can save some money, then let us do it". What they do not say is that some person down the street, perhaps a short order cook in a restaurant, is paying a premium every week to pay for that layoff when it is not necessary. That is not fair. It kills jobs. As a result, we have seen the premiums double or triple in the last six or seven years.

Is that the kind of system we want to protect? Is that the kind of system those who say not to touch the programs want to maintain, a system that does not reward work but rewards dependency? I do not think Canadians want that. They want us to take a different look at things.

Let us take a moment to look at the whole question of another change going on in our country. Fifty per cent of the jobs over the next five years are going to require a post-secondary education. In fact, statistics over the last year indicate there was a 17 per cent growth in jobs for people who had a post-secondary education or better. On the other side of the coin there was a 19 per cent loss of jobs for those who had less than a post-secondary education.

In the meantime we continue to see dropout rates of 15, 20, 30 per cent depending on the region. Young people who know they are facing a radically different workplace and require radically different skills are dropping out of school. They will become the next generation of people who find themselves pushed to the sidelines.

One of the key issues is how to increase those opportunities in accessibility. That is what the green paper talks about. It talks about that re-equipment. We are saying if we can look at the unemployment insurance system, take money that is exclusively paid for benefits and turn it into an employment service fund, then we can offer those people a chance to go back to school, a chance to become literate, a chance to get good counselling, a chance to have a job corps for older workers, a chance once again to put their talents to work.

We are jointly funding an experiment in New Brunswick. It is the New Brunswick job corps for older workers. Up to now a seasonal worker in that area had no hope, especially when there was no more seasonal work when forestry declined. Now we are putting close to 2,000 workers into reforestation. We are rebuilding the natural resource, creating a wealth and resource base for the next generation. People involved in that project say that once again they have a reason to put their boots on in the morning. They have something that gives real value to what they are doing. That is why we need those resources.

We are saying very clearly in the paper that this will give us an opportunity for new partnerships. As much as we are talking in

the paper about changing the programs we are also changing the way government should work. We are saying that the most effective role of government is to put resources into the hands of people and let them make choices. We have an opportunity to develop new partnerships with the provinces, business, labour and local communities.

(1100)

Two weeks ago I signed agreements with representatives of the North York Board of Education, Niagara Community College, labour and business representatives in the electrical industry. We are putting up 25 cents of every training dollar—not a full dollar like we pay in other places—which is matched by the employees, employers and the province to provide new apprenticeship places for close to 300 or 400 young people so they can begin getting those new skills.

That is what I mean by partnership. That is what I mean by decentralizing decision making. That is what I mean by once again giving people a chance to make decisions in their own communities: by decentralizing the system, by government working in a different way as a facilitator, an enabler, by breaking down the bureaucracies, the hierarchies and by once again restoring at the local level, the business level and the shop level the chance to make decisions for your own self-improvement, your own self-sufficiency.

That is what this paper is all about. It is about a new way of governing that gives real power to people. It is not power to bureaucracies but real power back to the people to make decisions for themselves.

[*Translation*]

Some accuse us of taking a centralizing approach. I would like to know what is the basis for that assertion, what page of the document are they referring to? I will tell you what page. On page 27 of the green book, we undertake to clarify the roles and responsibilities of each level of government consistent with the Constitution. On page 40, we propose transferring funds and responsibilities to the provinces.

On page 61, we give the provinces the possibility of opting out in the fields of education and student assistance. On page 73, we propose making social assistance legislation more flexible in order to finance Quebec's APPORT program and relinquish decision-making authority to that province. On page 76, we propose a block fund for social assistance to give the provinces more control and flexibility.

Throughout the document we talk about co-operation, about opting out, about flexibility and decentralization. These are not the words of a centralizing government but the characteristics of a new, dynamic federalism.

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[English]

Let us focus for just a moment on how that applies to the area of higher education. I have heard certain members wax eloquent about how this is some form of intrusion. It shows that they neither know their history nor have read the document.

Since World War II the federal government has supported the educational efforts of the provinces. We did so because, as the national government, we recognized that good education is one of the foundations of a good economy. We also have to ensure that there is equity in all parts of Canada; that a student in Newfoundland gets the same treatment as a student in Ontario or British Columbia. We also recognize that the provinces which also have a responsibility would need support to expand the system to ensure that there was opportunity.

For example we spend close to \$1 billion on student assistance. At the present time, with the clear right to opt out, we would simply transfer the funds and the provinces would implement their own system. Quebec and the Northwest Territories have availed themselves of that. We also have a transfer system that was established in 1977 where we transfer moneys to the provinces by tax points and by cash.

What is happening under the existing rules that have been in place since 1977? As the revenue to the provinces grows because of the growth in the economy and the population, they get more money, they get more revenue. It is an invisible endowment from the federal government to the provinces to help them with education. It is a permanent commitment to support them.

(1105)

Some provincial treasurers may not be prepared to admit it, because they keep getting \$200 or \$300 million more every year in additional revenue. That is okay. We made the deal. The corollary is that as the revenue goes up with the tax points, the cash begins to go down because on a constant basis there is an escalator clause.

Under the existing rules we could see the reduction of those cash transfers over the next 10 years. That does not mean a loss in revenue because the revenue to the provinces is going up at the same time. It means that the cash directly attached to students and others disappears into provincial treasuries.

We are saying that before we let that vacuum exist, before the money disappears, before it is reduced, let us see if we can do something creative. Let us see if we can do something to substantially broaden accessibility for students across Canada. Let us recognize that tuition rates have been going up every single year under the existing system by 10 per cent per year. They have doubled over the last five years across Canada. Students need some help to meet that problem.

We also have another major issue. People who are presently in the workplace do not have any financial assistance to go back to school. They do not have a program for them. Unless they are on social assistance or UI there is no training assistance. They have great difficulty getting eligibility for university.

They want to go back to school. The woman today who is a seamstress has a dream of becoming a fashion designer. A car mechanic may want to become an engineer. It is our job to help them do that. We are facing continuous learning. That is why we are saying before the cash transfer ratchets down year by year, let us take hold of it and use it to lever another \$3 billion back into higher education.

Let us put a lot more money back in the system. Let us make a much broader, wider system of grants and loans available to students of all kinds everywhere. They can get access to our system on a basis where they can repay the money according to income. It would not be like the present system where they repay like a mortgage system with flat rates regardless of what their income is or if they have income or not, but they should pay according to their income.

That to me is a proposition. It is an idea that we want to place before the provinces. If they want to opt out of that new system that is their business. We clearly say in the paper, even though a few have not read it, that if the provinces want to do it they have the right to do it, no arguments. Let us do something to substantially broaden accessibility for young people.

Let us broaden accessibility for people in the work force. Let us give every Canadian a chance to be continuous learners throughout the course of their lives and therefore substantially enrich and broaden the wealth and experience and knowledge of this country as a whole.

We also have to take a look at the social security system. Once again it seems that people have forgotten their history slightly. We have a cost shared system. The Government of Canada pays about \$5 billion for tax benefits directed to children. We also have about \$7.7 billion that is cost shared with the provinces to help them pay for their social assistance programs.

One of the problems is that over the years a whole system of rules has built up. The rules say that if somebody on social assistance wants to go back to work, have their chance at a job—it may be a minimum wage job, a starting job—we ask that we tax back 75 per cent of their income. They are only provincial rules, but under the Canada assistance plan rules, we do not permit provinces to invest in learning, job creation, training as a result of CAP.

It may have been a rule that made sense back in the sixties when social assistance was only dealing with a small proportion of the population, but we are talking about three million people now. We are talking about half of those on social assistance being employable. We are not talking about the most vulnerable

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who have no opportunity at all. We are talking about half the people on social assistance, people who are employable if they are given a chance, if they are given some support.

(1110)

That is why one of the key proposals in our paper is to provide new flexible rules so provinces can begin to establish their programs to enable people to go back to work. Over the summer we have been signing a series of strategic initiatives with six or seven provinces in a spirit of co-operation to provide them the ability and the resources to innovate.

In my province of Manitoba we have a new program for single parents where they will run the program, not the bureaucrats or social workers. They will have their own centre where they will develop their own child care programs, their own training programs, their own employment programs. Once again it is based on the principle of decentralizing, putting resources in people's hands, working in partnerships.

In Rimouski a couple of weeks ago we, as the federal government, became a partner with a women's group, Ficelles, the local CEGEP, and the local regional development authority, to provide a new centre of resource for women on social assistance to create their own jobs, to create their own employment, to start their own businesses.

Once again we have presented a new principle. It is not the federal government, not provincial government landing on top of them. We are partners with them in the small town of Rimouski where we have said to these women that they will be responsible for their own development and we will give them resource and help.

[Translation]

We will make job creation easier. We will make it easier to develop new approaches to job creation. This is the way the government should work in the future.

[English]

That is why we proposed changes in the way we deliver our social security system and in particular to look at the way the rules apply to those with disabilities. Why should they have to declare themselves as unemployable. Just think of the enormous number of job opportunities there are out there for people who have incredible skills but have to sign a piece of paper saying they cannot put any of that to use.

Disabled organizations across the country are saying that benefits should be split from social services and something different should be done. We are putting that on the table for discussion with the provinces.

Our own vocational rehabilitation program is one way of getting away from the sheltered workshop and into giving resources to individuals to make that change.

Similarly, we say this is an opportunity, and maybe the most important opportunity, to come together as a country to take care of children. Let us begin to mobilize all resources; federal government, provincial governments, business, labour, community organizations, people that say they are no longer prepared to accept a million children living in poverty.

Let us give ourselves a goal to bring the provinces together in co-operation to bring that level down 30, 40, 50 per cent in the next 10 years. Let us really go to work.

Through the proposals in this paper there is a way, partly by giving their parents a chance to work. The best way of dealing with child poverty is a job for the parents. Give them the resources to find that job. Break down the rules that prevent them from getting jobs. Create work out there that they can find.

Another way we present in the green paper is the new program of child support. We can work again federally and provincially to make sure that those parents who have been separated and no longer receive support from non-custodial parents have a much tougher enforcement system. If that does not work let us take a look at the program now being introduced in other countries for a minimum basis of child support and let government help people to get those payments back. We could reduce our social welfare costs by 10 or 15 per cent if we had a decent, effective support system.

My colleague, the Minister of Justice, within a matter of weeks will be presenting the results of federal-provincial discussions to initiate a new child support system and I hope all members here will support that initiative.

Finally, we must also look at how we can begin to put together a program or a system that will enable us to provide an income base for children partly because they do not receive enough. The combination of federal-provincial benefits does not give children enough support.

There is an interesting conference this weekend, Prime Minister, that I know you are interested in, where we have groups of child specialists from across the country who have clearly established the connection between early child development in the first couple of years, and what happens to an adult later on.

(1115)

We can directly relate nutrition to bad health when we are adults. We can directly relate nurturing and support to problems in the court. When we have great arguments in this House about getting tough with young offenders, we should start with children who are two or three years old because many of them are not getting it due to lack of income.

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I recall meeting with people from the National Association of Food Banks. I asked what is the one single thing that we can do for children in this country. The answer was get some more money in their hands. That is why we have to combine those benefits and go to work to do it.

I understand this will not be easy. We have to really rely upon full scale co-operation by all levels of government. That is why we will be appealing to our colleagues. For those governments that say they do not want to participate they are condemning the children of those provinces to serious problems in the future. They are creating problems for the future. That is why it is going to be so essential that we spend the next couple of years mobilizing a good will and tapping into the potential for goodwill which I think exists in this country. I think Canadians want to help their kids. I think we have now come to a recognition that it is time we made this a national priority.

This government will take the leadership with our provincial colleagues to put that first on the agenda and make sure that the next generation of children will not suffer the same problems as this generation of children.

That is the point of this debate. That is the reason for getting ideas out and getting a dialogue going. I welcome them. I do not expect everyone is going to agree with us. I would be surprised if they did. However, there are some good examples.

Mr. Chrétien (Saint-Maurice): I have been around for 30 years.

Mr. Axworthy (Winnipeg South Centre): I always agree with the Prime Minister.

Bob White, head of the Canadian Labour Congress, put out what I thought was a positive statement. He said: "I do not agree with parts of the report. I take exception to some of the issues on unemployment insurance, but I am prepared to engage in a constructive debate. I am prepared to put my ideas and those of my membership on the table". That is the right spirit, not total rejection, not angry rhetoric without substance, not the kind of posturing that we see from so many who say we cannot do anything.

Mr. Silye: Not cheap shots.

Mr. Axworthy (Winnipeg South Centre): Not cheap shots. That is a good example. I am glad the member from the Reform Party said that because I saw his leader on television last night who had a string of cheap shots, one after the other. I hope he will pass this along.

Before I conclude, let us deal with one other very important element of this proposal which is this clear linkage that exists between proposals for social reform and how it affects the broader economy.

The Prime Minister announced in Quebec City about two and a half weeks ago that this is one part of a broad national agenda the government wants to put forward. In about 10 days or so the

Minister of Finance will be putting forward a paper on economic growth and fiscal requirements. That will be followed by another paper by the Minister of Industry concerning job creation and how to stimulate private sector growth and activity. They are all linked together. They are all part of the same effort to get people back to work and to restructure the fundamentals of this country.

In doing so, that is one reason why we also have to address the fiscal reality of the country. For those who simply say do not make cuts and do not touch the budget, they are not living in the real world. We all know that everybody has to take a hard look at where we spend the money. The Leader of the Opposition said that he does not believe we can do more with less.

I suppose having been a member of the Mulroney government for nine years I can understand why he would have that philosophy. It did less with more. That was its problem. I hope the Leader of the Opposition will be able to overcome his particular disadvantage having been nurtured under that government which when he participated did not have social reform in an open participatory way but did it by stealth. Does the member of that government recall that he was responsible as a member of that cabinet for major slashing of the unemployment insurance program, clawbacks to senior citizen pensions, major changes on higher education, all of those? Now he is the great defender of the status quo. No wonder, look at the status quo he created. Who wants his status quo?

(1120)

Talk about a leopard changing his spots. How about a leopard with all kinds of coloured spots, you never know which one defines who the leopard is; change parties, change spots, change positions, change philosophies. It does not matter. It is a new interchangeable system that we are in these days.

What we are saying very clearly, and it is outlined on page 23 of the book, is that there is a fiscal parameter that we have to work with. In the February 1994 budget it stated that we would make changes to unemployment insurance which would realize \$2.2 billion in savings which we have recycled back into other programs and into reducing the premium to create jobs in this country.

We also announced that we would hold transfer payments at the 1993-94 level and that would gain a saving of \$1.5 billion.

We are already talking in the area of \$5 billion. We made that very clear. I have indicated that as a result of these changes that we are proposing in the paper, a restructuring, I would like to see another target of 10 per cent in cuts in unemployment insurance so we can again use the money to create the literacy programs, the educational programs, the training programs, the job employment programs and the reduction of premium programs so that we can get Canadians back to work. We have said that very explicitly, very clearly.

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The one question that we cannot answer yet is what is the result of the program review. The Minister of Finance has set targets for every department. The Prime Minister has said every department will have a program review. We are all looking at how we can eliminate duplication, how we can eliminate waste and how we can change programs. There is a lot of it to be done.

That is one reason why I think that we are prepared with provinces to do a lot of guichets uniques, to co-locate, to eliminate a lot of excess. We are working with provinces now. There is money to be saved.

Mr. Chrétien (Saint-Maurice): We have signed an agreement with every one of them but one.

Mr. Axworthy (Winnipeg South Centre): That is right. That is one reason we have put on the table a new labour market agreement with the provinces which talks about transferring responsibility, which talks about rationalizing programs, which talks about transferring money for training to the provinces so that we can provide a much clearer definition of responsibilities. We can save money on that but the decision has not been taken yet.

That is why we have a consultation, a budget process that will start with the department of finance, a committee of finance, a consultation on social review, and those decisions will be taken. When they are taken we will make them clear. We will make them public. We cannot announce what we have not decided.

I know members opposite sometimes do that. I know they like to speculate. There is even the odd newspaper reporter or two who get into that sort of frenzy, saying: "I think I know what I believe", and therefore prints on the front page of a newspaper.

The fact of the matter is we believe that we have to have as part of this exercise a recognition and a responsibility to have fiscal stability in this country. If we do not, then what is clear is that our social policy decisions will not be made by Canadians. They will be made by bond dealers in New York. They will start telling us.

Right now if we look at the expenditure pattern, we spend close to \$40 billion on these programs that we are talking about and about \$40 billion on the interest. If we do not make changes in the programs and reallocate in 10 years time we will be spending \$50 billion on interest and \$29 billion on social programs. I think all Canadians regardless of political stripe recognize that something has to be done.

That is why we are prepared to try to face up to those responsibilities in a clear, sound way, not by simply saying take \$15 billion, slash every program in sight, do not try to reform, do not try to make them better, simply cut the programs. That is

not the way to do it. Canadians did not elect us to do that. They elected us to use our intelligence and our creative powers to make better programs, not simply to break down existing programs. There is a major difference in that approach.

Those are the options and choices that we have in this green paper. That is the kind of discussion and dialogue that we have to begin to generate beginning today in this House, to show Canadians that we can face new realities, that we can use our best creative powers to come up with better ideas, that we are open and listening and that Parliament is the real forum for this country. It is the crucible where these kinds of answers and solutions will be found, not in the think tanks, not in the interest groups, but here in Parliament where we represent the people.

We can do it right. I fully expect that there will be some difference of opinion. I do not know whether the debate today will immediately result in a consensus but if it does not then I hope we will have those differences expressed in the most constructive way possible, in a way that really gives people a sense that Parliament can work positively, progressively, constructively and not simply become a forum for going after one another.

(1125)

That is the kind of spirit that we have to create. I am going to use a story that I have used many times. I see that the members from the Reform Party are getting impatient. I guess they do not like staying in Parliament too long. There is no problem in the future for that, four years and they will be gone.

This is a little story that really summarizes what I hope will infuse the spirit of debate in this House and throughout the country. It happened in New Brunswick where I visited a small training program for women on social assistance. It was set up jointly by the federal and provincial governments.

I was talking to the women in that program and asked them how it was working. One of the women said: "I was not too sure, it is darn hard coming back to school but after five or six months I realized how important it was because a couple of days ago, I was able to help my seven-year old daughter with her homework. For the first time I was able to show that we were now able to work together as a mother and a child".

She said: "I wrote a little saying. I hope that you will tell other Canadians how important it is. As a result of the kind of experience I have had here", the kind of thing that we are promoting in this green book, an effort to find new ways of getting people some hope and dignity, "never be afraid to reach for the moon because even if you miss, you will be among the stars".

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Today, with this green paper we are asking Canadians to reach for the moon.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, no one in the Official Opposition is denying the need to do something to help out those of the less fortunate of our fellow citizens, who are in difficulty.

The current economic and financial situation has driven these people to live in fear and anxiety and, in that sense, I am in full agreement with the minister's diagnosis.

I think that when it comes to being sensitive to the situation of the disadvantaged, the minister has retained his progressive, left-wing tradition. The problem is that the cure is a right-wing one. While the diagnosis is left-wing, the cure is right-wing. I am not saying that the minister's heart is not in the right place, on the contrary. The problem is that his wallet is not in the same place, as a Liberal minister. Now that he has become minister, he finds himself in a peculiar situation, stuck between a Finance Minister and a Prime Minister whose primary objective is to reduce the deficit and the debt on the backs of the disadvantaged.

Take this speech for example. If you take away the rhetoric, finer feelings, hand on the heart, you realize nonetheless that the official objective of the minister, as stated in the first pages of the consultation paper, is to cut social program expenditures, to effect the massive cut all right-wing circles, all employers and all the business community have been wanting to see for a generation. And now this minister with a progressive background has been chosen by the right to do the job.

Here is this minister who just related to us, with sincerity I think, how sad he felt when, one morning, as he was going door to door visiting constituents in his riding, he met this young couple in which the man was out of work and the woman was also at home. The young man told the minister how much he wished in himself that changes could be made to improve his situation, to help him find a job in particular.

But besides sympathizing with this young man's difficulties, should the minister not have told him: "Look, I sympathize but my government is about to cut \$15 billion in social expenditures over the next five years"?

(1130)

If the minister had wanted to be straightforward with this young man, that is what he would have told him. He should have informed him that, in addition to the \$7.5 billion in cuts already announced in last year's budget, more cuts are planned, which I will discuss later.

How can one make a progressive-sounding speech, how can one claim to base social program reform on a desire for expansion, after having coldly decided to cut \$15 billion over five years in the funds allocated to social programs? I am not making this up; the minister has described very clearly right from the beginning, on page 23 of the discussion paper, the context in which this reform is to take place. He very clearly ties it to a budgetary transaction, a spending-cut exercise.

Let me quote two excerpts from page 23: "Reform of social security cannot be contemplated in isolation from the fiscal realities facing governments in Canada". And a little further: "And existing expenditures must be brought under control and in some instances reduced". There it is in black and white.

We all heard the budget speech, in which this minister's colleague, the Minister of Finance, announced a \$2.4 billion reduction in social expenditures, in particular unemployment insurance expenditures. It was also announced in the budget that the upcoming social security reform was going to take place as part of an expenditure reduction plan.

I think it is obvious that this exercise lies within a framework of spending cuts on social programs. In fact, when you read through the document and get to the essential and sectorial aspects of the reform, you note that the underlying motivation throughout is to reduce the level of protection afforded to those in need.

Worse yet, in my opinion, is the philosophy behind the minister's approach. This is evident from, first, his attitude regarding the unemployed. Perhaps not for the minister, who would gladly do the opposite of what he is doing, but for his government at least, this attitude is expressed in the paper before us: the unemployed are guilty. Here we have a government going through a financial crisis, as we know. Everyone agrees that we are facing some kind of public finance mess, a mortgage on our young people's future, a burden already weighing down adults in their daily activities. With the deficit almost out of control as it is, it is obvious that the government is confronted with an enormous problem and that it is aware of it.

So, expenditures have to be reduced. The deficit must be brought under control. How? By looking for someone to blame. Why are we facing a crisis? Why, in a rich and highly industrialized country like Canada, blessed with so many natural resources, a hard-working population and lots of capital, does the federal government find itself in such a position? There has to be a culprit. Maybe it is the government, which spends too much on its operations. No, says the Minister of Finance, it is not the government's operating expenditures. But we know that, in fact, there are billions of dollars to be saved there.

Is the problem this overlapping between the various levels of governments, the duplication of programs and the waste of energy and resources? No, the government is not trying to save one penny in that area either. A tax reform might be in order. Do we have a consistent and rational tax system? Should it not be reviewed, harmonized and drastically changed? For example,

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should we not eliminate unfair tax irritants? I know that there is not enough money to be saved there to solve the problem of public finance, but the issue of family trusts is a bad symbol for taxpayers. Tax shelters which continue to benefit rich Canadians do not represent an astronomical amount of money, but they are important symbols in terms of tax fairness, at a time when the government is asking all taxpayers to tighten their belt. Yet, the minister did not see anything wrong there either.

Instead, the minister sees the culprits to be those who will be targeted by his measures, namely the unemployed and the poorest, who are already the most affected by the current crisis. This, in my opinion, is the most unacceptable side of the philosophy underlying the minister's approach.

(1135)

The other attitude which I find just as despicable is this belief that the unemployed are unemployed by choice. The government seems to think that Quebecers and Canadians who are currently unemployed, who suffer from anxiety because they are without work, who feel they are losing their dignity as citizens, fathers and mothers, and who are losing hope about their future, live this situation by choice. The government seems to think that what these people need is a good scare to force them to find work. This is what is so unpleasant in the minister's attitude. Why is that? It is because no jobs are being created.

There is nothing in this agenda to make us think that the government will implement job creation measures. There is no employment policy. Yet, that word is everywhere in the document. But it is a euphemism used to conceal the reality and the reality is that there are no incentives to promote job creation.

This government has no creative spirit; it has not made any effort and it has not allocated any money to generate some enthusiasm in Canada and in Quebec to put people to work and to create jobs. No. It seems that those without jobs are in that situation by choice, because they are lazy.

The minister thinks that by making their plight even worse and by making these people even more distressed, he will force them to find jobs. But those jobs simply do not exist and that is the fundamental flaw in the minister's reform and philosophy.

On the subject of philosophy, let me quote an unbelievable principle stated on page 26 of the discussion paper. It says: "A social security system that is financially unsustainable is a dead end. Therefore, social security reform must in part entail making difficult choices about the best use of available funds". With that statement, the government is introducing a new concept for social programs designed to help people with special

needs: cost effectiveness. From now on, social programs will have to be cost effective.

This is what the discussion paper is all about. The minister is trying to ensure cost effectiveness, not as regards government programs, operating expenditures, taxation or inefficiencies resulting from overlapping, but in social programs. Government management is not cost effective, but the unemployed will have to be, even though they have no jobs.

There is another aspect of this document, and its spirit, which is truly unacceptable. It is the fact that this whole exercise is a sham. The government is not being honest. Let me give you two obvious examples. First, the minister, who was supposed to prepare an action plan, decided, even if it will take longer, perhaps a year, to hold consultations. Consequently, he drafts a so-called discussion paper, which he is careful not to label a policy statement, so as to always be able to argue that nothing has been decided and that this is still the consultation stage.

It contains some unacceptable things that will make people jump. So when questioned in the House or by journalists or in consultation sessions where people get excited and upset and concerned, he is prepared to say, "Do not worry. These are not decisions; this is only a consultation. I will listen to what you have to say and take it into consideration; then a decision will be made." That is how the discussion paper is presented.

In fact, thanks to a leak published in the *Toronto Star* yesterday, we now know that this minister and his colleague in Finance have already decided, regardless of the outcome of the "consultation", that a further \$7.5 billion will be cut from social programs within five years.

That is particularly odious for the people, the members of Parliament, the media and everyone who will be involved in this vast phony consultation. Yes, members of Parliament can go for five weeks throughout Canada to hear people's grievances, suggestions and reactions to this document, this "discussion paper"; members of Parliament can go around, political commentators can comment, the poor can always hope, MPs can always talk, but the decision has been made.

(1140)

Whatever happens, whatever people say about these consultations, a further \$7.5 billion will be cut and no one on the government side has denied it. It took a fortunate leak, I would say, from the *Toronto Star* for us to learn that this cut has been decided. Furthermore, it was also decided to keep it secret. The leaked Cabinet document shows that the two ministers got together secretly, shut the door and swore that this decision would remain secret and that they would hide it, letting people naively believe that this document is only a discussion paper.

Government Orders

[English]

I remember a sentence which has been credited to former President Theodore Roosevelt. I think he said it in a speech: "Speak nicely, speak sweetly, but carry a big stick". I think the minister should be associated with the same sentence. Maybe change it a little: "Speak with compassion, but carry a big knife". That is what he is doing in this exercise.

[Translation]

That is the first deceptive thing: the decision has already been made. The kind, intelligent, friendly minister will attend many consultation meetings and listen to people, pretending to take in what they say. He may take notes when people tell him not to cut this or that, but the minister will have to keep himself from laughing when he thinks that the decision has already been made and he is faced with the credulity of people who will fall for the consultation exercise.

The other deceptive thing is the minister's incredible distortion of the words "decentralization" and "centralization". The minister tells us: "This is an exercise in democracy. The federal government is sometimes accused of being distant and remote from the people, preoccupied with overly theoretical matters; the federal government will get closer to the people, it will establish direct contact with them, it will become populist. We will now have a populist federal government, something like what the Reform Party wants. A government that will get closer to the people, issue cheques directly to them, establish bursary programs that will issue cheques directly to them and will dictate standards for welfare, and when it comes to occupational training, will select programs with local groups, municipalities and individuals; a government that will democratize and decentralize." That is how the minister describes what he wants to do.

What is actually going on? In fact, the federal government has decided to do without the provinces. I remind the government, which tends to forget, that this country has a Constitution established by the founders 125 years ago as a framework for how this country should run. The founders of this country and their successors realized that it takes two levels of government, one to look after things that are closer to the people and which it is better placed to do so, namely the provincial governments, and the federal government to look after foreign affairs, defence, the currency and so on. That was the spirit which guided the Constitution that is binding on everyone.

Now the minister wants us to believe that the federal government is in a better position than the provinces to manage social problems, to look after problems in people's daily lives, in education, in health, which will come later, as we shall see, and especially in social welfare.

So as I was saying, the terms are being misused because what the minister is actually trying to do is to centralize. He is trying to reduce the provinces' role to an insignificant contribution to community life. He wants the federal government to run everything, to so dominate that the provinces will be unable to stop it from centralizing.

Behind this plan is the desire to redefine the federal government's role for the future. Finally the masks are falling. Clearly, the federal government intends to take the provinces' place in fields reserved to them by the Constitution, as they were always meant to be.

(1145)

For example, you can see that this government is trying to sideline the Quebec state which is such a thorn for Ottawa. It is done in an underhanded way which I find very disturbing. We will have to keep this in mind while reviewing this proposal in the House today, tomorrow and in the weeks to come.

Mr. Speaker, if you allow me, I would like to briefly go over three or four particular elements of the reform as they relate to specific target groups. Let us start with unemployment insurance. The minister gives two options, clearly stating where his preference lies. One of the options is totally unacceptable, he tells us, since it would mean cuts everywhere. In other words, what he really means is that there is no choice, we have to choose the second option because the first one is simply too horrible.

He is asking us to choose between pneumonia and tuberculosis. Well then, let us reject tuberculosis, that leaves us with pneumonia. What kind of pneumonia? It is the second option, the one preferred by the minister, that is to say a two-tier system, one for people who are out of work occasionally, not very often, maybe even never, that is to say a regular system and then, there will be another one for people who are often unemployed. For those who are nearly never out of work, the UI program does not change. They may never need UI benefits, but they will still have to pay premiums, probably at a higher level, since there will be a ceiling put on them.

The other tier will deal with people who really need unemployment insurance and for whom it was originally created, namely unemployed workers, the real ones whom the minister so tactfully calls frequent beneficiaries. These people are going to get less. They are going to be forced to work for community action programs. They may even be forced to go back to school.

Benefits are going to be lower, premiums higher. It will not be much fun to be unemployed once the system is revamped by the minister. People will be so unhappy, things will go so badly for them, they will be so worried that, or so the minister thinks, they will go out and get a job, a job that does not exist. The truth is, those who are really in need, those who are most vulnerable are getting squeezed. This is where the minister is going to cut and get the billions of dollars he needs for the finance minister.

Government Orders

Who is going to be hurt? Who is the most often out of work? Young people fresh out of school are having a difficult time finding work. Single mothers, seasonal workers, people over 50, people my age who suddenly find themselves unemployed after 25 years in the same job and who do not know what else to do, these are the people who are going to be hurt by the minister's reform.

Beyond the tactful language of bureaucrats using such incomprehensible terms as adjustment programs and frequent beneficiaries, what we must read is that those who really need unemployment insurance, who depend on it, will from now on be virtually cut off from it; their benefits will be lower and they will get less coverage.

Women are another group which will get hurt. We all know how hard they had to fight and must still do to reach a minimum of financial independence, since you cannot have equal opportunities without financial independence. What do we find in the minister's reform? He will tell us that it is only an idea, a strange idea for sure; as a matter of fact, he wonders why it is even in there. It could not be his doing, it must come from one of his officials.

People will reject it, but we know full well that things have already been decided. If a woman loses her job, her husband's income is taken into account to determine whether or not she qualifies for UI. As we know, men usually earn more than their spouses. Women who lose their jobs are treated as second class citizens, they will be penalized for having a husband who makes money. They will receive either no UI benefits or significantly lower ones.

This is a clear case of discrimination. I believe that if this was to be challenged in the Supreme Court under the Charter of Rights and Freedoms, it would be ruled unconstitutional. Then there are the students. The minister went after them with a vengeance. He must really hate them to treat them the way he does in his reform. Let us look at Quebec. The situation is even worse in the rest of Canada. They are talking about cuts in federal transfer payments to the provinces for post-secondary education to the tune of \$2,600,000,000. Due to a complicated formula, that means that Quebec will get \$300 million less; bear in mind that it is a lot worse in other parts of the country.

(1150)

But for Quebec, \$300 million means quite a shortfall for post-secondary education programs. The minister himself admits, with rare candour, that these cuts will probably lead to higher tuition fees. According to some quick forecast, they will

probably double. If Quebec gets \$300 million less for post-secondary education, the government and universities will have to double, some say even triple, tuition fees. And it will be worse in the rest of the country. If Canadian students think things are tough now, wait until they see what this reform means for them.

The Minister has recognized that it will create somewhat of a problem. That is obvious. For example, tuition fees at Laval University in Quebec city are now \$3,000 and will easily rise to \$8,000 with this reform and the impact will be disastrous for students. The Minister says they will find a solution, they will lend money and implement a grants and loans program so that we can help students who will have to put up with the increased tuition fees. What does this mean?

It means, for example, that under post-reform conditions, a student going through law school, as I did, will leave the university owing the government approximately \$25,000. And that will be one debt among others because the student will have to borrow elsewhere to buy a car or for other reasons. For a Ph.D. the debt load will easily reach \$50,000.

It means this reform reopens the whole issue of accessibility to higher education for students who are not wealthy. In Quebec, we have been fighting for equal access for twenty years now. I know it is the same in the rest of Canada. For twenty years, people have been fighting for a system ensuring equal access to higher education. There was a time in Quebec when only the chosen few could attend university or obtain a Bachelor of Arts degree. Only those lucky enough to be born in a rich family had access to that. The others did not study, there were no schools for them. Only wealthy families could send their children to university. Twenty years ago, we changed all that. We fought a social battle and we invested considerable funds. That is one thing we are proud of, it is one of the great achievements of Quebec and the federal reform proposed by the Minister will bring us right back to the starting line. Only rich people, sons and daughters of wealthy families, will have the opportunity to attend university if a program such as this one is implemented.

What is even worse, what adds insult to injury is that Bill C-28 dealing with the Student Loans Program, a bill we fought against vigorously, a bill the Bloc Quebecois denounced, but one that was adopted in spite of everything because we had a majority against us in this House. Bill C-28 extends the implementation of the standards the federal government can impose upon provinces wishing to withdraw from that Student Loans Program. From now on, a province withdrawing from the program must implement a new program in all points similar to the federal program. In other words, because Bill C-28 was adopted, on top of restricting access to higher education, this reform will give the federal government the power to determine who will study and what they will study in each of the provinces, including Quebec. The federal government will be in a position to dictate standards and design curricula by controlling those who want to study.

Government Orders

This is a very real danger from what I have seen by perusing briefly the reform document we received only yesterday. You can say the Minister surely has devised other solutions to give students access to education. Yes he certainly has. He suggests they use their RRSPs to pay for their schooling. He suggests that students pay their tuition fees with their RRSPs. How fantastic! One must be a complete stranger to reality to imagine that RRSPs would be an alternative for students. I know very few students who own a RRSP. For that, you have to be part of a rich family or one who owns a family trust.

You could reply that perhaps the Minister meant the parents, that perhaps he will convince the Minister of Finance, who plans to tax RRSPs, to allow parents to use their own RRSPs for their children's education. I see two main problems there. RRSPs were not designed for such a purpose. They were meant to ensure a certain financial security to families, to middle-class people who work, so that they can have at least a minimum security for the future.

(1155)

So if, out of their generosity, because parents always want the best for their children, parents are forced to use their RRSPs for their children's education, of course children will get a higher education, but the parents will no longer have a retirement fund. That is the kind of situation the Minister is creating for families.

Furthermore, we must admit that not everybody owns a RRSP. One has to be able to afford it and, again, that applies to a chosen few. So it is absolutely incredible that they would propose the RRSPs as a solution.

An hon. member: They are laughing to our faces.

Mr. Bouchard: Right! They are laughing at us.

Let me conclude. The intention of the Minister and of the government goes far beyond this social reform. The Minister wants to change the position of the federal government in Canada, to restructure the relations between the central government, the provinces and the people.

When the Minister says they will create direct links between the federal level and the citizens who will take advantage of the various programs, manpower training programs for example, when he says they will deal directly with local stakeholders, communities, municipalities, businesses, etc., he is in fact saying they will go over the head of provincial governments. So he is truly asking the most fundamental question. The question he is asking is the fundamental one.

What the minister and the government are telling us with this reform is that there are too many levels of government, one too many in fact, the provincial level. They are telling us Quebecers

that the redundant level of government is the one in Quebec City and that, from now on, Ottawa should manage everything.

I do not know what people in other provinces think of all this, but we should know shortly when our friend, the Leader of the Reform Party, takes the floor to give his view on the reform. However, I doubt that provincial governments across Canada would accept to bow down and make way for the imperialistic and centralizing aspirations of the federal government.

For us in Quebec—and I do not speak solely for sovereignists, but for all Quebecers—the main entity is the Quebec State, which we used to call the province of Quebec. It is this government that we want to entrust with the power to make fundamental decisions regarding the future of Quebec, regarding the definition of policies which will shape our soul and identity, regarding the design of education programs, regarding the relationship between social and job-creating measures, because without any close tie between the two no reform of social programs can succeed, and this is the main flaw of this reform. It cannot tie what needs to be tied, it cannot make the gears mesh together. There is no synergy, no cohesion. The definition of social programs must tie into a definition of job creation, but the reform does not do that. It would be possible only in a nation where there is a single level of government, and this is why the minister wants a single government, he wants to seize the powers he does not have to complete his reform.

In Quebec, we want the same thing. We want a government which will make all the decisions that concern it, a government able to mesh social demands and job creation. We want a cohesive state, a machine that works.

[*English*]

I would like to conclude with this. It appears to me that this reform is trying to achieve the reshaping of Canada, to achieve some kind of hegemony for the federal government wherein the provincial governments would have a very limited role, a policy which would state that the federal government would stamp the instructions.

For example, it would be possible for the minister to make sure that social and economic policies would be meshed together so as to produce a synergy, a coherence. It is not possible now; we all know it. The minister has in front of him provincial governments, and in Quebec a very strong provincial government determined to defend its position.

This government would like to push the provincial governments aside. To me and to those in Quebec it means that the message is that there is one government too many in the country and that this government would like to have only one, the federal government. We in Quebec believe that it should be one government in Quebec.

Government Orders

I do not know exactly, but it might be that the rest of Canada would like to reshape its relationship with the federal government.

(1200)

It might be that there is a fundamental need in the rest of Canada to redefine social programs in a way which would go along the lines of the minister. I am quite ready to respect that. I think we should let them do it, but they should not impose their views on Quebec because we have different views.

It appears to me that if the minister has his way with the cabinet and the government party, and if this reform is enacted, if we have the additional cut of \$7.5 billion announced in the *Toronto Star* yesterday, it means that we are due for a long and historical confrontation again.

The Prime Minister will ride again as a federal fighter against Quebec and we will have a long, very negative, unproductive fight between the two levels of government. We in Quebec are not ready to do that again. We have gone through that for thirty years now. It would be unhealthy to begin again.

I think we should respect our different orientations. We should be able to sit down and recognize that it is a law of nature and necessity to accept that we go our way. That is my conclusion.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I rise today to express on behalf of my colleagues and millions of Canadians profound disappointment in the social policy discussion paper tabled by the minister in this House and presented to Canadians.

The government has been in office for almost a year. It promised an action plan to reform Canada's frayed and overburdened social safety net. I remind the House it was an action plan that was to have resulted in legislation this fall. Instead it has produced a discussion paper listing various proposals without any clear plan of action by the government to meet the very real needs of the young, the old, the sick and the poor, without any clear commitment on the part of the government to get to the root of the problem of any real reform in the social safety net.

As a discussion paper the document is severely flawed because the options it offers are limited and vague and because there is no information on the costs of proposed programs. Since affordability under the current circumstances is a key criterion the absence of price tags and detailed cost estimates vaguely undermines the discussion paper's usefulness as a consultation document.

What is so tragic is that the real discussion of social policy and social reform has been going on in this country for years among ordinary people, among taxpayers, among certain academics, among the victims of the systems, among real reformers, but not among Liberals.

The federal government is not really in a position to lead a discussion on social reform. It simply needs to get in on the discussion which is already far advanced. Since the government's social policy review falls so far short of what was promised and expected, it falls to other members of this House to do three things.

First, we need to make clear to the minister what is unacceptable about the current operations of social programs in Canada. We need to spend some time on the unacceptability of the status quo. Second, we need to enunciate the principles of genuine social reform that should be applied to the hodge podge of proposals in this paper, principles that would form the basis of a real action plan in the months and years ahead. Third, we need to challenge the minister to address the root of the problem in reforming the social safety net, namely the over centralization of power and responsibility in Ottawa.

(1205)

Allow me to respond to the minister's proposals under these three headings. First, on the unacceptability of the status quo, Canadians are committed not just in their heads but in their hearts to helping their fellow citizens in need. In a country such as ours it is simply not acceptable for children to be growing up without adequate food, housing, care or education.

It is not acceptable for senior citizens to be living out their years with inadequate care and resources. It is not acceptable for sick people to wait on longer and longer hospital waiting lists for fewer and fewer hospital beds. It is not acceptable for hundreds of thousands of able bodied working Canadians to be chronically unemployed and underemployed.

It is not acceptable that the billions of hard earned taxpayers' dollars that Canadians generously provide to the three levels of government every year for social spending are so mishandled that the basic needs of individuals and families are not met. It is not acceptable that the government respond to the needs of today by forcing the cost on to the Canadians of tomorrow through massive public borrowing. Growing public debts only contribute to the impoverishment of future Canadians.

Finally, it is not acceptable for a government that has been in office for a year to respond not with an action plan but with an inaction plan that will at best serve the government as an excuse for further delays. It is not acceptable that the paper fails to provide the cost estimates that are essential to a meaningful discussion. It is not acceptable that the major areas of social policy, including old age pensions and health care, both of which are in deep financial trouble, are being put off to some future date. It is not acceptable that legislation flowing from the discussion paper may take years to reach the House.

Government Orders

I want to impress upon the minister and his colleagues the unacceptability of the status quo.

Let me turn to principles of real reform. Allow me to list three principles of real social reform which would allow us to separate the wheat from the chaff in this paper and to separate those proposals which merely perpetuate or tinker with the status quo from those which would really meet the needs of the young, the old, the sick, the poor or the unemployed.

The first principle, social spending, in particular transfers to individuals, should be targeted to those among us who are most in need. Universality, where universality has come to mean that the taxpayers should pay 100 per cent of the bills for social services 100 per cent of the time regardless of the resources available or the financial status of the individual being served, should be abolished as a principle in the design of social programs. This traditional definition of universality is a Liberal invention whose wastefulness has ensured its extinction.

Traditional universality should be replaced by the principle of universal access to public support provided a real need exists and can be demonstrated. In days gone by the principal objection to needs based public support was that it required individuals to complete a means test. Today with the universality of the income tax form, targeted social spending is administratively feasible as well as desirable from a policy standpoint.

The grab bag of proposals that the minister has presented us with includes a couple of items that pay lip services to targeting social benefits to those in need such as the proposal for a targeted child benefit. However, if the minister were really serious about targeting social spending he would have included in his discussion paper figures and charts to illustrate how much of social spending is currently being transferred to people in various income categories including people who do not need it and how that social spending should be retargeted.

The Reform Party has conducted scores and scores of public discussions on targeted social spending. This is hardly a new subject, but the public is not stupid. In such meetings it asks hard questions: "Show us the current distribution of government transfers to individuals and households for OAS, for UIC and for Canada assistance. Who gets what? What households at what income get what benefits? Only then can we tell you whether the current distribution is fair or wasteful or needs to be tipped more to those in lower income brackets". We cannot have a proper discussion of targeted social spending without that data, yet the minister's paper fails to provide those.

(1210)

The second principle, social programs should be financially sustainable. Social spending overall should be on a pay as you go basis, not continually financed through deficit spending. This means that the current levels of social spending must be reduced since the federal deficit cannot be eliminated solely through cost cutting in other areas of spending. Continued deficits simply impoverish future Canadians and ensure their dependence on an unravelling social safety net which is not financable in the future.

Transfers of wealth from better off Canadians to those who are truly in need are clearly well supported by Canadians but transfers from future Canadians to current Canadians through public debt are not, nor are inefficiencies and wasteful uses of taxpayers' money, nor are fraud and abuse.

In some cases the tax system should be used to recover all or some of publicly funded financial assistance provided the persons or households whose income levels exceed specified levels. This could include, for instance, relatively well off individuals who temporarily receive benefits between jobs.

If the government were serious about ensuring the financial sustainability of social programs it should have done two things. First, the discussion paper should have included the cost of the various alternatives and should have compared those with the cost of existing programs. Its failure to do this is the biggest single flaw in the document.

How can Canadians have meaningful discussions of alternative proposals when they have no idea of what they will truly cost?

The minister is still not adjusted to the fiscal realities of the 1990s. It is the 1990s, not the 1960s. It is irresponsible in the public arena and particularly in this Chamber where we are spending \$110 million more per day than we collect in revenues.

It is irresponsible to propose anything, any policy option, without answering the three basic fiscal questions, what will it cost, where will you get the money, and why do we not spend less.

Second, the government should have established clear spending priorities, not just for social spending, but for the entire federal government. I have to wonder where those priorities are when the government proposes ending federal funding to post-secondary education while still spending billions of dollars to subsidize businesses, special interest groups and crown corporations.

Finally, in questioning the commitment of the government to financially sustainable social programs I note the absence of any clear plan to target and reduce social spending by the amounts required to meet the government's own deficit targets.

Government Orders

The third principle, the meaning of social needs should be personalized, privatized and decentralized so that individual families, communities and lower levels of government, not the federal government, are the primary actors. The best way to determine and respond to real needs is through empowerment at the personal family and community level. Big programs managed by central governments are enormously inefficient at getting the right help to the right people at the right time, enormously wasteful of taxpayers' resources and generosity.

Shared jurisdictions and shared cost programs must be eliminated. They lessen accountability for results, reduce the incentive to be cost efficient, breed bureaucracy, reduce flexibility and inhibit the application of common sense.

The patchwork of overlapping rigid bureaucratic social programs must evolve toward a single access point, enabling people in need to seek assistance through the empowerment of individuals and community oriented caseworkers. The empowerment of individuals and families is to be particularly encouraged because such empowerment reduces dependence on the state.

The distribution of federal transfers in support of education through vouchers is to be encouraged because it empowers individuals. The strengthening of families through more generous tax credits for the support of children is to be encouraged because the family is better able to meet the needs of children than any government. The single biggest cause of child poverty is family breakdown. To reduce child poverty, strengthen the family.

The delivery of social services by the level of government closest to the people and most responsive to the people, most accountable to the people, is to be encouraged. This requires recognition by the federal government that it is not now, nor has it ever been, nor will it ever be, the government closest to the people.

(1215)

The minister said in his statement earlier today that he has a commitment to decentralization. It is to be believed because it is written down in this green paper. The two pages he mentioned incidentally are dividing pages, just dividers.

Why should the provinces or anyone believe that assertion of commitment to decentralization because it is written in this paper when it is written in the Constitution of Canada that the responsibility for health, education and social assistance belongs to the provinces? That has not deterred the federal government from involving itself in centralizing programs in those areas through the use of its spending power.

If the government were really serious about decentralizing social programs, empowering individuals and freeing them from the iron grip of bureaucracy, it would have included specific options for turning over more responsibility, not just entering into administrative arrangements, for program delivery to communities, private organizations, and other levels of government.

I might add that in no area is the unwillingness of the federal government to decentralize power more evident than in the field of health care which is not even discussed in this paper. The total health care bill for Canada last year was \$70 billion. Of that total 48 per cent was picked up by the provinces and local governments, 28 per cent by individuals and by private insurance companies, and less than 24 per cent by the federal government. Yet it is the federal government that presumes to dictate the terms of service and financing in the health care field for all other players, a position which prevents rather than facilitates genuine health care reform.

The federal government professes to be just a partner in health care. In reality it has become a junior, junior partner. But it always acts like the senior partner which is why the provinces and the public are so sceptical about government's professed interest in new partnership arrangements.

In conclusion I want to spend a couple of moments on getting to the root of the problem in social reform. I challenge the minister to reveal to the House the real reason he has presented a discussion paper rather than an action plan.

The reason is that he has been unable to reach substantive agreement with the provinces, the governments to which the Constitution assigns primary responsibility for health, education and welfare, the governments without whose support and co-operation meaningful social reform is impossible.

I challenge the minister to reveal to the House the real reason he has been unable to get the co-operation of the provinces in a substantive way. The reason is that his government is committed to status quo federalism, that his government and his leader are not committed to a rapid and substantive decentralization of power, particularly in the areas of health, education, social assistance and social insurance.

Until the federal government does become committed to such a decentralization, most of which can be done within the existing Constitution, I predict that status quo federalism will lead to nothing but the perpetuation of an unacceptable status quo with respect to Canada's social safety net.

Who will lose? It will not be the political elite and the special interests that support and feed off the current centralized system, but the young, the old, the sick, the poor, the unemployed, the taxpayers of today and the taxpayers of tomorrow.

Government Orders

My colleagues and I intend to challenge the minister to play catch-up ball, to move beyond vague discussions to real reform. We intend to challenge the minister to provide a detailed cost analysis of any options he proposes and set the social spending priorities. We cannot have a discussion without that material.

Above all, my colleagues and I intend to challenge the minister and the Prime Minister to get to the root of the problem of reforming the social safety net, namely 30 years of over-centralization of the power and responsibility for meeting social needs in the hands of the federal government.

(1220)

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth)): Mr. Speaker, investing in people is the government's number one priority in this exercise of social security review. It is stated:

In the economy of the 1990s, it is information and knowledge-based industries that are providing the foundation for jobs and economic growth. Canadians must have the skills, opportunities, and knowledge to meet the demands of the new job market.

This is directly from the red book. By Canadians we mean all Canadians: aboriginal peoples fighting against the odds; youth making the transition from school to the workforce; sole parents balancing family and employment needs; women and their children struggling; and Canadians who find themselves in transition between jobs, some for short periods but many and frequently for too long are displaced out of their jobs; and displaced older workers looking for hope in the form of a new opportunity, perhaps a new job. These are the Canadians we promised to help in the red book.

These goals have not changed and we are now looking at how best to achieve them. The discussion paper released yesterday gives Canadians a chance to debate what is necessary, what is possible with the resources available to us. Our government has identified employability as a fundamental goal of social programming. As the National Anti-Poverty Organization has correctly noted, the best social security for an individual is a decent job paying decent wages.

The response has been swift to the document tabled. I must say I have had the opportunity to meet with some good people this very day and over the last day or so who have responded. I met this morning, for instance, with Jonathan Murphy of the Social Planning Council of Edmonton. I quote what he said:

We are supportive of the emphasis on training and breaking the cycle of unemployment. There are 40,000 children in Edmonton growing up in poverty. The extended child benefit program will help them. We must maintain national standards for a social safety net. We have a real fear of separate agendas which would undermine national goals for Canadians.

These are the expressions of people. I have also had the opportunity to meet with the aboriginal leaders because we are engaging in and embarking on a process for the aboriginal people by which they will participate. We are working hard to achieve a process they all agree to.

Having said that, we now know that technological change has altered the look of a decent job beyond recognition. Consider the future that lies before a young woman of 18. Perhaps she is just starting a community college program this year. Can anyone predict the skills she will need in the workplace of the year 2030? Of course not. What we can predict is that her education will not end when she graduates from college. She will need to keep learning. In fact the means to social security is not simply a job today; it is the ability to get a job at any one point in anyone's life. That depends on developing and enhancing skills all through life.

Let me go to what the leader of our country has to say on the whole issue. In Quebec City on September 18 the Prime Minister outlined four key components of the government's job and growth agenda. Quite clearly we cannot operate in isolation on any massive reform and expect to have the answers to all the questions. However, listen to this. The first is reforming social security. The second is ensuring a healthy fiscal climate. The third is reviewing government programs and priorities. These sound like some of the things the government is undertaking, quite clearly. The fourth is strengthening the performance of the Canadian economy in investment, innovation and trade.

(1225)

Members should know that the Prime Minister is embarking on a trade mission to China with a delegation. These are things he has stated and these are things we are living up to on a daily basis. We are working hard to draw in the support and confidence of all Canadians.

Not only are we undertaking government programs, services, and reviews of policies, programs and services, but we are essentially appealing to the public to build the confidence, the trust, to ensure that we do not engage in empty evangelism, that we do not create false hope and that we are in fact doing things that will result in substantive moves for people to improve the quality of their lives.

With the time available to me in the debate today I want to focus on how large a part of social security reform evolves around learning for children, for youth, for adults; learning in our cities, towns and most isolated communities; learning for everyone; and learning for life.

Everyone here understands that learning is the key to employability. The willingness to work hard no longer guarantees a job. The fact that a person has an education is no longer a guarantee, almost for sure, no opportunities. Competition from other countries and automation have ensured that the new jobs in our economy demand a higher and broader set of skills. People who stop their education early limit their employability. People who keep learning improve it.

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Since the second world war federal contributions have helped build and operate an extensive and accessible system of post-secondary education. This government has continued those efforts.

In April we launched our youth employment and learning strategy. One element of the strategy was a series of improvements to student aid. How did we improve the Canada student loans program? It was, first, by increasing the weekly loan limits for full time students by 57 per cent; by raising the ceiling on loans for part time students to \$4,000; and by creating opportunities, special opportunities grants that will provide an extra \$3,000 to single parents pursuing their studies part time.

For students with disabilities and women in Ph.D. programs we will be offering a national program of deferred grants for the first time that will help high need students who would otherwise face extremely high debt loads on graduation. At the same time we realize that the educational status quo has problems.

The traditional distinctions between community colleges and universities tend to raise barriers that may no longer be relevant. We need to examine the way in which learning is structured and the support available.

Having mentioned the status quo, I cannot emphasize enough that we know the status quo is not an option, that things cannot remain the same. Whatever our political stripe, whatever our concern or constituencies, we know as a country that we have an obligation to look at change. We have to be able to change things so that every Canadian who is drawn into the debate and every Canadian who benefits from the debate will know that we have done the right thing by not burying our heads in the sand and turning away from the greatest opportunity to have courage to change for the country, to change for the people, to change for poor children, to change for the people who are unemployed cyclically, to change for the people on intergenerational unemployment insurance, intergenerational poverty laden with social assistance. It is a very difficult situation.

We cannot avoid the opportunity to have the courage and the vision to engage in a debate in earnest with no hidden agendas, with no weasel words or sneakiness, to go out there and ask the people and consult with them; not to prescribe, not to come in with an ironclad and iron fisted approach that says this is our way and this is the way we are going to do it. The way we want to engage in this debate is to be honest and open and to appeal to the public to recognize that there has to be an opportunity to make a difference with their consensus and with their consultation.

(1230)

We have received a great many letters from people who have told us just how difficult the idea of turning lifelong learning into reality can be. For many, of course, the issue is money. The discussion paper offers ideas to fund post-secondary education. It considers the method of improving access for people who want to upgrade their skills. It recognizes that we have a role in supporting post-secondary education. We must continue to do so.

The discussion paper recognizes that the federal government provides core funding for the post-secondary system through tax points. As members will recall the budget earlier this year called for the federal government to reduce cash transfers. We have already told the provinces and territories that funding for post-secondary education will return to the level of \$2.1 billion in 1996 and 1997. It might best serve the public to know what we spend money on.

Quite clearly federal expenditures on social security programs should be stated as such. We spend a total of \$38.7 billion. We spend \$12.4 billion on UI regular benefits. For UI developmental uses we spend \$1.9 billion. Employment programs, the consolidated revenue fund has \$1.4 billion. For vocational rehabilitation for disabled persons we spend \$0.2 billion. Child tax benefits, \$5.1 billion. The Canada assistance plan yields \$8.2 billion. Canada student loans \$0.5 billion. Post-secondary education, established programs financing, \$6.1 billion. UI administration \$1.2 billion. UI maternity, parental adoption and sickness benefits \$1.7 billion. This of course does not include seniors. The review we are talking about excludes a whole section.

Something else the public might find extremely interesting is that under the social assistance to heads of households we have a listing of percentages. Those people who are unemployed but are employable, who would work if there was the opportunity, are 45 per cent. Lone parents constitute 28 per cent. Disabled 20 per cent and others 7 per cent. These are statistics that I think people need to be aware of in dealing with the whole issue of reform. People want to know where the money is going and what it is being spent on.

One thing we should also make the public very aware of is very clearly and simply the objectives for the reform stated clearly here in this document. The first is jobs, helping Canadians get and keep work by ensuring that they have the knowledge and skills to compete with the best labour forces in the world, support for those most vulnerable, those who feel that we are undertaking this reform on the backs of the poor.

Hear me now. In this document it is stated that we would provide support for those most vulnerable. That of course includes the poor. Providing income support for those in need while fostering independence, self-confidence and initiatives

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and starting to tackle child poverty. Affordability cannot be avoided. Making sure that the social security system is within our means and more efficiently managed with a real commitment to end waste and abuse. This quite clearly addresses some of the concerns that have been stated to date. It has not been long but we have had some response.

How can we make the best use of this money? Broadening student access and the whole issue of learning. Broadening student access is the best way. Tuition fees by the provinces and territories have moved the cost of education back to the students.

The paper offers an interesting option, end the cash transfer for institutional support quickly and expand student loan opportunities instead. We estimate that a \$500 million student aid program would make accessible \$2 billion in loans every year. The target for that money could be older students who want to add to their skills and people who want to retrain as well. There are other options to help finance their education. For example, another idea that is being tossed about is using the moneys accumulated in registered retirement savings plans. Another option is the income contingent repayment plan.

(1235)

Many of us have heard from constituents who have graduated but who are having a difficult time repaying their student loans. People are not reluctant to contribute to their own well-being, to their own promotion and their own development. However, they want to engage in a process that will be simpler, more equitable, fairer and more reasonable. We agree with that. We think that there is a way that can be done and we want to hear from people about that. If they have found work it may not pay well enough initially to make ends meet. That is a major concern.

Income contingent repayment works well in Australia and New Zealand. It permits people to repay their loans on the basis of their incomes. They also permit the use of limited public funds to meet emerging priorities. Partnerships with the federal government and the private sector are key to this approach. These options improve employability on the base of a shared responsibility and shared contribution.

I understand that the time for debate is not as long as we would all like so I am going to skip over to some of the things that I feel are really essential. As I indicated earlier, we are looking at engaging in a process with the aboriginal First Nations group. We need to establish a process that we all agree to. We continue to do that but I think something that we really need to emphasize is the role that my constituents play.

I, like any other member in the House, have a constituency, the Northwest Territories. We have a post-secondary education system of learning called Arctic College. If you ever want to

tour the college campus you will have to bring your mukluks or your sneakers, Mr. Speaker, because the campus is three million square kilometres. It is spread throughout the north. My hon. colleague, the Minister of Indian Affairs and Northern Development, knows only too well how difficult and how long it takes to traverse and how inclement the conditions can be up there.

That brings me to the reason for this reform. I have had the opportunity to discuss with the aboriginal peoples. Each of these objectives, as I stated initially, is going to meet the needs and priorities of aboriginal people if we have a process that they can engage in. Aboriginal peoples want education and training opportunities like all Canadians. As the situation stands now, the aboriginal unemployment rate is approximately twice the Canadian average rate. Almost half of all aboriginal adults have incomes of less than \$10,000.

According to the 1990 aboriginal peoples surveyed, the social assistance dependency rate for registered Indians on reserve was over 41 per cent. The dependency rate for registered Indians off reserve was 57 per cent. The dependency rate for the population as a whole for Canadians other than aboriginal populations was only 7 per cent.

The aboriginal population is very young. Its birth rate is twice the Canadian average. Among the Inuit 43 per cent are under 15 years old. In recent years strides have been made in improving education for this young population. The good news is that we have resolved to do something about the problems that we have. There are many partnerships being forged and many efforts being undertaken by First Nations themselves. The number of status Indians enrolled in post-secondary education institutions nearly doubled in the five years between 1986 and 1991. This is an overall increase of approximately 22,000 students who are currently in post-secondary education, according to my colleague, the minister of Indian and northern affairs. That is something that we are all proud of and we all want to continue to make work effectively.

(1240)

The enrolment of on-reserve children in kindergarten, elementary and secondary schools has increased from 72 per cent of school age children in 1960-61 to 91 per cent in 1990-91. The federal government's head start program will also create a unique opportunity. We will see the positive results as healthier, stronger and more confident aboriginal children entering their school years. However, much remains to be done.

No segment of the Canadian population faces a more glaring need for effective social policy measures, enhanced opportunities, reducing barriers, investing in people, addressing specific individual and community needs than does the aboriginal population.

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The government has taken a number of steps to assist in developing and assessing the implications of social security reform for aboriginal peoples. The objective is to establish an inclusive approach in consultation and in co-ordination with aboriginal peoples.

We will be participating and ensuring—myself specifically, along with the minister and the government—meaningful aboriginal involvement in the social security reform process in the upcoming months. Social security reform can provide aboriginal peoples with a unique opportunity to foster effective delivery of social services that will have an immediate impact on their communities.

The governments of Canada and the Northwest Territories for instance have launched a strategic initiative to help social assistance recipients. Investing in people will provide them with counselling, career and employment development, life skills, on the job experience and education.

By creating opportunities and reducing dependency, we can work toward building upon the hope and promise of Canada's youth, both within and outside the aboriginal communities. I commend the Government of the Northwest Territories for the steps they are taking to help northerners to better themselves. They have undertaken their own track and I am sure they will integrate their views into this.

I would like to conclude by saying that this is not just about one Canadian, one organization, one special interest group. This is about the direction in which our country will go. This is about the way we want to see the quality of life affected for every child in this country. This is about the way that we as a government want to reinvent the direction in which government goes to serve the public, to serve every Canadian.

This is the way we want to balance those elements we have all talked about from all sides of the House. It is about jobs, about affordability and about vulnerability, not to avoid the people who most need our help, but to provide reform for all of our country and for every Canadian. We welcome their participation.

[*Translation*]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, I want to ask a question to the hon. member in her capacity as a woman and as the status of women critic. I would like to know what she thinks of the Minister's proposal that unemployment insurance benefits be reduced and based on family income in the case of the frequently unemployed.

We all know that it is mostly women who hold temporary and part-time jobs. I would like to ask the member if she does not see these measures as being regressive for women's financial equality.

Another aspect of the Minister's proposals suggesting that the benefits be based on family income is that a woman's benefits will be subordinate to her spouse's income. Does the hon. member not feel we are still treating women as citizens of—

[*English*]

The Acting Speaker (Mr. Kilger): Order. I want to remind colleagues that following the interventions by member we are subject to a 10-minute question or comment period.

[*Translation*]

With your permission, would the hon. member please be good enough to repeat her question. I will not count the time.

Mrs. Gagnon: Mr. Speaker, I would like to know what the hon. member thinks as a woman and as the status of women critic. I would like to know her opinion on the minister's proposal that unemployment insurance benefits be reduced and based on family income in the case of the frequently unemployed.

(1245)

We all know that it is mostly women who hold temporary and part-time jobs. Is the hon. member not of the opinion that these measures would bring women's financial equality backwards?

I would also like to hear the views of the hon. member on the Minister's proposal that the family income be taken into account when establishing the level of benefits. Does she not think it is a regressive measure showing that women are still second class citizens?

[*English*]

Ms. Blondin-Andrew: Mr. Speaker, I am glad the hon. member took the opportunity to ask a question. She makes remarks about the unemployment insurance changes proposed and also about family income and support.

Those are subjects for debate and consultation. Those are matters on which we are asking the public to give us their views. We are engaging in a public process. I am sure she has her own specific views.

I would like to allow the public to make up its mind. I will be dealing, as I indicated, with aboriginal women, friendship centres, the four national aboriginal groups, northerners, Canadians from all parts of the country. I will be meeting with people in Kamloops tomorrow. I will be listening, as should the other parties be listening to the public.

I mentioned in my speech this is not prescriptive. We are not going to tell people what it should be. We want to ask them for their responses to the proposals we have put out there.

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[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I know there will be consultations, but nevertheless, members on the government side do make proposals.

We heard speeches by the hon. member and the Minister. We would like to know, since I imagine they have a very clear position on this, what the hon. member thinks of the proposal that women's unemployment benefits could be based on their spouse's income. Could the hon. member tell us what she thinks of that? Does she agree or not with the fact that from now on women would no longer be treated as equal to men because, since their spouse would have a higher income, their benefits would decrease? If we ask Canadians for their opinion, I think they will want to know what their representatives think of these proposals.

As the hon. member is also a Cabinet member, I suppose she participated in the discussions and she surely has an opinion on this measure. I do not ask for her views on the other points, but only on this particular one. What is her position? Does she approve of that proposal?

[English]

Ms. Blondin—Andrew: Mr. Speaker, as the elected member for Western Arctic my constituents will know, as should my colleague, that I have not had the opportunity to go across my constituency to consult with them.

I will be having a town hall meeting next week and will be able to come back to the member and tell him, I am sure, there are divergent views on what has been proposed. There will be peculiarities to different people that have certain opinions about the proposals that we have put forward.

My view is that we are looking for opportunities for all Canadians. Not all women and men have spouses. For those who have that question will be dealt with when we have concluded the consultations.

I am not going to get drawn in on a broad, massive move that the government has taken on one issue. I am going to allow the debate to proceed and keep my opinions to myself until I have democratically consulted with my constituents.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I am not surprised that the member was unable to answer, or even to defend what is in the document which is supposed to be a discussion paper, because the provisions which the member for Quebec has referred to are totally unacceptable. That the government even thought that unemployment benefits for women could take the family income into consideration is totally unacceptable and a step backwards that the entire population, for that matter, would certainly not let happen.

(1250)

Since January, the government has been trying to convince us that there was an emergency in this country. It did not talk about that during the election campaign, but suddenly, in January, the minister of Human Resources Development announced that what was most pressing, most urgent for the development of Canada and its future was a social program reform. A wide reform which should extend to the whole country.

What has happened since that time? The committee on human resources development was given a mandate to consult Canadians on their views. The committee was expected to table its report quickly, on March 25, so that the minister could put his work plan on the table as early as April and the legislation could be passed swiftly in the fall, in order to finally address that urgent problem.

Surprise! The committee on human resources development started its work and had only two weeks to rapidly consult a number of groups and experts. But during that time, the government, without any consulting, decided to cut unemployment benefits and to include in the budget cuts totalling \$7.4 billion over three years and affecting social programs, i.e. unemployment insurance, the Canada Assistance Plan and established programs financing.

But that was not all. Bombarded with questions, Mr. Martin, the minister, said that he expected additional cuts in the reform undertaken by his colleague. The cat got out of the bag yesterday morning, just in time to colour what is not an action plan any more, but rather a pale green discussion paper, as some reporters have said.

So, the cat that got out of the bag is that over and above the \$7.4 billion cuts already voted and included in the budget, the government would cut at least another \$7 billion by the year 1999. And yet, there is no rush now. We now have plenty of time to consult the public. There is no action plan any more, only a discussion paper. Why? Because what was urgent was cutting without consulting, without caring about who would be brutally affected, including those children who are said today to be the biggest concern of the government. What a shame! I have to use parliamentary language.

The point I want to make this morning is that this discussion paper, which is supposed to launch a sweeping reform, this discussion paper called *Improving Social Security in Canada*, does not augur well, either for the people who need it or for the provinces, which are now responsible for all of these areas except unemployment insurance.

(1255)

It should be said loud and clear, and we will say it again, that this is not a program for people, whether they are unemployed, about to lose their jobs, need an income, are on welfare, or are first-time job seekers. It is not a program for people in need, for

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the poor and destitute. It is a program for a government that wants to cut spending, a government that does not have the guts to introduce tax reforms—my colleagues will elaborate—a government that is afraid to tell Employment and Immigration Canada that it cannot ride roughshod over Canadians. The program aims to centralize, and generous though the minister may seem, his idea of decentralizing is travelling around the country and signing programs himself.

This reform is definitely not for people. Let us consider very briefly some of the most frequently quoted reasons for proceeding with this so-called urgent reform. One word we hear constantly is backlog. Programs have a tremendous backlog. Backlog of what? They do not really say, but the impression is that there are too many unemployed for UI to handle. The government calls this a social security program, but everyone will agree that the best social security for people who are able to work is a job. This program has no employment plan, and whenever it refers to what it will do for people who need jobs, it says it will give them the means to look for one.

We are going to turn the unemployed into job seekers. This is not job creation but job search. They say there is a backlog because the economy is changing. Yes, it is changing, and it is changing very quickly. What kind of work does this new economy produce? It produces work that is less permanent. All industrialized countries agree that market globalization, technological change, and changes in family patterns are phenomena that have a major impact on society and employment.

Are these dynamics understood? Hardly. Does the government realize that the main problem—and we do not know how long this will last—is that except for the lucky ones with steady jobs whose numbers are decreasing, jobs are becoming less and less permanent and are held for increasingly shorter periods? Does it realize that there is pressure to reduce the number of unions and thus lessen pressures on the labour market?

The fact facing most people who are employed and all those people who are looking for work is that, in most cases, the jobs available are short-term jobs, either by their nature or because it may be difficult to stay in a particular job. When people say the problem is the backlog, it seems to me there is a backlog in the thinking of those who produced this document, a failure to realize that spending cuts and the old programs the Liberals were never able to implement after trying to do so on so many previous occasions are not the answer. A new approach is needed to deal with these problems.

(1300)

They were not able to negotiate or legislate any solution, and I will give one example. Parliamentarians who—

The Acting Speaker (Mr. Kilger): Order. In this House, members may not use exhibits to prove their point. I realize that today we have a working paper which members on both sides of the House will want to use to read a few quotes. However, the

Chair cannot allow the use of other exhibits or, taking the extreme case if a member were to use the document we are discussing today, as an exhibit, I think the Chair would have to intervene. That is not the case right now, and I hope it will stay that way. This is a very important subject for the country, and I hope we can have a debate that is both vigorous and respectful of our Standing Orders.

I would not have interrupted the hon. member otherwise, but I wanted to make this point. The hon. member may proceed.

Mrs. Lalonde: Mr. Speaker, I hope I may name the document, a working paper that never had the privilege of being tabled not in this Parliament but in 1973, and was never to progress beyond the colour orange. In fact it was known as the orange paper. Released in 1973 and prepared at the behest of Minister Marc Lalonde, it contained some very interesting items.

Hon. members opposite may wish to read them. I do not agree with everything the paper says, but it is interesting reading. The document attempted to formulate proposals for a social security policy for Canada. In addition to employment, and the paper discusses opportunities for employment, it examined ways of providing Canadians and their families with a consistent income security system. The objective was to define a social policy for Canada.

That perspective is sadly lacking in the green, I would say frosty green, paper. It does not even exist. There is no concern for what happens to people. Their only concern is what happens to the budget, this after refusing to review the tax system and increase revenues, instead of shamelessly cutting social spending.

They have another excuse for introducing reforms. Or, should I say, conducting consultations on reforms, because they are not in such a hurry, they have legislated cuts and, of course, there will be more. In any case, they said the cuts would be announced in the Finance minister's budget. So we are going to have consultations without knowing the extent of these cuts. In other words, Canadians know we are going to have consultations, but on what? The government says it will be about change, and Quebecers are starting to realize what has to be changed.

The other excuse is the lack of flexibility. That is a good one! I know the situation in Quebec, where I worked for awhile. In Quebec, people who have been involved in the fight against poverty and unemployment know how difficult it is because of a lack of flexibility in federal programs and the Canada Assistance Plan.

(1305)

Allow me to give an extremely significant example: during its first term, the Parti Québécois decided to help low-income families and individuals stay in the workplace and avoid yielding to the very comprehensible temptation, considering their income, to rely on social assistance. Therefore, the Parti Québécois decided to raise their income by giving them a supplement

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according to their individual and family needs among other things. That program was called SUPRET at the time.

When they came to office the Liberals modified that program because of practical difficulties that had nothing to do with its content. That program later became the APPORT.

What is most inadmissible is that the program did not qualify for a 50 per cent reimbursement under the Canada Assistance Plan because the beneficiaries did not, of course, pass the revenue test since they earned more than the authorized minimum.

That situation went on for years while the province of Quebec—at that time it was still called the province though it is less and less called that way now—tried, to fight against poverty within the system. But we would always come up against the rigidity of the system. Yes, the CAP supported 50 per cent of the costs, but only if the government encouraged these people to stay on social assistance. This is one example of the system's rigidity, but there are many others.

So when we are told that the situation is urgent and that we need a reform because of the rigidity of the system, I fully agree and we should proceed immediately. Except that the government does not have to make a consultation that will last two years before addressing the problems for which he is responsible.

Other reasons have been given, but since time does not stand still, I will leave it up to my colleagues to speak to improvements in education. This is clearly within the jurisdiction of Quebec, or within provincial jurisdiction, in the case of other provinces.

I will conclude by speaking about childhood poverty but first I would like to come back to the proposed options.

In order to convince Canadians that they should accept the cuts it preferred, the government explains that from now on there should be two categories of UI beneficiaries. Obviously the goal is to save money. There would be two categories: the occasional unemployed and those who are frequently unemployed.

The goal is to reduce costs while providing some assistance. We will listen to the consultation but I can tell you that my mind is made up about the system proposed. I believe it will be unacceptable for the following reason: people who hold a job for a long time in a company and lose it when the company closes its doors or because of a recession like the last one in 1981–82, are precisely those who join the ranks of the unemployed. In many cases the unemployed in 1981–82 have been unable to find another job. Since then, many of them have had only odd jobs and the others are on social assistance. Those of 1989–90 who had been spared by the first recession have now joined their ranks.

(1310)

These people had not turned to unemployment insurance in the past but they are now trapped in the unemployment–odd jobs–social assistance cycle. Why? Because the major problem, the main problem is employment. I will conclude by talking about employment. In order to help those people—because they need help, and the Liberal document of Mr. Lalonde came to the same conclusion in 1973—what must we do? We must provide good career counselling services for all people who turn to unemployment insurance.

Do you know something, Mr. Speaker, I was completely astonished because in his document the minister said: Yes, we should have good counselling services. Is that not infuriating? He is the minister in charge! What is stopping him, administratively speaking, from taking the necessary steps and creating a good counselling service? There is no need for a two-year consultation process or for an act of Parliament to create good counselling services. The idea was already in the air in 1973. Anyone moderately intelligent knows that when someone is down on his luck, you give him a few months to get back on his feet but first of all, you must help him. What is waiting for him or her? Retraining or job creation support or, rather do we think that the market is sufficient? Beyond that what is there?

There is nothing else, those are the hard facts of life. So how come they suddenly realize that their unemployment period should be used for retraining? We have been saying the same thing for decades. All of a sudden, in a document of some urgency, which says softly that this is urgent, we are rediscovering the need for retraining, yet Quebec has been asking for years to be given full control over job training.

I am running out of time. I have only two minutes left, so I will say: we will come back to that. The proposed reform is not a reform, and neither will it end childhood poverty. Quebec has been through a totally unacceptable situation. In 1965, René Lévesque, then minister of Family and Social Welfare, said during a federal–provincial conference that Quebec wanted to take charge of family allowances in order to use them in a poverty prevention policy.

He said: “The Quebec government is setting up a new social security policy which will involve not only a reorganization of the programs it presently manages, but also the inclusion of reappropriated federal programs which will achieve their full effectiveness only once they are integrated and, if necessary, reviewed in order to be fully coordinated and tailored to the needs of the people they are intended for. Such an integration is necessary because of the obvious necessity to view social measures as an integral part of our general policy on social and economic development”.

So spoke René Lévesque, a federalist, in 1965. He argued that the programs would be fully effective only when integrated. Quebec had a plan to integrate all the elements. With this program, this proposed reform, the central government is proposing a Canada where Ottawa pulls all the strings.

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(1315)

It might be the future of Canada, although we are going to fight to keep the present Constitution which recognizes that provinces have jurisdiction over everything, except unemployment insurance. In Quebec, the project requires the approval of the people who want control over their future.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I listened carefully to the speech of the hon. member as well as the one from her leader, the Leader of the Opposition. I find it strange that they should talk about real life, a life rather difficult for many Canadians, without ever mentioning the fact that, today, 25 per cent of children are born to families living below the poverty line. The Leader of the Opposition did not say a word about that. I think it is a national disgrace and, like a majority of the population, I am dismayed by it.

They also talked about students. They said that education was a provincial matter, but the Leader of the Opposition never acknowledged the fact that 40 per cent of young Quebecers never finish their secondary education. This is a tragedy. We know that in industrialized nations like Japan, 95 per cent of their young people graduate from high school. We know that South Korea has the highest per capita number of PhDs.

The Leader of the Opposition did not talk of the high rate of suicide among the young people of Quebec. In this in-depth debate we want to undertake with the people of Canada, the only concern of the opposition, and I found that regrettable, is that we do not mention the reality of life for young Quebecers or Canadians.

I also want to talk about job training. There are 25,000 jobs, 80,000 jobs that remain unfilled in Quebec and Canada through lack of job training. They only talked about university graduates who are a mere 12 per cent of young people. Nothing is said about job training. I am under the impression that the Bloc Quebecois is forgetting the large majority of Quebecers who want real jobs and long term positions.

What we want is to develop specifically designed programs for each region, that is what we heard constituents ask for during both the federal and provincial campaigns. When the federal government gets involved and offers various programs in order to interest young people in training, it wants these young people to take these courses locally. We are prepared to co-operate with local schools or CEGEPs, but not necessarily in large centres like Quebec City and Montreal, where most of the Bloc members come from.

I think we must insist on the fact that, if it is true that reality must be taken into account, we must also acknowledge the

failure of the programs and services intended for those who are really in need. As I said before, we must consider the condition of young people, students and single parent families. Those people are not forgotten in our society. Unfortunately, the Bloc Quebecois did not say a word yet about them.

In conclusion, I would like to hear the comments of a former minister from the Parti Quebecois. She had the chance to rectify the situation in Quebec and to ensure that young people had better occupational training or better chances to complete their high school. To think that today close to 40 per cent of young Quebecers drop out of high school. What a failure compared to the situation in the rest of the world.

Mrs. Lalonde: Mr. Speaker, I thank the hon. member for allowing me to go on with my speech. I would like to add that members opposite are all from the West Island but you. We are glad to have you here.

(1320)

The Acting Speaker (Mr. Kilger): Order. I am sure you will still want to address your comments to the Chair. The member for Mercier has the floor.

Mrs. Lalonde: Mr. Speaker, I will not do it again.

I must say that Quebec wanted for quite a while to get control of family allowances—first with René Lévesque in 1965 and then with Castonguay in 1971—because big families were creating a specific problem at the time, and also because the Quebec government was not comfortable with the federal policy. These ministers, federalists and Liberals, wanted to apply a policy aimed at preventing childhood poverty, but were not allowed to do it.

I must add something. The minister's task force was especially interested in preventing poverty among children. It found that the countries which succeeded in preventing childhood poverty were those that applied the policy favoured by René Lévesque and Castonguay, that is to give family allowances to all families instead of waiting for them to be on welfare before helping their children. It is a system which has kept children and family prisoners of poverty; we have been wanting to change it for a long time. The first thing to do to change the system would have been to get control over family allowances, which we were unable to obtain.

When it comes to rigidity and child poverty in Quebec, we can tell you all about it. You caused it with your system. Compare—

The Acting Speaker (Mr. Kilger): Order, please. We must have a vigorous debate, but we must avoid constantly engaging in personal attacks, which lowers the debate below the level we are accustomed to in the House of Commons. The member for Mercier.

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Mrs. Lalonde: Mr. Speaker, I will watch my language.

I was saying that Canada was reprimanded for not doing enough for children and its policy is clearly to be blamed for it. It is against this very policy that Quebec ministers fought, trying to give families universal allowances in order to prevent child poverty.

An hon. member: You were a minister in the Parti Québécois government.

Mrs. Lalonde: That is right, and I am proud of it. I was the minister responsible for the status of women. I too was able to see how rigid the Canada Assistance Plan is; we had to scrape around to find enough money to create day care centres. As you know, Mr. Speaker, daycare is for children under five and child care for children over five.

The Canada Assistance Plan paid 50 per cent of day care expenses, but not private day care expenses—we had plenty of these establishments in Quebec—or child care services provided by schools to prevent children from dropping out.

Mr. Martin Cauchon (Outremont): Mr. Speaker, I must say that it is a great honour, as the member for the Quebec riding of Outremont, to speak in favour of the reform unveiled today by the Minister of Human Resources Development. It is a major step, an essential one, one we cannot avoid.

It is with pleasure that I stand today in this House since, as I have mentioned previously, the Official Opposition acts according to a self-serving policy and not a policy aimed at helping Canadians in general and even less Quebecers.

On this side of the House, we take the interests of all Canadians to heart and, as far as we, Liberals members from Quebec, are concerned, I must say that we are working relentlessly to ensure Quebec has a voice in this forum, a highly-democratic one at that, where I am particularly proud to rise in support of this fundamental reform, as I said earlier.

(1325)

Our society has changed considerably over the past five decades. Following the Second World War, the very nature of the work on the job market is constantly changing. Technological changes, globalization of international markets and the need for environmental protection have shaken the job market, especially in the industrialized world.

A great many industries have undergone substantial restructuring, while others completely disappeared. As a result, several traditional job types were eliminated and replaced by new ones that often require higher education levels and, of course, much more specialized skills. On the whole, workers are unemployed

more often, as you may have noticed. Unfortunately, they are also out of work for longer periods.

It should be pointed out that the way things work in the family unit has also changed considerably these past few years. Nowadays, in most families, both parents work outside of home. Nowadays, women have entered massively into the labour market and make a major contribution to our gross national product. There is also a larger number of single-parent families and, more often than not, the head of these families are women.

For one reason or another, these women all too often end up in a situation of vulnerability, if not plain poverty. Like my hon. colleague from Bonaventure—Îles-de-la-Madeleine said, the sad reality is that, as a direct result of lone parenthood, the category of people hardest hit by poverty is that of children. In Canada today—this is important to note—one child out of five is living in poverty, which I must say is totally unacceptable in a society such as ours, a so-called free and democratic society.

We absolutely must find answers to these problems. And let me tell you that, with our approach as government, we will find solutions and we will find them not in isolation, but all together as a society, the Canadian society. Over the years, successive Liberal governments have put in place, and I am very proud of this achievement, a social security system that reflected our values as Canadians. I can quote a number of examples. Take for instance values such as compassion, equal opportunity and protection for persons in need.

Such values are basic principles that my party, the Liberal Party, has always promoted, and I am quite proud of that. However, social programs did not keep up with the fundamental changes that have occurred in the Canadian economy, technology, family, global competition and our financial situation. It is also obvious that the public authorities have spent beyond their means these past decades. There has been some kind of international surge of government interference.

Unfortunately, we must face the tough reality that today's governments cannot longer afford the luxury of spending. This is a reality we must work with. At the present time, the size of our national debt seriously undermines our ability to pay for services and—it must be recognized—ultimately slows down the Canadian economy as a whole.

(1330)

It must be pointed out that the federal government spends \$38.7 billion a year on unemployment insurance, employment programs, social assistance, post-secondary education, child tax benefits, and on programs for the handicapped.

Despite all this money, we must come to the harsh conclusion that our system does not serve the Canadian people adequately. We must find ways to spend our money—taxpayers' money in fact—in a wiser, more cost-effective way.

Government Orders

The provincial governments also recognize the need for reform. Several of them have already started improving their own social programs. Recently, in a speech he gave in Quebec City on September 18, the Prime Minister perfectly summed up this government's approach when he said this: "Our objective is to put in place a social security system that will protect the most vulnerable and give all Canadians equal chances of developing their potential, living fully and experiencing the dignity of work".

I fully support these principles underlying the reform undertaken by the Minister of Human Resources Development, and I am confident that the Canadian people will also fully support these principles.

In fact, the mandate we, as parliamentarians, received from the Canadian population as a whole is fairly simple: we must help people to become more independent and—I know that we often go back to this—to live in dignity.

That is exactly what is proposed in the discussion paper, the so-called green book before us today. This green book, which is submitted to all Canadians, outlines problems as well as solutions, essentially in three major areas of social security: employment, learning and security itself.

We all know that, for most families, and I think that this should be stressed, a good job is the best form of social security and a guarantee of dignity—a fundamental human value—for those who have jobs, who earn a living.

That is why the federal government will spend \$3.3 billion this year on various job training and development programs. Provided they reduce people's dependency on unemployment insurance and social assistance, these programs are—it goes without saying—a good investment for this government. However, current programs and services as we know them no longer fulfil their mandates.

We will probably get better results by offering new employment development services at the local level. The objective is simple: provide new opportunities, help Canadians find jobs and especially—this should be the ultimate goal—help people keep the jobs they found.

Governments could manage these programs more efficiently by focusing more on local needs.

(1335)

We must create closer partnerships with the provinces. I stress the word "partnership" because the green book as a whole essentially reflects—I will come back to that a little later—a renewed, modern federalism adapted to today's needs, that is,

based on partnership. We need partnerships with the provinces, with the private sector, with volunteer organizations, to better serve the population and especially to eliminate waste and duplication. You are now in a position to understand that—to use a common expression—the cat is out of the bag.

We have before us a paper reflecting an open, flexible federalism aimed at making the most of this system of government in the interest of all Canadians. So you can see why the members of the Official Opposition are—as we often say—lashing out. Since they desperately want Quebec to separate, it goes without saying that enhanced federalism undermines their plans, which is why they lack objectivity.

To go back to unemployment insurance, it must be pointed out that, in the beginning, this program was supposed to help people who had lost their jobs by providing temporary income support. In fact, unemployment insurance was simply, as the term implies, a form of insurance. However, in the new economic environment, our social programs must do more than just issue a benefit cheque. They must also give the unemployed a chance to get and keep a job, as I said.

Let us look at some statistics. Last year, 13 per cent of the unemployed had been without work for a year or more. This is three times what the long-term unemployment rate was in 1976. Furthermore, and this is even more disturbing and difficult to accept, nearly 40 per cent of recipients had made at least three applications for unemployment insurance in the previous five years.

In fact, for too many of them, unemployment insurance has become a treadmill that they cannot escape, which I find most unfortunate. People who are frequently unemployed need practical help which, too often, they cannot obtain. Furthermore, many people, especially women and the young, who hold unconventional jobs do not even qualify for unemployment insurance. This is a very serious shortcoming.

We can no longer afford a system that lets people work 12 weeks and collect UI for the rest of the year. This is a hard fact but it is reality. People who are frequently unemployed must be offered practical help and strong measures to enable them to find a job and, as I said before and keep repeating, to hold it.

With a trained labour force, our cities will no doubt attract investments and new jobs much more easily. The government can provide the necessary tools, but we must seek appropriate solutions together, and this question of working together and partnership keeps coming up.

I emphasize that social program reform is a mutual responsibility. We must pay special attention to how we spend and not just how much. The discussion paper, which I call the green paper, of course, proposes two approaches for reforming unemployment insurance.

Government Orders

The first approach is a new two-tier unemployment insurance plan. For occasional claimants who use the system less, the plan would continue to operate as before and provide the same parental, sickness, maternity and adoption benefits.

(1340)

Frequent claimants who face what I would call a chronic unemployment problem would be entitled to what can be called adjustment insurance. These benefits could be lower, but beneficiaries would have access to more active measures to find work or to acquire training that will eventually lead to a steady job.

The second approach to UI reform involves adapting the present UI system that we know. This approach would treat occasional and frequent claimants the same way. The period of employment required to be eligible for benefits could be longer or the benefit period could be shorter.

Also, the amount of benefits paid could be reduced. I emphasize that when I talk about unemployment insurance reform, it must be said that these are proposals we are making in the green paper and of course we are counting on the public consultation to follow, beginning in November, if my memory serves me, to find out what all Canadians think about the options we are proposing. This is not a policy that will be followed with legislation; it is a discussion paper.

The second point in the green paper of course concerns post-secondary education. As we well know, education in Canada is exclusively in provincial or territorial jurisdiction; however, we must be reasonable and realistic. We must recognize that since Confederation, the federal government has supported post-secondary education because of the basic connection between education and employment.

This support has helped build the system of universities and colleges that we know today in Canada and of which we are so proud. Now, the big new challenge facing higher education, basically, is access. Our system must educate and train many more people than in the past. Training must also be better suited to the new jobs. I think it is important to point out that in the past three years, the number of jobs offered to university graduates increased by 17 per cent, while the number of jobs offered to people who had not graduated fell by 19 per cent.

The idea that only children and young adults have to learn is outdated, since each and every one of us now has to accept the idea of learning as part of life. With continuing education, we can keep a state-of-the-art labour force and a dynamic economy. Canadians must be able to benefit from better opportunities for education and training throughout their working life.

The system must also be modernized so as not to restrict access to education and training, both for young people who are

beginning their career and for workers who want to follow developments in the new economy. As you know, the federal government provides over \$8 billion a year for post-secondary education, through student loans or transfers to the provinces. The value of the federal contribution is rising every year at the same rate as economic growth.

(1345)

We must, however, face the hard facts of what I would call our budgetary constraints. The cash portion of the federal transfers will decrease proportionally, and will unfortunately come to an end within ten years.

Instead of letting these cash transfers run out, we must think of better ways to use this money in order to help more people pay for their studies, thus providing better access to education.

In a competitive global economy, the decision to invest in learning, and no one can blame us for showing goodwill, is economically sound, but the investment must be a shared responsibility.

Thus, two main options are introduced in the discussion paper. The first is to stop the cash transfers to the provinces and territories, and use the money instead to make more loans and grants available to individuals. The second would allow more flexibility in Registered Retirement Savings Plans, so that people could use their savings for lifelong learning. In fact, the commendable goal of the government is to maintain and to broaden access to post-secondary education and learning.

In the interest of greater fairness, the government is proposing a system where loans would be repaid according to the student's future income. Here again, I think no one could blame us for trying to create a much fairer system.

Unfortunately, too many people depend on welfare, whereas, if they had effective employment and training support, they could find a job.

Since 1981, the number of welfare recipients has doubled, reaching just over three million. Our social security system must protect the neediest. It is clear from the options proposed in the green paper that that is precisely our goal.

Finally, members opposite are attacking the reform that we are tabling as if it were essentially an undebatable policy. Let it be clearly understood that the government is working for all Canadians.

Some hon. members opposite have said that they have on their drawing boards an idea for an open, cost-effective and modern federalism. I tell them that on our side, the government side, we think their ideas are already outdated, because the paper just tabled by the hon. minister Axworthy is a perfect example of this new federalism.

Government Orders

Mr. Nic Leblanc (Longueuil): Mr. Speaker, when I was first elected in 1984, our debt totalled some \$175 billion. Since then, it has continued to grow and we are living on credit; each year, we borrow money to maintain our standard of living. The paper tabled yesterday confirms that federalism can no longer afford to provide the social services needed by Canadians.

We now have the proof of that, and it has been given to us by the present Liberal government. It is very simple. When a government cannot fulfil its main mandate, which is to ensure that everyone's health and education needs are satisfied, that they have the basics to survive, and when it officially declares that it can no longer afford to carry out its social mandate, this is proof that that government and that federalism cannot work any more. Like we said 30 years ago in Quebec, the federal government should have decentralized its responsibilities and put social affairs under provincial jurisdiction.

This would have been a very logical process, as we can see today.

(1350)

Quebecers will understand clearly well that the federal government is going bankrupt. In fact, that was officially announced last evening: the federal government is literally bankrupt. The evidence is there. Let us take a look at the document.

The hon. member for Verdun should say if he agrees with me on that. After all he is from Quebec. He has followed politics—

Mr. Cauchon: Outremont.

Mr. Leblanc (Longueuil): Outremont, I am sorry. People from Montreal do not like it when you say Verdun. Outremont is posh, so we have to be very careful. Again, Mr. Speaker, I apologize to the hon. member for referring to the wrong riding.

In any case, the evidence is there regarding this very costly overlapping, whether in the education or health sector, and, as I said, this document confirms that this overlapping has cost so much that the federal government is bankrupt. It is as simple as that.

Mr. Cauchon: Mr. Speaker, first I resent such comments on my riding. Outremont is a great constituency and I am very proud of it. I am also very proud of the fact that, last October 25, Outremont voters asked me to represent them here. I have every intention of continuing to do so properly and to also represent all Quebecers.

It is rather amusing to see how irresponsible the Official Opposition can be in its approach. The members opposite are irresponsible because they are saying that Mr. Axworthy's Green Paper is an admission that we no longer have—

The Acting Speaker (Mr. Kilger): I wish to remind hon. members that they should not mention names but only refer to titles or constituencies. You can say "the Minister of Human Resources Development".

Mr. Cauchon: Mr. Speaker, they are irresponsible because they claim that the Green Paper is an admission that the federal government no longer has the means to meet its financial obligations regarding social programs.

Again, this demonstrates the extent to which the Official Opposition is trying to deceive Quebecers. We have the duty, in the context of the Canadian federation, to restructure social programs, first because they are no longer working and second because of budget constraints. Can you imagine where you would find the money to do that, once Quebec has separated.

The Acting Speaker (Mr. Kilger): Order, please. The debate continues to be heated. The Chair reminds hon. members to make sure they always address it.

Mr. Cauchon: Mr. Speaker, I am sorry, but I was looking at you. My finger was pointing in another direction, but I was looking at you.

I wonder to what extent the people who promote separation are creating smoke and mirrors for the benefit of Quebecers. I say so, because I respect the notion of separation being conveyed in Quebec. I respect it, but I think that this government—and this is really hurting the opposition parties—is a responsible government which takes the mandate it has received from Canadians very seriously. What we are trying to do is first to ensure that our social programs are working and that the workers can re-enter the labour force while we remain able to meet our budget requirements.

I also want to mention that the opposition is trying to focus only on the reform proposals found in the green book, the reform suggested by the Minister of Human Resources Development. I also think that the opposition is trying to deceive people, because this reform is in line with a more general strategy. As the Prime Minister recently explained, the government strategy is based on four pillars. First, there is the intergovernmental relations reform, which the Minister of Intergovernmental Affairs must implement. Then, there is the financial situation and the job creation policy.

But here is where the shoe pinches for the opposition. Although I would not call the green book a masterpiece of contemporary literature, it is surely a chef-d'oeuvre as far as a more open, cooperative, flexible and profitable type of federalism is concerned.

(1355)

If our reform is successful, it will prove that federalism works. Members across the aisle find it to their own advantage to set out stumbling blocks. Today I advise Canadians and especially Quebecers to beware lest they be deceived by these people who only have their own interests at heart while we, on this side, want to protect Canadians' and Quebecers' interests.

S. O. 31

[English]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I listened with interest to the comments and the answers to the questions the hon. member gave.

He made the valid comment that people are being misled. I look through the document and people think there really is something in there that is going to solve the problems of this country. I really think they are being misled.

I would like to comment on some of the statements made with regard to training programs. First of all, who pays for these training programs? The hon. member knows the people who pay for the training programs this government wants to implement are the employers and employees. They are the ones who pay for them. In other words these training programs are a tax on those who create jobs and those who work.

The finance minister has acknowledged that if you were to reduce unemployment premiums you would create many jobs. Yet there is not a clear plan in any of this that that will happen. In fact it is going to be a job destroyer if we continue to have the public pay these high premiums.

If you pay people not to work they will not work.

The Speaker: Order. I thought I heard the word “you” in there and I know you are addressing the Chair. Perhaps you would pose the question.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I am sorry. I meant it in the generic sense.

How does the plan in this booklet create jobs? Can we have a clear and reasoned explanation as to what in this whole plan will create jobs? I would like a clear and reasoned answer to that because it is not obvious when reading it.

Mr. Cauchon: Mr. Speaker, I am very proud of the green paper. Our platform in it is much more interesting than the platform we could have with the Reform Party. Reform Party policy would cut all spending on social programs. That is all Reformers want. All they want is an irresponsible government. They should not tell people that this is a policy. It is a discussion paper.

If you have something to say in the best interests of—

The Speaker: I would simply remind you, my colleagues, that you must speak through the Chair. It takes the sting out of everything. However, it being 2 p.m. pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

INFRASTRUCTURE PROGRAM

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I quote:

The Canada–Ontario infrastructure works program has been an overwhelming success both locally in Wilmot as well as in the region of Waterloo. It has created numerous jobs and made a significant contribution to the local economy.

I strongly urge you to consider extending this very valuable program. There are still a number of projects which need to be completed. The Canada–Ontario infrastructure works program extended would provide the vehicle to complete these projects and provide much needed additional jobs.

These are the words of the mayor of Wilmot township, his worship Lynn Myers. His sentiments are shared by all the municipal leaders in my community and is indicative of the success of the infrastructure program.

The Canadian infrastructure program is an investment in the future of Canada. I urge the government to consider the extension of this program.

* * *

(1400)

[Translation]

SOCIAL PROGRAM REFORM

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, the Ontario premier joined his Quebec and Saskatchewan counterparts in rejecting the social program reform as proposed by the Minister of Human Resources Development.

The Ontario premier went as far as describing the document tabled yesterday as an insult to all provinces and all Canadians, nothing less. Clearly, this government’s obsession with making the most destitute pay is contrary to the people’s wishes.

Within 24 hours, three provinces representing two thirds of the Canadian population have already opposed this reform. It is about time this government listened to Canadians and proposed solutions which answer their needs.

* * *

[English]

SOCIAL REFORM

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, the Liberal’s discussion paper on social reform policy has no meat. The Liberals had months to develop these proposals and yet there is absolutely nothing we can sink our teeth into.

The Liberals accused reformers during the campaign of wanting to destroy social programs because we wanted to target spending to people in need. This is what social programs are for. By contrast, the Liberals and Tories have traditionally used social programs simply to buy votes.

Canadians are fed up with this. We cannot even begin to make significant cuts in our budget unless the government has the guts to wade into the waters that it and the Tories muddied. We need an action plan directed at those most in need. We need an action plan that targets those who cannot work, not those who will not work.

Canadians want action. What they get are more and more delays, more and more wasted time while the Liberals consider only their political future.

Let us take politics out of this and put Canadians first.

* * *

AIDS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, National AIDS Awareness Week draws our attention to the most threatening epidemic in the history of mankind.

During this week we must remember the victims of AIDS. Those infected by HIV are victims. Those who have lost loved ones are victims. Those who support the health care system with our taxes are victims. We are all victims of this terrible human scourge.

We must also turn our thoughts to the dedicated work of the health care professionals, hospital workers, care givers and volunteers who seek to slow the onslaught of the damage caused by AIDS.

I call on my fellow MPs to support all efforts to find a solution to this most important human concern.

* * *

THE ENVIRONMENT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I stand to congratulate the Minister of the Environment and the government for doing in less than a year what the previous government could not do in seven.

The announcement of the Canadian Environmental Assessment Act signals this government's commitment to its red book promises and its commitment to the health of our environment and economy.

The act will remove uncertainty and get environmental assessment out of the courts and back into the hands of the people where it belongs.

The minister in her statement clearly pointed out that the government wants to work with all jurisdictions that care about their environmental future and is willing to discuss harmonization with every province and aboriginal group.

S. O. 31

Five ministers of the previous government tried to do this and failed and it only took one Liberal minister, one Liberal government to succeed. One Liberal to five others, sounds like fair odds to me.

* * *

BRAIN TUMOUR AWARENESS MONTH

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I rise in the House today at the request of Barbara McGinnis who has asked me to join with the Brain Tumour Foundation of Canada in declaring October Brain Tumour Awareness Month.

Every year over 10,000 brain tumours are diagnosed in Canada. By educating the public to the symptoms of brain tumours, detecting tumours at an early stage and continuing with research into the cause and treatment of these tumours, lives can be saved.

(1405)

It is only through increased public awareness and the participation of responsible community minded citizens that the foundation can continue to achieve success. The foundation's goals are to be found in brain tumour research, providing patient and family support services and educating the public.

I encourage my colleagues in the House as well as all Canadians to support the brain tumour foundation in its efforts to raise public awareness of this serious life threatening disease.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Ghislain Lebel (Chambly): Mr. Speaker, yesterday, the Quebec government indicated that the social program reform is totally unacceptable. Quebec's position is clear: Ottawa still insists on controlling the economic, social and cultural development of the provinces.

This reform is a centralizing effort irreconcilable with the prevailing consensus in Quebec for taking the authority over manpower training. What is even worse is that Ottawa is ten years behind the existing programs in Quebec. The terrible cuts proposed in this reform only reflect the federal government's inability to balance its own budget. As was noted by the Quebec Minister of Employment, Ottawa used the public finance crisis as an excuse for getting involved in every aspect of social security.

The Bloc Quebecois joins with the Quebec government to oppose this reform which affects the most destitute in our society.

S. O. 31

[*English*]

LIBERAL GOVERNMENT

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, today marks the tenth anniversary of Marc Garneau's voyage in space. I am sure all parliamentarians join me saluting this Canadian hero and this milestone for the Canadian space program.

I would also like to draw the House's attention to some other Canadian space travellers who will be celebrating an anniversary later this month. The Liberal government has been on another planet for almost a year now. The human resources minister says he wants us to reach for the moon. That is easy for him to say, he is lost in space.

The Canadian public wants to know when this government is going to come down to earth and actually deal with some of this country's social and fiscal problems. How long before the IMF says beam them up?

While I am on this celestial topic I would like to point out that Canada's debt is reaching astronomical levels. This morning at 0800 hours the national debt was \$533,210,978,829. 19. That is a disgrace.

* * *

MENTAL ILLNESS

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, this week is the third annual Mental Illness Awareness Week. The Canadian Psychiatric Association and other organizations are focusing on mental illness in the family this week.

Mental illness can affect anyone at any time. One in every five Canadians will suffer from a mental illness at some point in their lives. Canadian hospital costs for people being treated for mental illnesses exceed \$1 billion a year. We as Canadians have a responsibility to do our part, especially in these times of fiscal restraint.

Governments, organizations, communities, families and the individuals diagnosed with mental illnesses have to work together to create a more cost effective, more humane approach to the treatment of mental illness.

* * *

[*Translation*]

INTERGOVERNMENTAL AFFAIRS

Mr. Nick Discepola (Vaudreuil): Mr. Speaker, I am astonished to hear that the Quebec premier refused to join the Canadian economic mission to Asia, which is composed of business leaders and premiers.

Mr. Parizeau claims that he is needed in Quebec. Come on. Has he already forgotten that he pledged to represent all Quebecers whatever their option?

As a team player, we have seen better. Quebec ranked 32nd among exporters, supplying only 18 per cent of all Canadian exports, and Mr. Parizeau would rather be alone on the ice. Rather than joining Team Canada and trying harder not to throw away Quebec's chances, he insists on passing the puck to others. Is this the new government? Mr. Parizeau should know that, to succeed, it is better to rely on top players than on substitutes.

* * *

(1410)

[*English*]

HERMAN VANDUYN

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, I ask the House to celebrate the impressive accomplishments of Mr. Herman vanDuyn, the owner of Hill's Greenhouse Nurseries in Murillo, Ontario.

This hard working and civic minded entrepreneur has produced over 100 million tree seedlings, a truly remarkable milestone. Mr. vanDuyn is the first Canadian to grow seedlings for the Minnesota state government.

His contribution to his community has been significant, providing employment for 8 full time and up to 50 part time positions. Moreover, he typically donates 10,000 to 20,000 tree seedlings every year to a variety of individuals and organizations in his community and across the country.

This fiercely proud Canadian, born in Holland, chose to emigrate to Canada because of the great respect Dutch people have for Canada. This is one of so many reasons Canada has been and continues to be an excellent destination for business investment.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. René Laurin (Joliette): Mr. Speaker, we waited for the discussion paper on the reform of social programs for a very long time, and we are all deeply disappointed with it.

In fact, all Quebecers and Canadians are concerned about the impact of these reforms on their quality of life and particularly on the poorest members of society. Even some Liberal members dissociate themselves from the discussion paper presented by the Minister of Human Resources Development.

Indeed, last night, the member for York South—Weston said: «For the ten years we were the Official Opposition, we accused the Conservatives of lowering the deficit on the backs of the most needy, and now we are doing exactly the same thing».

[English]

SOCIAL POLICY

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, many Canadians are very concerned about the intent and misguided direction of the Liberal government's review of social programs, and rightly so.

The growing federal debt proves existing programs are financially unsustainable in the long run and the long run is now. The minister of human resources seems intent on tinkering with social programs rather than making real changes to put them on a sound financial footing.

For the government to simply rejig programs that are financially unsustainable is dishonest. It is immoral to force on to Canadians a package of retreaded programs held together with bubble gum and binder twine. Programs that collapse under a mountain of debt will crush the very people the programs are intended to help.

I challenge the minister to prove to this House and to all Canadians that his social programs can survive the ravages of a government that cannot balance its books.

The first social aid program that should be cut is an unelected Senate.

* * *

AUTISM

Mrs. Bonnie Hickey (St. John's East): Mr. Speaker the Autism Society of Newfoundland and Labrador has brought to my attention that this is Autism Awareness Month.

Autism is a developmental disorder which occurs in approximately 15 out of every 10,000 births. It is estimated that there are over 500 people affected with this disorder in Newfoundland alone. It is four times more common in boys than it is in girls, with symptoms appearing during the first three years of life. Autism causes severe communication difficulties. Social interaction and behavioural problems are also evident.

It was first diagnosed in 1943 and is one of the most complex disabilities to understand. In fact, 50 years of research has failed to find an exact cause or cure.

I commend the Autism Society for its work on raising public awareness of this disorder and I am pleased to bring this to the attention of the House.

* * *

[Translation]

INTERIM LEADER OF THE CONSERVATIVE PARTY

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, the interim leader of the Conservative Party recently found a new political orientation for himself.

Oral Questions

He said to the Laval Chamber of Commerce that his new constitutional position is now called «shared sovereignty».

This statement contrasts sharply with the philosophy and the action taken by the previous government, of which he was a member. We ask ourselves several questions today: Are there now two sovereigntist parties in this House?

Is that new constitutional position supported by more than 50 per cent of the Conservative caucus?

(1415)

Is there a connection between his about-face and his recent discussions with his former boss, Mr. Mulroney?

Canadians no longer trust these politicians who change their opinions on the basis of opinion polls. If the hon. member really wants to contribute to the referendum debate that is about to begin, he should first decide on which side he wants to be.

* * *

[English]

JUSTICE

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, a recent Supreme Court ruling that extreme drunkenness can be a defence against rape has shocked all Canadians, especially women. Where is the rationality in such a decision?

This ruling is absolutely absurd. Now the voluntary consumption of alcohol can be used to excuse an individual's criminal behaviour.

I am sure a great many Canadians are very perplexed by this decision. What will be the impact of this judgment on impaired drivers across the country? Can they hide behind the coloured glass of a bottle because of this judgment?

The Criminal Code has to be amended so that all women and law-abiding citizens can feel safe again. Drinking must be no excuse for any criminal behaviour, none whatsoever.

ORAL QUESTION PERIOD

[Translation]

SOCIAL PROGRAM REFORM

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, partially unveiling its plan to reduce its contribution to the financing of social programs, the government carefully avoided revealing in its discussion paper the extent of the cuts it intends to impose on the needy in order to reduce its deficit. But thanks to yesterday's *Toronto Star*, we now know that a confidential memorandum to Cabinet sets the amount of additional cuts in social programs at \$7.5 billion over the next five years.

Oral Questions

My question is for the Prime Minister. How can the people take seriously the consultation process that is about to begin when the government did not tell them that its decision had already been made and that regardless of the consultation, it will cut social programs by at least another \$7.5 billion in the next five years?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, we have said many times in the House that it would be much more valuable, rather than using speculative stories and leaked documents to try to scare people, for the hon. Leader of the Opposition to use the real facts as presented in the government documents which we have made public. They are the real ones.

The document we tabled yesterday clearly indicates that fiscal parameters had been established in the 1994 budget. It indicated that we would hold transfer payments at the 1993-94 level and that we would have in the 1994 budget savings from the unemployment insurance fund, which were obtained last year in Bill C-17.

I have also said publicly that we would like to target another 10 per cent of savings so we could devote that money toward enhanced employment, job creation and training programs for unemployed Canadians.

Those fiscal figures are real. They mean something and they are the ones that apply. Anything beyond that is simply speculation. The document that the hon. leader refers to has no relevance or any meaning in terms of real decisions made by this government.

[Translation]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the document quoted by the *Toronto Star* is a Cabinet document saying that not only has the decision to reduce social spending by \$7.5 billion, in addition to the cuts already announced, been made, but the ministers also decided to hide the truth from everybody during the consultation process. The *Toronto Star* is not a paper suspected of anti-Liberals sentiments, so I give it some credibility. That gives us an idea of what it would be like if the Reform Party were in power.

Does the Prime Minister admit that by hiding the extent of the cuts his government intends to impose on the needy he is asking people to participate in a phony consultation? How can a government that will reduce social spending by \$15 billion in five years still speak of compassion?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, earlier the minister explained very clearly the government's position. In the budget brought down by the Minister of Finance,

we indicated, as the minister mentioned a while ago, that we would not cut transfers to provinces but that we would freeze them for a year. We passed unemployment legislation that led to reductions. That is the context in which these discussions with the public will take place.

(1420)

As for the document to which the hon. member is referring, it is not a Cabinet document, but rather an internal memo from a particular department. I receive many documents of this nature every day; very often, several of them end up in the waste paper basket.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the problem is that this particular memo did not end up in the waste paper basket but on the front page of the *Toronto Star*.

Now that the government's hidden agenda in terms of real cuts and bogus consultations has been revealed, will the Prime Minister be honest and tell us what other unpleasant surprises he has in store for Canadians in this social reform?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is a very important document. The minister is addressing a fundamental problem in our society. We have had social programs that have served us well until now. However, as the minister explained in his speech this morning, the context is completely different today.

The minister was not afraid to tackle the issue and go to the bottom of things. But we do not want to impose all the solutions. The minister has offered several alternatives. We will discuss these alternatives with the provinces and with all those interested in taking part in these discussions, and we will introduce legislation next year.

As for the fiscal parameters, everybody knows that we have made a clear commitment to reduce our country's deficit to 3 per cent of the GDP by the end of the third year. And as the minister was saying, all the departments are encouraged to make cuts in order to help us reach our goal as easily as possible, without destroying the good things that we have now.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the document *Agenda: Jobs and Growth* goes well beyond that since it says, and I quote: "A social security system that is financially unsustainable is a dead end". They are talking about financial sustainability, Mr. Speaker!

As it had already done in last February's budget, instead of addressing the causes, the government has obviously chosen to attack the unemployed by proposing measures that restrict access to unemployment insurance. Yet, in Quebec alone, the 1993 cuts to the unemployment insurance program forced 22,000 unemployed to go on welfare.

Oral Questions

In these conditions, how can the minister claim that, by restricting access to unemployment insurance, he will give to the unemployed the hope and confidence they so badly need when he has not proposed any real job creation measures?

The Speaker: I hope that the question will be a little bit shorter next time.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, if the hon. deputy looks carefully at the words she used, rentable means investment. We are talking about investment in people, investment in their skills, investment in their talents, investment in their thoughts. Investment is what it is all about.

I listened this morning to the hon. Leader of the Opposition. In his speech I did not hear one idea about how to get people back to work, not one idea of how to invest in the country, not one idea of how we can help the people of Canada. All he wants to do is tear the country down.

(1425)

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I have a question for the Minister of Human Resources Development. How can the Minister, in his paper, make the victims of a situation where jobs are insecure and scarce, particularly those claimants who regularly rely on UI benefits and make up 40 per cent of our unemployment insurance rolls, carry the blame for the difficult circumstances in which they find themselves? Is that the famous change they so often tell us about?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the paper contains a series of very important choices for Canadians. The most important is: are we prepared to invest in helping people get back to work? Can we help them improve their education, their skills? Can we give them the incentives to go back to work by offering an earning supplement to an employer? Can we help them start their own jobs and start their own businesses?

Those are the key issues. We are not taking away from the unemployed. We are giving to the unemployed. We are giving them hope, we are giving them resources, we are re-equipping them for the new economy so they can get jobs.

We are not standing as an elite, as the members of the opposition do. They want to see people stay on unemployment insurance. They want to see people stay unemployed. They have no interest in getting them back to work.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the government's social policy paper is devoid of detailed information concerning the cost of the proposed reforms or the projected savings. It is that vacuum that is generating the speculation about what is meant.

It seems that the government either does not know the cost and savings figures, or if it does know it is hiding them from Canadians.

Is the Minister of Human Resources Development ignorant of the detailed cost and savings consequences of his paper or is he withholding them?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the answer to the questions is no and no.

Mr. Hermanson: That's good. You can tell us then.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, it is virtually impossible to have the public discussion that the minister asked for on social reform without Canadians knowing the detailed cost of the alternatives that are presented. They are not contained in the paper.

The social net is in a mess because Liberals in the sixties and seventies would not answer the questions: what does it cost and where is the money going to come from.

To facilitate the discussion that the minister says he wants, will he provide in the next week an addendum to the discussion paper detailing the cost of his social reform proposals and the expected savings?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, if the leader of the Reform Party had been listening more carefully to what we have been saying, I indicated that a series of technical papers are being issued that will give very detailed accounts of all the kinds of programs.

I am going to make an offer to the hon. Leader of the Opposition. I will table my detailed financial and economic reports if the hon. leader of the Reform Party will tell us what programs he intends to cut in the \$15 billion of social program cuts his member announced. Is he cutting seniors' pensions? Is he cutting aid to children? Is he cutting programs for education? When is he going to detail what he is going to cut?

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, this figure of \$15 billion which the minister bandies about is the government's figure. The government has a \$40 billion deficit. It says it is going to get to \$25 billion in three years. We know that math is not a requirement for being the Minister of Human Resources Development but that adds up to \$15 billion.

Oral Questions

Ministers who have grand plans and proposals and no ideas on how much they cost or how to finance them have been the curse of finance ministers since the days of Sir John A. Macdonald. I ask the finance minister, if the Minister of Human Resources Development cannot or will not provide Canadians with the cost and projected savings of his paper, will the finance minister agree to do so?

(1430)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, clearly the Reform Party does not like the answers they are getting. They are too truthful for them to absorb.

I know that it is very difficult for the hon. leader of the Reform Party to say anything that has not been pre-scripted. We saw last night how he made comments before he had read the report and now he is asking questions after I have already given the answer.

I have already said to the hon. leader that we will be tabling very specific technical papers. In so doing I would like to return the compliment to the leader and ask if he is going to explain the comment of his colleague, the member of Parliament for Calgary North, who said "we are going to cut in the neighbourhood of \$50 million largely from social programs". When is he going to come clean as to what he wants to cut?

[Translation]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, my question is for the Minister of Human Resources Development.

The Minister's discussion paper confirms the worst fears recently reported by the media. Not only is this document going after the most destitute members of our society, but it is targeting women specifically. It proposes to make the spouse's income level a criterion for UI entitlement.

How can the Minister justify his approach that makes women's right to UI benefits subject to their spouse's income level?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would recommend strongly that the hon. member read the green paper. If she reads it she will recognize that in that proposal we talk about major programs for child care so that we would have a national strategy for child care funded to the tune of 700 million new dollars.

We are talking about a major program dealing with child support as it affects women. We are talking about major programs to enable women to get back into the workforce. We are talking about major proposals that would deal with the whole

problem of family work and how we can provide coverage under unemployment insurance and other income security programs for part time work occasioned by women.

This is a document to emancipate women into the workforce and give them full rights for the first time.

[Translation]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, since this proposal is an unacceptable setback for women after decades of struggle for increased financial independence, will the Minister immediately undertake to withdraw this proposal which is in fact discriminatory?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, once again I think it would be very helpful if in preparing questions the hon. member was relevant to the kinds of issues that we are dealing with.

I am saying that I would like to see the hon. member, who expresses a real concern for women, come out and support the proposals in this green paper to have a national child care program. Will she support a program for child support enforcement? Will she support a program that will help women get back into the workforce? Will she support a program that will help women go back to school and university? Will she support those proposals in the green paper, yes or no?

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, if this minister had anything useful to say he probably would not be attacking other members and inventing things that they never said.

Is not the reason this minister has only produced a discussion paper and not an action plan because the minister cannot get co-operation from the provinces?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the most important part of any action plan in this day and age is to make sure that all Canadians have an opportunity to participate in forming it, in shaping it and in designing it. That is what consultation is about.

(1435)

I understand the Reform Party has this authoritarian streak. It does not want to consult with people. It does not want to ask people. It does not want people to participate.

Why is the Reform Party afraid to go to the public and ask what they think rather than going ding-a-ling on a telephone line?

Mr. Cummins: The program is so sick the book has turned green.

Oral Questions

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I am encouraged that the minister already sees we are going to be the government and he is already trying to—

Some hon. members: Oh, oh.

Mrs. Ablonczy: Until he is in opposition attacking the government I wonder if the minister would acknowledge that province after province has already spoken out against these proposals. The reason the minister cannot get co-operation from the provinces is because he is inflexible and unwilling to decentralize. Is this the minister's idea of co-operative federalism?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only reason I am so kind to the Reform Party is that I do not want to see it disappear, at least not this year.

What the hon. member said is not true. There have been several statements by provincial ministers and leaders saying that they are interested in a serious process of social reform, that they want to talk about real consultation, that they want to raise their issues.

I am not asking them to agree with everything that is in the paper, but it is very important that they all participate. I am encouraged to see that they are willing to participate, just as they were willing to co-operate this past summer. We have been able to negotiate and sign over seven specific new agreements with the provincial government to initiate innovative ideas on how to deliver social programs more effectively.

The best sign of co-operation is when there actually is an agreement to make something happen. That is what we are doing with the provinces.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the discussion paper published by the federal government shows a very clear intent to centralize. Ottawa wants to centralize increasingly the powers related to education, manpower training and income security, which, you will agree, are all areas under provincial jurisdiction. This intent will bring about, as we know, unproductive and harsh confrontation between Ottawa and the provincial governments.

My question is for the Prime Minister. How can he justify that while reducing its contribution to social program financing in Canada, Ottawa insists on imposing increasingly its views on the provinces by dictating national standards?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member should have listened to what the minister said. He referred to a series of statements in this paper. It is clearly stated, on page 27, that we are committed to respect the Constitution. We are proposing, on page 40, a transfer of money and responsibility for manpower to provinces. We are propos-

ing, on page 62, the possibility for provinces to opt out in relation to education and so on.

However, the members opposite are stuck in the rut of their doctrine. Besides, last week, the head of the government of Quebec, Mr. Parizeau, in answer to a journalist's question—and that is why the Opposition is taking this approach—stated, and I am sorry to quote him in English:

[*English*]

But I mean after all we are not there to have the system operate as smoothly as possible. We are there to get out of this system.

[*Translation*]

The people across the way accuse us of unwillingness to co-operate, but it is the separatist leader of Quebec who stated that they do not want to have anything to do with the federal government.

(1440)

As for us, what we want to do with this reform is give to all Canadians and to the workers, including those of Quebec, the dignity that comes with a job. People are tired of hearing about separation and Constitution. What they want is jobs, dignity, training and education. And we will help them.

Mr. Michel Gauthier (Roberval): Mr. Speaker, need I remind the Prime Minister that not so long ago he called the unemployed in Quebec and Canada beer drinkers? We remember!

Some hon. members: Yes, we remember.

Mr. Gauthier (Roberval): We remember when he talked less compassionately about those who suffer because jobs are scarce and because his government does not care. We know and remember.

Does the Prime Minister not realize that his government's centralizing efforts will in fact lead to extremely costly duplication and overlap between the two levels of government and does he not realize that, for Quebecers, the only logical solution is that, to live in a satisfactory way, they must have their own policies, their own government, their own state and their own country?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I thank the hon. member for confirming what Mr. Parizeau said. They want the status quo, they do not want changes. They do not want the well-being of Canadians, they do not want them to regain their dignity by working. They have only one obsession, which is their petty constitutional fight for the separation of Quebec, but they do not even have the courage to say to Quebecers that they are separatists.

They invent words like "souverainiste", which is not even in the French dictionary. They sometimes use the word "indépendantiste", and the first time this word appeared in the dictionary, it said that it was a regional term meaning Quebec separatist.

*Oral Questions**[English]*

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I have been listening very carefully to the answers that the human resources minister has been giving and the answer to every one is the same: Attack the questioner. I believe the minister is making a virtue of this consultation process as an excuse for inaction.

Will the minister of human resources tell us when we can expect legislation from this no action plan to be tabled in this House.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would not want to interfere with the hon. member's own particular form of self destruction by admitting in the House of Commons, the place of the people, the place where we are supposed to express the voice of Canadians that he has no interest in talking to Canadians, no interest in involving Canadians, no interest on behalf of the Reform Party in having any kind of discussion to allow Canadians to make decisions.

The when is now. We tabled the paper. Parliament began to debate it today. Everybody speaks on behalf of Canadians. Get up on your feet and debate for a change.

(1445)

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, this answer absolutely proves what I have been saying: attack the questioner.

We have been discussing and consulting now for one year. Could the minister make a commitment today that he will not allow any factors to interfere with or delay in any way the much needed social policy reform that should be happening now, not a year or two from now?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, all members of the Reform Party produced after a year of discussion was a statement that said they were going to cut \$15 billion from seniors' pensions, from children and from education. We do not want that kind of decision making process. That is why we want to go to the people of Canada. Let them be heard and let the committee and Parliament start right now.

Some hon. members: Hear, hear.

The Speaker: I really do not mind being ignored from time to time, but I cannot even hear my colleagues any more.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is for the Minister of Human Resources Development. With its discussion paper, Ottawa wants to justify

its intervention in workforce training, and I quote: "The role of the federal government in helping people improve their skills derives from its general responsibility to foster better national economic performance—"

Are we to understand that the federal government definitely rejects the consensus reached by all stakeholders in Quebec and refuses to transfer the responsibility for manpower force training?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, if the hon. member would read the book he would know that last spring the federal government had already tabled a new interim proposal on manpower training with every province that would provide the transfer of the purchase of training to the provinces. It would provide for the development of guichets uniques, single co-locations the provinces would initiate that would transfer several programs related to education under the management of the provinces and would have a joint planning priority wherein the provinces would have a direct role in the planning of federal programs in those provinces.

We said that was the first major step toward decentralizing the management of manpower training programs across the country. When we complete this reform and see more directly what the programs are then we can discuss further. It seems to me that is a positive first step toward giving the provinces more responsibility in the area of manpower training.

I would ask the hon. member whether he is prepared to support that or not.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, even the former Liberal Premier of Quebec, Daniel Johnson, refused this unacceptable offer.

Does the Prime Minister realize that his stubbornness will cost Quebec alone more than \$500 million of wasted spending in the next two years and that the unemployed will continue to be the victims of the present mess the existence of which the federal government admits in its discussion paper?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, first the figure used by the hon. member has no bearing whatsoever. As members well know we have had major discussions with the previous Quebec government on how we could begin to undertake major programs.

For example, we had negotiated with the previous government four very important ways in which the federal government could support provincial initiatives by helping them with the APPORT program, helping them to support major programs for education of young people on social assistance and developing programs in which we could have co-locations.

Oral Questions

We announced just two weeks ago the establishment of a major new women's resource centre in the constituency of his seatmate, which I think the hon. member sitting next to him applauded. We are showing that the federal government is flexible. We are showing a spirit of co-operation that has not been shown in the country in a long time.

All I would ask is one thing, that the hon. member go back and ask if the new Government of Quebec is prepared to co-operate with us.

(1450)

Mrs. Jane Stewart (Brant): Mr. Speaker, my question is for the Minister of Human Resources Development.

I would like to ask about a divorced mother of two who recently wrote about how the system abandoned her when she tried to get off welfare. She complained the system is so backward that she had to quit her job in order to better provide for her family.

What assurances could the minister give this young woman that her concerns and the concerns of many other women like her will be taken into account in the reform of these social programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for a serious question.

In addition to the proposals that were contained in the green book dealing with major support for child care, a major attempt by my colleague to deal with the enforcement of child support orders and major new programs of employment enhancement, we have indicated in the green book that we are prepared to work with the provinces to free up many of the existing rules in the delivery of social assistance that provide penalties or disincentives for women on social assistance to go back to work.

One of the things I find sort of terrible and really obsolescent is that we confiscate close to 70 per cent of any earned income if a woman wants to go back to work; we figure we have to take back the benefits. As soon as the provinces reciprocate, we as a federal government are prepared to renegotiate the Canada Assistance Plan to make sure that particular condition will be changed and the woman the hon. member talked about can go to work.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, according to a document leaked to the Toronto *Star* the government has a hidden agenda as far as HRD is concerned.

Could the minister assure Canadians that he does not have a plan in his back pocket that would further tax away the hard earned income and savings of Canadians?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, there is no secret plan. There is no hidden agenda. We have put very clearly in the green book exactly what the fiscal parameters will be. We made very clear what we want Canadians to go through.

Furthermore I wish the hon. member would talk to his leader and other colleagues. They seem to be saying that they do not want any consultations. They want the government to impose a plan. We are saying quite the opposite. We want to give Canadians a right to consult with us and tell us what they think the priorities should be.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, it is just as I expected. Our questions go unanswered as usual. I wish the minister would actually come up with a plan whereby he could tell us yes or no, whether this implies there will be more tax for Canadians.

I ask the minister again: Would he tell us whether this means more tax implications for Canadians?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): No.

The Speaker: I think that was the quickest no on record.

[Translation]

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Human Resources Development. We read in the document presented yesterday by the minister that the federal government intends to cut \$2.6 billion dollars in cash transfer payments for post-secondary education.

Does the minister realize that by reducing cash transfer payments for post-secondary education to provinces, he will force them to double tuition fees, thus making higher education less accessible?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for the question because it gives me the opportunity to clear up one of the more serious misunderstandings.

Let me just say that under the present formula, under the existing arrangements, the cash portion of the transfer of post-secondary education is declining every year. It is going down. It is ratcheting down further over a period of time.

The reason is that the revenue is going to the provinces because tax points are going up. The provinces are getting more money each year. As a result that cash portion goes down accordingly by the ratio under the existing arrangements.

Oral Questions

(1455)

We are trying to say that before that ratcheting takes place, before that reduction causes the cash flow to disappear, let us take the money we have and work together to set up a brand new program of social assistance that will provide a much broader range of real support for students to go back to school, broader accessibility not only for 18-year-olds or 21-year-olds but for all Canadians who want to go back to school.

This is the whole idea of very important creative federalism and of finding ways of using the money we now have to turn it into three or four billion additional dollars going back into the educational system.

[Translation]

Mr. Antoine Dubé (Lévis): Mr. Speaker, does the minister not realize that besides doubling tuition fees, his reform helps to double students' indebtedness, as was confirmed by a Treasury Board note made public in today's *Toronto Star*?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I can tell the hon. member that tuition rates have already doubled over the past four or five years under the existing system. They are going up at the rate of 10 per cent or 15 per cent every year. That is hurting students right now because they cannot afford it. Furthermore it is providing a major deterrent for people who are already in the workforce and want to go back to school.

We are saying let's broaden, deepen and widen the amount of money available to students. Let's also put in place a brand new repayment scheme that would allow students to pay back according to the income they earn, not according to a flat rate like we have presently.

When students graduate they would pay it back according to their their income. If they had a high income they would pay it right back. If they had a low income they would take their time. If they had no income they would not pay at all until they got an income. That is what we are trying to do to ensure total and open accessibility for all Canadians.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Minister of Human Resources Development has stated that part of the solution to child poverty is more government funded day care, a plan that would cost the country hundreds of millions of dollars.

Will the minister consider saving tax dollars and providing better child care by offering tax incentives for informal child care arrangements?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, if the hon. member would read the green book he would see two very important facts. One is that 70 per cent of families with two parents are now working. That puts an enormous stress on those families in terms of their children, but they have to work because that is the way they get sufficient income. The second is that about 60 per cent of children in single parent homes are under the poverty level because their parent cannot go back to work.

A key to changing both those conditions to provide major support for working families, to encourage and give incentives for sole parents to go back to work, is to provide good, serious, decent child care. That is what the government is committed to.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, if we did something about the tax burden people are carrying they would not have to both work; they would be able to stay home.

The minister is suggesting that state run day care is somehow better able to provide care for their children. Does the minister not realize that another important option is to allow parents the choice of caring for their children themselves? Will he look at this option in his review?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in the green book we clearly say that one of the major areas of reform that will be required is to look at how we can provide broader coverage under some of our security programs for people who are engaging in part time work, mini-work or flexi-work, so that there can be a lot more opportunity and availability for parents to spend time with their children.

One of the disincentives right now is that under unemployment insurance and other areas many of those people do not have any income security protection whatsoever. We included very specifically in the green book that we wanted to look at how we could extend coverage of security programs so that people could spend more time with their children.

That is the kind of reform we want to make. We hope the Reform Party will support it.

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Minister of Human Resources Development.

As the minister knows the three main industries in Atlantic Canada, in P.E.I. in particular, are agriculture, fisheries and tourism. These are all seasonal industries for obvious reasons.

Could the minister indicate to the House how he plans to deal with the issue of people who are seasonally employed? These people are needed, are trained and need UI for the winter.

(1500)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for a very important question.

As he knows, we make specific mention in the green book that we have to look very carefully at the circumstances facing seasonal workers. For example, we have already set up a working group with the building and trades council to look at what happens in the construction trade. We are now working closely with them to find an answer.

We are also planning to establish a special working group in the next few days to deal with seasonal workers per se. That group will talk to those workers, the industries and the provinces affected so that once again we can provide a flexible, tailored response to meet the needs of seasonal workers.

There is another innovation we introduced this week, and you will be interested in this, Mr. Speaker. It is a special pilot project we provided in Prince Edward Island. It will allow seasonal workers to use their uninsurable weeks, those weeks when they only work part time during the week, to be pulled together to get an insurable week and therefore establish a broader work time. That stretches out the work week. That means we give more people more time to work. That is the kind of innovation and reform this country needs and we will continue to provide it.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, my question is for the leader of the government in the House. I would like to know what the business of the House will be when we return next week.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Madam Speaker, it is my intention to make a statement on another kind of human resources development, that is parliamentary resources.

[English]

We will continue this afternoon, this evening and tomorrow with the debate on social security programs.

When the House returns on October 17 from the Thanksgiving break the Standing Committee on Finance will shift into high gear. Following the reference to hold prebudget hearings in accordance with the new rules adopted by this House last winter,

Routine Proceedings

I wish to confirm that the Minister of Finance will be appearing before the finance committee on both Monday, October 17 and Tuesday, October 18. The committee will then consult a broad range of Canadians on what they want to see in the next budget.

Under our standing orders the committee will report its observations and conclusions to this House by December 2. We would hope to set aside a significant amount of time before we adjourn for Christmas two weeks after that in order to permit as many members as possible to express their views as well.

Putting this process into operation for the first time represents a new and more open and democratic approach toward budget making. I wish to commend the Minister of Finance for his warm and enthusiastic endorsement of our new procedures.

Turning to more immediate matters for the consideration of the House, the first item to be put before us here in the House on October 17 will be report stage and third reading of Bill C-49, the agriculture and agri-food department reorganization. We will then return to the second reading debates on the other departmental reorganizations, Bill C-46 on industry, followed by Bill C-48 on natural resources, followed by Bill C-52 on public works and government services, followed by Bill C-53 on Canadian heritage.

We will then return to second reading debate on Bill C-41 regarding sentencing.

The business I have announced will carry us to mid-week. The House will know there are two government bills on the notice paper today for introduction tomorrow. We would propose to call second reading of these two bills late in the week we return or early in the week after.

(1505)

Some members may wish more time when we return for the social security debate which is now under way. It will also be necessary to designate some early opposition days. However I think it would be better to consult with my colleagues opposite before making any firm and final announcements on this. I ask the House to stand by. My next statement will give those details.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I think you might find unanimous consent for the following motion:

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That a subcommittee of the Standing Committee on Fisheries and Oceans be authorized to travel to Manitoba, Saskatchewan, Alberta and Northwest Territories during the month of October 1994 to undertake a study of the Freshwater Fish Marketing Corporation, and that the necessary staff accompany the subcommittee.

The Acting Speaker (Mrs. Maheu): Does the hon. parliamentary secretary have unanimous consent to move the motion?

Some hon. members: No.

Mr. Boudria: Madam Speaker, yesterday we adopted an order of this House to extend the sitting tonight until 9 p.m. However, because of ministerial statements this morning approximately one-half hour of normal debating time was deducted from that which would otherwise have been time for hon. members to speak on today's order of the House.

After consultation with members across I think you will find there is consent to extend the sitting tonight by yet another half hour, that is to say until 9.30 p.m. to enable more hon. members to make their comments.

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SOCIAL SECURITY PROGRAMS

The House resumed consideration of the motion.

Mr. Garry Breitkreuz (Yorkton—Melville): Madam Speaker, I am so disappointed with the government's mishandling of the opportunity we had to really reform Canada's social safety net. Our social safety net is full of holes and it seems like the minister is trying to shove it full of paper.

It is clear the government is without direction. This is a government without priorities. This is a government without a sense of urgency. This is a government without a long term perspective.

This is not an action plan as promised in the motion introduced by the minister in January and passed by this House. This is not even a good discussion paper. The minister's no action plan says there is a problem with overspending. His paper says that our social programs do not work. His paper says that people are becoming dependent on government handouts. However, any common sense person would come to the conclusion it is the government that is the problem.

The minister goes on to suggest that the answer to all these problems is more government programs. People tell me that none of this would be happening if the government would just take its greedy fingers out of people's pockets and let them run their own affairs.

How much will each alternative proposed in the no action plan cost to implement? What will be the social impact and consequences for each of the alternatives proposed in this no action plan? How many jobs will be created by each alternative? How can Canadians make an informed choice if they do not even have an assessment of the costs and the benefits for the proposed alternatives? How can Canadians make an informed choice if they do not know whether their own lives will be better or worse under the Liberal alternatives?

In yesterday's press conference the minister responded to questions about whether the cuts from social programs would be \$1.5 billion or \$7.5 billion by saying that fiscal parameters were already set and that there would be other changes in fiscal arrangements. What does the minister mean by other changes in fiscal arrangements? There can only be spending cuts or raising taxes. Will the minister admit that there will be no cuts or will he tell Canadians by how much they can expect their taxes to increase?

(1510)

I would like to focus my response to the no action plan on the alternatives proposed for the unemployment insurance program and the so-called employment initiatives. I might remind everyone that unemployment insurance is the only program clearly within the jurisdiction of the federal government under the Constitution of Canada. All of the other programs the minister talks about in his no action plan are under the jurisdiction of the provinces.

The Angus Reid survey released by the government this summer clearly shows that the majority of Canadians think training and employment programs should be delivered by the provinces, not the federal government. The problem with this government is that it refuses to give up programs that do not work, programs that were not the government's in the first place.

Going back to unemployment insurance, the minister has failed to explore all the options that are open to Canadians with respect to UI. The Reform blue book policy has said for years that UI programs should be based on true insurance principles and administered by the employees and the employers who pay those premiums.

UI premiums come right out of the pockets of the workers, whether they are paid by the employees or their employers. Did the minister not once consider that the employees and employers who pay the premiums might not like the government taking their money and doing just anything it pleased with it? Did the minister consider that? Did he make it an option?

Did the minister even consider that the UI program should be voluntary rather than compulsory? Why is this option of giving employers and employees control of their program not included? That is a grave omission and one the minister should correct immediately.

The no action plan proposes using UI premiums for employment development rather than straight unemployment insurance as it was originally intended. This is an average of about \$1,500 per year for each worker in Canada, money that comes directly out of the pockets of each worker. UI premiums are the second largest source of revenue for the government, next to personal income tax.

The minister is picking the pockets of the workers without their consent. This is just another cash cow the Liberals are trying to milk. The minister should be asking if this is what the workers who pay the premiums want, but that option is mysteriously omitted from this book. The government wants more control, not less, and it is not an option given to the Canadian people to decide upon.

The paper is full of so-called new ideas for helping people with job searches, personal counselling, training and so on. The problem is they are actually old ideas. For instance, the American 1988 jobs initiative was highly touted but proved to be a dismal failure. There is no meaningful analysis of why government has botched such things in the past so there is no suggestion about how to do it better the next time. There are some who claim that subsidized job training works, but oddly enough the OECD just took a hard look at this and rejected it as a failure. Yet this government thinks it is possible.

The 1960s Liberal thinking has failed and the countries that Liberals and NDPers used to hold up as shining examples of this are now in trouble. Sweden has cut housing subsidies. Norway is tightening disability payments. France requires those on social assistance to enrol in work training schemes. The Netherlands has set its social assistance at 50 per cent of minimum wage. Germany and Italy are raising the age at which pensions can be claimed. In Britain income support is available only on the basis of need and only after passing a means test. You decide who to believe: the so-called compassionate politicians that have got us in this mess, or the Reformers who have a plan to get us out.

(1515)

The dribble in this paper about flexibility, about creating opportunity, about addressing individual needs, about minimizing waste and so on is just a bunch of hogwash. They are good intentions without any useful suggestions as to how it would be accomplished.

Madam Speaker, if you were really hungry and this was brought forth as food—this green book—after going through and digesting it, you would still be very hungry. There is no substance in it. It is like cotton candy. It is so big and it is sweet. It sounds so good, but it does not fill you up. There is nothing in

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here of substance. The one place where there is anything resembling substance is on UI.

As I explained, there is no action plan, no recommendations, no priorities but there are two fairly clear options. One is new. It is called the employment insurance program, which sounds better than the unemployment insurance program because employment is better than unemployment of course.

In Saskatchewan we have a little animal called a skunk. It does not matter what you call that skunk, it still stinks. This option proposes dividing recipients into frequent and occasional users. Although it charts the rapid rise in the former category, it blames it on globalization, not on the program itself.

I believe that if you want to get people off UI you have to quit paying them to be unemployed. Although the paper admits the difficulty of defining the two categories, then points to regional complexities, it makes no useful suggestion as to what should actually be done; nor is there any analysis of the perverse incentives that might be created thereby, or of the dual bureaucracy it would generate.

It does recommend lower benefits and job programs for frequent users. However it notes that job programs might require more money, not less. Then it says that UI has become a welfare scheme and it might be a good idea to target it based on need. Means testing is one possible good idea, although it would be better to leave welfare to welfare and make UI into real insurance.

The other option presented is to keep the program as it is, but to increase the requirements for qualification or reduce the duration or the amount of the benefits. The review itself notes that while this would reduce spending it would not address the many structural flaws in the system.

The discussion paper also mentions eliminating regional discrimination, which is a good idea, plain and simple. This is a policy straight from our Reform blue book. What worries me is that this good idea lacks the trendy, active labour market orientation to which the minister seems to be committed.

There is no cost benefit analysis here as elsewhere in the paper for the various options that are listed. Canadians cannot make choices if they do not know the costs and the benefits, whether the new situation would be significantly better or worse than what exists now.

It should be noted very strongly that the minister's alleged options paper certainly does not lay out all the options. That is one thing we must be clear about. Conspicuously absent are allowing employers and employees to administer unemployment insurance; voluntary versus compulsory unemployment insurance; a return to true insurance policies—none of these are in there—and finally, making no changes without the consent of the workers and employers who pay the premiums.

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One glaring example of how off base the whole review is is that it points how much of recently created jobs are in part time, temporary, self-employed or multiple job sectors, which are not covered by UI. It even notes that these sectors are growing precisely because they are not covered by UI. Therefore they avoid the crushing payroll tax but it calls for the usual creative ideas for extending UI to these areas.

(1520)

Government does not need any new programs. Lower taxes and create jobs. The finance minister clearly acknowledges that very principle and yet it is not clearly contained in this proposal.

The review notes that payroll taxes are bad although it coyly says that at least in the short run, payroll taxes discourage job creation, as though in the long run things might be different. It then discusses trying to create surpluses in good times to avoid having to raise premiums in bad times when they can least be afforded. This is a good idea but the funds must be kept separate from general revenue, not squandered on other things.

If it was a true insurance program this would be unnecessary. There is no separate fund for unemployment premiums. The paper contemplates removing the ceiling on earnings, subject to the payroll tax and lowering the rate so that the incentive to create exempt part time jobs at the low end would be reduced.

This shows some awareness of perverse incentive but if one does this, and taxes back the UI at high incomes one is moving away from a true insurance program. UI encourages unemployment precisely because it is not true insurance but a subsidy for those who are not working.

It also canvasses the idea of experience ratings, that is, moving toward real insurance by basing premiums on previous employment history. This is a good idea but why not go all the way?

It must be noted, and it is, that this makes the program more expensive for those least able to afford it. That is why it should incorporate a key principle of real insurance. It should be voluntary.

It proposes reducing premiums for employers who support training quite apart from the fact that most jobs involve informal training already. If this is done, then every single employer will move to have formal training and bigger firms will find it easier to do so. It will help crush small business and that is very serious.

I think Canadians will be disappointed, as I was, by the lack of leadership in the minister's no action plan. The minister has failed to lay out a clear path to significant reform as promised in the throne speech.

In those areas where he laid out options, he has not attached a fiscal price tag. An even greater tragedy is that the human cost analysis in terms of what improvements this reform will make are also missing.

How can the minister initiate a substantial debate on social reform without providing these key pieces in a debate. It is like trying to teach kids with only the first half of the book or giving them a test question in math without all the information.

We must admit that the process of social reform is more than just deficit reduction. The financial constraints are clear enough but the real problem with Canada's social safety net are the incentives that the current system is creating for Canadians.

Not only does our safety net need re-evaluation due to fiscal reasons but the inherent damage that these programs have created needs serious attention. This is why it is such a tragedy that neither the fiscal nor the social implications are laid out in this package.

If the minister is unwilling to lead this debate he faces the likely prospect that he will be left behind. Social policy must move beyond the outdated 1960s thinking that has characterized today's social programs. We need to admit that many of the assumptions underlying Canada's social programs are damaging Canadian lives.

We see increasing welfare and UI dependence. We see increasing amounts of students unprepared for the school to work transition. We see rising tax burdens. We see increasing family disintegration.

(1525)

What are Reformers saying about these failures of Canada's social safety net? It is time to recognize the failure of the 1960s Liberal thinking and move toward the 21st century with real Reform thinking.

It is time to question universality. It is time to target social programs to those who are truly in need. It is time to recognize that we do not have the money to pay for all our social programs. It is time to consider affordable programs that can be sustained. It is time to reduce the number of programs and bureaucracy and consider flexibility, empowerment and put control of the programs back into the hands of the people.

It is time to recognize the dangers of big, centralized federal governments and consider community based and family oriented solutions. It is time to address the inherent dependency of present social programs and consider self-sufficiency, self-reliance and personal responsibility. It is time to question inflexible national standards and consider flexible programs that are responsive to human and economic reality. It is time to eliminate shared jurisdiction over programs, eliminate duplication and overlap and consider clear accountability of governments.

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I feel strongly that this is the greatest boondoggle the government has come up with yet. We had this big drum roll before this was introduced, a big fanfare. We expected a good act. Then the inaction plan whimpered out on to the stage. Is this all there is?

The Minister of Human Resources Development and the Liberal government still think that outmoded solutions can be applied to modern problems. If he is unwilling to take on sacred cows, he is likely to get trampled by the whole herd.

Mr. Boudria: Madam Speaker, a point of order. I wish to indicate, pursuant to our standing orders, that after the speech of the hon. member for Cape Breton Highlands—Canso, that all subsequent speakers from the government side will be sharing their time. In other words, two 10-minute speeches as opposed to one 20-minute speech per round.

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Madam Speaker, as one of the other members from the province of Saskatchewan I feel I cannot let the kind of comments I just heard from the hon. member from my home province go unchallenged.

He has dismissed the discussion paper today as hogwash. I cannot pretend to be more of an expert on hogwash than my colleague in the Reform Party. I will leave that unchallenged.

I listened as well to his analogy about eating the green book. I suspect that is where his difficulty has come from, in not understanding that the green book is for reading and not for eating. Perhaps that is why he is having so much difficulty.

Speaking of reading, I suspect that it is a failure to read the book and the predisposition to eat it that has caused the complete lack of understanding of what this discussion paper is about.

One point the hon. member raised is some notion he has that the federal government is hoping to seize power over provincial concerns. I did not think the Reform Party was concerned about constitutional issues, according to their statements during last year's political campaign. However, leaving that aside for a moment, the green book clearly states that it is the minister's intention to co-operate with the provinces on such things as education—learning in chapter 3.

I refer the member to page 19 of the summary where it clearly states that the federal government is looking for ways to expand access to education by co-operating with the provinces in finding ways to make the most of our shrinking resources and putting our talents to use that way.

If it is not expecting too much for the hon. member to turn to page 19, I refer him to the preface of the book where the minister clearly states that in his consultations with Canadians he hopes to work in partnership with all levels of government.

(1530)

In all sincerity I listened to the hon. member and his colleagues in last year's campaign. I heard fine words from them about doing a new style of politics, looking at a plan on its merits and not simply criticising every possible aspect without giving time to consider the plan to possibly say: "Well we don't like this part, but we do like that part". Instead, what I am hearing from the hon. member is an outright denial of any merit in this plan.

I would just ask him to justify taking that point of view and then to honestly state to this House that he can find nothing in here. Perhaps he could comment on why he is not prepared to involve himself, as all other Canadians will be doing, in the process of bringing forth their ideas for weaving together our social safety net and making it stronger. Why does he not do that instead of simply taking out his machete, or whatever the proper analogy would be for someone in hogwash, slashing it down and letting Canadians fall with it.

Mr. Breitreuz (Yorkton—Melville): Madam Speaker, I appreciate my colleague's sense of humour. However, I do not think it is very funny when we look at what is really in this paper.

First she criticized my remarks in regard to the power the federal government is trying to exercise over the provinces. If she had read this green paper she would realize the federal government is trying to take away control from the provinces in areas the Constitution of Canada has given them, such as training and education. Those are provincial responsibilities and this government is trying to get more and more involved in those areas.

I would also like to point out to the hon. member how incorrect she is when she says the government is trying to get the co-operation of the provinces. That is pure talk and no action. The government is giving the provinces less and less funding, but is continuing to maintain control. That is co-operation? Obviously not. You cannot expect the provinces to co-operate if you do not give them more control. I think that is a very serious accusation the hon. member has made. I think the Bloc members over here have some very legitimate concerns about this federal government taking over provincial jurisdiction. We ought to listen once in a while at least.

The hon. member also said that I did not see anything good in the paper. Obviously she was not listening very well to my speech because there are some options in here which we commend. For example, in unemployment insurance the reduction in the duration of benefits is a good thing. I have mentioned that. To reduce the level of benefits, to have income testing, to have all of these things I said are very good.

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However, I also said that not all of the options were included. She said I am not getting involved in the debate. She has not been in this House very much if she does not know that we have made many suggestions to this government in previous speeches which it has not read and not included in these options.

That is what I was saying again today. Why are these options not included? Why are these options so narrow? Why is the government trying to have more control over the lives of Canadians rather than letting them have more jurisdiction over programs like unemployment insurance?

[Translation]

Mr. Antoine Dubé (Lévis): Madam Speaker, I listened carefully to the hon. member's speech, and I am about to do something unusual for me and stand up for my colleague in the Reform Party even if, in many respects, we do not share that party's views.

Our colleague is a member of the Standing Committee on Human Resources. As far as I know, he was present during all proceedings and did take part in the first phase of consultation. That is why I am asking him this question.

Does my colleague consider that the consultations our committee held last winter and last spring are reflected in this working paper? We were supposed to get an action plan, but what we got is simply a working paper and a series of options. We were supposed to get something by mid-April, and then in June. Here we are in October, and the implementation is now postponed until next year. Is this a disappointment for the hon. member?

(1535)

[English]

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, the answer is obvious. Yes, I am very disappointed.

Look at what this government is doing and the time line this government has laid before us. Back in January or February the government said it would put down an action plan and it would come forth in April. Then the government postponed it to September. Now in October we have more discussion.

If we look at what is going to happen in the future, if we follow this whole process through, now the government is saying we are going to go through a consultation process. Consultation is fine, but if it is just an excuse for more inaction, I cannot find that acceptable.

Then the government said it was going to introduce legislation in the fall of next year, 1995. That legislation is going to be debated, it is going to go through committee, it is going to go through first, second and third readings and that all takes time in this House. That brings us to 1996, the year before the election.

I ask: Does anyone think this government is going to seriously make some big changes just before the election? The answer is obvious. I do not think we are going to have substantial changes. After one year of inaction and another couple of years of debating and fiddling around with this thing, I do not think this government is seriously committed to really doing anything with social programs.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I welcome this historic opportunity to participate in the debate on the reform of Canada's social security system which this government has launched.

I also welcome the challenge of chairing the House of Commons committee that will seek the views of Canadians over the next few months on the proposals for reform which the Minister of Human Resources Development tabled in this House yesterday. I want to say a few words later in my remarks about how the committee proposes to hear from Canadians on this important issue.

There are few dimensions of being Canadian that resonate more strongly in the hearts of all of us than the sense that we are a caring, compassionate and tolerant society. These fundamental national values find their most tangible expression in the framework of social programs that together we have built through our federal, provincial and municipal governments over the past half century to provide support, income security and dignity to those less fortunate members of our society in times of need.

These programs, unemployment insurance, the Canada assistance plan, the Canada student loans program, and the system of federal-provincial co-operation in the funding and support of higher education in Canada, the family allowance and its successor programs, the child tax credit and the child benefit payments for families with children have been responses by reform minded Canadians to real needs crying out to be met. They were inspired by a vision of a better Canada and a willingness in the pursuit of that vision to overcome the overwhelming drag of the status quo and the straitjacket of existing institutions to find ways to realize on that vision.

The great bulk of the national programs that comprise the social security system in Canada today were put in place by successive Liberal governments. They form a proud legacy of this party to the building of Canada. We on this side of the House have every reason and every incentive to want to preserve the social security system and its values which is at the core of our political inheritance.

Why would a Liberal government be proposing to review and reform the very programs with which it has been so identified over the years? For the very same reasons that led our predecessors to defy conventional wisdom and overcome the resistance to change in order to create these programs in the first place.

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The Liberal Party of Canada is not the party of the status quo. It is the party of reform. It is the party that has been willing to take on the risks and challenges of guiding and leading Canadians into the future, a future which may not always be fully visible.

(1540)

The destitution and despair of the great depression called for the creation of programs such as unemployment insurance and new arrangements for assisting provinces and municipalities in helping those in need. These arrangements and other initiatives by federal governments have been met with all kinds of objections for why they could not be funded or why they could not be carried out. So too this Liberal government in the spirit of its predecessors finds itself today challenging the status quo in order to bring Canadians into a brighter future.

We on this side of the House were not elected just to defend the status quo. We were elected to confront the real problems that face Canadians today.

One of the real problems confronting Canadians today is the one million children who in the midst of this abundant land live in poverty because their parents and more often than not their single parents for a whole host of reasons are denied access to the means to earn a decent living for themselves. As a result, these children are born short changed on the promise of being Canadian.

A real problem facing Canadians today is a stubbornly high level of unemployment which exists side by side in good and bad times with a growing number of jobs which fail to get created or go unfilled because there are no Canadians trained to take them. Increasingly the profile of the jobless is not the individual who is between jobs for a few months. It is the long term unemployed whose skills are out of date for the current economy and who cannot get the support to obtain the training necessary to rejoin the labour force.

In the face of this reality our unemployment insurance system which was developed and designed to serve as a temporary bridge between jobs is increasingly being used by a smaller and smaller share of recipients year after year as a form of almost guaranteed annual income. The result is that notwithstanding major increases in UI payments in recent years the number of unemployed who are helped is decreasing and the ability of government through these programs to assist the unemployed to get into the job market is being more and more curtailed.

In an effort to contain UI costs in recent years a host of regulations have been erected that forced the unemployed into dependency traps and often bizarre lifestyle choices. Most Canadian families know that the system is not working. While

the proposals in the government document may not be the only solutions, it is clear that more than tinkering is necessary.

The focus of this reform exercise is not deficit reduction. However Canadians know that with a government debt that costs taxpayers more than \$40 billion a year in interest charges alone to service, we cannot ignore the cost of this deficit as a consideration in the future programs we undertake as Canadians. If Canadians do not begin as a society to gain control over the mountain of debt and to reduce the deficit which is adding to it we may find that our social programs will not be determined by us but by the international bond agencies that buy our bonds.

These are some of the real problems which this review of social programs and the other elements of the government's jobs and growth agenda are meant to address and in which all Canadians are being invited to participate. The focus for this participation will be the Parliament of Canada and specifically the House of Commons Standing Committee on Human Resources Development which has been asked by the government to carry out broad consultations on these reform proposals.

We will begin our work immediately, hearing from the minister of human resources himself the day MPs return from the parliamentary recess on October 17. We will meet with experts and national associations in Ottawa to hear their reactions and ideas to the government's proposals.

(1545)

Beginning November 14 in Whitehorse, Yukon, our committee will begin an intensive five week program of cross Canada hearings and consultations which will take us to every province and territory in this great country to hear firsthand what Canadians want from their social security system and what improvements they have to suggest to the government's proposals.

Today we will be making public the schedule of the committee's travels and details on how Canadians can participate in the work of this committee. I encourage Canadians to make contact with the clerk of the Standing Committee on Human Resources Development by phone, fax or letter for information on the committee's schedule and how they can get involved.

In addition to the committee's consultations, we are encouraging individual members of Parliament to carry out their own consultations, to hold public assemblies and town hall meetings in order to obtain the views of their constituents on the proposals and to bring the results of their consultations forward to the committee for its consideration in the preparation of its final report.

The views and recommendations which result from these consultations will form an important element in the response of Parliament to the ideas in the government's discussion paper.

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[Translation]

As chairman of the Standing Committee of Human Resources, I had the chance to hear the views of Canadians of all social conditions and of all regions. The message they sent is quite clear. They are proud of a system that could assist many people in the past, but that simply is no longer working well enough.

Our existing system is too easily misused, it does not meet the needs of many people, and it is out of touch with the present social and economic reality. During the last 20 years, many traditional sectors in our economy have had to struggle to survive, and undergo fundamental changes. Many traditional jobs have disappeared and been replaced by jobs requiring more education, training and upgrading of skills.

Since 1976, the long-term unemployment rate has tripled because of those changes. More and more people have had to go on unemployment insurance repeatedly, while struggling to adjust to new requirements. Today, almost 40 per cent of recipients have been on unemployment insurance at least three times in the last five years.

The number of people on welfare has doubled since 1981. Three million Canadians are now on welfare and the cost of social assistance provided under the Canada Assistance Plan has gone up from less than \$3 billion to more than \$8 billion a year. Chronic unemployment and the increasing number of people who so often claim unemployment insurance show that people are not receiving the help they need.

Too many young people drop out of school without being ready to be part of the labour force. Too many people on welfare or low income earners find themselves in a position where they cannot afford to develop their skills or cannot do it because of the system.

Too many people whose career has been cut short because of changing conditions do not get the training they need. First and foremost, we must find solutions based on the new consensus in terms of principles and priorities and the mechanisms to implement them.

The reform goals and principles outlined in the working paper reflect what Canadians have told me. We must now set out to take action on principles and priorities through the implementation of concrete ideas on how to make the best use of our money in order to meet our main objectives.

(1550)

There are several proposals in the working paper and they are obviously open for discussion. Given the restrictions about government expenditures, we will have to make difficult choices as to the priorities that we have, as a country, in order to implement some of these proposals contained in the working document.

We have the opportunity to work together and to establish a better system for the future. A system that will be efficient and that will give some hope to parents, children, workers, people looking for jobs, future generations and Canadians across the country.

Next February, I intend to report to this House on the consultations made by the Standing Committee. Once the consultations are over and the Canadians have made their priorities known, this government will introduce a bill to establish a new social security system. Let us see to it that this bill truly reflects what Canadians want and what they need, that is a fair, efficient and affordable social security system we will believe in and which will bring us into the 21st century.

[English]

The time has come for a focused vigorous debate on what we can achieve, on what we must achieve through social security reform. It is our responsibility as members of Parliament to help ensure Canadians can take part in this debate. This is a matter for all Canadians, not just interest groups and not just governments.

We have to move the discussion to the coffee shops, the dinner table, the boardrooms, classrooms and union halls. We have to listen closely to what people are saying. All Canadians will have an opportunity to examine these suggestions, to propose new ones and to help define the priorities for reform.

As chair of the Standing Committee on Human Resources Development, I look forward to holding public hearings across the country. I intend to ensure that these hearings are as complete and as accessible as possible.

If at all possible, I want anyone who wants to take part to have an opportunity to do so. The government will organize consultation seminars across the country. These will provide a broad range of Canadians the opportunity to take part in an intense examination of the issues and priorities for social security reform.

We will have public meetings in all major centres to bring the discussion of reform to the grassroots of our country. Groups such as labour unions, business and professional associations or service groups are encouraged to organize their own reform consultations and to make their views known.

We will make detailed information and material available to both individuals and groups, setting out the facts on social security, the objectives and principles proposed by the governments as well as the ideas for reform outlined in this discussion paper.

We will provide individuals with a workbook to help people work through the reform issues, identify their priorities and concerns and provide direct feedback to the government. I encourage all members of this House to take part, not only by making their own views known but by making information available to their constituents, encouraging their participation, gathering their views and passing them on.

Government Orders

This is a unique opportunity to move the debate on social security beyond the traditional confines of narrow ideologies. It is an opportunity to go beyond the traditional debates about cutting programs or spending our way out of trouble. Today, that kind of narrow vision misses the point.

Before I conclude my remarks, I want to appeal to Atlantic Canada in particular and to the constituents whom I am honoured to represent here in the House of Commons. No region in Canada has a greater stake in the success of this reform exercise than Atlantic Canada.

No region has been more reliant on the income security system than Atlantic Canada and for good reason. Because of their historical position in Confederation and the nature of their economy over the years the people of Atlantic Canada have by necessity been forced to rely on the income security system more than the country as a whole. In many parts of Atlantic Canada the people know the adversity we have recently had to deal with because of crises in our natural resource industry such as the fishery in some places, forestry and other industries and other sectors on which we are traditionally reliant.

(1555)

The people of Atlantic Canada may well feel concerned. They may feel nervous. They may feel that their concerns are not being addressed or will not be addressed in a future social security system.

For that reason there may be a temptation not to participate. However, I would encourage and appeal particularly to the people of Atlantic Canada to be a full player and full partners with the government in redesigning an income security system that will serve them as well as the rest of Canada so that rebuilding the economy of this country can be achieved.

[Translation]

Mr. René Canuel (Matapédia—Matane): Madam Speaker, listening to my colleague, I realize it is true that the deficit is very high. It is true that we pay \$40 billion just in debt charges. And I agree that something has to be done about it. But at the same time, I wonder why the debt has grown so much. How did that happen?

Why does a country like Canada have to pay so much interest on its debt, a country said to be rich, rich in natural resources as well as human resources? How is that possible? If we look back, what party was in power in Canada before this government and the previous Conservative government? The Liberals. They are the ones who have put into debt to a dramatic extent not only our generation, but also and mainly our children and grandchildren.

They are the ones who should bear the responsibility. Today, we take stock and, of course, realize that the situation has become unbearable. So, they have to take the bull by the horns and they will stop at nothing to achieve their aims. When a family experiences financial difficulties, what does it do? There were prosperous times for this family in the past, but what does it do now? The first thing to go is one of the two cars it owns. Then the cottage. That is where cuts start in families. Do they start by taking away the bread and butter from the table for the children?

As I see it, this reform will penalize the poorest of the poor. There are two categories of unemployed workers; first, the good ones, that is to say those who require almost no assistance, who are out of work on a temporary basis. The second category includes people from my region who are seasonal workers such as silviculture workers. These people want to work. I know, I was the president of their society for many years and they would tell me: "Give us work. We want to work." We could do nothing for them.

(1600)

What is happening here is that these people, who want to work and put their hearts into their work, will be penalized. When spring comes, they get all anxious. They wonder: "Will there be work for us?" And the industry does its very best to find work for them, in co-operation with the town councils, companies, producers' syndicates, and to put them to work. But work eventually runs out and, every year, these workers end up on unemployment again, naturally. These people will be penalized.

In my region in particular, and I like to stress this point because students tell me to repeat this every occasion I have, the university is far from home, and the Université du Québec in Rimouski offers only certain programs. This means going away to Quebec City, Montreal or elsewhere to study. If cuts are made in postsecondary education, then our students will get further into debt, and this is true for all students in Canada of course. It is estimated that university students with a doctorate are \$50,000 in debt and have no job prospects when they graduate. Wherever they send a CV, they get the same answer back: "Sorry, we have no work for you".

I fail to understand why, after putting the country this many billions of dollars into debt, the first thing to be cut—and that the most infuriating and frustrating—is assistance to the poor, the underprivileged, those who cannot speak for themselves, while the rich get to keep their family trusts, for example. The government does not dare do anything that would affect them. That is understandable, given they are the ones who fill the campaign coffers. They fill them and keep filling them. The other day, a proposal to put election financing in order was rejected. I commend nonetheless those members opposite who voted for this proposal. But no thought is given to this. They do not want to, because friends help one another. It is not the poor, the vulnerable, who will help my fellow members; it is the wealthiest.

Government Orders

I strongly deplore this situation, particularly for rural residents, not to mention Gaspé fishermen who will be hit hard. I find it unacceptable for my region, for Quebec's rural ridings—and I imagine it is the same thing elsewhere. I do not understand how my colleague can say that these measures will be good for the most vulnerable. If he can prove it to me, let him do so.

Mr. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I appreciate the comments made by the member opposite and his concern about the Canadian debt and about the most vulnerable in our society.

I think that the best way to start reducing the Canadian debt burden—this is not the time to explain why the debt is so high—is to put Canadians back to work, create ideal conditions for economic growth and, at the same time, find ways to reduce overlap and duplication and other problems preventing people from finding work and undergoing training and development when needed, so that we can improve the economic picture, given Canada's existing prospects. A dramatic example of that can be found in rural regions like mine, in the eastern regions that are dependent on ailing industries such as fishing.

(1605)

The purpose of this debate is to get from members on both sides of the House concrete ideas that will allow us as a government and as a society to create conditions favourable to economic growth and job creation, reduce the debt burden and, more important, promote the dignity attached to employment, to income and to Canadians' ability to work and support their families. That is the challenge issued by this debate to this House and to all Canadians.

Mr. Antoine Dubé (Lévis): Mr. Speaker, as the Official Opposition's training and youth critic, I am pleased to participate in this debate on the social program reform proposed by the Minister of Human Resources Development.

I am also, as a member of the Committee on Human Resources Development, pleased to participate because, as you know, Madam Speaker, with two of my opposition colleagues, I was involved in all the proceedings of the first consultation phase. We heard many people express their opinions on this. Unfortunately, I must tell you right off the bat that I am disappointed with this proposal when we were expecting an action plan. This discussion paper almost invites us to scrap last winter's consultations and start over.

As the training and youth critic, I will focus on the education part of the discussion paper issued by the Minister of Human Resources Development. I say education because that is what it

means. Although the third section of the minister's discussion paper is called "Learning: Making lifelong learning a way of life", they are clearly talking about education. This section nonetheless contains elements that will affect post-secondary education systems in Quebec and Canada.

Again, may I remind you that, under the 1867 Canadian Constitution, education is a provincial jurisdiction. The discussion paper released by the Minister of Human Resources Development even included the following statement, on page 57: "In Canada, education falls within provincial jurisdiction". While admitting this fact, the federal government also points to training-related problems and uses them to justify its continued involvement in the field of education.

It is obvious, when you read this document, that the federal government has no intention of withdrawing from the field of education, even though it is a vital provincial sector, particularly for Quebec, since our identity as a nation is at stake.

The most contradictory aspect of this paper is the fact that, while the government expresses a will to tighten controls and centralize even more education-related responsibilities, it obviously wants to withdraw its financial support.

(1610)

The withdrawal of federal support would not result in fewer constraints, quite the contrary: It would mean less money and more constraints. The federal government intends to cut transfers to the provinces and to replace them with more student loans. However, these transfer payments are used by provinces to subsidize secondary schools. The provinces will be stuck with a shortfall of \$2.6 billion. They will then be left with two options: either allocate more money or else leave the institutions to fend for themselves, which would surely mean increased tuition fees.

The federal government seems to think that students would easily absorb such an increase, which is anticipated in the minister's document, on page 63:

It is true that replacing federal cash transfers would put upward pressure on tuition fees.

In fact, a Treasury Board memo published in the *Toronto Star* today indicates that tuition fees will double if such a measure is implemented. Cabinet has been informed of that.

Students already incur large debts. Let me give you some figures. In Canada, 10 per cent of personal bankruptcies affect students or former students unable to repay their loans. And what does the minister propose? He wants to put students even deeper into debt.

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In Quebec, a university student spends more than 30 per cent of his or her annual budget on tuition fees and related costs. This percentage has doubled since 1990. The situation is the same everywhere in Canada.

In fact, the problem is somewhat less serious in Quebec because the provincial government, through a scholarship program, has helped alleviate the burden of students to ensure that everyone can get a university education. Quebecers can be proud of that initiative since, as the Leader of the Opposition mentioned this morning, until the quiet revolution, in the sixties, only rich families could afford to put their children through university.

The discussion paper also refers to a new scheme which consists in making repayment proportional to one's income. This concept raises many questions. Since the government claims to be relying on the support of all partners, it is rather surprising that, after the working paper was tabled, the first reaction was that of the Canadian Federation of Students which immediately opposed the income contingent repayment, because they worry about the terms of the program. They are all the more concerned because of pilot projects which were carried out, particularly in Ontario.

I should mention that Ontario had an experimental project and that last year, only 75 students participated whereas up to 1,000 could have. Why? Because the terms of this income contingent repayment plan are often quite restrictive. Students have to say that they want to be part of that program almost as soon as they begin their studies. Usually, they are forced into that program. That approach was tried in other countries, and results have always been negative. Nevertheless, Canada now wants to use that approach. We should at least ask a few questions.

(1615)

The president of the Canadian Federation of Students stated: "Members of the Canadian Federation of Students are determined to fight government proposals and we are convinced that the majority of Canadians will support us because they want to maintain accessible post-secondary education for themselves and their children". The federation reacted that way because it is convinced that this reform will push students deeper into debt and restrict access to higher education. That was the first reaction.

The president of the Fédération des étudiants universitaires du Québec, François Robello, made the following comment: "The government will have to publicly assume responsibility for passing the bill on to students. The way this reform is going, access to higher education will be under direct fire". The first federation is an umbrella organization mainly for associations outside Quebec, and the second one is affiliated to but independent from the first one and represents most student associations in Quebec.

Two federations, two similar conclusions. Both are concerned about student indebtedness and access to higher education.

The government claims that the reform was initiated for the very purpose of securing freer access to higher education. There is already some disagreement on the subject between the government and representatives of this community. Since members of student groups experience first hand the effects of being in debt, they are clearly in a good position to evaluate the impact of such reforms.

In addition to the students, groups representing universities, colleges and their presidents in Quebec and across Canada have expressed their concern that student debt would have the effect of compelling universities and colleges to raise their tuition fees, which in turn would reduce enrolment.

The future does not look too good for government members, when we see both students and universities worried about the same thing. I think you are in for a tough time during the months to come.

As the article that appeared in the *Toronto Star* on October 5 pointed out, the government wants to cut \$7.5 billion from social programs over the next five years. During Question Period, in response to a question from a member of the Reform Party, the minister referred to \$15 billion. We know that the budget already provided for cuts totalling \$7.5 billion, and now the minister says \$15 billion. This is not a rumour. This is not a document leaked to the newspapers. This is the minister speaking.

There is one suggestion that did not really impress me but did raise some questions. Just think, to deal with student financial problems, they suggested using their RRSPs, their registered retirement savings plans. Now how many students who are in debt have RRSPs when they graduate or when they are at university? Unless the minister or the paper he tabled means that parents could use their RRSPs to pay for their children's education. If that is the case, then we have a problem. First of all, students who are over 18—which means they are of age—are adults and want to be able to take care of themselves, and now the implication is, unless any other explanations are forthcoming, and we hope they will be, that the parents' RRSPs could be used. This is disturbing because usually, people have RRSPs for their retirement and not to pay for the education of their children.

(1620)

What about consultation? The Standing Committee on Human Resources, of which I am a member, will conduct wide-ranging consultations across Canada. Why bother, since the government has already made its decision on its reforms? The parameters are there, plus cuts totalling \$15 billion. What we need here is a little motivation, because if spending cuts are to be the order of the day, people will come to defend their own particular interests, and you can hardly blame them.

Government Orders

What this paper does not contain, and although what it does contain is disturbing, what it does not contain is equally disturbing, and I am referring to a genuine job creation policy, because we can train students and keep improving their employability, but in the end they will just be competing for the same number of jobs.

What do we see now? More and more young people, at least a third of them, live in insecurity, not just for a year but for long periods; at least a third or so of young people in Quebec have trouble finding permanent employment.

What does this reform project do? It calls them frequently unemployed, it classifies them and we see in the discussion paper that they are particular targets for cuts. On the contrary, action should be taken to strengthen these people who are victims of unemployment. Why attack the victims instead of unemployment? Why is the human resources development minister's paper silent on job creation? Why does it not talk about full employment measures? Some countries have almost full employment, so why not use them as models?

The paper does not cover everything. We see leaks. We could talk about them at length, but when a member meets his constituents, he realizes that cuts are being made to established organizations that are working to increase employability. Many organizations in Quebec at least were told that their programs would be cut by 10 per cent, even though some community organizations grouped together in the RQUODE umbrella organization, where I attended a consultation last year, have a placement rate of 75 per cent. Resources are being cut back for these established organizations.

While they consult, they cut. Unemployment insurance was cut last year. Now the organizations are being attacked.

This morning, I heard the minister tell us about an experience he had when he visited a training centre in New Brunswick. I would suggest that he not go as far; he could go to Gatineau, a few kilometres from here, where the Carrefour Jeunesse Emploi Centre found out last week that not only was it getting a 10 per cent cut but that the job search club was losing its entire \$240,000 annual grant, while young people are told about so-called measures and intentions. Meanwhile, what the document does not say is that cuts are being made.

(1625)

Madam Speaker, do you think that I am being partisan? Last week, the member for Pontiac—Gatineau—Labelle, whose name I do not want to mention, said that he was shocked. He tried to save the program at the Carrefour Jeunesse Emploi Centre in Gatineau from being cut. He had to admit that he was disappointed because he had been misled, it seems, so he said in the newspaper. He had been given some hope and the Minister of

Intergovernmental Affairs, who lives in Hull, had announced that the problem would be settled.

But three days later, the way it was settled was by cutting it. And that is not the only organization to be cut. In at least two other regions, organizations that prefer to remain anonymous have already been informed verbally that they will be eliminated. Meanwhile, the government puts in place its youth strategy, the Youth Service Corps, and gives \$10,000 per young Canadian, while Carrefour Jeunesse Emploi managed to find jobs for 375 young people on a budget of \$240,000 last year. And these young people later generated \$1 million in tax revenues for the federal government. Before eliminating organizations, they could at least have had the decency to await the result of the consultation process before cutting programs.

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, I paid close attention to the hon. member's speech. I am somewhat concerned about his interpretation of the facts as outlined very clearly in the green book that is part of the government's agenda for jobs and growth.

The hon. member and the Leader of the Official Opposition have tried to depict this exercise by the federal government to bring about positive change in the lives of many Canadians who feel trapped by our social security system as a political power grab, a centralization of power by the federal government.

I draw the member's attention to three pages to illustrate how wrong the hon. member is in that particular sense. Page 26 indicates very openly and very clearly that we are viewing this exercise as an excellent way to better improve federal-provincial relations.

I would like to refer to a couple of points. We admit that the situation must change. The federal government is committed to increased collaboration and co-operation with the provinces and territories in order to simplify access to services, to minimize duplication and waste, and to clarify the roles and responsibility consistent with a constitution based on who is best able to accomplish what is required in the interest of individual Canadians.

On page 40 of the document we talk about an issue which I know the hon. member truly cares about. He has to be honest with the people listening to his speech, because the section clearly outlines our willingness as a federal government to sit down—whether it is the province of Quebec or any other province in the country—with any interested province and territory to talk about a new three-year labour force development agreement for which interested provinces and territories could assume responsibility.

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I think the hon. member should pay attention to the following:

—strategic planning related to various federal employment development services, including institutional and workplace training, as well as project-based training;

—managing and the purchase of institutional training;

—planning and implementing a network of “single window” offices, that would assemble under one roof programs and services provided by both levels of government, including unemployment insurance, training, welfare and other labour market programs; and

—managing a variety of other federal programs, such as co-operative education and Canada Employment Centres for Students. The list of programs could vary, depending on the interest of each province or territory.

(1630)

Another point the hon. member mentioned, although he sometimes selects the kinds of words he wants to use, was in reference to the income contingent repayment. He knows as well as I do because we share a lot of time together at the committee of human resource development that like Quebec they have the option to opt out.

The hon. member can get to his feet this afternoon and tell Quebecers that the federal government wants to sit down and discuss these matters and that its major objective in this exercise is to improve the quality of life for people.

The hon. member should also tell the people of Quebec that we initiated these discussions so we can help all Canadians from coast to coast toward a better and bright future for themselves and for future generations.

[*Translation*]

Mr. Dubé: Madam Speaker, I will answer this to my hon. colleague, whom I know well, as he is the Parliamentary Secretary to the Minister of Human Resources Development and we both sit on the same committee.

I think he already knows the answer. Not mine though. So far, three provinces have indicated that they find it unacceptable in many respects. Quebec of course considers it unacceptable. A statement to that effect was made yesterday. The hon. parliamentary secretary mentioned the government’s commitment to co-operate. To illustrate the spirit that drives this government, I would like to quote from the student financial assistance act, Bill C-28, passed last year. This act provides for the possibility of opting out. Yes, but “only if the province satisfies the Minister—that is the Minister of Human Resources Development, the new super minister of education for Canada—by written notice received by the Minister before the beginning of the loan year in question, that, in relation to the matter in question, the provincial financial assistance plan has substantially the same effect as the plan established by this Act”.

In the mind of the new government, in a spirit of sharing, from now on, the provinces could apparently be entitled to financial compensation—in a provincial jurisdiction—provided they satisfy the minister that their plan has a similar effect, the same effect—as this is put in the act—as the federal plan. A fine example of co-operation indeed!

Canada is currently undergoing changes. We are witnessing the end of a status quo. This reminds me of statements made by a certain Prime Minister, the former leader of the Liberal Party, to the effect that the 1980 referendum would indeed bring about change, but not in the direction that the people of Quebec expected. Change is happening now and I can see it from here: I do not doubt the persuasiveness of the present Quebec Minister of Education, with whom I have worked, but he has to satisfy the federal minister that his plan is the same as the federal plan. What a great show of co-operation!

This government tells the provinces: “We will go along with you on this, provided you do exactly as we tell you. From now on, your role will be limited to do as you are told, in a provincial jurisdiction on top of that”.

Make no mistake, people of Quebec, that is what this co-operative proposal is about. When they talk about decentralization in the discussion paper, they are not talking about giving more powers to the provinces, they are talking about going directly to the groups, the municipalities, the people interested in employment. They would bypass the provinces to reach the groups and organizations concerned. Is that what decentralization means? In any case, that is not what Quebecers want. If the government stubbornly insists on spending less but controlling more, I fear that the reaction will not be the one the parliamentary secretary is hoping for.

(1635)

Mr. Osvaldo Nunez (Bourassa): Madam Speaker, if I may, before making my comments, I would like to salute my wife Zaida and a group of friends from Chile in the opposition gallery and I would also like to congratulate the hon. member for Lévis on his presentation. I want to say that I am totally against this social security reform proposed by the government.

I think that it shows a total lack of human values, of compassion and fairness to the most vulnerable in our society. The Canadian social security system is not the most generous in the world. Far from it! Many systems in Europe are more generous. Canada spends \$18 billion less than the average OECD—or industrialized—country. That is why the union movement was unanimous in opposing and fighting the social security reforms advocated by the government.

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I will also fight these reforms because they hurt the most vulnerable, the unemployed, the people on welfare. In my riding of Bourassa, in north-end Montreal, which is a working-class riding, many immigrants, many Haitians are suffering from the economic crisis and they are not at all happy with the reform proposed by this government.

For all these reasons, I will be among those who will fight tooth and nail against these reforms. I congratulate once again my colleague, the hon. member for Lévis.

[English]

Mr. John Murphy (Annapolis Valley—Hants): Madam Speaker, I am pleased to have the opportunity to take part in this very important debate. The revamping of our social security system is one of the most important issues facing our government and our people. By revitalizing these programs now we are investing in our long term economic and social well-being. If we work together to make positive change we can renew the country and prepare ourselves for new challenges.

When our government initiated this review last January, major emphasis was placed on the need for thorough nation-wide consultations. We realize the importance of listening to the concerns, the ideas and opinions of as many Canadians as possible.

Consultation is key to a successful social reform process, and that is what I want to talk about today. During the election campaign I heard very clearly from the people of my riding that they wanted a greater say in the decision making process. I am sure other hon. members heard the same message. People have grown cynical of governments who make decisions behind closed doors without input from the public. Instead people want their voices to be heard during the development process.

That is what the social security reform is all about. To a large extent, our social programs have been a defining feature of Canadian society, programs such as unemployment insurance, social assistance, post-secondary education and child tax benefits reflect our strong values of sharing and compassion.

Despite our commitment to social programs, we have over 1.6 million unemployed Canadians, over a million children living in poverty, thousands of young people who cannot get a start on their careers, and families who have fallen into poverty traps and see little hope for the future. Clearly we can do better.

(1640)

In order to improve the system, however, we must consult and gain the support of members of Parliament, all of the provinces, various interest groups and most important, the Canadian public and the people of Annapolis Valley—Hants.

I believe there is a consensus among Canadians that we must improve and update the various programs that have helped make us the great nation that we are today.

An Angus Reid survey conducted earlier this year showed that fully 85 per cent of Canadians agreed there is a need to reform our many social programs. I know the people of Annapolis Valley—Hants will seize the opportunity to participate in this process in order to help map out the future of our social security system.

In the past few weeks I have heard from critics who have said on more than one occasion there is no need for consultations, that the decisions have already been made and that the government will go ahead and do what it wants regardless of public input. I heard it already from across the way.

As I look at this discussion paper and I read the options being put forward, I feel confident in categorically rejecting these arguments. The final decisions have not been made. This paper does not lay out government decisions. Instead this document outlines certain principles and it presents options for consideration. It is a catalyst for further debate.

As parliamentarians, we have a responsibility to facilitate this debate in our communities. Anyone who has not done this consultation and at the end of the day says that they have not been a part of the process, should be ashamed.

We must bring these options to the people in our own ridings, talk about how best to reform the system. We must ask what options are acceptable, what will work in our communities.

In my riding of Annapolis Valley—Hants this process has generated a great deal of interest. In a questionnaire that we distributed throughout the riding last spring, fully 77 per cent of respondents felt that Canada's social security system should be a top priority for reforming.

I have also received many phone calls and letters from people who have offered their opinions and ideas on what changes should be made to the network of our social programs. In response to this tremendous local interest on this issue, my team set up a committee of community people to help me design a process to consult the people of Annapolis Valley—Hants.

Through the diligent work of this group, a series of four consultation forums will be held throughout my riding within the next three weeks. The objectives of these consultations are straightforward. First, to stimulate a broad discussion among constituents about Canada's social policy programs. Second, to seek the views of the people of Annapolis Valley—Hants on the future direction of social policy in Canada and the kinds of programs that will be needed in the future. Last, to submit to the minister the views of the people of Annapolis Valley—Hants in order that the concerns that my constituency has put forward are a part of the decision making process.

As part of this process, the committee has developed a questionnaire which was distributed to every household in my constituency. This is the type of consultation process, in my

opinion, which will stimulate worthwhile discussion on our social security reform.

The dedication that this committee has shown in establishing a thorough, local consultation process clearly demonstrates the importance people have placed on the issue. While we still have a lot of work to do I want to thank the members of my local committee for their time and great effort. They have truly demonstrated their desire to work toward positive change.

(1645)

It is this type of involvement which will bring about focused discussion and worthwhile recommendations as to how to improve our system. I would encourage all members of Parliament to follow the lead set by the committed volunteers of Annapolis Valley—Hants.

I would like to close my remarks today by reiterating the importance of public discussion and debate on the options that are before us. The decisions have not been made. I have not spoken for or against these proposals because the people of my riding of Annapolis Valley—Hants have not been heard. By communicating with our constituencies we can ensure that our programs reflect the concerns and interests of the people across the country.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I was surprised when the hon. member for Annapolis Valley—Hants said in his speech that the government wanted to do this out in the open, not behind closed doors. In yesterday's *Toronto Star*, however, we read, and I quote:

[English]

“The federal government has a secret plan to cut \$7.5 billion from social programs over the next five years”. Further it states: “The plan was put on paper after Prime Minister Jean Chrétien asked his cabinet colleagues to clarify just how much social reform would save federal coffers before the end of the Liberal mandate”.

[Translation]

I was surprised this should happen behind closed doors, but I also have the impression that as far as members from the Maritimes were concerned, the doors were closed to them as well, because that is the only explanation I can find. The hon. member who represents the Maritimes comes from a region that, like Eastern Quebec, which I represent, has been hit very hard. The government is going to create two kinds of unemployed workers in these regions: people who have been on unemployment insurance at least three times during the past five years and those who are employed on a more regular basis.

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This is going to be a regular witch hunt. People will be practically branded as cheaters: “Why were you unemployed so many times?” The government also says their benefits will depend on the number of times they were unemployed. This means that two people working for the same employer and doing the same kind of work and earning the same salary might not receive the same amount of benefits if they are laid off, depending on whether or not they were employed regularly. There will be utter confusion!

I suppose we can assume the only jobs this reform will create are jobs in the bureaucracy, because the federal government will do exactly what it has done in the past: increase the number of bureaucrats instead of introducing specific job creation measures that will help the regions kick start their economies. One of these measures, for instance, would be to reduce the employer's contribution to unemployment insurance premiums. Instead, we have something that will further complicate the situation.

I am very surprised to see a member from the Maritimes rise in the House and say he is prepared to put this before his constituents, instead of immediately taking a stand against this kind of proposal.

[English]

Mr. Murphy: Madam Speaker, I take note that my hon. colleague obviously does not have very much faith in people and people's abilities to make a contribution to the forum that is up and coming.

I have great support for the people of Atlantic Canada. We know the issues. We are putting forward ideas for debate to which I believe the people of Atlantic Canada will contribute heavily. They will help us make decisions in this Parliament.

(1650)

The hon. member feels that the Canadian people do not have that kind of ingenuity, that kind of intelligence. I am insulted by that and I am insulted that he would put that on the people of Atlantic Canada. The people of Atlantic Canada and the people of Annapolis Valley—Hants will contribute to the debate. They will help us make the decisions that are needed to reform our system.

Mr. Ken Epp (Elk Island): Madam Speaker, I was most interested in this speech and I would like to commend the member for the process he is going through in his constituency. I would like to do something like that in my constituency too.

I wonder whether he would contemplate giving us a copy of the questionnaire he is using. Hopefully between what he has done and what we would do, we could remove any political bias in the process and thereby get a good cross-section of what people across the country would respond to. I really believe in honest and open discussion. I want to hear the options and I too trust the people in my constituency.

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Mr. Murphy: Madam Speaker, I will forward the member a document. It was a householder that I sent to every household in my riding, outlining what we are doing. They then have the opportunity to get the document from us now.

I will forward it to the member. I am pleased to hear him say that he trusts the people of Canada and their judgment.

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hochelaga—Maisonneuve, Defence Industry Conversion.

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Madam Speaker, before I begin, I would like to commend the member for Elk Island for his co-operative attitude.

I am pleased to have the opportunity to speak on the matter of social security reform. A discussion paper we have released gives Canadians a chance to debate the future of these programs, what is necessary and what is possible with the limited resources we have available to us.

As the National Anti-Poverty Organization has correctly noted, the best social security for an individual is a decent job paying decent wages. But we know with technological change that decent job has been altered beyond recognition.

[*Translation*]

And if that were true so far, just think about what the future has in store for this 18-year old woman, assuming she has just registered this year at a community college. Can anyone predict what skills she will need in the labour market in the year 2030? Of course not!

What we can predict is that her education will not stop on the day she receives her degree. She will have to continue to learn. In fact, to achieve financial security, it is not enough to have a job now; we must also have the skills needed to secure employment at any time in our lives. That is why we must upgrade these skills on a continuing basis.

[*English*]

It seems only yesterday that I was 18 years old myself. Shockingly, I find myself the mother of 18-year old twin boys. The future they face is much different from the one that lay ahead of me at the same age.

When I left school at age 18, the product of rural Saskatchewan, the choices were clear. A generation or two ago it was still expected that one would finish school, train for a specific job and keep that job most of one's working life.

For myself, a young girl from a traditional farm environment I had a couple of choices; be a nurse, be a teacher. I chose teacher. I went to the University of Saskatchewan in Saskatoon which I am proud to say is a jewel in the crown that is the riding of Saskatoon—Humboldt.

Because of this fact and the fact that I am a former teacher, I am particularly delighted today to address the learning chapter of the green book, chapter 3. No one would deny that learning is the key to finding and keeping stable jobs. Competition from other countries, automation, new technologies have changed the world of work irrevocably.

The new jobs in our economy demand higher and broader kinds of skills and this is the future that looms before my 18-year old sons. Unlike me they can expect, no they must plan for, being educated for the likelihood of changing jobs in their working lives. Their future must be one in which lifelong learning is possible. Only this way will our young people be able to enjoy the same financial, emotional and societal benefits of employment as generations past.

(1655)

Our government, through this discussion paper, faces this challenge. As members know, federal contributions have helped build and operate a system of post-secondary education that is both extensive and accessible.

[*Translation*]

The Canada Student Loans Program has been improved. We raised the weekly ceiling by close to 57 per cent for full-time students. We also raised the maximum for loans to part-time students from \$2,500 to \$4,000. We will gradually introduce special subsidies which will provide an extra \$3,000 to single parents who pursue part-time studies, to handicapped students and to women registered in Ph. D. programs.

[*English*]

For the first time we will be offering a national program of deferred grants that will help high need students who would otherwise face extremely high debt loads on graduation. There were many other elements to our improvements to CSLP, but members will understand the essential principles of improving and broadening access for students of all kinds.

I would probably not be addressing the Chamber today had it not been for the assistance of the Canada Student Loans Program. Without those funds, a university education would have been beyond my grasp. From the letters I have received from constituents, and from talking to people in the riding like Mr. and Mrs. Ivan Dale, I know there are still young people out there facing the same problem.

Education is not just for the young. As I said in my earlier remarks, it has to involve people at all stages of their lives if we are to be successful in the future. In spite of the removal of certain barriers, one huge obstacle remains. That obstacle is money or the lack of it.

*Government Orders**[Translation]*

In the discussion paper, we propose ways to finance post-secondary education. We discuss the means to make it more accessible to those who want to develop their skills. We also recognize that we have been contributing to the financing of post-secondary education for a long time and that we must continue to do so.

[English]

The provinces and territories manage the system, but without federal involvement it would look much different. The federal government now provides \$8 billion a year, or about half the total spending in this area. The discussion paper recognizes that the federal government provides core funding for the post-secondary system through tax points. As members will recall, the budget earlier this year called for the federal government to reduce the other part of that funding, cash transfers.

We have already told the provinces and territories that cash for post-secondary education will be returned to the 1993-94 level of \$2.1 billion in 1996-97. Within 10 to 15 years the formula in place to calculate the funding will probably end the portion of the PSE funding paid in cash.

[Translation]

The document raises the question of how to best use that money. We believe that it is by making post-secondary education more accessible to students. We realize that the increase in tuition fees imposed by provinces and territories have forced students to absorb a larger proportion of the costs of their education. The changes we made to improve the Canada Student Loans Program should help students get by, but we can do more.

[English]

The paper offers an interesting option. End the cash transfers for institutional support quickly and expand student loan opportunities instead. It is estimated that a \$500 million student aid program would lever \$2 billion in loans every year. The target for that money could be older students, people who want to add to their skills and who want to retrain.

A student aid program like this can be truly preventive. It can offer support to working people who want to stay ahead of the skill wave.

All this talk of loans brings up the thorny question of repayment. Sooner or later these loans have to be paid back. Over the last year I have received letters from students young and old who are unable to repay their student loans, wondering what they can do. Sometimes they have graduated and cannot find work, other times the work they found was so low paying that they cannot make loan payments. They cannot even make ends meet.

One option being considered in the discussion paper is the income contingent repayment plan. This plan which has been working well in Australia and New Zealand would permit people to repay their loans on the basis of their income perhaps through the tax system.

(1700)

Another option in the green book is the concept of using RRSPs to finance education and training.

What is clear is that the discussion paper takes into account the need to achieve reform within tight fiscal parameters. Our objective is to use limited resources in the most effective way to preserve and expand access to post-secondary education for many more students.

I congratulate the minister of human resources for having the courage and the commitment to his ideals to engage Canadians in the revitalization of our social programs. The easy way would be to sit back and watch as an outdated social system collapsed under its own weight as it limped toward the next century. It is much harder to take the path set by the minister, to recognize that we have a problem, to identify what those problems are, to take the time to hear what Canadians have to say about their needs and about how those needs may be met and how we can pay for those needs.

In my riding my constituents will be participating in the revitalization process October 29 and 30. I invite all Canadians including some of the doubting Thomases in this House to participate fully in this task, to take advantage of this opportunity to be part of the rebuilding. Criticism without offering constructive alternatives gets us nowhere. Why be part of the problem when it is so much more exciting to be part of the solution?

I am confident that Canadians hold dear our social programs and I anticipate that they will join in the task of reweaving our social safety net so that it is there to cradle Canadians at those times in our lives when we need its support.

[Translation]

Mr. Antoine Dubé (Lévis): Madam Speaker, the hon. member mentioned some interesting measures in her speech, including those designed to help women go back to school—she even related her personal experience.

I would like to make a comment followed by a question. The discussion paper contains a provision regarding UI, while the budget speech tabled by the Minister of Finance made mention of a cut. In fact, there are cuts this year and the government wants to make additional cuts affecting those who regularly find themselves without work.

As the hon. member knows, that group includes women. In times of economic hardship, many women will have part-time jobs. Their situation is precarious and, unfortunately, they are often underpaid or paid less than men.

Government Orders

Last year, the human resources development committee heard testimony by the Anti-Poverty Organization. One woman who testified had finally succeeded in returning to school and she told us that, like other students, she would have completed her studies since she was prepared to incur debts of \$32,000 in the process. In the end, since she did not have a job, she could not get loans.

As an MP, but also as a woman, what does the hon. member think of the new measure designed to take into account the salary of a spouse, in the context of women's autonomy?

[English]

Mrs. Sheridan: Madam speaker, I thank the hon. member for his question and his focus on the role women play in the new working world. I am so pleased that the hon. member has asked me this question because I think what you must bear in mind when you launch on a massive enterprise like this into social reform is what you have in front of you as a discussion paper. Exactly the kinds of commentaries that you have made here will be the kinds of things we will be hearing when we go out to our ridings—personal stories. People are going to be revealing what the social safety net has meant to them and how it has either worked or has not worked.

(1705)

I would respond to the hon. member's story with a story of my own from Saskatchewan that has to do again with a young woman. In my other life of continuing to change employment I managed a clinic. I was faced with a young woman, a single parent, who came to the clinic first as a patient.

It turned out she was trapped in a social assistance web. She was unable to get the kind of training she needed because she had no experience. She had no experience because no one would hire her. She was suffering from the risk of losing what benefits she did have for herself. Primarily her focus was on what the loss would be to her child if she was to give up her social assistance.

What ended up happening was that she started working with us, training on the job and trying to get herself into a position in which ultimately she would break free of that welfare trap. I honestly believe that most people are going to be coming forward with ideas that will allow Canadians to make the kind of transition that the hon. member has touched on in his comments.

Whether it is through UI or other programs that will come under discussion in this social security review, those opportunities are the ones we have to make for Canadians to allow them to bridge that gap and to become part of the workforce. I truly

believe that most people look forward to the prospect of getting up everyday, going to work and providing for their families.

Mr. Silye: Madam speaker, on a point of order, the Reform Party under Standing Order 43(2) will be splitting its time now in 10 minutes and 5 minutes.

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, we have heard some good input into this debate today. I thought I would add some thoughts around four main points. One is why we need change in our social service delivery; second, talking a little about the process of change; third, our role as Canadians in getting change; fourth, where we go from here today.

We need to change our social service delivery. I think there is a consensus in the House about that. I would like to suggest four things that we must do when we talk about changing social service delivery. One is that social programs must be targeted to those most in need.

We are a rich country. As the Prime Minister is fond of pointing out, we have been identified as the number one most desirable country to live in by the peoples in the world. Interestingly, the Minister for Human Resources Development says in the plan we are discussing today that fully one-fifth of Canadian children live in poverty. I find it difficult to believe that with the billions of dollars we spend on social programs still one-fifth of our children live in poverty. Surely something has to change.

Second, the document says that nearly half of Canadians on welfare are employable. Here we have able bodied people who are being supported out of the public purse. Surely in the richest country in the world there has to be change in our social programs if this is indeed happening.

Another point in this document is that there is a large percentage of chronic users of unemployment insurance caught in a cycle of short term employment and unemployment and dependency again on public programs. In a country like ours we must be doing something wrong with the billions of dollars we spend every single year if these facts are correct that the minister is putting forth to the public.

The family should be recognized as the primary caregiver in society. Our social programs have strayed from that principle in large measure. Our social programs have said that it is mother government and the state that will look after every need and that there will be a program to help in every circumstance of life.

I believe that Canadians are self-reliant people. Canadians have a tradition in which families and communities stand together and help each other through hard times. That is a tradition. That is the element of our culture that Canadians very much want to preserve.

Government Orders

(1710)

We want private and public help only as a last resort because we believe in standing together. We need to get the emphasis back from a government intruding in our lives and telling us what to do and taking our money and deciding how it is going to help us, to helping each other and being self-reliant to a much larger degree.

Third, our social program delivery should be decentralized to communities, to the community level, to private sectors, to the provincial level where the Constitution places it. Instead, we have strayed to huge federal centralized programs and they are not working for us. We spend about \$160 billion every single year, a lot of money, and fully half of that is on social program spending. It is for social programs, transfers to provinces for social programs. Half of everything we spend is on social programs.

We need to make those programs work and the big, distant, bureaucratic, overlapping, inefficient programs simply are unworkable for Canadians. We want to be free to take care of ourselves and to look after ourselves at the community and local levels.

Last, we need change because social programs must be financially sustainable in the long and the short term.

Some time ago I was speaking to a man who was a third generation welfare recipient, but this man was different. He had become a multimillionaire through very hard effort and work on himself. He taught himself. One thing he did was read over 1,500 biographies of successful men and women in the world and he studied them and emulated the principles they had adopted to be successful. I asked this very wealthy and successful and influential man from another country what he would advise me to do as someone in public life, as someone in a leadership position. He gave me his advice in just two words: "Encourage thrift".

Our social programs do not encourage thrift. Instead they encourage dependency. Instead they encourage the expectation that if we spend our money and we do not save it, do not budget wisely, somehow somebody else is going to bail us out and that somebody else is the public purse, the government.

The government does not have any money. The government just has our money and it does not use it very wisely in many cases.

The programs we have had have been purchased not only with our own money but have been purchased on the back of our future. They have been purchased by mortgaging our children's future because right now our children owe over half a trillion dollars to pay for the programs we have given ourselves.

That is not a financially sustainable situation. Government programs are the problem, not the solution. Because of these

programs and because of the way they have been financed, one-quarter of everything we spend is on interest and that interest obligation is rising and our children will have to spend that every single day.

To get change we must provide leadership and vision for a new way of doing things. We must move away from the old expectations. We must move away from the old ways of thinking and we must confront this situation with openness and honesty, without pretence, and without trying to savage and distort and run down people who are simply trying to put the facts out to the public.

We need leadership that will last in the public interest, not in political interest, and Canadians should look for that and should insist on that.

What role do Canadians have in this kind of change? If Canadians are to have a meaningful role in this debate and if they are to have meaningful input we owe them something as leaders. We must define the issues. It is not enough to say: "Oh, we are going to talk about this. What do you think?" We have to define the questions that need to be answered. That is very important. If we are going to give reasoned and thoughtful answers we have to know the questions.

(1715)

Second, there must be fair and balanced information. The cost and the benefits, both in financial and social terms, must be clearly laid out to people. If they are going to give informed opinions they need to have information.

Third, they must have sufficient time. I am very concerned that we have a document that just came out yesterday and Canadians are going to have to indicate in three weeks time whether they wish to speak to this document and have their submissions in in just about a month. That is with nine background papers not even released. How are Canadians going to give informed input without this kind of assistance and background information?

Last, we have to demonstrate to Canadians that their input is going to count for something. If it is just a feel good exercise it is not going to count.

Therefore, I challenge all of us to know what we are doing, to be informed and to tackle the problem in a substantive way.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I think it would be interesting to find some common ground with the hon. member who just spoke. Although there are a number of points on which we differ, I think she may find that we agree on the following items, for instance. If we consider what caused the present situation, I think one of the main reasons is that we have a country where the division of responsibilities is absolutely mind-boggling.

Government Orders

If we consider unemployment, some people are on welfare, which is a provincial responsibility, and some people who are unemployed are dealt with through an unemployment insurance system. According to the report, 45 per cent of welfare recipients are people who are unemployed but able to work. There is no proposal for a joint approach to this problem, for an integrated and logical strategy to deal with unemployment.

This may be one of the reasons why we are stuck with the present system, and I think we could agree that the answer is a very decentralized approach where the whole problem of unemployment and welfare could be dealt with at a level that is much closer to the people—at the provincial level, at the very least, because the economic situation varies widely from region to region across Canada and a pan-Canadian program does not have the flexibility to respond to these varying demands.

The second point on which we might agree is the issue of transparency. When we read in the *Toronto Star* that:

[*English*]

Top provincial officials flew into Ottawa to be briefed on the implications of Axworthy's social reform plan, but they were not given the dollar figures obtained by the *Star* and the document makes clear that it is deliberate.

[*Translation*]

Obviously, efforts will have to be made, at the level of the committee responsible for holding hearings across the country to listen to Quebecers and Canadians, to ensure that the people appearing before us have all the relevant information at hand because, as a member of this committee, I had no intention of being a puppet. I want the real figures to be used. On that too, I think that we can work together with the hon. member to make sure things go in the right direction.

One last point that could elicit co-operation is the different outlook. The reform proposal before us is essentially the same as the one the Conservatives would have tabled. Somewhere someone who is not an elected member is controlling the entire system. That is extremely dangerous for Canada and I do hope that the hon. member will agree with me on the various points I just raised.

[*English*]

Mrs. Ablonczy: Madam Speaker, I would like to think that people of good sense will always agree. I would like to think that we are working together here because we are getting paid by the people of Canada. I would also like to think that we are working together for the good of the people of Canada. As far as the problem of unemployment goes it is important to note that when we take large amounts of money out of the pockets of business people, investors and entrepreneurs to fund government activities and government programs we are diminishing their ability

to create real long term sustainable economic activity which creates real long term jobs.

(1720)

It is not governments that create jobs. It is us with our money and our hard work.

Mr. Jim Silye (Calgary Centre): Madam Speaker, it is beginning to look as though Pierre Trudeau's vision of a socialist Canada has come true. By making the federal government this country's largest employer he guaranteed most people would be reliant on government for their livelihood.

By instituting new laws to create a just society we are now faced with criminals having more rights than their victims. By systematically tearing down the traditions and freedoms of the old Canada he has been able to convince his political apostles that the old ways were corrupt and his way correct. By destroying the country that our forefathers built and fought for he made way for the country that it has become, chasing itself in circles like a confused dog while the world watches in amazement. Even the finance minister said he wants to square the circle. He just does not know where to start.

Those are not the words of a political speech writer, spin doctor or myself but of Mr. Don Nich, a Calgarian and a taxpayer, who like so many Canadians is tired of status quo federalism and passive and ineffective Liberal policies.

As the debt clock ticks its way into the second half of \$1 trillion we are increasingly aware of the fact that the old ways of doing things simply do not work any more. They have in fact led to what many Canadian economists describe as a crisis situation threatening the basic financial security of our country now and for many generations to come.

How have we come to be in such a financial mess? Through years and years of allowing federal governments to ignore the problem, by continuing to live on ever increasing levels of borrowed money. More than 25 years of borrowing started with the Liberal government in 1968 and heaven help us continues with a Liberal government today.

By spending at levels we cannot afford and thrusting the resulting burden on to the people of this country through taxation Ottawa has created a two headed monster that threatens the very core of our country. One head of this monster is increased program spending; the other head is the crushing complex system of taxation.

During the last election Canadian taxpayers made it clear that they want politicians with the guts and the vision to lead the way with changes that will benefit them and their children no matter how difficult those changes may be. They can see the two headed monster and want it stopped before it devours their future.

Government Orders

What has the government done to answer this call? The answer is a discussion paper. Today alone the Liberals will spend \$113 million more than they bring in. Today alone the Liberals will continue to take \$6 from the taxpayer for every \$1 that their members pay toward their gold plated MP pension plan for life which socially conscious Reform MPs have sworn to reject. Today alone the Liberals will let the debt clock continue to run at nearly \$1,500 per second. Finally, today the Liberals will spend yet another day talking about social reform rather than introducing legislation that they promised all Canadians during the election in their red book. They have deferred the plan and will avoid the problem for another year.

I predict that any legislation that this government does introduce whenever it introduces it will cost the Canadian taxpayer more than the current \$38.7 billion it is attempting to review.

Mr. Robichaud: Do you want to bet?

Mr. Silye: Yes, I will side bet you any time, any amount you want.

We believe that like a house Canada is currently mortgaged to the tune of \$531 billion. Every year the government borrows about \$44 billion more to pay for things we cannot afford. The interest payments on this mortgage alone eat up one-third of our tax dollars and have led to increases in the tax burdens on Canadians and less money for social programs and left their economic fate in the hands of foreign creditors.

The time has come to start getting the books in order today. Pay down this mortgage and live in a home that Canadians can afford and enjoy.

Through you, Madam Speaker, to the members of the Liberal Party, I would like to take a moment to provide the building plan for that home. Start by laying out a foundation of reasonable spending, setting priorities on what is truly important. On top of this build the four strong walls of fair taxation, direct democracy, institutional reform and equal rights. Finally, protect all those inside the house with a roof of efficient and effective social programs and stop wasting money on needless frills like gold plated pensions, parliamentary travel, better known as MP tourism, and subsidies for business and special interest groups. I wonder what the Prime Minister and his group of premiers and his whole hoard of bureaucrats going to China will bring back in terms of dollars and cents on a business deal for this country.

(1725)

The benefits of us owning a mortgage free home includes lower taxes, an improved economic climate and secure social programs. If the Liberal contractors cannot budget and build such a home, the Reform Party will.

We believe it is unfair to finance current programs at the expense of future generations, as mentioned by my colleague from Calgary North. The time has come for Canada's social programs to be financially self-sustainable.

We should democratize UI by having it administered by the employers and employees who finance it. Tighten the rules for UI qualifications so that the program reflects its original purpose as a temporary safety net for those who lose their jobs. Provide incentives to help people become less dependent on government. If UI and welfare equal minimum wage, why should people work?

Also the Reform party believes that our social program should be designed to eliminate all duplication of administration between federal, provincial and municipal governments. Not enough money is getting to the truly needy. I witnessed that personally on the campaign trail during the last election. I met individuals who had legitimate cases. Seniors who had a \$55 or \$75 cheque said: "This has to last me for a month". Yet they were refused or unable to obtain assistance because of the red tape while seasonal workers across Canada who earn \$55,000 or more are using it to pad their incomes. This must stop.

Social programs should be based on family or household income and administered through the tax system. Old age security, for example, is not even mentioned. It costs \$20 billion per year and is not funded out of anybody's premiums. It is given to everyone who turns 65 regardless of whether they need it or not. I have not paid one cent toward that program. I will become 65 in 15 years and I will get an automatic \$365 per month. I do not know if I deserve that if I make more than \$54,000 a year.

Social programs should be fair to all regions of the country and treat all Canadians the same regardless of where they live. The Canada assistance plan for example costs \$8.2 billion per year and matches provincial spending on welfare for the have not provinces.

What I am going to say in the following sounds tough, but we have to deal with the reality that if you cannot make your region economically viable in any way, shape or form, then taxpayers should not be asked to pay the bill. The money just is not there.

Before we get to that extreme we propose that the federal government decentralize the CAP by passing equivalent tax room to the provinces and let those closer to the provinces decide how the money should be spent. In earlier times people dealing with particular issues in a region were the people who knew the local conditions best. They knew which of their neighbours needed help most. Issues could be dealt with quickly and responsibly and people were directly familiar with their own budget constraints.

Private Members' Business

Perhaps it is time to push government programs and services closer to the people by placing them under the jurisdiction of the lowest level of government possible. Set basic federal standards, make it portable, make it accessible and give the provinces more flexibility in managing their own affairs. Maybe then we will see more grassroots or local solutions with effective results for the have not provinces.

A social dilemma has been created by the misapplication by this government and the Conservative government of the Keynesian economic theory. In a recession it is fine to borrow to stimulate the economy. In good times you have to pay back what you have borrowed. These past two governments have failed to do that. It is past time for governments to recognize the second half of that theory and start paying down the debt.

Not one member across the floor or in the separatists ranks has like us refused to take the MP pension. Nowhere in the report of the Minister of Human Resources does it say that MPs will lead by example and make the sacrifices that are being asked of all other Canadians. Not one minister has had the courage to go into his department and tell non performing employees: "You are fired" to old school bureaucrats who play the political game. But those bureaucrats have forgotten who they work for, the taxpayers.

If the government really wants to help Canadians help themselves then it should leave more money in the hands of the people who earn it. Taxpayers know how to spend and invest their money much better than the government. Do not tax people and redistribute the money. Leave it at the source. If people are allowed to keep the money they earn they would not need social programs from the government.

A 10 per cent cut for all families earning under \$60,000 would leave more money for food, shelter and clothing and that should be the very objective of social programs.

If the government and the finance minister had the political will and the business acumen to lower overall spending, they could easily lower taxes. The handling costs of sending money to Ottawa for bureaucrats to redistribute back to the people as they see fit basically takes 30 to 35 per cent of the moneys out of the programs. This is an enormous impact on the efficiency of the programs.

Objectivity is required in the matter of social reform, not partisan politics as is being played out by the Minister of Human Resources Development.

The Acting Speaker (Mrs. Mahu): I am sorry to interrupt the hon. member. It being 5.30 p.m. I am obliged to proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

FINANCIAL ADMINISTRATION ACT

Mr. Randy White (Fraser Valley West) moved that Bill C-245, an act to amend the Financial Administration Act and the Auditor General Act (review of budget speech), be read the second time and referred to a committee.

He said: Madam Speaker, I want to talk about my Bill C-245 and why I did propose it. I guess it would be no secret to say that I proposed it because of a great lack of confidence in the ability of this government and indeed the Conservative government before it to accurately project revenues.

This bill asks the Auditor General to order one or more people to review the budget speech and then report to the House on the reasonableness of the estimated revenues used in the preparation of that speech. That report would be by another party and would be submitted to the Speaker on or before May 31.

The reason that is necessary is that we do need another independent body assessing the numbers the government is giving us. I will show today why this and other governments have been projecting revenues like this and have been spending that much and their revenues are downloaded and they end up with deficits.

As I started this speech, this country's debt clock was at \$532,343,108,949.98. That just sort of rolls off us Reformers now. However I think the people listening and watching should really understand that this money will be on the backs of our children and our children's children. The overindulgence of the last 20 years must really be noted and it must be accepted that it has to stop. The debate we have already heard today on the social programs from the Reform Party's point of view should be well taken, well accepted, and the rhetoric we are getting from the Liberal Party should be suspect at the very least.

How did we ever get into this mess? Besides overspending and overindulging and overloading the taxpayer, government manipulation of the budget numbers is one of the primary problems. How can government overspend, one asks. It is quite easy when you bring forward to the public estimated revenues of a certain amount of money.

It is like a family whose income is \$56,000 a year. They turn around and say: "We know we have \$56,000 but let us just say it is going to be \$86,000 this year and let us spend \$86,000". At the end of the year they end up owing \$30,000 to the bank. Next year they do the same thing and the following year. Pretty soon that family owes \$90,000 or \$100,000 and what happens? The bank comes into play and says: "Wait, you cannot pay your bills". Then the tragedy of personal bankruptcy takes place.

With government however the bank does not come into play, the taxpayer does. It is most notable in recent years looking at the rising tax figures how the taxpayer is paying for this burden of assessment of higher valued revenues and spending to that limit.

(1735)

In 1984 Canadians thought they got rid of the Liberals. They brought in debt and deficits that were concerning people, so we brought in the Conservatives. We thought they were talking about restraint, and talk about sitting at the trough. We put up with these folks for four years.

In 1988 we were at this terrible decision making point. We could not go back to the Liberals because they blow money like yesterday's business. We were not very comfortable with the Conservatives, but maybe they just needed another four years. So we brought in the Conservatives again. Well, it was trough city after that.

The Conservatives knew it. They figured that as they were probably going to go out anyway, just before the 1992 election they would raise the revenues and spend money. Then if the Liberals got in they would be stuck with it because the Conservatives had spent money based on erroneous, highly projected revenues. If the Liberals did get in they would wonder what had happened.

This has been going on for decades. I have to ask why is it we do not elect the government we want. What we really do is throw out the government we do not want. That is why today there are 52 Reformers sitting in this House. I can assure you at the next election we are going to throw out a government we do not want. The people are finally going to have an opportunity to elect the government they do want, notwithstanding all this rhetoric we hear here. We are going to stick with it and keep talking about deficit reduction and we mean it. It is not rhetoric.

Canadians did elect the Liberals as the government thinking they would have a great opportunity to see this tough budget in 1993. Several of us, me included, went into a lockup. We were looking for the savings, the reductions, and all of the changes that would come. The Liberals were going to help the country. What we saw was some increased revenues and they were going to spend the same amount of money. This is the same old story we have been getting. Meanwhile the debt climbs and climbs. Under the auspices of increased revenues we get more spending.

We hear the talk today about social programs. For one whole year we have been studying social programs from this side of the House and yesterday, we received a discussion document, not an action document, a discussion document. That is kind of sick when you think about it. We have had a year to take some action.

Private Members' Business

We are overspending by \$40 billion a year and we get a discussion document. What do the people at home think of this House that is supposed to provide leadership, this House that is supposed to take action? The reports already coming into my office ask why some action could not be taken.

We did hear from the press, not from the government, that there is possibly \$7.5 billion in savings over five years. That is a mega whopping \$1.5 billion a year. We overspend by \$40 billion a year so \$1.5 billion does not even make a dent, folks. This comes from an accountant. I think I can even add that much.

I can say this. The government is trying to bail out a sinking ship with a thimble. It does not work that way and even buckets will not help now. We need a sump pump to drain this system. Yes it will hurt a little bit, but have the courage. We will show this government how to have some courage. We just have to take it on the chin a little bit, that is all.

(1740)

If the Liberals really meet their budget plan we are blessed in this country with a deficit of about \$26 billion a year. This is the plan to balance the books, \$26 billion a year. Over four years we are running over another \$100 billion in debt. That is the thimble we are dealing with. It is not sound and it is not reasonable, but it is rhetoric.

If the Liberals do not cut they have to play with the revenues. That is what they are going to do and that is why my bill kicks in place. We want an independent third party to look at these revenues. We want another assessment of these numbers.

When they are looking at revenues do not discount the cash cow of RRSPs. Although their budget numbers will vary widely on how much revenue they can get from that, you may be sure there is a cash cow there and they do have a focus on those savings. In fact our leader and others in our party have asked in the House of Commons several times in Question Period: "What are you doing with RRSPs?" The answer is always: "Well, we can't say right now". The fact is they are going to dip into it.

Let me tell the House what some people think about that. I hope this government does not think that people are not concerned about it already. This is an unsolicited letter to me from a chartered accountant. Her name is Ruth Gillies. She wrote:

This letter is to express my strong concern over recent sabre rattling by Revenue Canada to tax retirement savings. I feel that threatening those people who are attempting to deal responsibly with their future needs, rather than relying on the system to provide help as and when needed, provides a strong disincentive for people to act responsibly.

Disincentive to act responsibly. We are hearing that not just about RRSPs but also about the social system changes we are looking at.

Private Members' Business

It also occurs to me that threatening to tax retirement savings, which is obviously offensive, might be viewed as an effective psychological weapon so the Canadian populace will be thrilled when the proposed charge of first degree murder is subsequently reduced to manslaughter.

I understand the government's need to deal with the deficit issue.

I think Ruth probably understands that need a little more than this government; she is a CA. She goes on to say:

I feel more like a victim or prey rather than the cause of the problem. I feel more like I am being done to rather than being done for.

Do you understand what she is saying here?

In my opinion we need responsibility accounting and good value for our money that government spends.

Now understand this:

A deficit arises when spending exceeds revenue.

I have to say that again. Deficit arises when spending exceeds revenue. This is the new axiom for the Liberal Party.

I do not feel that cost control and expenditure reduction measures have been fully explored or exhausted by our fiscal managers.

We and millions of other people in this country do not feel that way either. The letter goes on to say:

I already feel I am paying my fair share and sometimes, to be honest, a little more than my fair share. I am very disturbed by being constantly asked to pay more. Before I make any more payments I want to know where, why, when and how the debt arose for which I am presumed to be liable.

Is that common sense or what? She is a chartered accountant. It is not somebody with no knowledge of the finances of this country. In the event that this government believes I drew this letter up from Ruth Gillies, I just received another one today that puts it even more basically. I do not think Scott Leaf is an accountant but here is what he has to say:

I am writing you to demand that you oppose any tax grab on money within registered retirement savings plans.

I am 28 years old and have been putting away the maximum RRSP contribution that I am allowed for 3 years. I am not wealthy. I make approximately \$30,000 a year.

My wife and I survive on one income at present, while I support her in university. We forgo trips, and most of the things that others our age do not, in order to plan for our future. I would love to go on a cruise or buy a house but we have followed all the advice from both government and the private sector and have saved.

If the government taxes our money within our RRSP it is a slap in the face to us. I am thoroughly disgusted with even the thought of taxing money within RRSPs. I already know that I cannot count on a government pension in the future or even a company pension. Therefore I demand that you condemn any change that will start the process where people will not be able to count on their own retirement savings either.

(1745)

Why am I interested in this revenue part? The Reform Party has been talking cut, cut, cut expenditure, wise decision making, good sound fiscal management in expenditures. We have looked at the revenues, but we need that independent third party to look at it because we cannot trust what is coming from the crew over there.

Ruth Gillies had actually talked about some stupid spending. I was talking to a fellow today and he says: "Talk about stupid spending. They spent \$661,463 to solicit public comment and preach restraint at a series of conferences leading up to last February's budget". Folks, I do not think they got \$661,000 worth because they did not listen. Of that total, \$37,800 was spent on travel expenses. There was \$10,850 spent for a consultant to recruit members of the public to attend meetings. This is very wise spending on behalf of the Liberals because they cannot get people to attend meetings. There was of course \$6,050 for a writer to craft four speeches delivered by the finance minister. I suppose he does not have enough staff to do that. We have to forgive him for that.

I want to mention excuses made about revenues. In 1984 the Liberal government brought in a budget, Marc Lalonde's budget. Among the comments made in the revenue portion of it was: "It is planned for stable inflation. We have a job creation program". That was 1984. Ten years later the Liberals are still planning for job creation programs. They had a medium term strategy for deficit reduction. I guess that one did not work either.

They had a planned unemployment decline from 11.9 per cent to 7.7 per cent. This is in justification of increasing revenues so they could spend more money. None of these things came true. Growth in personal income and revenues were expected to grow more rapidly than GNP from 15 per cent in 1983-84 to 15.9 per cent.

What happened? In 1985 Michael Wilson said: "We missed the target somewhere along the line. We don't know what happened but there was a sharp slowdown in growth of budgetary revenues in 1983-84", but it was due to the 1981-82 recession. I have to ask: Why did Mr. Lalonde's budget not pick that idea up? It was two years before that.

The fact is that the Liberals already knew it was going to affect revenues but they kept it high so they could spend more money. That kind of forecasting in the circles I have worked in as a certified management accountant is just unbelievable. That kind of forecasting is actually unacceptable.

At the very least the government should take its revenue projections and discount them. I would suggest that the government should take a very hard and direct look at this bill. It does not have the wisdom to make the decisions. They need a second opinion.

Private Members' Business

(1750)

Mr. Andy Mitchell (Parry Sound—Muskoka): Madam Speaker, I am pleased to be able to address the House today on the issues raised by Bill C-245. I was pleased that the member for Fraser Valley West finally got around to talking about the bill in his speech toward the end.

I want to congratulate him because it is an important initiative to take a look at the budget and the budget process. As parliamentarians we absolutely want to do the best job we can in the formulation of the budget, to understand its contents and to know how we can logically discuss it, debate it and liaise with our constituents about its contents.

The issue of the the budget speech process and the degree and nature of consultation which goes into its preparation has been the subject of debate for many years in the House. Contrary to what my hon. friend across the way thinks, I believe the process that was used last year was better than the year before. It was more open and it allowed more Canadians to become involved.

The process that will be used in 1994-95 is going to be even more open. The all-member finance committee will be undertaking a series of consultations with the public in order to have their input before the budget is formulated and not after.

It surprises me when we have these debates and I listen to the Reform members when it comes to the matter of consultation. It does not seem to matter what we are discussing, whether it is the budget process, the social policy review, or whatever, I hear the same message: Do not consult, just do. Do not listen to the Canadian people. Just go out and do it. Ignore our constituents. Just go out and do it.

This is the party that about a year ago travelled through the country saying: "Our primary objective is to consult, to listen to our constituents". Yet every time the government suggests a way to consult it was opposed. It is very strange.

Basically this bill calls for two major ideas. The first one has to do with setting a specific date for the budget to be brought down. I will let others discuss that issue if they wish.

The more important part, and the one that the member did finally get around to talking about, is the suggestion that we have a third party assessment of the budget, that the Auditor General have a mandated role in the budget. I want to talk a little about that, about his concept that the Auditor General ought to be taking a look at the reasonableness of things. I have some concerns about that.

Mr. Abbott: I would not doubt it.

An hon. member: We know why.

Mr. Mitchell: I will tell you why. There is a fundamental misreading on the other side about what our job is and about what politics is. Members here were not elected to come to the House so they could have a third party tell them what is right or wrong. They were elected to come to the House to use their best judgment, for them to analyse what is going on, for them to bother to read the budget and for them to offer their political opinion and their best judgment.

To abdicate that responsibility to a third party is inappropriate. You are a member of Parliament. I am a member of Parliament. It is our responsibility and to shirk it to a third party is inappropriate.

To go beyond that I have some basic concerns about giving the responsibility to the Auditor General. I have great respect for that office. I know members opposite have great respect for that office. They have often mentioned it. I would be very concerned if we undertook this bill which could very well result in the Auditor General being engulfed in partisan politics, being engulfed in the give and take of the debate, because this is a political issue.

(1755)

If the government's estimates of expenditures or revenues are wrong, then the government will pay a political price. It is the job of the opposition to make the government pay for it, if it is appropriate.

The opposition was not able to do that when the last budget was tabled because by and large the Canadian people accepted it as sound. That is the difficulty. You were not able to make your case and now you are looking for a third party to make it for you. That is not appropriate. The Auditor General's office is an important one. It undertakes a number of important tasks.

Recently a private member's bill passed, which I was quite happy to see, that gives the Auditor General the opportunity to report on this House on more than an annual basis. That is an important step. It gives the Auditor General the opportunity to come to the House and comment on what the government of the day is doing.

Beyond that, there are some structural difficulties with asking the Auditor General to provide comments and assurances on financial forecasts or projections. Guidelines have been established in the accounting industry, which I much admire and in my previous life had an opportunity to work with quite closely.

The Canadian Institute of Chartered Accountants states very clearly that a very cautious approach ought to be taken when passing judgment on estimates. In fact, it cautions its members to be very careful when offering that kind of opinion, I think with good reason. The institute recommends that the reporting be limited to stating that the assumptions and projection used are suitably supported or consistent with the organization's plans and that the forecasts presented fairly reflect the assumptions.

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The Canadian Institute of Chartered Accountants further calls for the auditor to provide a disclaimer, noting that the projections could be materially wrong if there are changes to assumptions and projections. Although members may not want to believe it, the world goes on every day and the assumptions that are made for a budget do in fact change. Indeed they change. The world changes every year. I know the Reform party has a hard time grappling with the fact that change is ongoing and that we have to learn how to deal with it.

There is another concern. What happens if the Auditor General is wrong? Is the Reform Party going to be standing in their places railing against the Auditor General as being the cause of our deficit? To suggest that, because projections are wrong and is the cause of our deficit is ludicrous. With this bill we would be suggesting that if the Auditor General makes an assessment and that office is wrong, that the Auditor General would be responsible for the deficit. I cannot buy that.

In addition, I have some difficulty with the proposed process in the sense that the Auditor General's report will come out three months later. I do not think the House is going to wait for three months before it starts to debate the merits of the budget. There is a similar bill in Nova Scotia. In the Nova Scotia experience the Auditor General's comments come with the budget. There might be some value to doing that and looking at it that way.

However, I would suggest we might want to wait until we see what the Nova Scotia experience is, take the best from it and incorporate it into this House, leaving aside those things that do not work well.

(1800)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, I too welcome this opportunity to rise in this House to speak to Bill C-245. Seeing that my colleague from the Reform Party chose to use his speaking time to talk about this, that and the other, the budget, the deficit, in fact, anything but his bill, I would like to briefly go over the content of this bill. I think it is important for all the hon. members of this House to understand what it is about.

First of all, the existing Auditor General Act states the mandate and lists almost all the duties of the Auditor General. He is the auditor of the accounts of Canada, including those relating to the Consolidated Revenue Fund. As such, he makes inquiries and examinations and then reports to the House of Commons as required by the act. He is responsible for auditing the expenditures made by the departments and Crown agencies. He must submit an annual report, naturally, on or before December 31 of each year. In addition, he was recently given the

mandate of submitting more than one report. The Bloc Quebecois had asked for this and supported the proposal.

Obviously, the mandate of the Auditor General is commendable. His role consists mainly in checking how public funds are used and I would say that, so far, this neutral authority has carried out his duty.

You will understand that the performance of such duties requires a great deal of precision and accuracy. I realize that everyone is probably familiar with the act and the duties of the Auditor General, but it is useful nonetheless to refresh the memories of some hon. members.

The bill before us is intended to add to the already heavy workload of the Auditor General. In fact, clause 2 of the bill would extend the Auditor General's duties so that he would also become, listen to this, the auditor of the revenue estimates used in preparing the budget speech, for which the Minister of Finance is responsible.

It makes no sense. The Auditor General's role is to audit the public accounts. The member wants to add to this the auditing of the government's future revenues. The Auditor would thus be asked to forecast government revenues, as well as review all its spending. If that were so, the Auditor General would examine revenue projections. He would have to go to the very root of the assumptions made by the government.

The present mandate of analysing the expenditures of departments and agencies is not at all consistent with an additional mandate of estimating revenue.

Experience has shown us that the finance minister's estimates are often unrealistic. The present Minister of Finance is no exception. We cannot ask the Auditor General to assume responsibility for the analyses made by the Department of Finance. Overestimating revenues as a way of reducing the deficit is unacceptable. That is why the Minister of Finance must be satisfied with the quality of the estimates made by his department. The government cannot evade its duties and ask the Auditor General to do the job instead. This is the work of elected officials.

I would like to understand why the member for Fraser Valley West thinks that this task should be performed by the Auditor General, who we must say does not have the resources that the Department of Finance has to carry it out.

(1805)

This would lead to duplication and overlap and of course additional expense. That is not how one reduces the deficit. Of course, the member for Fraser Valley West might mention clause 3, which says that after the Auditor General reviews the budget, he will report on the reasonableness of the estimated revenues used in preparing the budget speech.

Private Members' Business

It would not be easy for the Auditor General to determine what a reasonable revenue estimate is. As the Auditor General himself has said, it is hard to know whether the estimates are reasonable or not. Political considerations enter into it, but the Auditor General is supposed to be neutral.

Even if my colleagues in the Liberal Party think that their estimates are reasonable, I am sure that they will again have a strong tendency to overestimate revenues, but they will still have to answer for it to Parliament.

So, again, the Minister of Finance is responsible for the accuracy of the data presented in the budget. I stress that it is up to the Official Opposition, the other opposition parties and financial analysts to criticize the budget, especially its revenue projections.

There are several flaws in the analysis which led to this bill. It would make the Minister of Finance no longer responsible for the validity of his revenue estimates. The critical role of financial analysts and of the Official Opposition would be completely removed.

For these reasons, the Bloc Quebecois will not support this bill.

In closing, we will just say that everyone should do his own job and we will all be better off.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I am pleased to rise on Bill C-245.

First, I want to congratulate the Bloc member. It is the first time this week—and I am not trying to be nasty—that a Bloc member raises an issue in an honest, fair and concise manner. I really appreciate that.

I also thank the hon. member for Fraser Valley West for his initiative. However, I would have liked to hear him discuss the bill itself. He might have been able to convince me that it has many positive aspects but, instead, he chose to make all kinds of political comments. Unfortunately, the hon. member failed to convince me. He could have done better, because I do think that the bill has some good points.

The hon. member knows that the whole issue of budget preparation, including the consultation process, is a permanent process because the budget is an extremely important exercise. Who prepares the budget? How is this exercise conducted? How extensive is the consultation process? Who is consulted? When? What do we do with the information gathered? All these are very important issues.

As I understand it, this bill includes two major points. The first one is the date the budget is tabled. In this case, there is no clear indication that what the hon. member proposes is better

than the existing procedure. However, I want to discuss the second point more in detail.

[*English*]

The Auditor General report on the reasonableness of the estimated revenues in the preparation of the budget speech.

(1810)

The Auditor General would be required to report his findings to the Speaker of the House on or before May 31 in the year to which the report relates.

The Auditor General as we all know has a particularly important job, one that must be above and beyond and not at all associated with politics. The Auditor General has probably as much credibility as some of the institutions that have most in our society today. We must as Canadians, as a society, as a Parliament be absolutely certain of the independence and the credibility of the Auditor General in this institution.

It seems to me that any action whatsoever that might be undertaken by Parliament that might draw the Auditor General into the political fray would destroy that credibility and would damage the independence of the institution, one that I have indicated and I think all colleagues would agree is of great, great importance.

Let us look closely at this provision of the bill. The bill says: "to comment on the reasonableness of the estimated revenues". It seems to me that this could bring the Auditor General perilously close to getting into policy matters, hence into political matters. I worry about that.

Perhaps my colleague does not worry about it. He seems to be smiling but I think that most Canadians would agree with my perspective. That is that the Auditor General must not be put into a position where the credibility and the independence of that institution are questioned. That is the issue here.

My colleague will know, he was indicating that he had had some experience in this field, that normally accountants or people related to that profession will make commentary and historical transactions, financial statements where there are facts to be dealt with. That is their primary focus.

When it comes to projected revenues, yes, they have been involved but they are always extremely cautious. Why is that? It is because they are made based on a number of assumptions. They are based on a number of understandings that people have of the relationships that exist.

It is not unusual for someone to use different assumptions or to do a different analysis based on certain assumptions. My colleague knows that fully. In fact, I am starting to suspect—I did not suspect that before I started—that what my colleague really wants to do here is stir the pot to get a little bit of political hay.

Private Members' Business

We could be setting up the Auditor General. We could be setting up that institution. We could be setting him up in order for him to try to use—

Mr. Silye: We want government to start to live within its means and start today. We are not responsible for collecting taxes for 44,000 people.

Mr. Duhamel: The member will get a chance to speak if he likes later. I would appreciate it if he would be polite. When I heckle, at least I do it quickly.

As I was indicating, I am absolutely convinced my colleague really wants to try to use another institution so that he can try to discredit the government. He has no intention of working with government since he has come here. Why should he start now?

My colleague may be interested in the following:

[*Translation*]

The Canadian Institute of Chartered Accountants insists on being very cautious when making comments on revenue and expenditures forecasts. The institute even recommends that the auditors add a cautionary note to indicate that forecasts could be totally erroneous if the basic assumptions and projections were to change. The fact is that budget-related information is based on a wide range of economic projections.

[*English*]

We know that to be true. One of the questions that I would like to ask is this. Did my colleague ask the Auditor General whether or not he would accept this, whether or not this was a good idea. My colleague says that he did. Could my colleague please share with us in this House whatever communications he has received from the Auditor General indicating that this would be a good idea?

My colleague will recognize, and he may read and recall, when I say that we have a colleague who proposed change to the Auditor General's responsibilities. Those were passed by this Parliament. In fact in the debate a letter was brought forward by the Auditor General saying that it was a good idea.

(1815)

Where is the letter? Where is the document? Has it been tabled in the House, the letter saying that it would be a good idea? If it has, I would like to see it.

[*Translation*]

Hon. members are so excited by my speech that they cannot sit still. This is extraordinary. It is the first time I get this kind of attention and it makes me very proud.

[*English*]

My colleague may know that they have attempted a similar experience in Nova Scotia. They reported in April. I wonder if

my colleague took the time to call Nova Scotia to find out what kinds of difficulties they had.

Was it all positive? Were there negatives? What were the positives? What were the negatives? Perhaps he would like to write me a note to tell me with whom he spoke and what points were made.

There is another really quite interesting point, as I understand it. I stand to be corrected; I love to be corrected by Reformers. They never make any mistakes so they will correct me in this instance, I am sure, if I stray from the truth. I am told it would take three months before the Auditor General would probably bring forth his report. A lot of things change in three months. Perhaps the Reform Party does not change in three months, but Canada's economic situation and the world's economic situation change in three months and what is done today may not be as precise three months from now.

I suggest we should talk to Nova Scotia. We should look at that experience. Subsequent to analysing what benefits it might bring, perhaps we should look at this matter again.

[*Translation*]

I am about to conclude. I would like to ask a few questions and I will be very open-minded. Indeed, if the hon. member can provide answers to all my questions, I will reconsider my point of view. I love to ask questions.

Can the hon. member, who is a member of the Reform Party, a party that loves to brag about savings, tell us what resources would be required for the Auditor General to implement such a measure? Did he give us a figure? Did he talk to the Auditor General? Did he ask the Auditor General to give him a report stating whether or not he agreed with the proposal?

The hon. member knows full well that the Auditor General has a great deal of independence. He also has a lot of credibility, precisely because he is dealing at arm's length with the government. And he can make additional reports because Parliament recently amended the law. What I am saying is that there are certain risks involved although the premise is sound. It is not a bad question. It is even a very good question, I admit, but there are still certain risks involved. He did not do all the research he should have done. I would recommend to him that he do more research.

For example, what would it cost? Can we wait to see the results of the Nova Scotia experiment? After he has answered all my questions, I will review my position but, until he does so, I say no to this bill.

[*English*]

Mr. Stephen Harper (Calgary West): Madam Speaker, I am rising today to address Bill C-245, an act to amend the Financial Administration Act and the Auditor General Act, and in particular to give the Auditor General a mandate to review the reasonableness of estimates in the budget speech.

Whenever I rise to address seriously a question before the Chamber I always find I begin in a somewhat depressed state after listening to some of the earlier histrionics. Some of the positions that have been expressed so far today strike me as odd.

For example, the Bloc Quebecois would be concerned about giving the Auditor General the power to limit the independence and effectiveness of elected members of Parliament. Yet the Bloc Quebecois would not be concerned about the plans of the Government of Quebec to undertake action which would destroy Parliament and destroy the country. It seems to me to be a rather misplaced sense of concern.

Likewise some of the Liberal MPs who have spoken are similarly concerned about the control of the Auditor General. He may be controlling some of the decisions being undertaken on the financial end. They would seem to be unconcerned about the fact that our financial policies, if followed, will ultimately lead to the International Monetary Fund controlling the decisions we take here. It seems to me that should be a much greater concern when we examine some of these questions.

(1820)

In recent years the estimates of revenue have been well off, as have many other estimates in the budget. That is the reason we are here today discussing some of these concerns. The political process left without any degree of fiscal discipline has failed us.

I compliment the hon. member for Fraser Valley West for bringing forward this kind of proposal. It is a very common kind of proposal, not just in political circles these days but indeed in academic and intellectual circles where the fiscal constitutions of parliaments and of governments are coming under some examination. I speak of public choice literature and various other matters.

Let us take a couple of examples of the kind of problem we have in budgeting in the House of Commons. We know that the last government, the Progressive Conservative government, of which none of us are particular admirers, really based its fiscal projections on revenue growth of 4.5 per cent per year basically for eternity or at least to the end of the century. We know and the Liberal government should well know that when it took office it had to deal with the extent of misrepresentation that had entailed and the kind of additional problems that created for its own plan.

In the last plan the government provided, as I have admitted before, much more modest revenue estimates. But the government largely adopted the interest rate assumptions of the previous government. In the last budget just months ago the government estimated that short term interest rates would be

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around 4.5 per cent for this year and about 6.4 per cent for this year on the long term side.

What is the fact? The fact is that the government is off 1 per cent on short term rates and about 2.5 per cent on long term rates. It finds itself now facing an additional unexpected crunch because those kinds of poor estimates on interest rates with a country that is so heavily in debt impact not only on the kind of deficits and financial planning we have this year but will impact dramatically in future years because of the compounding effect.

Therefore these are the kinds of suggestions governments should be looking at in my view in order to facilitate their work, both here in Parliament as governments with opposition and ultimately with the public and the financial community.

Government members who have spoken have suggested, as I mentioned earlier, their extreme and almost frantic concerns about the Auditor General taking control of their voice as elected officials. They seem unconcerned with the fact that the whips exercise almost unlimited power over their party, but they are concerned about the Auditor General. The strange thing about these concerns about the power of the Auditor General and the concern about opening up the entire subject matter is that this is not a concern at the moment shared by their own government.

As I understand it the government and the Department of Finance are actively studying this very issue, as well they should be. They should be acting of course but they are studying it. I believe and I hope that at some point they will come forward with recommendations to the House on the forecasting processes that have been used and how they might be changed.

They are not just looking at Nova Scotia. They are looking around the world. They are looking at what governments do in places like the Netherlands and Australia on these kinds of matters. The Auditor General is an appropriate individual to look at this sort of information, both at forecasts as well as at projections, as well as at various forecast scenarios that could be used.

It is an approach that is increasingly used in the private sector. There has been some reference that I have had opportunity to review of late to the various guidelines that securities commissions use and the Canadian Institute of Chartered Accountants use for evaluation of future oriented financial information.

This is not something that would be invented out of thin air or that the Auditor General is unfamiliar with. For example, when companies go into the securities markets it is often the practice that before they can issue debts their forecast will be reviewed according to acceptable standards. That would be expected in the investment market. Surely when we are talking about \$40 billion deficits a year the taxpayers would expect the same kind of reasonable evaluations of our financial state to have taken place.

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(1825)

Let me just give some idea of some matters the CICA would consider relevant in the examination of future oriented financial information. It would examine all aspects of the procedures.

Public accountants would look at all aspects of the procedures used in formulating both forecasts and projections. They would look at the process of developing these forecasts and some of the assumptions and hypotheses that are behind them, as well as the preparation and presentation of financial forecast data and management representations that were received.

This gives some idea of some of the things they would evaluate whether, for instance, sufficient pertinent sources of information about the assumptions had been considered by management. These would include both external sources, what forecasting firms would say, what government documents say, what is available in various agreements, as well as internal sources.

They would look at whether the assumptions were consistent with the sources from which they were supposedly drawn, whether they are internally consistent and mathematically accurate, whether the historical, financial or other information used in the assumptions was sufficiently reliable for the purpose for which it was employed, whether other data are compatible over the periods of time for which they are being used, and whether the assumptions are consistent with the plans and policies of the entity. Probably, most important, public accountants would evaluate whether there is any bias in the selection of assumptions by management which causes the assumptions on an overall basis to be unduly optimistic or pessimistic. We know there has been a habitual tendency of government to be excessively optimistic, not simply in ways that are optimistic by very marginal standards of judgment but which are wildly optimistic and in fact indefensible by any reasonable standard.

Of course that is the kind of criteria the Auditor General would apply. The Auditor General would not second guess reasonable assumptions or pertinent assumptions, but he would second guess assumptions that were clearly and totally unjustifiable.

In terminating my speech, let me say I support the bill. I support the kind of matter it is looking into. I think if anything the subject could be broadened, but certainly the House should give its support to the bill. It should really consider seriously, as a matter of general policy, bringing this aspect and all aspects of

government budgeting under established concepts of fiscal discipline that exist in all other walks of life.

Mr. Jim Silye (Calgary Centre): Madam Speaker, as a businessman I have often said that governments should be run like businesses. Now, having been a politician for a year, I say that government cannot be run like a business but it still should be run more businesslike, in a business manner.

My speech is a little long so I will pick out some of the highlights. I realize there cannot be an absolute parallel between the private sector and government. In other words government cannot hire the Auditor General. We do need that arm's length distance.

The Auditor General, however, must be absolutely independent of Parliament and cannot participate directly in the budget planning process. However Parliament would be foolish not to take advantage of the Auditor General's advice in assessing the government's budget plans from the outset.

Why not have value for money audits conducted by the Auditor General in conjunction with budget planning? Why not have sunset clauses contained within all government programs, including social programs, so that they run out after one year, two years, three years, five years or whatever it takes? Then we could see if we want to renew it, add more money, delete some money, or cancel it altogether.

These are some of the things an auditor could do, working in conjunction with the finance minister. The important thing, the crux of the matter, is that governments must stop living on borrowed money and stop refinancing current needs and desires on the backs of our children and grandchildren.

In conclusion because the bureaucracy and politicians are spending the money of other people, no wonder it is hard to balance the budget. No wonder we cannot find out who is responsible. No wonder ministers blame bureaucrats and bureaucrats blame different departments of other departments of bureaucracy. No wonder we have such big fiscal problems within government. I really believe it is important that if we could get the Auditor General to have more authority and become more involved with the budgeting process in this government not only would it complement and assist this government, it would help all future governments and it would, most important, help the people of Canada, the taxpayers.

(1830)

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

*Government Orders***GOVERNMENT ORDERS***[English]***SOCIAL SECURITY PROGRAMS**

The House resumed consideration of the motion.

The Acting Speaker (Mrs. Maheu): Resuming debate on normal House time, the hon. member for Calgary Centre has 30 seconds remaining and then a five-minute question period.

Mr. Jim Silye (Calgary Centre): Madam Speaker, objectivity is required in the matter of social reform, not partisan politics that are being played out by the Minister of Human Resources Development. If we want to have a true social conscience in this country and if that is what government wants to provide, then let us help the truly needy and not continue the practice of helping everyone lest we offend and possibly lose votes.

Will the Liberals have the courage to act after they have received the input they are seeking? The government must govern, the government must lead, the government can only consult for so long. It has already been a year. How much longer do Canadians have to wait before their do-nothing, say-nothing, feel-good leader puts the action plan on the table?

Mrs. Jane Stewart (Brant): Madam Speaker, it is indeed with pleasure that I participate in this debate which effectively launches our review and reform of Canada's social security system. Constituents in my riding of Brant have been anxiously awaiting the tabling of this discussion paper. They want to see what the options look like. They want to have input and they want to suggest alternatives. I look forward to working with them over the course of the next couple of months and in bringing their advice and counsel back to this House and debate it at a later time.

For the purposes of this intervention, I would like to take aim at some of the criticisms that we have been taking and will continue to have to deal with over the course of this review.

There are those who say that by undertaking this reform our government is abandoning its Liberal roots. To my mind nothing could be further from the truth. In fact, it was Liberal governments in the sixties that wove together Canada's first effective social safety net. They were responding to the needs of Canadians at that time.

This system worked very well for us through the sixties and the seventies, but now it is becoming dysfunctional. Is it wrong for us to listen to single parents who tell us that they are caught in the welfare cycle because they cannot find appropriate day care for their children or because they cannot find a job that pays them enough to meet and support the basic needs of their families?

Is it wrong for us to listen to employers who say that our training systems are ineffective? They prove this by saying that they have to go to England and Europe to find technically trained staff to help them do the work of their businesses.

Is it wrong for us to want to stop businesses from using the unemployment insurance program as a wage supplement for their employees? I think not. In fact, when I think about it, if we had been the government over the last 10 years I believe we would have continuously changed and modified our social safety net so that this major intervention would not be necessary today. Unfortunately, that is not the way things worked. To meet the needs of Canadians we now have to make significant change. This government will not shy away from that. I am proud to say that I agree with its strategy.

Second, there are those who say to go ahead, embark on this reform, but only do so if the purpose is to reduce the fiscal deficit. I believe that indeed we have to take stock of our economic times and that that has to be a major consideration in the work that we do. However, the economic times that led to this fiscal deficit have also created a huge social deficit in Canada.

We are sending our children to school without appropriate clothing and without enough food in their stomachs. We have university graduates who cannot find that all important first job and as such are threatening bankruptcy and, worse still, suicide because they cannot repay their student loans.

We have men and women across this country whose skills and abilities are not being utilized. They are undervalued, underused and as such they are not able to contribute to their fullest potential to help us reduce our fiscal deficit and to reduce our social deficit.

(1835)

If we do not deal with our social deficit there is no question that it will add exponentially to our fiscal deficit. We cannot support that. It is not sustainable and it is not right.

Third, I would like to comment on the criticisms that we are receiving from some provinces, particularly my home province of Ontario. The Government of Ontario is constantly saying it feels that Ontarians are not getting their fair share from the federal government. They point out, and rightly so, that the federal government contributes about 50 per cent to the cost of social programs in the province of Quebec and by and large in the maritime provinces.

It points out that in Ontario that contribution is about 20 or 25 per cent. Let us look at the background here. Under the 50:50 cost sharing split that is part of the Canada assistance plan, it has been provinces which have been able to afford to spend money on social programs that received larger transfer payments.

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In the 1980s and certainly in 1990 with the partial implementation of the SARC report, Ontario expanded and enriched its social programs significantly. The federal government decided to cap its transfers, deciding that its responsibility was not so much to fund at all costs the unilaterally created social programs of provinces but rather to support the mandate we have under the Constitution, section 36, that says we are responsible to provide for Canadians no matter where they live in this country reasonably the same level of services for reasonable the same level of taxation.

Do not get me wrong. I do not accept and I do not agree that the Canada assistance plan is the appropriate or the right way to manage our transfers to the provinces. I would encourage all our provincial partners to come to this table, sit down and discuss the options that are tabled, suggest alternates, and help us make sure that Canadians no matter where they live have equal access to social security programs.

Finally, I would like to say that as a government our prime role and purpose as we have stated time and again is to create jobs and opportunities for Canadians. The initiative of the Minister of Human Resources Development adds a dimension to that commitment.

Coupled with the work of the Minister of Finance, who will be tabling a statement in the next few weeks, and the work of the Minister of Industry who will be tabling some information on our micro economic status, possibilities and strategies for economic growth, we will have a blueprint that will help us to renew Canada.

I look forward to implementing that blueprint and being part of a government that will in fact bring Canada back to the level that it should be. In closing, I would like to quote from an editorial that was written this week in my local newspaper *The Brantford Expositor*. In reference to the initiative of the Minister of Human Resources Development the editor writes:

Rightwingers will complain that the plan does not go far enough, that there are too many people living off the government gravy train. Leftwingers will object that the government is caving in to corporate interests and balancing its budget on the backs of the poor. What sensible Canadians should do is try to avoid being buried in all of this muck and take a long and serious look at what Axworthy proposes because the time has come for real reform. Canadians who are fed up with the high taxes and program recipients who are not getting the help they really need stand to be hurt a lot more if things are not fixed.

I do not always agree with the editor of my local newspaper, but this time we are at one. I want to thank the Minister of Human Resources Development for the hard work that he has put into this discussion paper and tell him that as a member of Parliament I will be working hard with my constituents to make sure they have input and that they are consulted in this process so we can work effectively to restore Canada's social security system.

(1840)

Mr. Ken Epp (Elk Island): Madam Speaker, I congratulate the member for her speech. It was well presented but I feel that somehow it lacked the kind of commitment that Canadians are looking for in terms of actual deficit reduction.

What I am driving at here is this. I do not believe in cutting for cutting's sake but it is time to be more realistic and to realize that spending \$5 for every \$4 we take in is going to eventually cause us to hit a wall.

When I hear the different concerns and particularly that of balancing the budget on the backs of the poor, it presupposes that the only way one can look after those who do not have what they need is to give them a handout. We need to really seriously look at replacing handouts with work, with things that people can do for themselves, and expand the involvement of family and community in looking after needy people.

Instead of sending a dollar to Ottawa and having it eaten up by bureaucracy and administration and then getting 10 cents back to the person who needs it, we need to bring that more closely to the people.

I would like to know the member's response to this question. How can we be more efficient with the money that we are taking from the taxpayers in order to look after those needs? How amenable is she to making it more local, moving it to the provinces and indeed even down to the communities?

Mrs. Stewart (Brant): Madam Speaker, I thank the hon. member for his comments. It sounds like he may have read the document when he talks about the options that we require.

We are looking at ways to make sure that the programs fit the needs of individuals, that they do participate and have a say in the kinds of strategies and activities that we need to do to get people back to work. That is the focus. We want to make sure that we use the skills and abilities of all Canadians so that they are contributing to the country and in effect help us reduce, as I mentioned in my speech, our fiscal and our social deficit.

We cannot lose track or lose sight of the fact that if we do not provide support for Canadians, we do carry a social deficit that has real dollar cost. We as a party, and I am very proud of this, look at things in a balanced fashion. I believe that that has been our strength in the past and will continue to be our strength in the future.

[Translation]

Mr. Philippe Paré (Louis-Hébert): Madam Speaker, during Question Period, the Minister of Human Resources Development practically admitted that the proposed social program reform would translate into savings of about \$15 billion over the next four, five or six years. I was very surprised to hear the previous speaker talk about employment in such a context and I have a specific question to ask her. Could she explain to me briefly how this reform will impact on employment?

*Government Orders**[English]*

Mrs. Stewart (Brant): Madam Speaker, there are a lot of ways that this is going to have an impact on unemployment. As I mentioned in my speech one of the things that I find is happening in my constituency is that employers are unable to find Canadians with the skills and abilities that they need to do the technically advanced work of their businesses.

Through our program we want to encourage and focus significantly on improving the training aspects that we have for Canadians. Let us face it, if they have the skills to do the work, they will find jobs.

Mr. Andy Scott (Fredericton—York—Sunbury): Madam Speaker, I am happy to speak in support of the minister's discussion paper on improving social security in Canada.

I suspect that few in this room or in the entire country for that matter would dispute Canada's affluence and ability to sustain a generous or even enviable social safety net. In fact, how many countries can we identify that would love to be having this debate right now. Rwanda, Haiti, Bosnia, Cuba, most recently India, to name the more obvious, but also European countries. Even the Americas would love to be engaged in a debate about how to improve what is arguably one of the best social safety nets in the world. I would say we are rather lucky. We are a wealthy nation and we must remind ourselves of that as we engage in this discussion.

(1845)

I would like to point out that many people have stated a need for reform of our social safety programs. Most Canadians agree that change is imperative. The basis of this need for change comes from two sides. One, we must cut because of the debt and the deficit situation. Others argue that our social programs were born of a different time and place, a different era, and that they are now simply out of date and need modernizing and restructuring to better reflect the current needs of our citizens.

It is this second position with which I agree. Our programs have become dated and there is an absolute need to restructure whatever assistance the government can provide to better reflect the contemporary needs of Canadians. I do not deny that financing our ideological generosity over the long term means attending to our deficit, but we do not have to compromise our ideology or our generosity, or force the burden of prudence on to the backs of those in need.

New directions are necessary. Some will cost money but savings can be realized by improving inefficiencies within the system. We can improve the way we deliver assistance and reduce the amount of overlap and duplication. We can achieve

savings by devolving some responsibilities to the provinces. We do not want to cut simply for the sake of cutting. I believe the government has the plan to bring about our badly needed social policy reform.

Foremost, we recognize and fully embrace the need for open and informed consultation with all Canadians. We must if we are to be the architects of a safety net for generations to come, exercise the greatest prudence, and the greatest patience in engaging Canadians in this historic debate. It has to be a system made by Canadians if it is meant to serve Canadians.

I want to commend the Minister of Human Resources Development for his strong personal commitment to a thorough, comprehensive and meaningful consultation on this issue. His commitment is one I urge all members to rely on, to appreciate the need to seek out the views of every constituent in every riding of the country, to want really to know what it is our constituents want.

It has been suggested that the Reform proposals represent firm decisions and that we as members on this side are involved in selling a plan. As you can tell from my comments, it is not my intention nor is it the intention of the government. Rather, my effort today is designed to sell a process, a need to involve Canadians in this important debate.

There are certainly elements of the discussion paper that excite me, particularly those involving helping children and its general direction to more active social programming I wholeheartedly support.

Specifically as a New Brunswicker I can attest to the fact that we have been engaged in a similar debate at the provincial level. Such discussion and debate has resulted in a conception of some forward-looking social programs in our province such as the community academic services program, a literacy training program, and job corps to name just two.

It is the vision behind these creative partner-based programs at the local level that underpins the federal government's renewal initiative. The benchmark for our success is not how much money the government can save, rather it is whether such programs are beneficial and effective in the lives they are intended to improve. That is the objective that must be brought to the government's desire to reform the social safety net. It must be the guiding principle for decisions taken and it should be the framework adopted by all members of the House when they seek input from the constituents in their respective ridings.

I personally learned a great deal from the forum on social policy held in my riding in April. I know that my constituents are encouraged by the fact that they have been asked to help in the minister's reform proposals. My constituents recognize what a proposal means. It is something offered, something suggested, and they know their opinions will be welcomed and valued in helping transform a proposal into reality.

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We in Fredericton—York—Sunbury are ready for October 30 when we reconvene to discuss this important reform again. We are anxious to offer whatever assistance we can to the minister because we, too, want a safety net designed to suit our needs both now and in the future.

(1850)

We must listen to Canadians. The magnitude of this debate is such that its success will depend on achieving some kind of national consensus. In order to achieve that consensus we must assure ourselves and all Canadians that apart from our new social program regime, every effort is made to attend all possible opportunities on the revenue side and elsewhere on the expenditure side.

We must be as creative and fair as we possibly can in addressing our fiscal situation or we will not be able to count on the support of those who need to know the system is fair. We must remind ourselves that our social programs have and continue to be designed with a purpose; to mitigate against poverty, inequity, regional disparity and uneven opportunity.

The reality now is that the fault lies with the system, an outdated system on which far too many with tremendous capabilities have to depend. Our labour market needs these people but we have to find better ways to marry the employment needs of Canadians with the employment needs of Canada.

We are entering a more enlightened era of governing and of offering aid to citizens who need assistance. We have progressed through earlier notions of simple charity and through the 1960s notion of entitlement.

I am pleased that in this reform we are moving further along that continuum. We now recognize the differences between those with and those without, the haves and the have nots, the empowered and the enfranchised and those unempowered and disenfranchised. These differences are far greater than merely money and material assets.

These differences are far more fundamental; differences in skills, confidence, access to opportunity be it financial, academic or professional. These are the factors and the measures against which we must judge the integrity, suitability, sustainability and success of our social programs.

These are the dimensions needed to reflect an enlightened, holistic, modern approach to people, their needs, their goals and their personal desires. I want to emphasize that the cornerstone of this exercise is to recognize the importance of giving people control over their own lives, to let individuals themselves be the decision makers and architects of their own destiny.

Our paternalistic system of defining and administering to the needs of people is approaching an end. I cannot overstate, as we engage in this transition, our need to provide short term support during the progression from unemployment to employment.

As a New Brunswicker I am proud of the fact that we are moving in the direction of greater independence. Just as we need to be able to rely on the support of the federal government to help us through this transition, so too do citizens struggling to improve their own lot in life.

Practically, I would propose special consideration must be given to the unique seasonal nature of the Atlantic Canada workforce. I wholeheartedly support the need to offer training, counselling and choices to those historically dependent on federal programs such as unemployment insurance.

I would also maintain the need for continued income support where present circumstances simply do not allow for many seasonal workers to enjoy a sufficient annual income. We must seize the opportunity to make the entire social system more client based, more efficient, less bogged down, less heavily weighted with administrative infrastructure.

I conclude by appealing to all Canadians to participate in this review regardless of their personal predisposition or politics. Even past positions should not get in the way of helping the government do what is right by Canadians. Lives are at stake, many people are depending on us. We cannot allow the impact of the exercise to be dismissed.

I believe that the solutions to the challenges before us lie in the hearts and minds of compassionate, caring, committed Canadians. Change is necessary. Resources are scarce. We must collectively, hopefully collegially, create a new system that captures the generosity and compassion of Canadians that have served us so long and so well.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, I want to thank the hon. member who spoke before me. I found his presentation very philosophical. I would like to tell him about a very practical case that I dealt with today in my office, which reflects some of the details of this reform. After hearing about the proposed reforms on television, one of my constituents gave me some historical background. I will read it to you and I will certainly ask questions on this.

(1855)

To put things in their historical context, if your parents or your grandparents had mentally handicapped relatives, they would have been put to work on the farm. Nowadays, with automation, these people have become vulnerable to unemployment. How many people in Canada are handicapped and cannot work because of a deficiency? Whatever their handicap, many places will not hire them.

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Is this new reform penalizing these people who want to work but were abandoned by the industry? Many of them are, through no fault of their own, permanently unemployed. There are many of them, more than we may think. Do you think that this reform will include some mechanism to prevent these vulnerable people from being penalized by the proposed measures? That is the question I want to ask my distinguished colleague.

[*English*]

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, I thank my colleague for the questions. It allows me the opportunity to speak specifically to the rather targeted nature of the changes. A large part of the reason we are engaged in this discussion has to do with the fact that the Minister of Human Resources Development has invited Canadians to help prioritize what is important to social policy spending.

I would say the member has hit the nail on the head. We have to make sure there are sufficient opportunities for those people who are not able to be employed. At the same time, we have to make sure there are opportunities for people, regardless of disability, who would like to work and very often can work, but are constrained by a system that requires them to define themselves as being unemployable to get benefits.

It is deplorable that people who otherwise would love to be working—in many cases that is the case in that particular community—are restricted by virtue of the programs they are participating in. I welcome the opportunity to point that out.

Regarding the rather philosophical nature of my discourse I can only say I really believe that is the tone we should bring to this debate as we launch it, because we want to involve Canadians. The first place to start is the values around which this review should take place.

Clearly my background as a proud member of the party that I support leans me toward supporting the kinds of programs that would offer opportunity to the people the member mentions. As we engage the nation in this debate we are all obliged to set out the parameters and bring a philosophical framework to the discussion.

[*Translation*]

Mr. Philippe Paré (Louis-Hébert): Madam Speaker, I have lots of sympathy for the Liberal members who must rise in this House and speak in favour of a bill which is not justifiable. It is unjustifiable because it does not state things clearly.

When they talk about such a bill being compassionate, when they pretend its intent is to meet people's needs, when we know quite well it is meant to save money, I might agree with the idea of saving money, but they are not telling it as it is, and I do not agree with that.

During the election campaign, the Bloc Québécois said we should cut government spending by \$10 billion. The government adopted part of our ideas and is trying to cut back, but in all

the wrong places. Instead of reducing government spending, they cut into the social safety net we painstakingly set up by paying out large sums of money and they do not touch the machinery of government. Who will benefit ultimately? Students who will see their tuition fees increase? How can they pretend this bill meets their needs? Women who will now receive unemployment benefits only if they prove their spouse is not earning too much? How can this bill meet the needs of those people? How will the frequently unemployed who will see their benefits decrease—

(1900)

The Acting Speaker (Mrs. Maheu): Unfortunately, your time has expired unless you can reply in 30 seconds.

[*English*]

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, in my 30 seconds I would say that I also feel sympathy for my colleague. Never having sat in opposition I sympathize with the nature of this place being somewhat adversarial. It is very difficult for members on the other side to see the benefits of some of the things that are proposed. So perhaps we share a sympathy toward each other.

As to the fact that my colleague claims his party has told us about its deficit reduction plans, our plan is to reduce the deficit by the end of the third year to 3 per cent of the gross domestic product.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, here it is finally, the famous social security reform we have been hearing about for such a long time. Since I am a member of the Human Resources Development Committee, I can tell you the birth was a laborious process because we started with a project for an action plan and ended up with a discussion paper and that is almost the opposite of what should normally happen.

At the outset, the social security reform was to be a job creation tool. There is no job creation proposal in the program tabled. It was to be a source of pride, an incentive for Quebecers to stay in Canada, but I think it will be more of an incentive to the contrary.

In fact, the reform project we have here does nothing but manage the inefficiencies of the existing system. It contains nothing that would lead to true job creation. To find some good points, we can say that there is an excellent illustration here of what is going wrong. We are told, for instance, that in 1968 the unemployment rate was at 5 per cent in Canada. In 1982, it was at 9.3 per cent. That was from the beginning of the Trudeau years to the period just before the arrival of Mr. Mulroney in office. In 1993, it was at 10.2 per cent. What kind of system has produced that? In what kind of country are we living to get results such as this?

Government Orders

In a graph that we find here, we are also told that there are 20 per cent more jobs for university graduates than a few years ago. For people with post-secondary diplomas, there are 6 per cent more jobs and for people without these diplomas, 20 per cent less jobs. If we would follow the normal logic of this, we would say that we will have to find ways to get jobs for those people without post-secondary diplomas.

But on the contrary, the government is going on a witch hunt, only it is the unemployed who are the prey. It has decided that there would possibly be two categories of unemployed now: the unemployed who are using unemployment insurance occasionally, by accident, and the others, the bad people, those who are using it three, four, five times in five years, in fact, the seasonal workers. Lester B. Pearson must be spinning in his grave when he sees what the Liberals have done, because this reform is simply a continuation of what the Conservatives would have done last year.

Yesterday, the previous minister responsible, Mr. Valcourt, was laughing his head off on television because he, at least, had said during the election campaign that he would do that, so he was defeated because people did not want that. Liberals won because they were saying that they would create jobs, but they are going back to the Conservative program. The message for Canadians will be that Liberals or Conservatives, it comes to the same thing and that next time, they will be out too. But that will be the task of the Canadians, because we will surely have chosen to get out of this boat which is sinking.

What I would like to say is that when people who are working in peat bogs in Saint-Ludger-de-Rivière-du-Loup or Rivière-Ouelle, when people who are working in the forests will see this, they will not feel disillusion, but anger and discontent. They will only feel like coming to tell us, and I hope they do so before the committee, that this is crazy. Whoever wrote this has not been outside of Ottawa for a long time.

(1905)

As for the minister who approves this kind of paper, he probably has a department where so much is going on that it is easy for people to slip things past him from time to time. In any case, what we see on the Table has no connection with the economic situation in my part of Quebec or the Maritimes or regions that survive on seasonal employment, and the paper contains nothing that meets the needs of people in our part of the country.

How did we get into this situation? First of all, we have to say that Canada is a regular dinosaur. Its reaction time is slower than anything I have ever seen.

Last year in October 1993, we had a promise that reforms would be introduced as soon as possible. Now, we have a working paper. First it was proposals for reform, then a plan of action and now we have a working paper. I suppose the next

version will be a draft prepared by the successor of the present minister.

Finally, the process broke down for the same reasons it will break down again. There was a refusal to confront structural problems. When we look at Canada, I think we have to be perfectly honest and say: The real problem is not that the federal government did not have the right ideas at the right time. The problem is that the whole architecture of the system has to be changed. If I were a federalist, I would say we have to decentralize to adapt solutions to local needs. I know it is practically impossible to change the system, so for us the answer would be to create another country next door with a more decent approach to the needs of its people.

The other point I wanted to raise was how we got into this situation. The answer is that we keep perpetuating major sources of duplication. In Quebec, we created the Société québécoise du développement de la main-d'oeuvre, an agency that was ready to take on the entire responsibility for manpower training. Today, however, this agency, which was ready and willing to go ahead, is just marking time because no agreement has been reached by the federal and provincial governments. Annually, \$250 million is being wasted in the case of Quebec alone, because the federal government has refused to decentralize responsibility for manpower training.

Far too much time and energy is spent on consultation at the local level, because people who live in the regions have to get organized any way, whether we are talking about the people at the SQDM or Employment and Immigration. They will do what they can because they know the people in the community and they are able to work with them. However, the time spent on consultation is time they would otherwise have been able to invest in developing employment in their community. There is a lesson here, but there is nothing in the reform paper that addresses these issues.

The federal government therefore insists on playing a role in professional skills training. We have known for years that the federal government's involvement was pure duplication. For years we have had a consensus in Quebec. Employers, unions, political parties, everybody is on the same wavelength. You do not see such agreement very often, and we should capitalize on it. Even the federal government should have understood that. Yet, for whatever reason, we always avoid coming up with the real solution. The reason might be that the vision is too bureaucratic. It has been too long since a minister was really in control.

It is high time that cabinet shape up and say that it is really in charge. Maybe it could start by travelling throughout Canada to find out what people need and then translate that into orders to their deputies. Then they could tell them: "From now on, that is what you are going to do", instead of "Give me the report so that I can know what to answer during Question Period."

Government Orders

There is another reason why this reform is not satisfactory, and I will show it with an example. There really is a double standard in the government. Let us compare family trusts and the reform of social programs and unemployment insurance. For months, we have been trying to get information on family trusts, to find out how much money is involved. We are not even saying that family trusts are unacceptable, because we do not know. The government refuses to produce any information on the matter. We are unable to find out how much money is invested in those trusts and the government is not helping.

Conversely, for unemployment insurance, we get all possible information on the number of unemployed, on the percentage of those who have used UI three, four or five times during the last five years.

(1910)

The government can keep close track of people who have a much smaller income. With the new reform, an individual who applies for UI benefits will be required to disclose the financial situation of his or her spouse to see if that person really needs UI.

We are faced with a situation in which people who make \$20,000, \$30,000, \$40,000 or \$50,000 a year will have to meet requirements that do not exist when it comes to family trusts worth tens of millions of dollars. According to a survey, the average family trust has assets amounting to \$10 million. Would it not be possible to spend as much time going after family trusts as we are trying to fix unemployment insurance?

The government is turning unemployment insurance into a fiscal management tool when historically it has been a way to redistribute wealth and to allow people in different regions of the country to make a decent living. On the other hand, it permits family trusts to put billions of dollars in tax havens for 80 years.

Before, we had a 21-year rule, but in 1992, it was decided to add 60 years to it. Eighty years without paying any tax. Even if, in the end, you still have to pay that gives you a lot more time to plan your taxes than when every two weeks you have to fill out a card to see whether or not you have worked during these past two weeks. This is some kind of a double standard, and I believe that the government is largely to be blamed for it.

That brings me to a matter which, in my mind, is of the utmost importance in all that. I mean the independence issue. In Quebec, we are often asked what will happen if Quebec separates. This proposed reform of our social programs brings me to ask myself a much more pertinent question: what will happen if Canada keeps on going in this same direction?

What we are offered for the next few years is cuts in the unemployment insurance program, a witch hunt against unemployed workers, and a two-tier system. Some system! The government will keep track of each claimant with a smart card. The rate of benefit will depend on how often he will have applied. Employers' premiums will be calculated according to the unemployment rate in their industry or the rate of cyclical unemployment they generate.

Personally I am not interested in the kind of country this will produce. It will not eliminate waste. We will still have a very costly bureaucracy. Therefore, I believe that it is important for Quebecers, Canadians also, but mostly Quebecers, to look at this project in the context of their future.

Of course, if Quebec becomes a sovereign country, we will not find ourselves in paradise overnight. We will have to manage things, to decide how to allocate funds, but we will at least be in a system where we can control all the data and decide that the system—whether someone is unemployed and on welfare or a real unemployed worker who receives UI benefits—should be changed and managed from a single data base by a government with all the tools needed to deal with the problem.

At the present time, the UI part of the system is handled by the federal government while Quebec is responsible for part of welfare. The federal proposal even encourages the provinces to opt out of welfare by giving them "candy" so that they feel compelled to join the federal program. It is very clear, I think, that this is not the way of the future.

(1915)

Only yesterday, three provinces with more than 60 per cent of Canada's population immediately said no to the proposed reform. I think that their position is justified in the light of their responsibility and desire to do the right thing in the future.

I think it is important for Quebecers to say that they do not want that kind of Canada and to realize the painful situation they are in because of the national debt, a large part of which is due to the country's structure and confirmed by the proposed social reform program.

I think that people want a different country that can and wants to be on the move. Canada seems stuck in a vision and a structure preventing us from evolving and getting anywhere.

As I said earlier, I feel like we are finally witnessing the end of the Canada that was put in place, amazingly enough, by the Liberal Party itself. Let us look back at the Pearson years, even at the first years of the Trudeau government when there was a desire to be fair to the people. The reform discussion paper that was tabled this week marks the first-class burial of this desire to redress the balance in the Canadian economy.

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This proposed reform also includes significant setbacks, notably for women. The right to collect benefits will now be linked to spousal income, which takes us back a few years. We are going back to a situation where, for 20, 25 or 30 years, women fought to gain independence and pull the rug from under them in what I referred to earlier as unemployment management. Instead of developing a plan that would promote, through a constructive policy, job creation, all that is achieved through this reform is unemployment management.

To conclude, I will tell the minister this, as the opportunity arises for opinions to be voiced throughout Canada, although the government seems to have already made up its mind: I encourage individuals who are part of groups representing those members of our society who need assistance as well as employers and anyone who wants this country to function properly to come and tell this government what is not working in here.

Reports from the OECD and other international organizations on the unemployment situation often show that, in every country that has relied only on employability and done nothing else besides developing rules of employability, the funds required were never made available and, at the end of the day, it was a dead loss.

I suggest that the government must think things over to ensure that, if opportunities to increase employability are created, there will also be jobs available. Otherwise, this reform may produce nothing but more dissatisfaction.

To paraphrase Gilles Vigneault, let me warn the minister that by blustering like that, he is stirring up quite a storm.

Mrs. Monique Guay (Laurentides): Mr. Speaker, a while ago, I heard a Liberal member state that we should take our own destiny in our own hands. This involves a great many things, particularly for women. But what this green paper contains concerning women is plain awful.

Just today, I think my staff has received about 50 telephone calls from women in my riding who are worried. They are worried because they have fought for years to get recognized and carve a place for themselves in society.

(1920)

Today, they are told: "From now on, when you apply for UI benefits, we will check your husband's income to determine how much you will get". That is disgusting!

For 20 to 25 years, women have fought, they have fought something fierce, to take their place in society. Today, with this legislation, we are telling them that they no longer have a place in this society. We are simply telling them: "From now on, you will be dependent upon your spouse's income". That is totally unacceptable.

I represent a riding the economy of which depends on the tourist industry to the tune of 90 per cent. Some of my constituents are seasonal workers. They work, 10, 11, perhaps 12 weeks, I do not know exactly. They will be penalized because, according to this green paper, they are usually unemployed. But that is not so; they are people who depend on tourism for a living.

You know what I would do with that reform? I would take it and just throw it in the garbage because I do not believe in it. I sincerely believe that we must cut where it really counts. Do not cut the women who have fought so hard, do not cut people who really depend on it. It is not their fault. They would like to work all year if it were possible, but it is impossible for them. These people really depend on seasonal work.

I think it is totally wrong to cut there. Cut the family trusts. Cut where the cuts should be made.

I was a businesswoman before being elected to Parliament and I tell you that I never refused to pay my taxes. When I made money, I never refused to give some to the government. But today, the government is going to take money from the less fortunate.

[English]

Mr. Allmand: Mr. Speaker, I rise on a point of order. I thought we were in the period of questions and comments. This is not supposed to be a period for another speech. I was expecting the hon. member to put a question to her colleague or to make some short comments in accordance with the rule, but it certainly is not an opportunity to make another speech.

The Acting Speaker (Mr. Pillitteri): Does the member have a question?

Mrs. Guay: My question is coming. Is that it?

Mr. Allmand: That is it.

Mrs. Guay: Fine.

[Translation]

My question is for my dear colleague from the riding of Kamouraska—Rivière-du-Loup: I would like to have your opinion on how women are treated in this green paper and especially on the situation of people who have seasonal jobs.

Mr. Crête: Mr. Speaker, I want to thank my colleague for her question. First, she herself was a self-employed businesswoman before she was elected. When she talks about what women go through, I am sure that it is a true reflection of reality.

In this regard, as a member of the Standing Committee on Human Resources, I will make an extra effort to have that problem considered. I also call on her to ask women's groups to come and present their views to us so that we can make the government move on this.

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As for seasonal jobs, I would answer her with an image and draw her attention to a particular aspect. This reform goes back to the vocabulary on welfare reform used by the defeated Liberal government in Quebec. They talked about bad welfare recipients, people who did not want to work. Now we are hearing the same thing. Seasonal workers who use unemployment insurance regularly will be penalized. After an unemployed person has made three claims in five years, he will be told: "You have a bad mark on your file. The next time you apply, you will get less." So he is made to feel a little guilty for a situation that he is not at all responsible for.

(1925)

There are industries in which there will always be seasonal employment. In some regions of the country, forestry, agriculture and tourism will always be seasonal activities. There will never be year-round work available. Moreover, workers in these industries are not necessarily prepared to train for jobs which do not exist in their region.

If a person works in a restaurant for 15 or 18 weeks during the summer, you can train him to become a technician, but if there are no jobs for technicians in his region, you are wasting money. This is the conclusion reached by the OECD in a study on unemployment. In all the countries where attempts were made to increase employability without a job creation policy, these efforts were futile. The government will have some time to reconsider, and I hope it will.

[English]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my eyes really filled with tears listening to the lugubrious comments about seasonally employed workers. Does the hon. member believe that it is fair, right or even decent that low paid people who work the year round and faithfully pay into UIC are the ones who are paying to support extremely highly paid seasonal workers in certain industries?

For example, I think of fallers in the logging industry in British Columbia. It is not uncommon at all for them to pull \$300 a day. They work for a few months and then go on pokey. It is the poor worker who is paying for that. A lot of these people are married. Their spouses work the year round so they have double income. That is not reflected in their benefits.

I wonder if he thinks this is fitting and proper. Even in his own province he will find diamond drillers, for example, in Abitibi who make \$150 to \$200 a day. They work seasonally, go on pokey and have a good time. It is the poor, hard working person flipping hamburgers at McDonald's and paying year round into the fund who is supporting these people.

I would like to hear the hon. member's opinion on that.

[Translation]

Mr. Crête: Mr. Speaker, I thank the hon. member for his question. It is important not to go overboard. Some people may abuse the system, but problems will not be solved by imposing strict measures right across the country.

Some parts of the country have particular problems. It may be the case back home too. However, the government will not solve a specific problem by implementing a national solution which penalizes a number of workers. Such cases require a more individual approach to correct the situation. In its present form, the reform is based on the premise that seasonal workers do not want permanent jobs, and that is just not true.

In my riding, many people work in the tourism, agriculture or fishing industry, including eel fishing. These people want to work. There is a continuous flow of people coming to my office because they are looking for work, but jobs must be available. A reform like this one would give interesting results only if it included a real job creation strategy. But this is not the case.

(1930)

Canada is losing ground in terms of productivity, having slipped from 4th place to 14th. We are now behind several small countries such as Denmark and Sweden, which have control over their whole economic development and which are not fighting a federal structure preventing them from performing and getting interesting results. These countries have managed to find solutions while also showing compassion for those who have special needs.

The discussion paper alludes to a guaranteed minimum income, but the idea is immediately rejected on the grounds that it would be too costly to implement. The fact that our population is scattered all over the country, that Quebecers and Canadians have settled throughout the country is a plus. We must ensure that the people can live where they chose to and are given the means to develop their economy. No witch hunt or unemployed hunt will solve our problems. We should rather hunt for jobs so that each and every Canadian can find a position in which he or she can grow and contribute to Canada's wealth.

[English]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, tonight we are debating the government's discussion paper on social security in Canada entitled "Jobs and Growth". I must say that I take the government at its word when it says this is a discussion paper. It is not a law or bill as I heard a few minutes ago from one of the Bloc Quebecois members. It is not the last word. It is not cast in stone. It is a discussion paper.

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It covers such things as unemployment insurance, the Canada assistance plan, assistance to post-secondary education, training, child support and some other matters. However it does not cover our pension program, nor does it cover our medicare program which are being examined in other studies. Many of us are extremely interested in knowing what proposals will come out of those studies.

This discussion paper has certainly identified some serious problems and I congratulate the government for doing that. It has identified the very serious problem of child poverty. It has identified the problems of disincentives for work in many of our welfare programs, and other things.

It has also emphasized some excellent goals. For example there is the goal of lifelong training, the need to continually upgrade our training and our ability to compete in the modern world. There is the goal of a national day care program to permit many women to go to work and earn their living.

All that having been said, I have some serious concerns about some of the proposals in this discussion paper. First of all, with respect to unemployment insurance, if I understand it correctly the paper proposes a 10 per cent cut in unemployment insurance benefits amounting to about \$1.7 billion. This is on top of the cuts of about \$2.4 billion that were made in the government's budget in the spring.

The government says in this discussion paper that these cuts in unemployment insurance benefits will be used for training. Well, let me point out that historically in this country the unemployment insurance fund was never used for training. It was used to provide support for persons who were unemployed against their will. It helped them to buy the food that was necessary for their family, to pay the rent and to pay the necessary expenses while they were unemployed. It was only under the Tory government of Brian Mulroney that moneys were taken in large amounts out of the unemployment insurance fund to pay for training. Historically that fund was never meant for training and it was not used for training for years and years.

Also, I have a concern that in taking so much money out of the unemployment insurance fund and reducing benefits we are going to leave short those people who are already fully trained. There are many unemployed people who are fully trained. What they need to help them are jobs. They do not need more training. What they need is enough money to keep them and their families going until the next job comes along, until the economy improves.

(1935)

I am also concerned about the unemployment insurance proposals because of what they might do to seasonal employees. I listened to a member of the Reform Party who suggested that seasonal employees prefer to go on what he calls the pokey. Very few workers prefer to go on the pokey. As a matter of fact as a result of amendments made to the act under the Conservatives if you leave employment you totally lose your unemployment insurance benefits.

I am familiar with the construction industry. The people in Canada's construction industry have a tough time during the winter. They would prefer to work the whole year long, but it is difficult to do that in many parts of Canada because of our climate. They do not prefer to go on unemployment insurance. Unemployment insurance is a definite reduction in income for them but it is all they have in the winter, even though their wages are good when they are working.

The other thing they must keep in mind is that Canada is a country with many one industry towns. There are people living in towns that for example are almost completely mining towns, such as Sudbury, Ontario. For people who are fully trained and excellent workers in the mining industry when the world market for a metal goes down and all those people are put out of work, it is not a question of retraining. It is a question of making sure those workers have enough money to see them through until the market price for copper, nickel, or whatever goes up again.

I can remember a few years ago when the market prices for copper plunged. Thousands of workers were put out of work in Sudbury. These were fully trained, highly skilled mining workers but thank god for the unemployment insurance system because it saw them through until the market prices for those metals went up again.

There are many one industry towns in Canada, whether they are lumber towns, mining towns, railroad towns and so on.

Finally, I have to ask whether any government now has the right to tamper with the unemployment insurance program. The Mulroney Tories withdrew the government's contribution to the unemployment insurance fund which was about \$4 billion. Before Mulroney did that the unemployment insurance fund was made up of contributions from workers, employers and the government out of general revenue, especially when the rate of unemployment went above 6 per cent. Mulroney stopped that and we criticized Mulroney severely for doing that.

Now many workers and unions say if it is only workers and employers who are contributing to the fund, they should control the fund as is done in Germany. In Germany a corporation is made up of representatives from the unions and the employers which controls the unemployment insurance fund, sets the benefits, sets the rates of contribution and so on. I have concern about that.

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I am fully in support of the goal in the paper that we need much more training. Of course we need much more training but not as we said in previous years out of the unemployment insurance fund. Training benefits the whole society. It should be paid for out of general revenue and not by the contributions of workers and employers who are contributing to a fund that is to see them through when they are unfortunately put out of work. Therefore I have concern about that particular provision.

I also have concern about this concept that jobs are the answer to the poverty and the social security problem in Canada. There are many working poor in Canada. For many young people a job alone is not the answer. We must look at what kind of jobs people are getting these days. There are a growing number of people, especially women, working in service type jobs. They get minimum wage, it is temporary or part time work, no union, no benefits. They cannot start a family. It is almost impossible for a young person to get ahead in those kinds of jobs.

Somebody mentioned McDonald's. Unfortunately there are too many people working in McDonald's type jobs. I like a big mac from time to time myself but that is not the type of employment which is going to enable people to get married, start a family and buy a home.

I am also concerned with the provisions in the paper with respect to universities. Under the present program the government gives money to the provinces to assist with post-secondary education. We know that money is committed—there have been some problems with some provinces—but it is committed to the universities. The universities to a certain extent have some guarantee of funding with that money.

Under this proposal we terminate that type of funding. We give more money to students so that they will have more money, it is said, to pay tuition at whatever university they please. With this proposal we will find that universities are left in a doubtful position. They have guarantees of funding now. They will not have guarantees. There will be very serious risks. Students may decide not to go to university. They may decide not to get those loans. They should, but they may not.

(1940)

We in Canada need world class universities. In my city of Montreal I would say we have four world class universities: McGill, Université de Montréal, Concordia, Université du Québec à Montréal. With this kind of proposal I do not know what will happen to those types of what I call world class universities, when they are not assured of that type of funding.

In conclusion, I have to say I do not know to what extent this reform package is being driven by demands of the Department of Finance and the problems of the deficit. All I can say is that we said in the election campaign that we would deal with the deficit by economic growth and jobs, not by cuts. Consequently, I am a bit concerned by what I read in this paper.

I am also concerned by the suggestion that there is not enough money for these types of social programs. I believe we should cut out waste wherever waste is present, but on the other hand I see too many instances in our society where there is waste in consumption. We are closing hospitals. At the same time there is an unbridled pressure to buy more and more consumer goods which are not essential.

Madam Speaker, I see you signalling my time is up. Let me say this: There are some good proposals in this document, but there are some that give me grave concern. I will reserve judgment on those. I will see how the discussion goes in the country. I encourage Canadians to participate in the discussion, but I hope these proposals are not the last word, that they are not written in stone.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, I listened to the hon. member for Notre-Dame-de-Grâce and I must say that he was true to himself. This government member has shown some independence of mind, by voicing his own concerns. It is interesting to hear such statements in this House.

He began by addressing the issue of unemployment and decrying the practices and orientations of the previous Conservative government, under Mr. Mulroney, and I want to indicate to him that I have come to the same conclusion after reading the discussion paper, and that is that the unemployment insurance fund should still be used to support training.

Then, the hon. member mentioned his concerns regarding the universities, and I agree with him. I took note of these two points he raised. As far as the unemployment insurance situation, for which he blames the Conservatives, and the universities are concerned, if the hon. member has read the same document I did yesterday or today, he must have come to the same conclusion I reached. I think that the universities are very concerned about the increase of students indebtedness, the rise in tuition fees and the reduction of transfers to the provinces and that these issues concern the hon. member of Notre-Dame-de-Grâce, so I would appreciate his comments on this.

[*English*]

Mr. Allmand: Madam Speaker, as I said at the beginning of my remarks, this paper identifies some real problems with our social security system. I congratulate the government for putting those problems before us and offering some alternative solutions.

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I also said it emphasized some goals which I approve of. I approve of the goal of eliminating child poverty. I approve of the goal of eliminating the disincentives from the welfare system. On the other hand I said I had serious concerns about some of the alternative proposals for unemployment insurance and for assistance to the universities.

I speak with respect to unemployment insurance because I was the critic in opposition for five years on questions of unemployment insurance and employment. For five years I was the critic for the Minister of Employment and Immigration and I criticized both Flora MacDonald and Bernard Valcourt when they brought in bills which did some of these things.

(1945)

Our government is putting forward this discussion paper in an attempt to get some discussion started on how to deal with the problems in the system. I do not deny there are problems in the system. The discussion paper has overlooked the fact that we have many one-industry towns in Canada, that we have many seasonal workers, that we have many workers who are fully trained. They do not need training when they are unemployed, they need enough money to help them and their families.

I am being consistent with the position I have taken for years and years, especially with respect to the Conservative government under Brian Mulroney who made some very terrible changes in the unemployment insurance system. I hope we do not do this. I hope some of these things are not written in stone, that they are not the last word. That is what a discussion paper is supposed to be.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I wonder if my hon. colleague could elaborate a bit on a couple of aspects of the unemployment insurance program.

Does my hon. colleague feel that unemployment insurance is actually unemployment insurance, and whether the premiums paid by both employee and employer should be commensurate with risk so that it is in fact unemployment insurance. The other question is this. What about the person earning \$50,000 and working six months versus a person earning \$16,000 a year who works day in and day out—

The Acting Speaker (Mrs. Maheu): I am sorry. The hon. member has scarcely one minute.

Mr. Allmand: Madam Speaker, in answer to the question yes, it should be a real insurance program. I refer to the program in Germany where the Germans have a quasi-public corporation made up of employers and employee representatives. They decide what the rate of premium should be and what the rate of benefits should be. It is strictly an unemployment insurance

program and has been proposed by some of the unions in Canada.

With respect to those who have high wages and those who have lower wages, the member knows that even under the present system there are caps on what the high wage earner will contribute and there are caps on what they will receive.

What the \$50,000 a year man might receive in unemployment insurance benefits is nowhere near his \$50,000 income. We have four categories of contributions and four categories of benefits. They are subject to fairly low limits when one considers the plight they face today.

Mr. Andy Mitchell (Parry Sound—Muskoka): Madam Speaker, I am glad to have the opportunity to speak tonight on social security reform.

May I add that I am also proud to serve a Prime Minister who has had the wisdom and courage to deal with an issue that will lead Canadians into the 21st century. I would also like to congratulate the Minister of Human Resources Development whose hard work, perseverance and leadership have resulted in an initiative whose fruition will be absolutely essential to the well-being of Canadians.

Our reform of social security is not being done in isolation. It is one of four components of the government's job and growth agenda, which also includes ensuring a healthy fiscal climate, reviewing government programs and priorities and strengthening the performance of the Canadian economy, in investment, innovation and trade.

As a government we intend to pursue all four pillars aggressively. It is important that we understand what the social security reform process is all about. It is not simply about cutting government expenditures, although this is important, and fiscal considerations cannot be ignored in all of our deliberations.

It is also not simply an exercise in being more efficient although the elimination of duplication, the reduction of overhead and the co-ordination between the various levels of government are also important.

It is not simply about creating a quick fix for an ailing system. We are not prepared to simply tinker with the system so that it can stagger forward for another three or four years. The time for basic reform is upon us and we are prepared to meet and take up the challenge.

What this process is really all about are jobs and security. It is about helping Canadians in whatever socioeconomic position to be gainfully employed and to provide their families with a life of security within a system that we and future generations can afford to maintain. Our social security reform process will address three major issues which are critical to ensuring that Canadians can provide the best form of security for themselves and their families, a job with a fair wage.

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(1950)

In this respect the discussion paper which the minister tabled yesterday deals with three areas which must be addressed if we are to assist Canadians in achieving job security: First, ensuring that our young people receive the necessary education to compete in the job environment of the 21st century. Second, to ensure that Canadians who are suffering from structural unemployment are given the necessary training and other tools to re-enter and maintain long term employment in the workforce. Third, to ensure that the disincentives built into the income security system are eliminated and that individuals are encouraged to work rather than be given an incentive to stay at home.

It is true that no one can promise that an education will guarantee anyone a job. What we can guarantee, almost without exception, is that without an education a person will have less of a chance to obtain a job. To demonstrate this we merely need to look at the statistics.

In the last three years job growth for university graduates has increased 17 per cent. There has been no growth of jobs for high school graduates. Most telling, there has been a 19 per cent reduction in jobs for people who did not complete high school.

The discussions of how best to fund post-secondary education to make sure that it is accessible to all Canadians and how to make sure that is relevant and meaningful are important objectives of this reform and forms an integral part of our agenda for jobs.

We must provide Canadians who become unemployed the necessary tools to rejoin the workforce. Forty years ago when the unemployment insurance program came into being, most unemployment was of a short term nature, usually caused by a cyclical decrease in consumer demand which was restored as the business cycle revolved. After periods of time which were measured in months rather than years, individuals would be recalled to their place of employment.

Unfortunately this is no longer the case in many instances. There exists in Canada today a significant amount of structural unemployment. People who are losing their jobs are doing so not because of cyclical decline in demand but rather because the jobs have disappeared permanently. We need to face up to this reality and understand that not only do workers need to be provided with income support, and they do, but also with tools so they can adapt themselves to new jobs which are being created.

These tools include better access into the support system; provision of basic literacy and numeracy skills; training to assist adaptation to new technology; on the job work experience to allow employees to be more effective and incentives for hiring unemployed workers. In this area we must ensure the responsibility is shared by giving responsibility to communities, local businesses, labour and educational groups so that they, who best

understand the needs of their local community, can drive the process.

We must work at removing the disincentives for people who are receiving income support from returning to the workforce. The provinces must be given greater flexibility so they can meet the needs and priorities in their regions. Child care needs to be provided so that single mothers can return to the workforce. Individuals must have the opportunity to obtain entry level jobs with a gradual reduction in benefits and move away from the all or nothing scenarios which presently exist.

We must end the cycle of child poverty so prevalent in single parent families. We need to ensure that the federal child tax benefit is made stronger and target it to where it is needed most. As I said earlier, we need to work with the provinces to ensure better child care and child development. We must work hard to ensure that child poverty is not the result of irresponsible, non-custodial parents who refuse to pay court ordered child support.

The discussion paper tabled yesterday is not the final word. The final word belongs to the Canadian people. Not only is the government committed to receiving input from people across Canada, but I am personally committed to hearing the concerns and ideas the residents of my riding of Parry Sound—Muskoka have to provide.

(1955)

On November 7 and 8 I will host a forum at the Rosseau Community Centre to hear what my constituents have to say. Their views, their letters and their presentations will come back to Ottawa with me to be presented to the Standing Committee on Human Resources Development. The particular concerns generated by a seasonal tourism economy, the challenges of operating in rural Ontario will be brought forward to the government and will be considered.

I am pleased to have the opportunity to participate in this meaningful process. I am committed, along with my colleagues, to ensuring that Canadians have the best social security system, a stable job with a fair wage.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I really appreciated the fact that, in his speech, the hon. member acknowledged that one of the goals of this social program reform is spending cuts. The hon. member said that this was not the only purpose of the reform, but one of its goals. This only goes to confirm an article published in the *Toronto Star*, not known for its animosity towards the Liberals. So, what they mention must be a minimum figure. Some people say that the federal government secretly plans to cut \$7.5 billion in social programs in the next five years. This means that major cuts are really part of this reform.

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My question concerns rather another aspect of my colleague's Speech. He said we must avoid overlapping. On page 76 of the reform proposal, we are told all in the same page about federal intervention in three different sectors: daycare, education and welfare—which are all provincial jurisdictions. How can the government reduce overlapping by increasing its interventions in provincial jurisdictions?

[English]

Mr. Mitchell: Madam Speaker, let me comment on the two points that my hon. colleague made.

This review is going to be needed in any event because our social policy programming needs to be updated. But if he thinks that we are going to undertake a review without trying to find cost efficiencies, without trying to deliver our programs in a more efficient way, without trying to get better value for each dollar that we spend, then he is totally wrong.

From my discussions with the Canadian people, from the discussions with the people in my riding, from the telephone calls and the mail I receive, Canadians have said two things. They want a social security system that they can depend on, that is going to last because it is going to be affordable for us and for the future generation and that this social policy review must deal with both of those issues.

As to dealing with specific areas of jurisdiction, I have listened today, yesterday and the day before to the Bloc Quebecois say over and over again that their major concern about the social policy paper is not that Canadians or Quebecers have more opportunity for employment. They have not told us about how they think this social policy review can improve social programs or their suggestions. What they have told us is that their primary worry is jurisdiction.

I suspect that the individual in Quebec, just as is the individual in Ontario, is not so much concerned about where their cheque is coming from. They are concerned that there is a social security safety net to protect them. They are not so much concerned whether we have constitutional *t's* crossed and *i's* dotted. They are concerned that we have efficient government and a social program that can be delivered in a cost efficient manner that will be there for themselves and for their children.

(2000)

If the Bloc Quebecois wants to continue on and on to put this in the terms of a jurisdictional question, I think that your electorate in Quebec will say what this is about is to ensure that we have a social safety net; what this is about is to ensure that we have an opportunity to re-enter the job market; what this is about is to give Canadians the best social program, a secure job with a decent wage. That is what Canadians want.

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, I am pleased to finally have an opportunity to speak to the social programs review. I have waited with great anticipation for this day since January 18 when His Excellency, the Governor General, in the speech from the throne announced that the government would initiate an action plan for major reform of the social programs in Canada. Two weeks later, on January 31, the Minister of Human Resources Development asked all members of this House to work with the government to develop an action plan for renewal of our social safety net.

After all that we expected an action plan. Nine months of gestation and the elephant has given birth to a mouse. Now that we are here we have no action plan but a discussion paper full of maybes.

The minister says he will consult with Canadians. In phase one the Standing Committee on Human Resources Development held consultations with interest groups, private citizens in person and through the media of teleconferencing. Now the committee is scheduled to embark on five weeks of face to face consultation.

I had hoped that this would give us an opportunity to hear from Canadians who do not represent the special interest groups and whose inherent bias and sole mandate is to perpetuate their own existence. The Government of Canada, the taxpayers of Canada, is paying \$4 million in intervener funding to interest groups to prepare their presentations and no doubt we will hear from some of the same interest groups that we subsidized to testify in phase one.

The government has made it virtually impossible for ordinary Canadians to prepare submissions because the deadline is November 7. The real information, the technical papers, will not even be available until late in October. Perhaps the minister thinks that this is some kind of a Hallowe'en treat or maybe a trick.

After many delays and much fanfare and many leaks, we are left with a watered down series of questions that offers little direction and no plan of action at all. It has been said that the minister hopes to generate intelligent, informed discussion at every dinner table in the nation. The premise is right on. We are hoping that this reform would actually place all the social programs on the table for discussion. We felt certain that the minister would want to give Canadians an opportunity to examine and challenge the principles on which existing social programs are based so that informed discussions can take place and decisions can be made.

To facilitate this discussion did the minister even give Canadians the information they need to initiate informed discussion? I do not think so. Is he trying to fool the people? He thinks that perhaps if he fills them full of mumbo-jumbo, the type that we heard here today in Question Period from him, eventually people will leave the table and say "I've had enough, let government fix this mess". He does not want Canadians, it appears, to know the real truth about social programs.

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You can fool some of the people some of the time, or something like that, but Canadians do not really know what their future holds and they want to know. They need to know so that they can plan for their future and their retirement years. After they have paid their taxes will they have any money left? Very likely they will not. They had better not count on the Canada pension plan or old age assistance to sustain them in their declining years because there will not be enough money to go around. Today every dollar that is paid into the Canada pension plan is paid out the other end to a current beneficiary.

Canadians want to know what their future holds and we believe they have every right to know. Forewarned is forearmed. The Reform party wants to ensure that Canadians are fully informed so that they can make conscientious decisions about their futures.

The Liberals set their target for deficit reduction at 3 per cent of GDP.

(2005)

If it is really serious about making this a reality the government is left with few options: either a meaningful reduction in spending or an increase in taxes or a combination of the two. We do not have that information. It does not show up anywhere in this paper. We think that is one of the first question Canadians will want answered.

If young people want a payout from CPP the premiums that they are paying in will have to double, triple or perhaps quadruple before they reach retirement years. It will not take that long. By the year 2010, about the time the baby boomers are set to retire, government revenues will be totally consumed by interest on the debt and by social program spending.

We know government has other financial commitments that will have to be met as well. What will happen to the pension the baby boomers thought they could rely on in the so-called golden years? The gold in those years will be tarnished and there will not even be any coppers traded for the necessities of life. I believe that the best way to help Canadians and their families prepare for their future and to fight poverty is to reduce the tax burden.

In pre-World War II days when government entered into the foray of income support, I am sure that no one ever dreamed it would go this far into debt, this far into fostering a dependency on government to provide for our well-being. For too long people have believed that grants are gifts from the government. Actually everyone knows we have to pay the taxes in first.

This government and its predecessors have given with one hand while increasing taxation and taking with the other. Canadians want to know what this government's agenda is. Is it to protect those who cannot help themselves or is it income redistribution? In this country we punish people for being successful and we seem to reward those who are not.

Some will say that sounds pretty radical. Wait until you hear this quote: "We are not interested in paying able-bodied people merely because they were not able to find work. We propose social aid for those people who are unable to work because they are crippled, aged or mentally ill". Does that sound like a radical statement? This is a quote from Tommy T.C. Douglas, former CCF Premier of Saskatchewan, talking about social assistance programs in his province. From that time to now we have arrived at the place where we think we have to subsidize everybody.

Those who have tinkered with the expansion of our social programs over the last quarter century have lost track of the target. In trying to help everybody the government has incurred a massive debt that today has reached a whopping \$533 billion. This amounts to \$18,000 for every man, woman and child in this country. If we want to do anything about child poverty, I suggest we do something about that \$18,000 tax bill.

Past enlightened governments have allowed this country to fall off the rails and now it is time to get it back on track. The role of government in providing help must be redefined. If we continue with the status quo we will not be able to help those who are truly in need. It is imperative that we reinstate the balance between public support and private responsibility. We have allowed people to become reliant on government and now the government is broke.

This document does not leave me with the impression that this government is looking beyond the next election. There are Canadians who truly need help. To ensure that they will be cared for the government must immediately eliminate handouts to corporations and interest groups and reform the members of Parliament pension plan.

After all, how can we expect Canadians to embrace social program reform if the government is not prepared to reform its own pension plan? The Reform Party MPs have opted out of the pension scheme but I notice that none of the other parties has followed our lead.

As I said earlier, the minister asked this House to work with the government to develop an action plan for the renewal of the safety net. From what we have seen of the green paper, this no action plan, he needs help.

I want to assure members that we will help wherever possible to bring about real social reforms. In that vein I will be glad to share with the members of the government what the Reform Party believes. We believe that social programs should be financially sustainable.

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(2010)

We believe that social programs should be targeted to those who are most in need. Social program delivery should be decentralized and the family should be strengthened as the primary caregiver in society.

The Reform Party is committed to real social program reform and we believe that if the government follows these principles, Canadians can have a plan for the future.

Mr. Alex Shepherd (Durham): Madam Speaker, I listened with great intent to the member's comments. I must admit that I do not exactly hear anything very positive. I heard it is not working, that it is not right and the lead in was basically that the government does not have a plan.

The government put out a plan, put out the framework for a plan before us. The concept is to go back and consult with one's constituents to get the input of Canadians in this process. It is very important.

I hear the Reform people saying why do we not do this tomorrow. The reality is that it has taken us 30 years to get here now. It is not going to get fixed tomorrow afternoon. Hopefully it can get fixed within a year.

The very important part of this is to get Canadians involved in the process. I am conducting a social policy review in my riding on October 23. I have used a householder and sent it out to 40,000 households in my riding to solicit all the possible support and views and different concepts. General Motors is on the panel, the CAW is on our panel. We have the chairman of Durham College chairing it for us.

That is the kind of consultant method that we are going to. I would like to ask the member what he is doing to bring this to the people to get their ideas.

Mr. Johnston: Madam Speaker, this idea of consultation I did say in my remarks is good. When we do consultation over and over again with the same groups of people, and we subsidize them with taxpayers' money to prepare their reports and to bring their remarks to our standing committee—we do this over and over again—when does consultation become excessive? How much consultation is enough consultation?

I submit that we have gone through the consultative process. Sometime we have to start making decisions. If this government is not prepared to make a decision in the first year or year and a half of its mandate, it will be facing an election in the second half of its mandate and then I suggest it will be even more hesitant to make decisions than it is today.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, I am perplexed by what the member from the Reform Party has said. I have always thought that one of its major points as a

party was that it wanted to listen to Canadians and to do it in a very consistent manner.

The fact that Canadians were consulted from January 31 to today is one phase of the consultation process. The hon. member knows that what we would like to get from Canadians is a reaction to the proposals for change in the green book as outlined by the Government of Canada.

I am wondering if during this consultation he will also present to his constituents the Reform Party position on cutting \$15 billion from social programs and where exactly he will cut from.

Mr. Johnston: Madam Speaker, the member opposite knows full well that the Reform Party has not said that our plan is to cut \$15 billion.

What we did say in a news conference is that the Liberal Party has campaigned on a promise to get its deficit down to 3 per cent of GDP. Three per cent of GDP is in the neighbourhood of \$25 billion. The deficit today is \$40 billion and the media and perhaps even the minister did the arithmetic and came up with the stunning conclusion that somehow their target rates meant that the Reform Party was going to cut \$15 billion out.

I have a pretty good imagination. I cannot imagine how they came up with that.

(2015)

Mr. Werner Schmidt (Okanagan Centre): Madam Speaker, I appreciate the opportunity to speak in this debate on the discussion paper on social policy review.

I wish to take a slightly different approach than has been taken so far and concentrate on a particular section of the policy paper that has been presented. I would like to indicate how clearly that discussion paper misses the opportunity for leadership and new thinking for a new economy and for a redirected social policy program.

I recognize that the government has set for itself a major task of tremendous significance that will affect our financial, social and personal well-being in this country.

There is a desperate need to change our social policy. There is a recognition in this particular paper that our economy has become technology oriented and that it is critical for Canada to find a way to capitalize on the technology of tomorrow.

How can we all benefit from this recognition? By recognizing that the world is rapidly changing we have taken the first step in making the transition toward a productive future. But it is only a first step, a very, very tiny one. In real terms this means that the workforce in Canada must change. This too is included in the discussion paper.

Canada must develop a workforce that is well educated, capable and skilled and above all that is primed to participate and anticipate the changes that are coming with respect to the economy in general, their specific jobs and to prepare themselves for the transition that is about to come. A workforce that has those characteristics will indeed be successful in competition.

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It requires lifelong learning. Learning I believe is at the basis of a dynamic economy. Only through education and ongoing training of a workforce can that force be equipped to meet market demands.

However, like all the other components in our economy education itself is under tremendous stress. It has become inefficient. It has become too expensive and it is failing the very people it was designed to serve. Canadians are lagging behind, no matter how well educated they are. They are not equipped to tackle the jobs of the market requirements.

Canadians are paying the price for post-secondary education that is out of date, a system that was designed primarily to serve the needs of the 1950s, 1960s and 1970s. We are in the 1990s. Higher education must be reviewed and must change to reflect today's requirements. That means universities, colleges and technical institutes and other deliverers of educational services and courses. Every avenue of education must be taken to be part of the plan and must be utilized.

I pose this question to the House this evening. What should the federal government's role be in post-secondary education? In particular, how should post-secondary education be funded?

As an educator with 25 years experience and as a provincial politician and now as a federal politician I have witnessed the relationship between education and government in the post-secondary process and throughout Canada. It is from this point of view that I wish now to reflect upon one of the government's proposals.

The proposal is to expand student loans. Student loans are not a new idea in Canada. They have been used to finance education for many years. As a result many graduates have racked up substantial debts and upon graduation, despite the investment, many of them cannot get jobs. The jobs they had and were well paying and looked secure were not. Graduates are underemployed on a part time basis and often on a very short contract basis. Despite the investment in education through student loans there has been no guarantee of employment for graduates despite the fact they have been left with massive debts and no way to repay them.

The key is jobs. There is some suggestion that maybe the government should guarantee these loans. It does not help if the loans cannot be paid back and it adds to the cost of government.

(2020)

How serious is this problem? One might say that is not that big a problem. In November 1992 the total default in education debts or loans if you will was \$1 billion. That is the equivalent of 100,000 students defaulting on a \$10,000 loan. That is a significant problem. Many students are not only deep in debt, they are without a job and have very little to show for that debt

that they have incurred. Canada has very little to show for that debt. It is unacceptable and it must change.

We are looking for a legitimate role for the federal government in this kind of funding. Leading economists and Canada's leading authority on educational finance or finance of higher education, Dr. E. G. West of Carleton University in Ottawa, says that what we need is a voucher system not a heavier burden on the backs of our young people, a voucher system that would see the federal government distribute its higher education money to students themselves directly in the form of vouchers that would be accepted by universities, colleges and technical schools. These institutions in turn would convert those vouchers into money by redeeming them with the federal government. This voucher system is direct, single, simple, effective, flexible and deals with the individual—talk about decentralization—a legitimate approach for the funding of higher education at least in part.

What are the advantages of such a system? There are many. In the minds of my colleagues and those who are in authority, such an arrangement would encourage healthy competition among institutions to attract students. It would be a preferable arrangement for students too because an arrangement like this would enhance individual choice and make it an effective choice. Students would have more leverage to seek out institutions to meet their needs and the federal cost would be no higher than it is today.

The voucher system would work better for students. It would ensure a higher standard of post-secondary education through competition and would cost the government no more than it costs today.

The voucher system would do much more than that. It would put into the hands of the students consumer power. The students would decide what kind of program, who would deliver it and at what price. It would recognize the diversity of choice of those who seek to learn and those who provide the educational services. It would allow the post-secondary education institution to fine tune the system and like government itself, avoid the expensive duplication and overlap that exists at the present time.

Under this system students would benefit from institutions competing for enrolment between themselves and the students would feel strong and well about their particular decisions. Would they make good decisions? I have dealt with many of these students at the post-secondary level and the post-graduate level and they are very capable of making decisions. They know exactly what kind of program they want and need. If the universities would listen, if some of these services that are provided would listen to the needs and demands of the students and have the wherewithal to give them money needed for their education they would do so.

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Students are not only the young. There is a much larger proportion of Canadians who are older adults in various age groups who need further education. These too could be served with this voucher system. It would create a large, political and powerful force at the federal level for higher education if we adopted this voucher system. That force would consist of students, their husbands, their wives, their parents and all those others who would benefit and participate in the decision-making for higher education.

Advanced education would then compete on a much more equal basis in terms of the power that they need so that government supplies those services that we actually have to have in our society.

Finally and most important, it could be expanded beyond simply education to include the training programs under UI and welfare instead of having the turf war that exists between the various departments.

I strongly urge the government to think very seriously not about expanding the loans to students but rather to institute a voucher system and give the student consumer power.

(2025)

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, the member from the Reform Party has come to the same conclusion as I have. He feels that Canadian students are too heavily indebted, and that this indebtedness can create problems with respect to post-secondary education. He also stated—and I think that we must agree with him—that the key, which is sadly lacking in this document, is employment.

While it is true that university students have a better chance at finding a job than other people, many of them, even though highly educated, have to take a master's degree because they are unable to find work. Some of them even have to go on to their doctorate, because they still cannot find a job, and that leads them deep into debt.

The hon. member spoke of the many advantages to be derived from the student voucher system he put forward, but he did not say where he would get the money for it. His central argument seems to be that he recognizes that the federal government has a funding responsibility with respect to education. The minister's discussion paper and the budget show that the federal government is bent on reducing, and even backing out completely from these cash transfers to provinces.

As he is a former provincial politician, I have another question for him: What role, in his opinion, should the provincial government play in education? He knows very well that

education, under the Canadian Constitution, is a provincial area of responsibility. I would like some clarification on the student vouchers he referred to. Where would the money come from? Who would pay?

[*English*]

Mr. Schmidt: Madam Speaker, I really appreciate the question. Perhaps I did not explain as clearly as I might have. The intention here is that under the Established Programs Financing Act cash is given to provinces from the federal government. The intention here is that money be given in the form of vouchers to students.

That is where the funding would come from. That is why there is no increase in federal funding over what exists at the present time. That is one point. The second point is in terms of provincial recognition. Absolutely, education is the responsibility of the provinces. This would allow that kind of flexibility to be retained and recognized.

In fact the voucher system could be strengthened immensely if the provinces would do that as well. Then the true freedom of the individual can be expressed to meet the needs that should be there. That will also increase the job opportunities for graduates. Then the programs would be tailored to meet the needs of the job market and at the same time the interests and skills and particular aptitudes of the students.

Mr. Alex Shepherd (Durham): Madam Speaker, if it ain't broke don't fix it. This is what I learned in my days of farming. The social security system of this country is broken. It has been broken for a long time. I would like to give one example of this which occurred in my constituency office only last week.

A middle aged man came into my office and asked if we could find him some money because the telephone company was going to disconnect his phone. He had rolled up a debt of over \$1,500. He was drawing social assistance. Before that he was on unemployment insurance. Before that he had been a federal government civil servant.

When I asked what the moneys were for, if they were to find a job, he told us that it was for telephone sex. What have we done with our social system that actually allowed someone to think it was possible that the taxpayers would pay for his perversion?

The social program spending dealt with by the Minister of Human Resources Development's discussion paper is in the amount of \$38.7 billion which represents approximately 31.4 per cent of total federal government spending, excluding debt servicing. Our deficit problems are symptoms of a country living beyond its means. It would be nice to go on a foreign holiday but we do not have the bus fare. An unpaid holiday is what we have all been living.

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(2030)

These are the indiscretions of past governments but the problem is now squarely before us today. There are those who will argue to increase taxes. Canada's personal income tax is one of the highest in the western world. At 53.5 per cent our top marginal rate is only second to that of France. We can compare this with 40 per cent in the United Kingdom and 32 per cent in the United States.

Higher taxes actually produce less revenue as people attempt to take their money and finally themselves to more friendly tax environments. We only have to study the history of Argentina to realize this was true. Taxation actually drove that country to financial collapse.

In short, we have only one direction to go and that is in the area of program expenditure reductions. The trick is to execute this in a way that continues to shield those with genuine needs but reward those who are able to bridge the gap to self-maintenance. We must stop the except me philosophy. The fact is that we are all in the soup together and it will need our collective wills to solve these problems. Failure will be an invitation to have others outside our borders decide them for us.

All is not bad in this process. Indeed there is a great opportunity to retool the Canadian economy to make it internationally competitive as well as allow Canadians to regain control of their own affairs.

I would like to speak on three specific areas of reform. The first is unemployment insurance. Instead of a short stopover for displaced workers, the program has become for many a basis of income support, over 40 per cent of regular users of the system. This is not necessarily the fault of any one but it reflects that our economy is changing. This is a symptom of what is known as structural unemployment. We do not need bottle washers because we have machines to do it. Some employers have abused the plan by using it for work stoppages and all sorts of reasons not to do with the original intent of the plan.

Financially the benefits of the program are one of the highest in the western world. It has reduced the productivity of the labour market. Why take that job when unemployment insurance is better than wages, less day care, less travelling costs, et cetera? Indeed Canada's productivity has been declining even during the recession. Clearly this has to stop and unemployment insurance must get back to its original function, that is strictly insurance. We cannot ask the general taxpayer to foot the bill for lower productivity.

Now I would like to address the area of child care. Much talk has and will evolve over the concept of child poverty. When we say this it conjures up images of children starving in the streets, begging and so forth. I have witnessed this firsthand in Peru, in Africa and even in Ireland. I have not witnessed it here in Canada. May I be so bold as to suggest that child poverty is a

symptom of the mismanagement of family resources rather than a lack of transfers by government.

I am heartened by a recent case in Thunder Bay where a single woman with two children was able to save over \$20,000 in two years while living on social assistance. Personally I do not believe that throwing more money at these situations will in fact alleviate child poverty. It may even increase it as these families will have less incentive to seek gainful employment which may have resulted in a more responsible attitude toward child rearing.

Finally I would like to address the area of post-secondary education. Canada has established an assembly line approach to higher education. Some statistics given regarding the need for higher education are skewed, that is to say we have not properly taken the time to consider what is the cause and what is the effect. For instance, do employers not simply use education as a method of screening job applicants? Does one really need a BA to clean out parking meters? I suggest it may be a disadvantage. This is not to say that we do not need a better educated job force, but it calls into question the type and quality of education.

(2035)

Somewhere in the past we elected as a nation that we did not want to get our hands dirty. We closed down technical schools. We said that our children would all become doctors and lawyers. Our universities are full to the brim with students in social studies that have no more prospect of getting jobs than do high school graduates.

John Smith in Port Perry sits in grade 10 hating and failing his course in English and French literature. Maybe he will become one of our dropout statistics. In reality John Smith would rather be learning a trade, becoming an auto mechanic or other form of technician. Many of our largest employers regularly bring in trades from Europe because they cannot find them here.

In short, we need a more aggressive apprenticeship training program. We must recognize that technical programs are just as valid as and perhaps even more so than some of our academic programs.

I wholeheartedly support the concept of using vouchers for post-secondary education. I would even hazard to take the process one step further by weighing more heavily on providing larger vouchers in support of science and technology as opposed to other programs. This would result in a shift in the skills of our labour force which would allow us to compete head on with the emerging economies of southeast Asia and others. Sue and Sam will need a greater focus toward job expectation than they have had in the past.

In conclusion we have a lot of soul searching to do, but it is also time for action. We must resist the thought that it is not our problem. Canada can move forward toward prosperity in the 21st century but it must renew itself first.

*Government Orders**[Translation]*

Mr. Antoine Dubé (Lévis): Madam Speaker, in his speech, the member for Durham claimed that our system was ill. I have to support his position in this regard. It is true that the system is ill. Of course, we must have the same definition of what he means by system. For us, it is the federal system. It is the one which is now holding up the provinces, especially Quebec, with its duplications, its entanglements and its various restrictions. It is even said somewhere in the document that the authors feel that the federalist system had been too strict in the past.

Tonight, certain comments I heard and the member's view surprise me somewhat. Prime minister Campbell was defeated in the last elections because, one night, she said on television—and I remember it full well—that it would not be appropriate to discuss spending cuts during an election campaign. Later on, when cornered, she had to admit that there would be cuts. A little pushed the same way, the current minister told us before that the reform would not change the level.

What can be felt, now in this House, is that the Liberal Party is seeking a new mandate to cut spending, which it has already begun to do in any case.

I concur with the statement that our system is ill, but not with the other comments of the member. According to him, some people seen in the unemployment insurance office look happy to be there. It is as though they are unemployed on purpose. He did not say that, but he was speaking about regular claimants.

Later on, he spoke of some single women with children who were able to put some money aside. I think this attitude is completely depressing, even if I know that we must respect everyone's freedom of expression in this House.

(2040)

On post-secondary education, he seems to think there are too many students attending university and that these students choose the wrong field of study. To reduce the number of wrong choices, we should make some study programs less expensive than others. I would like to have more details on this.

[English]

Mr. Shepherd: Madam Speaker, I thank the hon. member for his comments. I suppose we can look at it in two different ways: We can talk about discouragement or we can talk about encouragement. I suppose I have a tendency to have a more positive attitude to this and think we want to encourage.

I agree somewhat with the member. I do not believe it is the duty of government to make those kinds of choices, but I believe we as a nation need a better and higher technologically trained labour force. I believe it is unjustified for governments simply not to acknowledge the fact that we cannot continue to educate

people for jobs that do not exist. We must give our labour force some guidance in the areas in which we think we are going to evolve.

I noticed the member in his comments talked about fiscal irresponsibility. I have often heard members of the Bloc talk about this as if it were a federal problem. In fact deficits are rampant throughout the western world. I would like to point out the fact that the province of Quebec, by its own creation, created a \$70 billion deficit and, remarkably enough, 40 per cent of it is financed outside not only the borders of Quebec but the borders of Canada.

The province by itself has some significant problems to deal with. They are not unique to the federal system by a long shot.

[Translation]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Madam Speaker, I have been in Canada for very close to 34 years. I started working when I was young in British Columbia, then I worked in the province of Quebec, in Montreal. In those days, the Canadian economy depended on the big traditional industries, based on our natural resources.

Our society was almost exclusively white and Christian. Drastic changes have taken place in the last 40 years, in Canada as well as in all industrial societies. Because of those changes, the present economic structure is totally different.

In fact, the whole of society has changed. Today's society is not the one that I found when I arrived in Canada. Accordingly, we must look to a sweeping reform of our entire social security net which, in some areas, has been in place for the past 50 years.

[English]

Today in North America more people are working in the computer industry than in the automobile, steel and heavy industries combined. The software industry alone represents a total output of \$42 billion. More Canadians today are working in the electronic industry than in pulp and paper, our biggest industry to date. There are as many Albertans working in the financial sector today as in oil and gas.

[Translation]

Today, more Quebecers are working in the health technology industries than in textiles, which used to be Quebec's basic industry. There are more Americans working in the film industry today than there are in the entire automobile industry.

[English]

The tragedy of Canadian society, as indeed it is a tragedy of every industrialized country today, is that our social infrastructures, our services, have not kept up with the immense changes in our economy over the last 35 years.

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The paradox is that there are jobs in the new industries but these jobs cannot be filled because the skills do not match the jobs that are open. There is a huge jobless pool of people who cannot access available jobs in new industries because of the lack of proper skills.

(2045)

I represent a riding in which a great number of high tech industries are located, industries in communications, aerospace, pharmaceuticals, software and others. I have spoken to many company executives.

One company, which is highly prosperous and almost unique in the world, exports 97 per cent of its products. This company cannot find enough workers inside Canada to fill 50 per cent of its demand. Of its skilled workforce 25 per cent come from Quebec and 25 per cent come from the rest of Canada. It has to import 50 per cent of its skilled workforce from England, Germany, the United States and other places. This is not peculiar to my riding. There are similar stories all across Canada in all the new industries.

The reform we are talking about today is to empower Canadians to keep pace in this new world in which sadly there is no longer a place for school dropouts or people without suitable training. If we compare our rate of school performance with that of Germany, Japan, or Korea, of all the emerging countries where skills are at a premium and are being used day by day, we find ourselves sadly lacking.

That is why this reform is so important to us today. This reform is almost a call to Canadians to take up the challenge, to find in the reform an opportunity to reshape our collective skills so as to enable our citizens, especially our younger ones, to find a place in this very different yet very exciting world.

Today Canada will depend more and more on new technologies and new sectors, including communications, aerospace, broadcasting technologies, health technologies and indeed, the environmental technology sector.

[Translation]

These are our new industries, our new challenges. Tomorrow's opportunities await. And this is the attitude the Minister of Human Resources Development would like to see us adopt, one of taking responsibility for our actions, of discussing tomorrow's challenges together, so that we can build a social security system that will carry us into the 21st century.

In reviewing the options for the Axworthy reform, we have the opportunity to think about what is at stake, to face today's realities, to reflect on our 50-year old social security net, and to give Canadians, our young people in particular, confidence and dignity, in the knowledge that tomorrow's families will have

lasting jobs, jobs that will make them competitive in today's competitive world.

This is what this reform is all about. The reform will most certainly have a financial impact. We can no longer afford our existing overly expensive social security net. We must think of more creative, more innovative approaches: this is the goal the minister, Mr. Axworthy, is trying to reach in his reform.

[English]

I hope this will give us all a chance to discuss in a constructive spirit this essential need to reform our social security system so as to make us competitive and give us the quality of life for the next century we all aspire to have.

(2050)

The Acting Speaker (Mrs. Maheu): I would like to remind hon. members once again that we do not use the names of members of Parliament. We use their titles.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm): Madam Speaker, this is quite a surprising speech on the part of the hon. member for Lachine—Lac-Saint-Louis, given the fact that he was a Minister in the Quebec National Assembly. I say a surprising speech because he confirms, he finally recognizes the failure of the federal government in the area of manpower training. He says there are jobs by the hundreds of thousands in Quebec that cannot be filled because there is a shortage of skilled workers in specific areas.

However, the discussion paper we have here offers no solutions to that shortage. If there is one topic on which all Quebecers agree, it is no doubt manpower training. Quebec must have jurisdiction in that area. The power to legislate on manpower training must be given to the Quebec National Assembly. Nothing in the government's handling of this issue, nothing in this document gives any indication that that is likely to happen. On the contrary, this project emphasizes centralization in Ottawa and confirms the refusal to hand control over to Quebec. This afternoon, while answering a question, the Minister said that Ottawa was the boss on that issue and that things would remain so.

Another thing. They say there are not enough skilled workers but this reform increases tuition fees. Is this the way to go if you are going to encourage people to get specialized training? Will people be able to afford an education after this reform? No.

The member's speech is astonishing and I would like him to explain where, in this document, in this reform, we can find evidence of a willingness to decentralize?

The Acting Speaker (Mrs. Maheu): I must say, before you answer, Mr. Parliamentary Secretary, that it is not customary to wave documents about in this House.

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Mr. Lincoln: Madam Speaker, what we should do is make a recording of the Bloc members' speeches and just play it over and over. This way, there would be no need for Bloc members to rise in the House after a speech. We could switch on the recording. It is always the same old story: centralization and the federal government are the root of all evil. Of course Quebec has no responsibility at all for what happens. It is all the federal government's fault. They make it sound as if once Quebec is independent, all their problems will disappear like magic and people will be trained for the jobs they will get in all those specialized plants.

The social security reform proposed by the Minister of Human Resources Development is an attempt to ensure that many more people have access to the education system, training, student loans and a one-stop system for manpower training. The minister has said many times that he is open to any kind of reform that provides for complementary input by the federal government and the provincial government. Tabling this reform paper as a set of proposals for consultation is a way to involve people from all provinces, people across Canada, in a constructive reform process.

For instance, in my own riding, I intend to conduct public consultations on this proposal. I hope my Bloc colleagues will do the same in their ridings and work on ways, not just to break up Canada and separate Quebec from Canada, but to ensure that people find their place in a community where there is work for all. Anything but this endless refrain that centralization and federalism are the root of all evil.

Nobody is talking about centralization. We are talking about co-operative and constructive federalism, that will enable people to find jobs. That is what they are looking for, not your same old stories. You are all the same. It is always the same old story. The words never change. You will never be satisfied. How can you support a reform of the federal system if you want to break up the federal system?

This is the reason for all your problems. It is the idea you have that if you erect walls around you, it will be heaven on earth. But this is not the way. Nowadays, in our competitive world, we have to live together. Even Europeans are uniting to work co-operatively.

Mr. Bellehumeur: In Quebec, we—

Mr. Lincoln: Sir, I did not interrupt when you had the floor. You could at least extend the same courtesy to me. Your are always harping on—

The Acting Speaker (Mrs. Maheu): I would ask that the hon. member speak through the Chair. However, his time is up. Resuming debate. The hon. member for Rosemont.

Mr. Benoît Tremblay (Rosemont): Madam Speaker, tonight, I am convinced that the constituents of Rosemont are sure to have made the good choice when they decided not to put their confidence in the Liberal Party of Canada.

In October 1993, this party formed the new majority government after an election campaign based entirely on the theme of job creation. One year later, the Minister of Human Resources Development finally tables a discussion paper which was supposed to unveil a major aspect of this job creation program. It is not yet an action plan, only a working paper for consultation purposes.

In one year, this government managed to come up with two documents: a budget announcing cuts tabled in February 1994 by the Minister of Finance and, yesterday, a discussion paper on social program reform, which is also a document announcing cuts instead of a proposal for job creation.

At this rate, this government will have produced seven or eight papers during its mandate and will have only succeeded in creating a few jobs for writers and for public consultation facilitators. I am hardly exaggerating. Of course, the government made a few decisions. What kind of decisions, you will ask? Essentially, contract cancellations and closures.

This government cancelled the helicopter contract, but we are still waiting for its defence conversion policy. This government cancelled the privatization of Pearson airport, but we are still waiting for its redevelopment plan for this airport. This government shut down Atlantic coast fisheries, but we are still waiting for an adequate compensation and retraining package for fishermen. This government closed down the military college in Saint-Jean, but we are still waiting for the economic redeployment plan for the region.

The Minister of Transport announced that the federal government was going to withdraw from local and regional airports and that local and regional communities will have to take over, otherwise they will be shut down. The National Transportation Agency is still allowing hundreds of kilometres of rail lines to be dismantled, but we are still waiting for the position of the Liberal government on the HST.

Is the document that was tabled yesterday any different? Not in the least. While we had been promised more jobs and more security, we are getting less security and no jobs. After promising education and training, this document is announcing cuts in post-secondary education, bigger student loans and higher tuition fees in colleges and universities.

Even if, by and large, the document is very vague, it contains two specific proposals. This first is this—imagine: all workers who use unemployment insurance three times in five years will be declared chronically unemployed and practically treated like welfare recipients. That is the new security proposed in the Liberal Party's document.

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The second proposal is equally unacceptable. The federal government is proposing to cut its share of funding for universities and to use the money saved to encourage students to borrow more, while forcing colleges and universities to raise their tuition fees dramatically. That is the encouragement for training and education the Liberal government gives us.

But where are the concrete job creation measures that were promised throughout the election campaign? Incredible as it may seem, they are non-existent.

(2100)

You can read the whole 89-page document. You can read it and reread it; there is no proposal for job creation. How do you explain such an about-face by a political party whose only election slogan was job creation?

If one analyses the document—listen, I can try to provide an explanation, which I think is in two parts. First, they are making a reform because they have to. It is glaringly obvious, how inefficient the federal government is. It is very clear that the action taken by the federal government in occupational training and job development is completely ineffective.

This paper explains how disastrous the federal government's performance has been in terms of vocational training. And listen to this, it says that the federal government's involvement in that area will actually increase. Instead of withdrawing, as requested by all Quebec stakeholders, from vocational training, an area in which it admits having had disastrous results, the federal government comes out and tells us it will cut funding, but continue to impose its views not only on vocational training but also on education in the future. That is completely absurd.

In the face of the failure of existing programs, there is no doubt that reform is required. But the federal government, which is responsible for this failure, decided on its own authority that it will be in charge of the programs in the future. This is as if, one morning, the last in the class decided to impose upon everyone else his or her own training and education programs. You think that is impossible? No, it is perfectly possible. This kind of thing is possible in Canada because Canada is a sovereign state and the Constitution of Canada is interpreted by the Supreme Court, a court that always sways towards the views of the federal government. That is what sovereignty means in the Canadian context.

The federal government can make all the mistakes in the world for decades and the Constitution gives it the right and the power to keep at it in the future. Fortunately, as far as our future is concerned in Quebec, we will soon have the choice of pulling away from the sovereignty of the federal government with respect to decisions that concern us and to affirm the sovereignty of Quebec, so that we can handle our own affairs ourselves.

This decision is urgently needed and you will understand better when you read the second part of the explanation given in this paper. As the old saying goes, it never rains but it pours. The second explanation is just as dramatic.

Behind the grand-sounding headings of unemployment insurance and employment development, you will find on page 23 of this paper most of the second part of the explanation, which relates to Canada's public finances.

After cutting \$2.4 billion from unemployment insurance this year, the government confirms that spending on social assistance and post-secondary education in 1996-97 must be reduced to 1993-94 levels and can be no higher in the following years. Expenditures will never be allowed to exceed 1993-94 levels.

Worse yet, the paper confirms that other cuts will be included in the next budget. All those who are familiar with public finance management know that the federal government's budget measures are similar to those imposed by the International Monetary Fund on countries that will soon no longer be able to pay off their debts. To get out of the financial abyss it threw itself into, the federal government is trying to pass the buck to the provinces and to individual Canadians while continuing to impose its own programs and priorities.

The Bloc Québécois is aware of the disastrous state of federal public finances. That is why, since we were elected to the House, we have been calling for a full, open and public review of all federal government spending. We are demanding a full, open and public review of the federal government's role so that responsibilities and taxes can go to the level of government that can do the best and most efficient job. We are ready to act now. We are ready for a comprehensive overhaul of a federal system that is driving us straight into bankruptcy.

After a year in office, the federal government has given us contract cancellations, closures, cutbacks and discussion papers.

(2105)

In the weeks to come, Quebecers will be able to compare the federal government's inactivity with the aggressive job creation measures already being taken by Mr. Parizeau's government. I am convinced that the vast majority of them will realize that sovereignty means being served by a government which can get us out of the hole in which the federal government put us, before it is too late. I am convinced that Quebecers—

The Acting Speaker (Mrs. Maheu): I am sorry, but your time is up. On comments, the hon. member for Lévis.

Mr. Antoine Dubé (Lévis): Madam Speaker, the experience of my colleague comes through his comments and the way he resumed the whole situation. He ran out of time a little bit

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towards the end. So, I would like him to elaborate on what he was saying at the end of his speech, but first I would like him to comment on the level of responsiveness shown by the Liberal government. He has more experience as a member of this House than I have. To his knowledge, have Reform members ever been forced before to fill in the seats of Liberal members?

The Acting Speaker (Mrs. Maheu): Order. Members do not refer in this House to empty seats left by any party. I would ask the hon. member to answer only to the first question put to him.

Mr. Tremblay: Madam Speaker, I understand that rules must be followed, but I also understand that considering what is happening here tonight, sovereignty would be a lot easier for Quebecers to support, since this document that was tabled mentions jobs and growth in its title only. There is nothing in all its 102 pages on job creation and as for the rest, I think my colleague have already described it.

It is clear that we in Quebec will soon take charge of our future and say yes to our sovereignty. And the Reform members now present in this House—if we cannot talk about the members who are not here, we can at least talk about those who are in the House. I know that Canada is—

The Acting Speaker (Mrs. Maheu): I am clearly under the impression that a certain member is making fun of the Speaker and I do not like it. I said we can never refer to absent members. Members of all parties have to be away sometimes. Resuming debate. The hon. member for Laval—Centre.

Mrs. Madeleine Dalphond—Guiral (Laval—Centre): Madam Speaker, it is obvious that in unveiling the draft of his reform of social programs, the Minister of “Curtailed of Human Resources” created social insecurity in today’s Canada and tomorrow’s Quebec.

That insecurity hits the unemployed, students, young people looking for jobs, low-income families, single-parent families, in short, all the have-nots in society. When you know what this far-reaching reform proposal is all about, there is no doubt that its first objective can be summarized in one word: cuts.

Furthermore, it is clear that the first victims of these cuts will be the people in our society who are least able to bear them. In an effort to save the Canadian boat from sinking, the Liberal government will throw the poor, the disadvantaged and the unemployed over board. Among the poor in our society, women and children will undoubtedly be the designated victims of this big cleanup.

This government, which loudly professes its firm commitment to help children, is very careful not to recognize the paradox inherent to the present review of the social security program. Child poverty cannot be isolated from poverty of Canadian and Quebec families. In its 1993 report, the Canadian

Action Committee on the Status of Women showed that 62 per cent of one-parent families headed by a woman were living under the poverty level.

For those families, more than any other family, poverty is a day to day reality. If we want to get rid of the spectre of poverty, it is the economic status of women that we must resolve.

(2110)

In that context how can this government justify cutting \$7.5 billion in social security without making his credo of the necessary cost effectiveness of the Canadian social security system? The opposition between the statements and the intentions of the Liberal government are blatant.

The following example proves it. One of the goals of the reform is to increase the economic security of Canadians. In the documents tabled by the minister, the government recognizes that the best way to tackle child poverty is to guarantee jobs to parents. Yet, there is not even an iota about job creation in the document.

Mrs. Françoise David, president of the Fédération des femmes du Québec said: “Is it not cynical on the part of that government to pretend that it wants to eliminate child poverty while saying absolutely nothing about job creation for parents?” Empty words and vague propositions is how the government sweetens the pill for the citizens of this country. A few examples will suffice.

The report contains a plan to increase child tax benefits for low-income families. The plan does not consider the impact of those changes on middle-class families who will probably bear the burden.

Mrs. Madeleine Bouvier, of the Fédération québécoise des familles à parent unique, denounces eloquently the shamelessness with which middle-class citizens, who are more and more crippled, are asked to help the government in assuming its responsibilities. Once more the government vision is out of focus: How can you pretend that you are helping children living in poverty when you weaken the social safety net? Clearly, neither Canada nor Quebec will fall for that.

The real agenda of the government is getting clearer by the day, suffice it to look at the reform proposals for unemployment insurance. I am referring in particular to the principle of family income to determine the right to UI payments.

If the spouse—understand husband—earns \$50,000, his wife will not be eligible for unemployment insurance.

Gérald Larose, president of the CNTU, does not mince his words. To him, it is clear that this principle is directed towards women, since their salaries are lower than the salaries of men. How ironic that the only tax proposed in this reform project is directed towards women!

Government Orders

To the fund you shall contribute
 Though no benefit will you see
 For your husband still retains control
 Thanks Mr. Axworthy.

Not only is it frightening to see how this government is getting ready to destroy our social security system, but it is just as frightening to discover the tactics it has perfected to save our ailing federalism. Throughout this document, the Liberal government's intentions are clear: it wants to get into areas under provincial jurisdiction. And all excuses are valid. Child care is a good example.

While the minister recognizes the responsibility of provincial governments with regard to the definition and management of child care services, he explains in the same breath his clever participation in this area: to give funding, of course, as long as this funding is tied to national standards. I know that Quebec will not be fooled by such a deal, and I am convinced that the provinces will certainly not be taken in so easily.

Here is another example of federal incursions into provincial areas of jurisdiction, and I mean post-secondary education. The tidy \$2.6 billion cut into transfer payments in that area will have an enormous impact, as much on students as on colleges and universities.

The provinces will have no choice but to increase their deficits or accept the erosion of their education systems. For universities, there will only be one solution: to increase tuition fees. Quebec university student associations are against these reforms, because they fear that tuition fees might increase to some \$8,000 a year.

(2115)

The federal solution in this case is simple: you have only to make more loans available for students. Here again, the solution is unacceptable, and the government knows full well that imposing the debt burden on our young people is untenable. Such an option will discourage many of them from attending university. How can we explain that, on the one hand, we praise the merits of learning while, on the other, we do not hesitate to charge prohibitive fees for access to education?

This leads me to make a few comments on another element of reform. I want to talk about the government's intention to promote on the job training for UI recipients.

In its analysis, the government recognizes the need to reduce overlap between the two levels of government. That intent is part and parcel of the myths of federalism. We know that only sovereignty will allow Quebec to eliminate overlap and waste. Obviously the government of Canada does not share this outlook.

The reform's central theme is "Jobs and Growth". We thank the Liberals for having targeted the two big failures of our

system. But job creation and economic growth are sadly missing from the paper published yesterday. A better title would have been "Cuts and Decline".

I wonder how, in this country, one is expected to find a job when there are none.

[English]

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker and colleagues, it would appear we are coming to the end of a fairly long day. It has been interesting as this debate has unfolded because most of the comments of our colleagues from the Bloc have to do with the fact that: "There are some things that could be improved in this package but it could be improved a lot more if we did it. So why not let us do it and we will do it better than you anyway".

The Liberal platform is "This is really just a discussion paper. We have not really thought anything out but by the way it is going to be finished in about a month and this consultation that is going on across the land really means something. Yes, we are going to have a 1-800 number but we do not have it yet. By the way we are going to change the way the whole country works and we will let you know how we are going to do it as soon as we figure it out. We are going to study it some more and hopefully we will not have to make any decisions that could embarrass anybody".

By and large we are saying: "It is a few cautious steps in the right direction but if you are going to do it for heaven's sakes do it and get on with it. If we are going to repair our country, we cannot play at it any more. We really have to start getting serious about it and do it".

There is one thing all of us here as parliamentarians probably share regardless of the party we represent. That is genuinely if we did not care about our children and about making a better country and a country of opportunity for our children, we would not be here. We would not be here as members of the Reform Party, members of the Bloc or the Liberal Party. We would not be here. We are here for the children, the younger generation. Perhaps if we looked at it from that perspective we could see whether or not this is at least a step in the right direction.

First, we have an aging population in Canada. That is not news to anybody. In 1994 right now 12 per cent of Canadians are over 65 years of age. In 16 years over 25 per cent of Canadians will be over 65 years of age. Our median age is 34 and we are aging fairly rapidly. There will be fewer consumers in the market, fewer taxpayers, higher taxes, more pensions to pay and probably a diminishing amount of money to do it.

(2120)

At the same time, we have increasing demands on poverty and children. Now we have to spend a whole lot more money on young people in order to equip them so that they can become productive in later years. That is right into post-secondary education.

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I did not even finish high school and yet I was able to go along quite well and do fairly well. So did many people of my generation but the nature of work has changed dramatically.

As we all know work is now very much a cerebral thing. Work is determined by brainpower and not by brawn. We are going to have to make sure that we put a foundation together that allows us to invest more in students and more in education because that is the only way we as an economy are going to get a return on the investment.

We have heard a good deal here today about the travails of people born into poverty or into two or three generations of welfare families. However we have not heard a lot about the success that comes from families.

Why is it that sometimes in a family with very modest means the children can grow up and do very well and be quite successful? Sometimes in families of more modest means or of means much more substantial, children do not do as well as kids who grew up in poverty.

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member. I wonder if the member realized that I had called for questions and comments and then called her riding.

Would the hon. member for Laval Centre care to comment? Then he can pick up on his time for debate.

[*Translation*]

Mrs. Dalphond-Guiral: Yes, Madam Speaker, I wish to react. I listened to my colleague, and he said, of course, that we argued that if we ran our own affairs, it would probably be easier for us to solve our economic problems.

I would like to remind my colleague that running a small house is always a lot easier than running a big one. We can see the problems more clearly and we have fewer constraints of all kinds.

I invite my colleague to reflect on that important factor in our big federal system and I am sure that if he has a small house, it is very well managed.

[*English*]

Mr. McClelland: Madam Speaker, I apologize to my hon. colleague. I was so keen to wrap this up and get home, I just lost myself. I am sure that hon. colleagues probably felt much the same. In any event, we were talking about these children.

Why is it that children from modest means sometimes do very well and children that have lots do very poorly? Some of that has to do with nurturing. All of it has to do with nurturing. If one is wondering what the difference is between perhaps kids who are doing better than kids who do not do so well, it has a lot to do

with encouragement from family and friends. It has a lot to do with having a sense of self worth and a sense of confidence and optimism. It has a lot to do with the sense of opportunity.

Our kids grow up in an environment where we are saying to them that this is a land of opportunity. We are people of opportunity. Our opportunity and what we can do in our life is very largely determined by what we think we can do in our lives. We can if we think we can. These are all the kinds of things that we can only achieve if we can achieve it within an atmosphere that values initiative, that values reward, that values the kinds of things that built our country in the first place.

(2125)

A lot of things go into making a family and making a better life for our children. We all recognize that there are single parent families. We know that it is far more difficult in a single family environment to raise children and give them the kind of nurturing necessary because usually when the parent arrives home he or she is so tired that the last thing in the world he or she can do is think of all this nurturing. We understand and know that.

Therefore, anything that can be done in this social reform that can be aimed at giving children a sense of security and opportunity and the parents a feeling that they are not doing it alone is going to reward us as a society tremendously.

We also need to make one other very important consideration, in my opinion, in order for this new Canada to work. When people work and make an effort in society they need to be rewarded.

I just got off the phone with my ex-wife who, as a single parent, has done a great job in raising our son. He is just about finished high school. She was saying to me: "Look, I just got a bill from the tax department. I have to come up with another \$1,800 on top of everything else I am paying. I don't have it and it is driving me crazy. Every time I think I am starting to get out of the glue, the taxes go up".

How on earth can we, as a country, continue to spend so much and put such a tax burden on everybody at all income levels? Everybody is crushed by this tax burden. The tax burden is there because we have been spending beyond our means for years and years.

That is why it is so absolutely important that we get this under control. It is going to hurt. We know it is going to hurt but it absolutely must be done. If we have the wherewithal, if we have the courage and the fortitude, we should be able to make a much brighter future for the children who are going to be coming in the next generation. That is where our focus should be. If we do that as a Parliament we will be rewarded for it.

Government Orders

[*Translation*]

Mrs. Dalphond–Guiral: Madam Speaker, I cannot resist such an invitation.

I listened carefully to the part of the hon. member's speech where he alluded to the fact that if we are all here in this House, it is particularly for our children, and it is very true for me. I will remind you of something which concerns me. My hon. colleague gave personal details, so I can do it too.

Last year, on November 15, when I took my oath in this House, I did it with my grand-daughter. It is quite clear that I sit as a member in this House because I have faith in young people

and children and because I believe Quebec will give them the society they deserve.

If my colleagues discussed this reform proposal today, it is precisely because they have faith in young people, and feel a responsibility towards them.

I guess I am closing the debate or almost. This is amazing.
[*English*]

The Acting Speaker (Mrs. Maheu): It being 9.30 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 9.30 p.m.)

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