

Government Orders

fields such as worker placement and the funding of occupational training.

Since the unemployment insurance reform of 1989, the federal government has used the Unemployment Insurance Account for training purposes. At the same time, it has considerably expanded its field of intervention to include helping labour markets adjust to the opening up of markets and free trade.

A total of some thirty initiatives have been grouped into four major programs, namely Labour Market Information, Community Futures, Employability Improvement and Labour Market Adjustment. The last two programs offer services to individuals and businesses, respectively. At the same time, Quebec adopted a similar program structure as recently as 1992. It entrusted its management to the Société québécoise de développement de la main-d'oeuvre or SQDM, a partnership between the private and public sectors.

• (1325)

To finance these services, the federal government's contribution to labour force training and adjustment in Quebec amounts to a little over \$900 million for 1993-94. Of this amount, \$320 million comes from the Consolidated Revenue Fund, or \$150 million less than three years ago.

As for administration at the federal level, the Quebec region, which is described as one region among many others, is divided into ten networks roughly equivalent to the Quebec administrative division. About 100 Canada Employment Centres are responsible for administering unemployment insurance and managing manpower programs in their respective areas.

Each of these employment and immigration centres has its own local planning strategy or LPS. It includes some degree of co-operation with Quebec.

Last April, the job training centre network in Quebec was converted into 10 regional branches of the SQDM. In association with local partners, each of them is responsible for the management of Quebec manpower programs. Their action largely depends on federal funds and is often incompatible with the LPS, and federal priorities are applied to the regions.

Through its spending power and its jurisdiction over unemployment insurance, the federal government's power on job training in Quebec is practically absolute. This power was reinforced with unemployment insurance reform in 1989 when it became the federal government's favoured intervention tool in labour force adjustment and free trade.

Quebec's role has been reduced to that of a mere manager of some federal programs, as demonstrated by the January 1993 conference of federal and provincial employment ministers.

Despite unanimous support by Quebec labour market partners and the creation of an administrative structure adapted to its needs, the SQDM, the federal government refuses to withdraw from this area and to transfer the allocated funds. It has kept its network of Canada Employment Centres despite Quebec's decisions.

At the federal level, manpower adjustment services offered by the federal government are divided into four main programs and 27 components. The result is something that can be a real headache for clients.

There are over 100 criteria, depending on the type of client, available resources and also on the region and local CECs. There should be three sets of priorities: national, regional and local. However, under this system, the needs of Quebec and local organizations are ignored. The result: unemployed workers who are wasting their time and courses for which there is no demand.

Quebec has two sets of programs administered by two separate networks: the manpower development corporations or SQDM, as I said earlier, and the Quebec labour centres. The first set of programs has 15 components and is aimed at people on welfare. The other set consists of ten operations which, since last year, have been regrouped in three main programs intended for businesses, individuals and victims of mass lay-offs, respectively. This adds up to a total of 25 programs.

The cost of operating all these programs is about \$580 million for the federal government and about \$70 million for Quebec, with \$62 million being spent on the SQDM, the Quebec manpower development corporation.

• (1330)

My point is that it is high time we patriated this sector and put it under Quebec control. Another aspect of this bill seems rather absurd. I am referring to the premium rate of \$3.07 for every \$100 of insurable earnings which in January 1995 will be rolled back to \$3. Remember, it was the Liberals who raised the rate from \$3 to \$3.07.

According to the Liberals, the roll-back planned for next year will help create 40,000 new jobs in 1996.

We will try to give a brief analysis of the Liberal approach to this question. It may seem complicated, but we will give it a try. Our conclusion will be somewhat Kafkaesque, to use a favourite expression of the hon. member for Verchères. Let me explain.

According to the old formula, unemployment insurance premiums would be as follows: in 1993, \$3 for every \$100 of insurable earnings; in 1994, \$3.07, which is what we have now; and in 1995, premiums were to be raised to \$3.30 per \$100 of insurable earnings. According to the government's proposal, premiums which were at \$3 per \$100 of insurable earnings in