

*Supply*

businesses in Atlantic Canada, 45 per cent of respondents said they want to hire but cannot compete for workers with the social programs, particularly UI.

The new employment insurance legislation is a balanced package that improves work incentives, reduces dependency, and increases fairness while helping Canadians get back to work.

• (1645)

Specifically what does this mean for the Atlantic provinces? It is true that we are cutting overall spending. There will be impacts on Atlantic Canada. We should remember that when reinvestment is taken into account the overall reduction in the region will be no more than 7 per cent. On the whole each of the four Atlantic provinces currently receives more in benefits than it pays in premiums. Although the ratio will be lower they will still be net recipients after reform.

Another important impact for Atlantic Canada is that during the transitional period regions with high unemployment will receive more in terms of job support programs. About \$800 million in savings from the new system would be reinvested in proven job support programs to create opportunities and to help more people get into the job market.

By fiscal year 2000-01, \$214 million or 27 per cent of that amount will go to Atlantic Canada. Further, to stimulate the economy in high unemployment areas transitional job funds will provide \$300 million for job creation over a three-year period. This is in addition to the \$800 million being invested in job support programs.

On the benefit side, people in high unemployment areas will need fewer hours of work to qualify for benefits and will be able to receive benefits for a longer period.

There are other provisions affecting seasonal workers and as we all know Atlantic Canada has more than its share. Under the new system, although some seasonal workers in industries like fishing, forestry and agriculture will receive lower benefits, they will nonetheless get more out of the program than they pay in premiums. They will have more incentive to work outside the peak season because additional work will now not only increase earned income but provide increased benefits as well.

Workers, employers and communities have to be able to cope with the substantial change the employment insurance scheme will bring to the Atlantic region, so the new system will be introduced gradually over several years.

The new employment insurance system will bring essential change to the Atlantic region. We believe the employment insurance active employment measures will lead to stronger labour markets and a more skilled workforce, which in turn will attract investment and jobs.

In the Atlantic region the federal government already works in partnership with the provinces, municipalities, community organizations and the private sector to design and deliver re-employment programs. There are education and training initiatives, personal and business counselling, wage subsidies, self-employment assistance and special programs for women, youth, aboriginal people, individuals with disabilities and members of racial minorities.

Whenever possible both individuals and local communities are encouraged to take responsibility for their own development.

The old UI system trapped people in a cycle of dependence. The new system is designed to help people help themselves. I want Atlantic Canadians to understand that fact and not be distracted by the naysayers. This is why I say the motion before us should be viewed in Atlantic Canada and across the country as the distortion it truly represents.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I thank the hon. member for South Shore for providing the House with an insight into the situation in Atlantic Canada. There has been much said in the media and among members of Parliament who perhaps do not know the situation very well in Atlantic Canada.

One of the impressions given in some media reports is that it is somehow the norm in Atlantic Canada that people would work for only a few months and make a substantial amount of money, that it was simply a way of life to go on UI. The member has dispelled that very well. The constituents of South Shore should know how very hard and how very ably their member has represented the interests of Atlantic Canada.

• (1650)

With regard to the media impression that has been given, could the member elaborate a bit more on the kinds of things that have been happening, from his experience in South Shore and Atlantic Canada, in reaction to the proposals and on his expectations with regard to the potential benefits of the new program?

**Mr. Wells:** Madam Speaker, I did an interview in my riding last week. Some people who discussed the issue were in favour of some parts of the program and against other parts. To suggest that we can bring in this substantial change without there being some negative comment is not possible. Certainly when people will be affected there will be some negative comment.

However, on balance it is clear to me from discussions with the business community and others in my riding that the change from weeks to hours is very positive. Every hour of work will now count in the seasonal industries. In many of the industries in Atlantic Canada people do not work a 35-hour week during peak periods. They work 40, 50 and 60 hour weeks. Now they will get credit for all the extra time, whereas in the past they would only get credit for the week regardless of the number of hours. That