

*Government Orders*

do have to look broadly across the social services in Canada which I think he will acknowledge we are having difficulty as a country affording.

In that context, if he is going to answer yes to that would he then take the concept of unemployment insurance and go the other way? Would he reduce the number of work weeks in his area for eligibility and if so how can we pay for that?

[*Translation*]

**Mr. Crête:** I thank the hon. member for the relevance of his question. It is indeed a timely one.

• (1300)

I think that unemployment insurance is a tool which Canadians devised to avoid a repetition of a crisis such as the Depression in the thirties. At the time, there was no social safety net and people were no longer able to consume goods. Consequently, the whole economy came tumbling down. In a sense, the scenario is the same with Bill C-17. The government has decided to limit the spending power of UI recipients and the consequences of this decision will be similar, albeit less severe, to those in the thirties, during the Depression. There will be reduced consumption which, in turn, will mean even less jobs, thereby adversely affecting economic recovery.

Generally speaking, I think that the unemployment insurance issue must be considered in the context of an active employment policy. First, the government should announce that employment will be a priority. Second, it should develop an appropriate strategy. An important aspect of such an initiative—and something which we have been doing in Quebec for 20 years now—is to consult the various stakeholders to make employment a priority.

I believe it is very important, in such an exercise, to respect the effectiveness of local officials. In other words, if we try to implement the same employment policy right across Canada, we will experience the same problems as we did with the Bank of Canada trying to control the value of our dollar. Indeed, the Bank of Canada controlled the dollar based on the overheating economy of Ontario, while other parts of the country were not experiencing that activity. This had the effect, in those regions, of killing economic recovery.

The same thing will happen with employment if we think we can develop an employment policy applicable throughout the country. Because of the issues of mobility and of different types of workers, I think that, at least in each of the main regions, and possibly in most provinces—and that has long been one of Quebec's claims—the whole issue of employment should be managed in an integrated fashion, from the training provided to people to the way that we deal with people who are unemployed and who are looking for jobs. We should be able to bring all these aspects together, and also avoid spending money, as we are doing at the manpower level, where governments are wasting \$250 million each year only because of the double structure.

If this decentralization were to occur in all parts of Canada, we would have annual savings of \$1 billion which, instead of being spent on the structure, would be directly spent on providing training activities through programs allowing people to find jobs.

So, concerning the question of whether unemployment insurance is something that can never be touched, I believe it is a tool. In my mind, unemployment insurance should instead be an employment insurance allowing people who have the ability to work to effectively do so and, if they worked for 15 or 20 weeks before their employment came to an end, they would be able to earn money with, for example, social, community or government employers, but they should not be exploited. If these people were trained as technicians, for example, and would deserve a salary of \$10 an hour, we should be able to offer them something through the insurance which they would earn and which would correspond to that amount, even if it were only be a part-time job.

So, some changes are possible in that area. I think that unemployment insurance is a tool, but it should be integrated into a structure, into an active employment policy so as to make it work. Countries where this works have given a very clear direction to these things.

[*English*]

**Hon. Roger Simmons (Burin—St. George's):** Mr. Speaker, I am pleased to rise in support of Bill C-17, the budget implementation act, because the bill seeks to legislate a number of measures announced by the minister in his budget in February. The bill reflects the widely shared conclusions reached by many Canadians from all walks of life who participated in the prebudget conferences. They agreed at that time and I believe we agree in this House that action is needed on three major, closely linked challenges.

• (1305)

First, Canadians want the government to create job opportunities and to take action to restore the country's economic viability. Second, Canadians have called on government to address the deficit problem. Third, they point out, as they did in those prebudget conferences, the urgent need to reform Canada's social security programs, including unemployment insurance, so that these programs better serve those who are in need while remaining affordable for a nation with a growing debt. These are three important challenges: job creation, deficit reduction and the reform of social programs so that they can better serve the needs of Canadians.

On that last point, when we gave the enabling legislation in this House with respect to the reform of social programs, I said at that particular time when this issue was under debate at least that reforming social programs ought not to be a code word for gutting social programs. I am careful to say at all times when I talk about this that it must be an effort which