

do not want to be displaced or reconditioned and indeed, who do not believe that this country owes them a living. They want to work for that living.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on April 11, 1989, the government released a policy paper entitled, *Success in the Works* outlining a labour force development strategy for Canada. This paper announced a number of changes in the unemployment insurance program. In August 1989 the Department of Employment and Immigration announced the financial impact of these changes.

The analysis revealed that the reallocation of \$1.2 billion within the UI program represents less than 10 per cent of the current UI program expenditures. In addition, it was shown that only 30,000 claimants out of a total claimant population of 2.7 million are expected to be unable to meet the new entrance requirements. In a province like Newfoundland, very few people will be unable to meet the new entrance requirements. This reflects the fact that the changes were so designed as to concentrate the impact on the relatively buoyant regions.

What has happened is that Statistics Canada produced some numbers and those numbers were taken by the CLC and other people and interpreted. We had the representative from Statistics Canada, Mr. Petrie, and Mr. Carin from the Department of Employment and Immigration before the committee. I have several pages of the committee's *Hansard* showing the hon. member trying to get the department officials to agree with the analysis of the CLC. Time after time they said: "No, that is not the interpretation that we put on those numbers at all".

• (1820)

It should be noted that these impacts do not include the positive effects of the increased expenditures on training and re-employment measures. The hon. member accuses the government of understating the effects on Canadians, and she quotes other impact studies that are more to her liking since they overstate the impacts.

The figures released by Employment and Immigration Canada are the most reliable and accurately reflect what Canadians can expect from the structural changes in the UI program.

Adjournment Debate

[*Translation*]

SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, if I rise tonight to take part in this adjournment debate, it is further to the question I directed to the Minister of Finance (Mr. Wilson) on December 20, 1989 concerning of course the small business and the GST. It is a major issue of great concern for many small businessmen who will certainly be faced with a nightmare when the times come for them to try and deal with the Minister of Finance's new tax which comes into effect on January 1st, 1991.

As a member of the Finance Committee, I had an opportunity to travel everywhere in Canada and to listen to the various Canadian organizations which made representations to us concerning the various problems associated with GST.

Mr. Speaker, one of the areas which will truly be a source of nightmare is that of food because there are stores which serve coffee, biscuits, donuts and so on. Therefore, it will complicate things. We had insisted with the Finance Department people that something had to be done to remedy the situation.

Tonight, during the short time at my disposal—as a matter of fact, I spent the day trying to make the Minister of Finance understand, but I suggest he is not willing these days to listen to what Canadians have to say.

In the technical paper entitled *Goods and Services Tax* which he tabled in the House on December 19, 1989, the minister recognized the existence of this problem and stated that two changes would be made to the GST legislation to eliminate these competitive imbalances.

First of all, yogurts, pudings and drinks other than unflavoured milk, sold in individual portions will be taxable. However, when these same products are sold in a package containing several individual portions, they will remain non taxable, because they will resemble more basic groceries.

Mr. Speaker, I am sure you have convenience stores in your riding. Think of the little corner stores. How will they deal with the accounting aspect of this problem? I am sure also that you remember the commitment the government had made that this tax reform would simpli-