

Adjournment Debate

Let us examine the unemployment insurance program very briefly. Many people are fooled by the name and believe that, like an insurance, it is an absolute right to receive a certain benefit. Let me draw the attention of the House of Commons to the fact that the unemployment insurance program is far from being self-sufficient. In 1985, the total cost approached \$11.6 billion, \$5 billion of which was contributed by employers, \$3.6 billion by employees and \$3 billion by the Government of Canada. Quite apart from that, over the years the unemployment insurance account accumulated a deficit of \$4.4 billion. It cannot be said by anyone who has participated in this program that it is self-sufficient and they have a right to it on the basis of the so-called premiums they have contributed.

One of the great lies of governments in the past was to pretend that programs like unemployment insurance had some kind of self-sufficiency. Unemployment insurance is really another form of tax to supply a specific benefit. It is not unlike a gasoline tax which is used to pay for highways, or a hospital tax to pay for medicare, as we have in the Province of Nova Scotia. Nevertheless, people are led to believe that when they pay their premiums they are entitled to a specific result and that those rights are embedded in stone. That is not the case at all. The Government must look after the finances of the unemployment insurance program just as it must look after the finances of the country in the interest of all Canadians.

There is a special interest in unemployment insurance in Atlantic Canada. The Atlantic Provinces Economic Council has pointed out that it impacts greater in the labour force in Atlantic Canada than it does in the national labour force. Not everyone is in favour of a broad-based unemployment insurance program. For instance, the Canadian Federation of Independent Business has pointed out that its priority is tightening the eligibility for unemployment insurance. It believes it has a bad effect on some commercial and industrial activities.

I want to direct the last moment of my presentation to the Canadian Forces and those Canadians in all walks of life who are forced to retire from the activities related to their careers. The Canadian Forces require some members to retire at the age of 45, and earlier in some instances. As a result of economic recession, many commercial employers have asked employees to retire early and, in many cases, forced them to retire early. These Canadian Forces personnel and other employees are forced to seek other employment to maintain themselves and their families.

I want to direct the attention of the House to this particular group. When people in that group seek employment, and are terminated from that employment after a certain period of time, in many cases they are quite dependent on the benefits that flow from the unemployment insurance program. These are the people who have been adversely and, I believe, unfairly affected by this change. For example, if a person with a Canadian Forces pension of \$600 and \$1,000 a month employment income loses his or her job, the end result is that

the benefit from unemployment insurance, which would normally be \$600, would be reduced to something like \$150 per month and the person would be left with \$750 per month in order to sustain himself.

● (1815)

There is a solution, and I hope the Forget Commission will reach it very quickly. It is already in the law. At present a person who receives over \$36,000 a year by 1986 standards and also receives unemployment insurance is required to repay the unemployment insurance, not the whole part but a percentage. I do not know why that same rule would not apply in relation to pension income.

If the combination of pension income and employment income exceeds a certain amount, such as the figure this year for employment income and unemployment insurance, which is approximately \$36,000, then I believe the excess amount should be returned to the Government. Otherwise, I believe pension beneficiaries should receive their unemployment insurance benefits free from encumbrances unless and until they have exceeded that amount.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to thank my hon. friend for his constant concern with respect to this matter. Certainly we have been aware of the concerns and needs of his constituents. I have had the pleasure of working with him since the beginning of the year. We have also had the privilege of numerous consultations with the Minister with respect to this situation. She has always listened, but has continued to maintain that rather than try for a piecemeal solution when we are so close to receiving the results of the Forget Commission, that is what we should wait for and that is what we are expecting and hoping for.

The Commission of Inquiry on Unemployment Insurance has just about concluded the most demanding schedule of public hearings and consultations which could ever be imagined. It visited 46 different communities across Canada. The commissioners have heard over 475 briefs and have participated in a total of 62 days of hearings, field trips and consultations. In addition, the commissioners have received more than 200 written submissions and individuals continue to send their views on specific issues. As indicated by the Minister in the House, the Forget Commission will be reporting to her in a preliminary way at the end of June and the full report will be presented before the end of September.

The change to pension regulations was announced by the Minister of Finance (Mr. Wilson) on November 8, 1984, as part of the expenditure reduction program. We all know what was happening with respect to the deficit before a new group of Canadians were elected on September 4, 1984. This group was committed to once and for all put our house in order. Those astounding deficits which continued to rise are now not only under control, but the \$33.8 billion which was originally forecast by the Minister of Finance might even be a few billion dollars less when we come to the end of the last fiscal year.