

*Government Orders**[Translation]*

Our government wants to create a climate of stability that will enable business to create and maintain jobs in this country. Therefore, we intend to rollback the statutory rise in the unemployment insurance premium rate and to finance the shortfall in revenues through the amendments to the unemployment insurance program being discussed in this House.

• (1545)

The large accumulated deficit in the UI account means that the UI premiums should be rising to \$3.30 next year. It is now \$3.07, and the economy cannot afford such a big hike in payroll taxes.

*[English]*

Therefore we propose to reduce the premium rate to \$3 an hour for 1995 and 1996, and if possible in 1996 the rate could be lower if the financial and economic state of the country and the unemployment insurance program in particular permit such a reduction.

Our second proposed change is to establish a stronger link between work history and UI benefits while remaining responsive to the needs of Canadians in different parts of the country.

*[Translation]*

We know working people face many different problems and challenges in different regions of the country. We want our unemployment insurance program to remain sensitive to the realities of seasonal work and the needs of people in areas of high unemployment. Therefore, our new proposal continues to include a formula that links extra benefits to the level of unemployment in a claimant's region of the country.

*[English]*

We have had to make difficult trade-offs between creating jobs on the one hand and maintaining benefit levels for unemployed Canadians on the other.

We believe that this proposal with its regional unemployment component is the fairest way possible to ensure that those people who need benefits actually get them. We know that most UI recipients go directly from UI to a job, and fully three-quarters of the people who receive unemployment insurance do not make full use of the maximum number of weeks of benefits to which they might be entitled.

Canadians want to work and the government wants to make sure that as far as possible they can.

*[Translation]*

The third change we propose to the unemployment insurance program is to provide greater benefits to Canadians with modest incomes who support children, an aged parent or other dependants. This is not an unprecedented move.

During the first 30 years of the unemployment insurance program's history, benefits were calculated based on family status and economic circumstances.

*[English]*

Many households today are under financial stress even though most families today have two wage earners. The reasons for this are many: increased part time employment which often pays less money than full time employment and provides fewer benefits; a higher general level of unemployment; an increase in one parent families; incomes have not grown in real terms since the mid-70s; and slow growth in individual earnings.

These trends have been particularly difficult for Canadian women and children. Women now represent 45 per cent of the Canadian workforce but unfortunately most of these women are working for low wages. On average a Canadian woman working full time today earns approximately three-quarters of that of a Canadian male. Many of these women are single parents bearing the full responsibility for their children.

Our proposal is to provide greater unemployment insurance assistance to those low income Canadians with dependants. This will have an immediate impact on women and children of our country who are most in need.

• (1550)

Under the current rules people who claim unemployment receive a benefit rate of 57 per cent no matter what their circumstances. Under our proposed changes there would be a two part benefit rate: 60 per cent for low income people with dependants and 55 per cent for others. With fewer unemployment insurance dollars to go around we believe it is only equitable and fair to ensure that the dollars we have go to those who have the greatest need.

The government estimates that this would improve benefits for 15 per cent of unemployment insurance claimants or about a quarter of a million Canadians and their families.

*[Translation]*

For these reasons—reducing premiums to create jobs, ensuring responsiveness to regional needs, and protecting low income earners—this Government proposes these changes to UI and rejects the Honourable members' motion.