

It is also important to point out to members of the House that these proposals for the refinancing of the unemployment insurance program and the regulatory change as it applies to administrative cost, are unchanged from those that were proposed by the previous government last December. However, there is one significant change from the approach of the previous administration, and that is that we will not in this calendar year increase premiums to cover the cost. We have decided that no such increase is required for 1980.

● (1530)

The second aspect of the amendments under this bill is the proposed changes to extend the current variable entrance requirement of ten weeks to 14 weeks beyond December, 1980. It will be remembered that as a result of Bill C-27 the variable entrance requirement provision took effect in December, 1977, for a period of 36 months. If no contrary action is taken, the entrance requirement will become a flat, fixed, 14-week requirement across all regions as of December, 1980. Therefore I am requesting Parliament to extend the variable entrance requirement for a further 18 months to June, 1982.

[*Translation*]

Of course, I am fully aware of the concerns expressed by a number of members about matters directly related to the variable entrance requirement. I wish to point out that we have almost completed our review of steps aimed at alleviating problems caused by economic areas in determining the entrance requirement. Hon. members will then be in a position to assess those proposals.

As all hon. members know, the issue of the most appropriate entrance requirement for the UI program is difficult and contentious. It would be premature to take decisions in this area for the longer term without seriously examining other basic aspects of program objectives and design. Consequently, I am proposing to undertake a review of the fundamentals of the UI program. I will have more to say about the nature and content of that review in a few moments.

[*English*]

I should now like to outline my intentions with respect to one final area within the changes contemplated within the unemployment insurance program, and it is a regulatory change affecting minimum insurability. Before 1979 this insurability was determined by a specified amount of weekly earnings. In 1978 the amount was in fact one-fifth of the maximum weekly insurable earnings. This arrangement was criticized on the grounds that the insurability was extended to those who worked for relatively few hours, but was denied to those who worked long hours at relatively low wage rates.

Consequently an amendment was put into effect in January, 1979. The 1979 regulation changes provided for a minimum of 20 hours a week for employees on a time worked or fixed salary basis and 30 per cent of maximal insurable earnings for others. While this change solved one problem, it created several others which call for remedial action. The amended regulation has had a negative effect on particular categories of

workers, especially women. Indeed many women who are in permanent part-time employment have been denied insurance protection under that 1979 change.

The significance of part-time work for women is illustrated by the fact that one out of every four women in this country is a part-time worker, whereas only one out of 17 men is a part-time worker. Therefore the onus of part-time work and the lack of insurance coverage under it obviously fall most heavily upon women in our society, and I think it is important that we provide some correction to that problem.

I have examined a number of options for changes in the current regulations. The best solution that we have been able to devise in terms of equitable treatment of workers and the provision of adequate coverage of part-time employment would be to determine minimum insurability on the basis of either hours or weekly earnings. Specifically, therefore, I am proposing that an individual who earns either one-fifth of the maximum weekly insurable earnings or works 15 hours a week would be eligible for coverage and benefits under the unemployment insurance program. I should emphasize that these are regulatory changes that can be made under the existing provisions of the act.

When fully implemented, the effect of this change would be to extend unemployment insurance coverage to approximately 300,000 workers at an annual additional cost of \$100 million, of which \$75 million will be charged to the premium account and \$25 million will be charged to the federal government. The earliest practical date for changing the regulation is January 1, 1981, since earlier implementation would cause serious administrative difficulties for employers and Revenue Canada.

In the short time that I have been the Minister of Employment and Immigration, a spectrum of interrelated and conflicting views about unemployment insurance have been brought to my attention. I concluded, therefore, that it is time for substantive changes in the design of the program and that they should take place as soon as possible. At the same time it would have been irresponsible to have attempted to bring about that kind of change without taking the opportunity to review and assess the large amounts of material, submissions, briefs and proposals which have been collected by my predecessors, the hon. member for Sarnia and Mr. Atkey during their terms of office.

During this time a large number of valuable assessments and analyses of the programs were undertaken, and they are now in the possession of the department. It is our intention to take that large volume of material and to distill it down into a succinct and simple series of proposals which can be presented in a paper which can be examined by a committee of this House and which can then receive further review by the private sector.

However, I should say that certain positions taken by the previous Conservative government relating to its own review have caused me particular difficulty and, therefore, they will not be included as part of the terms of reference. In particular I refer to the attempt by that government to introduce that