

inces are faced with additional expenditures without any prior warning.

The federal Government has yet to make available impact studies which would indicate the number of workers who will be adversely affected by these changes. It is no wonder. I believe that the numbers would be staggering.

Already, British Columbia and Quebec have acknowledged that the changes could result in increased social assistance costs. Mr. Buchanan from the Province of Nova Scotia has said that this will definitely increase his province's costs.

The changes to unemployment insurance will adversely affect the rural Canadian economy. Let us take, for instance, my riding of Haldimand—Norfolk. There are towns in my riding in which the unemployment rate is staggering. It is nothing like the southwestern Ontario unemployment rate of somewhere in the neighbourhood of 8 per cent. There are places in my riding with unemployment rates of anywhere between 15 per cent and 20 per cent. Under this Bill, my riding is considered to be part of the Niagara Peninsula so the number of weeks required for eligibility will be increased. That is shameful and nowhere in this Bill is this problem addressed.

These additional wages that firms will pay because of this Bill will increase their costs, and as a result will increase the cost to consumers. These firms will be less competitive as well. If they compete on the international market, firms could suffer economically because of these increased costs.

Unemployment insurance benefits have always served as a stabilizer in communities where there is high unemployment. Unemployment insurance benefits stimulate local economies and keep local businesses alive. A reduction in these benefits will adversely affect local businesses and entire local economies.

While training is a good thing in itself, one cannot train someone for a job that does not exist. Often in rural communities, there is one industry. Alternatives are not available. If these people get trained, they will have to move out of the regions to find employment. The Government has chosen to increase mobility funds to help workers move to areas where there are employment opportunities rather than to create a comprehensive regional development policy. As my friend from Dartmouth said today, the Government is asking people to move west or to Toronto, to move where the jobs are, instead of bringing in creative, innovative programs

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which will help address the needs of the unemployed. The Government should have examined the entire unemployment insurance program in depth and considered changes in the context of comprehensive income security instead of adopting such punitive measures.

On page 30 of the budget papers, the Government stated that it will continue to contribute to the financing of programs in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the unemployment insurance account. We should not have to point out to the Government that we are in poor economic times now and that to aggravate the situation, the Government is shirking its responsibilities by absolving itself from contributing its share to unemployment insurance benefits.

Let us examine current employee–employer contributions and then compare them with the changes announced in the Budget. Currently employees pay \$1.95 per \$100 of insurable earnings to a maximum of \$11.80 per week. Currently, employers pay \$2.73 per \$100 of insurable earnings to a maximum of \$16.52 per week.

As of January 1990, the Government will no longer contribute to the unemployment insurance fund. Employees and employers will pay extra to cover the increased costs. In 1990, employee contributions will increase to \$2.25 per \$100 of insurable earnings to a maximum weekly contribution of \$14.29. This maximum weekly contribution is \$2.49 more than employees are currently paying or \$129.48 more per year.

In 1990, employer contributions will increase to \$3.15 per \$100 of insurable earnings to a maximum weekly contribution of \$3.48 more than employers are currently paying or \$180.96 more per year. We know who is paying for the mismanagement of the economy over the last few years. It is the employers and the workers of the country, and that is shameful.

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Let us analyse the situation in light of the new changes. The premiums paid by employees and employers have increased substantially. The Government points out that the increase from \$1.95 to \$2.25 per \$100 of insurable earnings is still lower than the rate employees paid in previous years. That is true. It was \$2.35 over \$100 of insurable earnings paid in 1985, 1986, 1987, and 1988. However, the Government has failed to show that it has also substantially increased the maximum weekly insurable earnings so that the maximum weekly contribution by employees will increase substantially. This is shame-