

*Government Orders*

the government's overall approach to the budget: ill planned, disjointed and demonstrating little sense of an overall objective or goal.

I was struck during the finance subcommittee hearings on Bill C-17 by the confusion and the concern of witnesses surrounding one small provision of the bill, that dealing with allowing the government to experiment with pilot projects. Group after group denounced the provision.

Some union briefs portrayed it as a back door thought to institute workfare or to supply business with cheaper labour. Others asked what criteria were being used to monitor the success of the pilots or even whether there were any guidelines on what qualified for consideration as a pilot project. A number asked what right the government had to appropriate moneys from the UI fund, moneys paid 100 per cent by employers and employees to develop programs that seemingly had little to do with providing insurance to those who had lost their jobs and were needing support on a temporary basis.

The confusion became so persuasive that the hon. parliamentary secretary for finance felt it necessary to have a clarification of the criteria for pilot projects and how they would be funded read into the record of our meetings.

While I am not completely satisfied with the government's assurances, the principle of the pilot project does not trouble me very greatly. Reform has always supported the idea of experimenting with new and innovative ways of updating and improving our social programs. What troubles me is the reason for all of the confusion in the first place.

There was no consultation into these provisions and we witnessed that very clearly in each committee meeting. Where was the input of the people who were to be directly affected by these somewhat innovative measures? There was none. None of the business or labour organizations appearing before the subcommittee had been consulted on what the experimental initiatives should be.

It was a top down exercise controlled by bureaucrats and departmental officials rather than from the bottom up involving the program's true stakeholders, the employers and the employees who fund the UI program. That was a major neglect of government in this process.

What were all the witnesses appearing before the subcommittee really saying to us? They asked whose program it is. The question from them was a good one. After all, unemployment insurance is completely self-financing. The government theoretically contributes nothing to UI, neither toward the payment of benefits nor toward the cost of administration. Yet it still controls the program.

Much of what ails the UI program, the \$6 billion debt, the inefficiencies and the allegations of abuse, stems from the simple fact that the original purpose of UI has been compromised by politicians and by bureaucrats who distorted the program to perform a number of functions for which the UI program was never intended and which it is relatively ineffective in performing.

Let us look back to the 1930s and 1940s, which is far in one sense but not so far in another sense depending how old one is, when the concept of unemployment insurance was first originated. In those years people had in mind that it should be a pure insurance program, one that would provide temporary income support to unemployed individuals and would entitle contributors to benefits commensurate with their contributions.

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Unemployment insurance, if we look at it today, is far from that ideal. Over time changes have been introduced which created inequities based on where one lived and caused a disproportionate share of benefits to flow to workers engaged in seasonal industries, to those who live in high unemployment regions and to those who live in areas with a relatively weak attachment to the workforce.

I look back at the Forget commission 1985 report. In the report it was argued that the program's provisions for regionally extended benefits amounted to an income supplemental program rather than an insurance program. It was noted that in 1985, nine years ago, the program's original objectives were off track. What has led to this drift of first principles? A conclusion was reached in the Forget commission report:

The innumerable modifications to the program over the years were political compromises. A review of the history of the unemployment insurance program reveals that the major influences on this policy since 1940 have been the result not of negotiations between the employer and the employee interest but rather of political and bureaucratic interventions.

It is government that caused the distortions, not those really paying the bills.

We in the Reform Party believe that ownership of the unemployment insurance program must be given back to the people who founded it and are the stakeholders in that plan: the employers and the employees. The case of the unemployment insurance is the extreme example of the phenomenon alluded to earlier of the federal government continually trying to have its cake and eat it at the same time.

We have seen this in other areas of social assistance where the government freezes its contributions to the Canada assistance plan yet insists on continuing to have a say in how the program is being run. We have seen this in the area of health where the federal component of health care funding has eroded to the point where it is now in the neighbourhood of or on average 22 per cent of health care spending. Yet the federal government insists