

Government Orders

• (1720)

The other alternative the government had, instead of bringing those changes to the unemployment insurance program in order to disqualify from receiving benefits people who voluntarily leave their job or are fired because of disciplinary measures and to reduce benefits from 60 to 57 percent, was to raise UI premiums paid by employers and workers.

Credible studies have shown that every time UI premiums are increased by 1 percent or 20 cents, Canada loses 20,000 jobs the next morning. Consequently, that alternative was immediately rejected because UI premiums had been considerably raised not so long ago, last year if I remember correctly. It would have been unreasonable and disastrous for the economy to raise UI premiums paid by employers and workers to enable those who voluntarily leave their employment without just cause and who are constantly fired to receive UI benefits, to take advantage of a system which is truly an insurance program, a program which will help people who are looking for a job or are temporarily laid off for different reasons. It was more equitable, in my opinion, to proceed this way instead of raising premiums one more time.

Another point which was raised, and it is important to mention it, has to do with the case where a firm is forced to streamline its operations and offers early retirement to its employees. If we apply today's UI rules, it would be difficult for these employees to receive UI benefits. Bill C-113 corrects this situation because it now provides that if a firm has to streamline operations, to take downsizing action, to lay off its workers because of a work shortage, the employees affected are automatically entitled to UI benefits. It was recognized and agreed that when older workers accepted the pre-retirement package offered by the employer the benefits attached to it were agreed upon at the time of their employment. When the benefits run out these people can say they are available for work and claim UI benefits. They will be eligible for benefits.

This is another major provision that was included in Bill C-113. Again it is providing better protection for the workers who must avail themselves of the unemployment insurance program, these people who through no fault of their own have to rely on this insurance plan.

These were the comments I wanted to make on Bill C-113. While Bill C-113 puts financial constraints on many citizens of this country, it is nevertheless necessary. This important bill is also fair to those it applies to.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I listened with interest to what was said by the hon. member for Manicouagan. I would like to ask him a question about the unemployment insurance system.

Our ridings both have a very high unemployment rate, and I am sure he shares my concerns in this respect. He is of course aware that the present system penalizes workers who quit without just cause. He is aware that with Bill C-21 the penalty was increased from seven to twelve weeks. He is also aware that with Bill C-113, in a region with a very high unemployment rate, there is a choice to be made by the employer faced with the decision to terminate an employee and by the member of the board of referees. He either has to agree there is just cause after a lengthy appeal process or uphold the decision of the unemployment insurance officer.

I want to ask the hon. member to try and explain or justify his government's policy which aims to change the unemployment insurance system and already provides very severe penalties for persons who quit their jobs without a valid reason.

• (1725)

In this case I am not referring to any of the circumstances listed in the bill, which were put there thanks to pressure from his colleagues, the unions and other people across this country. However, considering that we already have fairly severe penalties, could he explain the government's decision to give these officers a choice, as indicated in the legislation, of a range of options that reflect far more specifically all the circumstances that may influence a person's decision to either keep a job or quit, and in many cases are a necessary evil since a mobile labour force may be desirable to keep the economy and the labour market running smoothly? Often jobs and people are mismatched. Some people are really not suited to certain jobs. However, in the legislation it is all or nothing for the employer who is faced with the decision he has to make and all or nothing as well for the person who may be unemployed and does not want to accept a job because—