

*Supply*

I have several other questions. Perhaps throughout the day I will have a chance to ask them. I have asked three key questions we need answered now.

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I thank the hon. member for his compliments. I wish my father were here to listen to him. He may actually believe them. My father was an insurance agent. He had a small insurance agency in the north end of Winnipeg. It was enough to keep us together and to go to school.

I learned one lesson when he was involved in the insurance field and that is the best way to be a good insurer is to reduce the risk. When he sold casualty insurance or fire insurance he always went along with a good program to ensure that people would have good wiring in their houses, that they would reduce the risk of accidents, whether it was health or safety or whatever.

When we have an unemployment insurance system, what do we do? We reduce the risk of unemployment. That is the best way to bring costs down, to protect against it. That is why it is a full insurance program. That is why as a trustee we have to invest in getting people back to work. That was the fundamental purpose.

It would be interesting if the hon. member read the debates from the House in the early 1940s. He would learn from that. The basic premise was that only on a national level could we ensure there was both a spread and sharing of the risk but also that we would try to reduce the risk. Only a national government which was responsible for the management of the overall economy could provide the kind of priorities and judgments in concert with others. That is why the provinces ceded responsibility at that time.

The hon. member would know that insurance is very much a question of reducing risk. That is why in our business we want to invest in bringing down unemployment and giving people a chance to get back to work.

The second question is legitimate. As the hon. member knows, we try to balance our program. When we want to talk about creating jobs we do not do it by one mechanism alone. Reducing costs for business is one important way but it is not the only way.

I have explained in the House a couple of times that what we want to do first is build up a reserve. It means we can protect against the really quite tragic and disastrous effects of what happened in the early nineties when the previous government did not have a reserve fund. When the recession hit it had to escalate premiums by almost 95 cents. It was the classic putting on the brakes while trying to go up hill.

• (1125)

The reality is the unemployment insurance system was designed to put money into the economy as a counter cyclical

measure at a time when a recession is taking place. That government pulled money out because there was no reserve built up in order to insure and stabilize employment.

It was a clear recommendation to the House of Commons committee by business, labour and other groups that we have to build up a reserve, which is what we want to do.

We are still paying off the deficit of the nineties. We inherited a \$6 billion deficit in the UI account when we came to government. We have been wearing that away for the past two years. That is why we need to build up the reserve. Each year the Minister of Finance will take a look at the accumulation in that reserve and how it can then be adjusted for further reductions for business.

This year we thought we would be prudent and give a premium reduction. We have also provided savings to business by making a substantial simplification of the system. We will have the ROE, the bugbear of business, which will be substantially simplified and will save \$150 million. That is a good first step.

We froze premiums when we came in. We have now reduced them as a first step. We are bringing down the cost for business and each year it will be reviewed.

In the meantime we can assure Canadians, at a time when the business cycle becomes more difficult, we will have a reserve so we will not be taking money out of the economy when we actually want to stimulate the economy.

**The Acting Speaker (Mr. Kilger):** While these compliments are going across the floor and directed to the Chair, I must say it is appreciated. However, what we appreciate the most is the respect the House continues to show for our institution through the Chair and its occupant at any one time.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I would like to request of you and through you to the minister that any remarks on the presence or absence of my colleague from Mercier, as was made in the previous portion of the debate, be deleted from *Hansard*.

She is accorded the respect of all of us according to parliamentary procedures. One of the core issues relevant to that respect is that we do not remark on whether she is here or not. There were comments made by the minister during his speech and by colleagues surrounding him that may be part of the blues. I would like that to be addressed.

**The Acting Speaker (Mr. Kilger):** Let me see if I can be helpful from my perspective. I am certainly satisfied that at no time did the Minister of Human Resources Development make any reference to the absence of anyone in the House. I will review the blues and if someone else did then it would be a matter for the Chair to take under advisement.