

Unemployment Insurance Act

This move will of course simplify administration of the UI program and as you can imagine anything that simplifies the complex administrative structure of a program like UI is welcomed by everyone involved. In fact, this legislation contains other measures that will make the program run more smoothly. One of them involves calculating the duration of benefits. The present method used to determine how long people will receive benefits is a very complicated three phase system based on a week's work and the local unemployment rate.

The proposed legislation fortunately will streamline this progress. It continues to base the duration of benefits on the number of weeks worked and the local unemployment rate but it eliminates that three phase complexity and substitutes it with a straightforward table.

We have also made necessary adjustments to the number of weeks people can collect benefits. These adjustments are again dictated by the unemployment rates in different areas. A person in Barrie where prospects abound should not need to collect UI benefits for 50 weeks. Someone on Cape Breton Island where opportunities are limited is entitled to as much income support as possible.

As well, the Government is proposing measures to deal with people who quit their jobs without just cause. It may surprise you to know that more than a billion dollars is paid out every year to people who quit their jobs without just cause. Obviously we must do something about this. The legislation deals with people who quit their jobs voluntarily, who are fired for misconduct or refuse to take a job. Under current legislation these people lose their benefits for six weeks. Under Bill C-21 they stand to lose them for between seven and 12 weeks. When they begin or resume collecting benefits they will also find their benefit rate lowered from 60 per cent of their weekly insurable earnings to 50 per cent. I think it is very appropriate that I bring up EIC at this time. As you know EICs, Canada Employment Centres, have an exemplary record in finding jobs for people and people for jobs. In my riding the staff work diligently to provide guidance and to arrange interviews and training course for clients.

Some clients do not take advantage of these opportunities and those who do not will find their benefits cut off for one to six weeks under the legislation. I must also tell you that people who find jobs before their disqualification period is up may receive a surprise if he or she

collects UI down the road. The Bill also allows for any weeks of a disqualification period not served because work was found to be carried over to any future benefit period over the next six years.

Let me add that these disqualification periods may be deferred if the claimant is eligible for sickness, maternity or parental benefits. Let me also make it clear that people who quit their jobs for valid reasons such as hazardous working conditions or harassment will not be subject to these penalties.

We are also introducing new measures to discourage UI fraud. It is a matter of opinion but perhaps the worse abuse of the UI program is perpetrated by those who knowingly give false information. Unfortunately it is a fact of life and it must be dealt with. Under the Bill, employers who submit false employment information will now be penalized up to nine times the maximum benefit they pay weekly. Also anyone penalized for minor infractions can have the penalties deducted from future benefits they receive over the next six years.

As you know, people who commit major acts of UI fraud are subject to prosecution. In the past anyone convicted of the crime received a maximum \$500 fine, six months in jail or both. The new legislation raises the fine to a much stiffer maximum of \$2,000. These are necessary measures which will serve to make the UI program fairer and more efficient. Instituting these measures will free up \$1.3 billion that will be rechannelled directly into the UI program in ways that I have indicated before. It will help thousands of Canadians who are willing to work. That is what the labour force development strategy is all about.

I have just outlined the benefit structure and control measures proposed in Bill C-21. We hope to implement the new legislation early in 1990. Only then will the funds for training programs and the new charter improvements be accessible. I trust that my colleagues in the House and the Members of that other place will give it full and due consideration.

• (2230)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, during the election campaign, the Prime Minister (Mr. Mulroney) said, "We shall maintain all our social programs without fail." At the same time, the Minister for International Trade (Mr. Crosbie) promised that there would not be any changes to the unemployment insurance system. Let me read an October 14, 1988, article in