

*Unemployment Insurance Act*

has it done for people and for small businesses? It has taxed, taxed and taxed.

Bill C-21 represents another in a long list of broken promises by the Government. Unemployment insurance was called a sacred trust by the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Crosbie). In fact, three days before the election, they promised Canadians that it would not be touched.

Bill C-21 also represents another attack on working men and women. Free trade was the first; higher taxes was the second and this is the third.

We also heard a Government Member indicate that the reason these changes are necessary is because those who are receiving unemployment insurance benefits are nothing but a bunch of cheats and people who do not want to work. That is representative of an 18th Century philosophy that the Government wants to move into the 21st Century.

Bill C-21, an Act to amend the Unemployment Insurance Act, is, I suggest, an attack by the Government on the very social fabric of the nation, one that distinguishes us from other countries, particularly the United States. We are a more caring and compassionate country, as evidenced by our history, and we have over the years built social pillars with programs and policies that form the foundation of this great land.

The withdrawal of federal Government funding to UI and the abdication from the program and its responsibilities is reprehensible. The Government is washing its hands of its responsibility to bridge the gap for the men and women of Canada who are in between jobs and are looking for jobs. On the one hand, the Government wants to take all the credit for creating jobs, but on the other takes no responsibility when its policies cause the hardship of unemployment and causes unemployment itself to increase.

Most men and women must work to maintain their standard of living and the quality of their lives and their children's lives. No one wants to lose his or her job. One's financial and psychological security depends on it. However, through no fault of their own, individuals are sometimes laid off as companies close their doors or move to new locations. Unemployment insurance is there to help on a temporary basis. It is not welfare, as some Government Members would have us believe. It is there to soften the financial blow and to aid in the

transition period that occurs when one loses one's job and has to find another. It is there as a safety net.

Let us not forget that the workers pay in part for this insurance plan. Yes, it is an insurance policy one hopes to never have to collect. Business, as a partner in this social contract, also pays a part of this insurance policy for its employees. What has the third party, the federal Government, done about this social contract? It has absolved itself of any responsibility and in so doing is now telling the workers that they must pay more and that the employers must also pay more.

Small business, the engine of our economy, is already faced with high costs due in large part to the Government's support for high interest rates, high taxes and a mountain of Government red tape. Small business, which now contributes to more than 50 per cent of our Gross National Product and provides over 60 per cent of the jobs, cannot now be asked to pay the Government's share. A payroll tax raises the cost of labour. When premiums increase, the relative cost of labour rises and this induces employers to reduce the costs by substituting capital for labour, or by moving to a lower-cost environment.

In short, any way one looks at it, the Government is increasing unemployment and is not becoming more competitive but is becoming less competitive. There is no doubt that the system can be improved because, let us face it, any system can be improved. However, let us improve it, not gut it. If those who quit voluntarily without just cause are a problem, then make some changes, positive changes, to deal with this specific problem. If people are refusing to take jobs that are available, or if people are not available for work, then let us make the positive changes that would correct the program.

Let us look at the figures. There were 6,215 people who refused jobs and therefore lost their benefits. This is out of 2.4 million beneficiaries, which means that .25 per cent were disentitled because they refused jobs. The Hon. Member on the Government side indicated that all people on unemployment were abusing the system. If it is cheats we want to deter, make those changes so that it is impossible for them to take advantage of the system. The figures point out that there were 5,507 claimants who were caught cheating under the unemployment insurance system. That was 5,507 out of a total of 2.4 million beneficiaries. That means that the number of