

Unemployment Insurance Act, 1971 (No. 2)

the financial burden of unemployment from the Consolidated Revenue Fund and the government to the employer-employee to the point that it is almost absurd. I would say that close to \$1 billion has been so shifted—

He goes on to say:

It might have been more fair if the officials had told Parliament that they had miscalculated the rate of unemployment in 1970 when they said it would average 4 per cent and that, for reasons beyond their control, unemployment should more realistically be predicted at 6 per cent. They could have made the necessary adjustments and I think Parliament would have understood, the country would have understood and the opposition would have understood.

Instead either by coincidence or design, prior to every one of these amendments we had a well orchestrated campaign based on the alleged abuse of the plan, thus preparing and conditioning people for the amendment, and supposedly aimed at reducing the abuse or tightening up the regulations, when in fact the main purpose of most of the amendments was to shift the financial burden from the government to the employer-employee. I think that has been unfair—

It must sadden the hon. member for Lincoln, a member of the government of this country, to sit in the House and see what his government is doing to unemployment insurance. After he warned the Minister of Employment and Immigration in 1980 to save unemployment insurance from those determined to undermine it, after he warned the minister not to heed those who would suggest that the contributions from workers and employers to unemployment insurance be used to finance department programs, that the government should pay for the unemployment programs from government revenues, after all these warnings from a member of his own party, the minister has done just the opposite. He has watched over the preparation for further dismantling of unemployment insurance in this country and has diverted millions of dollars of unemployment insurance contributions into government programs.

The combination of the government's deliberately induced recession, dressed up as an anti-inflation economic strategy, and its dismantling of the unemployment insurance program is drawing unemployment insurance and the entire system of social services to the brink of a crisis.

The unemployment insurance fund derived from employee-employer contributions could well fall \$1.2 billion short of meeting the demands for benefits. It could even go above that figure. For the month of February this year, the total bill was \$650 million. That is close to double the average monthly payout last year, which was some \$370 million. Instead of costing \$4.8 billion as it did last year, unemployment insurance could end up costing from \$8 billion to \$10 billion this year. That is before account is taken of bills for more than \$200 million for the administration of the National Employment Service, \$188 million for job training and \$190 million for work-sharing, all charged against UI contributions.

With the government existing from cost-sharing for unemployment insurance and charging the costs of its other programs to the UI fund, those Canadians who are lucky enough to have weathered another year of this government's inflation fighting and still hold a job will see their UI premiums increase dramatically. There are 270,000 fewer jobs this year than last year. With unemployment expected to continue its rise, it is unlikely there will be more premium payers among whom to spread the increased cost next year.

But that is not all. The unemployment insurance system, of course, will not go broke. The government will boost unemployment insurance premiums next year to meet this year's deficit. By the end of the year a good many Canadians will have exhausted their claims and will have to look elsewhere for means of support. Of course, the preference would be for them to find work, but the ugly truth for many of those people will be that there is no work to be found. Unemployment is now at a post-depression high and even the government's own analysts are predicting that the Canadian economy will shrink—not grow—this year, eliminating even more jobs. This will be the first time since 1954 that the Canadian economy has actually shrunk.

With no jobs to turn to, what can these unfortunate souls do? Unhappily, it looks as though their only option will be to turn to provincial welfare, which is totally unequipped to deal with such an increase in demand. In the past when recessions hit, workers could often find temporary work to enable them to renew their unemployment insurance claims. Their chances of that are now more remote than ever. For one thing, I have already mentioned that there are 270,000 fewer jobs this year than last year and that the economy is continuing to slide. But the other factor is that the government, in an effort to save itself money, has consistently reduced the protection afforded by unemployment insurance. It has done this just as the need for an effective unemployment insurance program has increased.

• (1420)

In the recessions of the seventies, unemployment insurance had been the main stabilizing influence to help to limit the impact of the decline; but now, as the government deliberately takes this country further down the recessionary path, it does so after substantially weakening the unemployment insurance program. What will happen to the Canadian economy when unemployment insurance and the welfare system collapse under the strain of the climbing number of jobless Canadians?

Finally, I want to address myself to a couple of clauses in the unemployment insurance regulations which are particularly discriminatory. The first of these affects farm workers. Section 16 of the regulations stipulates that in determining a worker's eligibility for UI benefits, only jobs lasting 25 days or longer with the same employer are considered to be insurable earnings. As far as I know, farm workers are the only group of regular workers affected by this requirement. It is quite possible for a farm worker in, say, the Fraser Valley to work steadily for six months, but not with the same farmer. Farm workers often move from crop to crop and from farm to farm, only spending a few weeks or even a few days with each employer. It is not uncommon for the 25-day regulation to deny them benefits when they would otherwise qualify.

I hope that I do not need to remind the House that farm workers are often subjected to inhuman and dangerous living and working conditions, near starvation wages, unlimited hours of work and even racial abuse. Section 16 unfortunately serves to perpetuate the exploitive system of labour contracting