

*Unemployment Insurance Act*

for people who legitimately require the assistance that is provided through that system.

As with any form of insurance—and let us not forget that first and foremost we are talking about a system of insurance—it should be essentially self-financed. It should not be put as yet another service provided at the cost of the taxpayers. We join it, just as we choose to have automobile insurance, life insurance and various other forms of insurance. This is a form of insurance and insurance is something that we have to pay for. We have the good fortune in that the unemployment insurance scheme that exists in this country is not totally paid for by the individuals who benefit from it, but indeed employers contribute, and contribute substantially, to that system. From time to time, as the costs of the system go up, so also does the cost of the premiums, and they have to be met. We have seen in the Budget, which is not directly related to this Bill, increases in those premiums.

From time to time I have heard suggestions made, spurious suggestions I might say, that the increases in the tariffs for unemployment insurance are to be borne by those who are unemployed. One does not have to study the situation very carefully to realize that those who are unemployed are drawing the benefits. They are not paying the premiums. The premiums are paid by the people who are employed, as well as by the employers. That is the way it should be, so there is no disadvantage. Premiums should be raised to reflect the costs of providing the service, but they should not be put upon as a burden for those who have the unfortunate circumstance to have need of the service and the assistance it is providing.

Fifth, participation in the unemployment insurance scheme should be mandatory. I thought long and hard about this. I used to work for the teachers' union in Nova Scotia. Some of us were very annoyed when participation in the pension plan was made mandatory. After a while, I came to realize that if it was not made mandatory people would rather use the money for some other purpose, and the same would apply to insurance. Then the time of retirement comes and they do not qualify for a pension and they are extremely disappointed.

I have a friend who is a life insurance agent. I am sure a number of Members have friends who are life insurance agents. When I was going to buy life insurance I told my friend that my wife said we did not need any more life insurance. She does not want me to be paying any more premiums for life insurance. He said to me: "I tell you what, you go back and tell her this. I have been an insurance agent for more than 30 years. I have met a lot of wives who did not like paying life insurance premiums, but I have never met a widow who did not think it was a valuable way to spend money".

The same thing applies with unemployment insurance. We cannot take a chance on people being short-sighted. It is too easy in the short term to say: "I can use those extra few dollars", and when the problem occurs you find yourself unable to meet the demands. At that point, there is an interest in society as well because people who have not protected themselves appropriately then become a burden on society.

• (2130)

The sixth point that should typify an unemployment insurance scheme is that it should not be readily open to abuse. How often have we as Members of this House had constituents come to us and say: "I know so and so who is cheating on unemployment insurance. I know so and so who is drawing pogy"—as we call it in the Maritimes—"who could be out working". A good, effective scheme seeks to eradicate abuses. It has stiff penalties for those who want to cheat the system. After all, when they cheat the system they are cheating every single one of us who honestly and with integrity contribute to that system. They force our premiums up. That is certainly not fair.

Similarly related to that is the seventh point I would make. It is that the system is one that should not encourage people to quit. There should not be incentives for people to quit their jobs so that they can go on a paid vacation compliments of the unemployment insurance scheme.

A friend ran a company in northern Nova Scotia which pulled up rail lines. He told me he had a devil of a time. People were employed for 12 weeks, then they would sit down on the job or go home. Maybe they would go hunting or do a little farming. They had no interest at all in working beyond the 12 weeks. They would sit down,