

*Statements by Ministers*

Admittedly the present unemployment insurance system does call for changes. As stated in the 1985 Budget, our aim is to improve and simplify the unemployment insurance program, to make it more equitable and ensure that it paves the way for labour market employment opportunities.

● (1630)

[*English*]

I want to emphasize, as did the Minister of Finance (Mr. Wilson) in his Budget of May, 1985, that our purpose is not to reduce federal contributions to the unemployed. The main objective of unemployment insurance will always be to provide temporary income protection for unemployed workers. The unemployment insurance program should also be able to enhance work incentives and prospects for long-lasting and productive employment.

[*Translation*]

The Government will listen to the views expressed as a result of the publication of these studies. Mr. Speaker, I now commit myself to appear before the House, by May 15, 1987 at the latest, to unveil the Government's proposals.

[*English*]

Finally with respect to the issue of pension regulations, I will be announcing the Government's decision before Christmas. Better than that, Mr. Speaker, I will be back to the House this Friday.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, finally we have the Forget Commission Report, eight months late, nearly \$3 million over cost and with two dissenting reports representing the views of three of the six commissioners, a commission wrought with divisions and leaks.

I want to remind the House again that the cost of this commission amounting to \$6.8 million was paid out of the unemployment insurance benefit fund, for the benefit of unemployed workers instead of being paid out of general revenue. This in my opinion is illegal and it will be further challenged.

I was disappointed that the Minister had so little to say about the report today. After all these months, he had nothing to say about any of the recommendations in the report. While we in the Liberal Party believe that there are some imperfections in the unemployment insurance system and they should be corrected, there are some good recommendations in the report but some recommendations should be rejected immediately. First, the recommendation to abolish the extending of benefits in the regions to be replaced by some vague earning supplement system. You do not replace a specific program that helps workers when they are unemployed by a vague pie-in-the-sky proposal.

The second recommendation that should be rejected immediately is the one to annualize the benefits in order to calculate their amounts. Under this system we will very seriously hurt workers who are unemployed, especially

seasonal workers who are not able to work for long periods of time. We must recognize that we live in a country that is basically a resource-based economy, a country with severe winters having many workers working on a seasonal basis. This proposal is completely unacceptable and should be rejected.

Finally, Recommendation No. 33 to do away with benefits for fishermen should be rejected immediately. It is proposing the abolition of a specific benefit for fishermen, a fair benefit, for something that is very vague. There are other recommendations that should be questioned but I will not comment on them today. We strongly support part of Recommendation No. 26, Mr. Speaker recommending that those cuts in unemployment insurance, where there were early retirement pensions, be rescinded as of January 5, 1986. I am pleased to see the Minister will be in the House on Friday to give the Government's response to that recommendation. One wonders why those cuts were made at all and why we had to wait. Those cuts caused a lot of concern and hardship to workers all over the country.

Finally, the Minister has not indicated the process we should go through. He says he will listen to the debate on the report as it is discussed across the country. Will this be referred to a committee? Will there be a federal-provincial conference? The report impacts on the provinces, especially by cutting back on unemployment insurance benefits because more people will be thrown into the welfare system. The Minister does not put forward any ideas for discussion in this respect. The report is filled with the philosophy of the Fraser Institute, namely, that if you make people starve they will find a job. That is no way to deal with human beings. The hidden agenda in this report is to save money in order to cut the deficit. Three billion dollars will be saved. There is no response from the Government as to what will be done with that \$3 billion.

Unemployment insurance is important not only for those legitimately out of work but also for the economy by maintaining purchasing power.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, finally the day has arrived for the Forget Commission Report. The Minister has had it since Friday. I want to take up where the Minister left off in his statement. He says that the Government will listen to the public debate that will follow the study. We have had the debate, Mr. Speaker. Over 475 briefs were presented to the Forget Commission. Where has the Minister been? The debate has taken place, Mr. Minister. What we are now concerning ourselves with is the Draconian recommendations contained in the report. To cut \$3 billion from the unemployment insurance fund is the mandate the Government gave the Forget Commission. Where did Mr. Forget cut the \$3 billion? He cut from regional extended benefits with a system of annualization that will cost the Atlantic region \$640 million in direct transfer payments of UIC. It will cost Quebec \$1 billion and it will cost the west \$500 million.

This is the Government that parades around as the great unifier of Canada, the great reconciliator. It is not enough for