

*Government Orders*

We all know very well that for many years now the small business sector has been the one creating the most jobs in Canada. Therefore, in December the Minister of Finance announced that by exempting small businesses and new employees from paying UI premiums for a certain period of time, he would facilitate the creation of new jobs and that is what we are witnessing now.

As I said earlier today, the second part of the economic and fiscal statement was aimed at the reduction and the control of government expenditures since it was realized that federal revenues had been much less than what was expected at the time of the 1992 spring budget.

The finance minister then announced a series of measures including a salary freeze for public servants, a two-year extension of the existing collective agreements and a salary freeze for everyone working here in this House, elected and non-elected, ministers, senators and even the Supreme Court judges.

In his economic statement the minister mentioned also that transportation subsidies, both in the Maritimes and in western Canada, would be reviewed and eventually cut, that tax transfers would be reviewed and that workers who quit their job without just cause or who are dismissed for misconduct would lose their UI benefits.

The second important measure regarding unemployment insurance is the cut in UI benefits whereby the percentage of insurable earnings is brought back to 57 per cent from 60 per cent. It is without a doubt the element of the minister's economic statement which drew the most comments and questions.

In December 1992 the minister introduced Bill C-105 to enact the measures he had announced in his economic statement. It immediately triggered concerns and comments regarding in particular those two measures concerning the unemployment insurance scheme.

I can tell you that after looking at the proposed changes to the unemployment insurance system contained in Bill C-105, members on this side of the House—the group of parliamentarians I belong to—realized that indeed the implementation of the legislation as drafted could have caused problems and led to

potentially unfair and unjust situations and could have been a problem for groups in need of UI but who were not targeted by the economic measure.

• (1710)

So, with a group of Conservative MPs who are members of the Quebec caucus, we started working in late January and we reviewed Bill C-105. We held several meetings with officials of the department and with the Minister of Employment and Immigration. Finally, we submitted to the government a series of recommendations for safeguards to protect those who must rely on the unemployment insurance program but for whom Bill C-105 did not provide full protection.

The government listened to our representations and on February 17, 1993 Bill C-113 was tabled in this House while Bill C-105 died on the Order Paper.

The objective of Bill C-113 is essentially the one stated in the economic statement made by the Minister of Finance. However with respect to the UI changes, this legislation provides safeguards for those who rely on unemployment insurance, as I just said.

Therefore the main proposals included in Bill C-113 concern the Unemployment Insurance Act, and I will list a few of those. An important change is that people who quit their job without justification or are dismissed for misconduct will no longer be eligible for UI benefits. This is the basic objective of Bill C-113.

Second, the rate of the unemployment insurance benefits will go from 60 per cent down to 57 per cent of the average insurable earnings for the two years following the coming into force of the legislation.

The Unemployment Insurance Act includes a list of reasons which justify and support quitting one's job. Bill C-113 specifies in more detail these valid reasons, which have gone from five to thirteen, and which may justify a decision to leave a job. These reasons are now listed in the act. They are visible and include some 40 frequent circumstances which will be used by unemployment insurance officers to decide when quitting is justified and when the person who leaves a job and claims UI benefits is indeed entitled to them.