

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 very unfair.

I should like to quote again from the document I referred to earlier, entitled "A Brief History of Unemployment Insurance Legislation in Canada", which is a research paper issued by the Library of Parliament. Referring to the 1975 act it states on page 19 that the purpose of the act was as follows:

—amended the financing formula so as to increase the share paid by employees and employers and reduce the government's share.

The paper does not state why that was necessary but just that it was one of the purposes. In the next paragraph, referring to the Employment and Immigration Reorganization Act of 1977, the paper states:

A variable entrance requirement of 10-14 weeks was introduced, depending on the regional unemployment rate. The benefit structure was simplified, reducing the number of phases from five to three.

The practical application of changing the requirements from eight weeks to ten to 14 weeks was to reduce the financial obligations of the government. The government had another alternative, simply to raise taxes or find the money elsewhere. What the amendments did in 1978—and this is perhaps the most massive change to the act—was to stipulate a higher entrance requirement, once again, for those claimants who were entering the labour force for the first time or who were re-entering it after a period of absence. The 1978 legislation changed the minimum insurability, it reduced the rate of benefits to 60 per cent of average weekly insurable earnings from 66 per cent and it required higher income recipients to repay a portion of the UIC benefit. Again, all amendments were designed to reduce the cost of the plan.

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To emphasize that point, the financial obligation of the employers and employees as specified in the act in 1971 has always been met by the contributions of the employers and employees. What bothered officials of the Department of Finance was their inability to get their hands on that surplus of \$1 billion over those ten years. They did the next best thing in their opinion which was to shift the financial burden of this plan from the government as responsibility linked to the level of unemployment and the government obligation to control that level. They shifted it to the employers and employees thus once again reducing their need to raise funds elsewhere.

Ironically, the plan is still essentially intact. What is needed now is a shift in emphasis in this House, in this country and in the Department of Finance, a realization that the average French-speaking Canadian, the average English-speaking Canadian wherever he or she comes from or whatever philosophy he or she may share, whatever their background in whatever province they live, would prefer to work rather than draw unemployment insurance.

It bothers me particularly that in 1980 we still attach some stigma to those people who draw unemployment insurance benefits because they are out of work for reasons beyond their

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control, whether they be regional differences, a very high level of unemployment or whatever. Somehow in Canada we cannot seem to shed the old biblical concept that man must earn a living by the sweat of his brow. If only we could bring ourselves to appreciate that periodically in this country, like in any other country, people are out of work because of technology or because of competition—the auto pact is a good example of this—and that it is our responsibility to finance those people to see that they have an income. Succinctly put, I do not think Canadians would stand the inhumanity of the 1930s prior to unemployment insurance. I do not think anyone in this House is suggesting that we go back to that period before the 1930s. I plead with the new minister and this government to leave the plan alone for a while and let the officials get on with its application.

One of the unfortunate things about this series of amendments was that they had to be backed by regulations and it made it virtually impossible for the people whose responsibility it is to administer this whole operation, to do so efficiently. As soon as they get familiar with one set of regulations, along comes another.

I want to put one other statistic on the record and remind the House that in 1971 the financial obligation of the government for unemployment insurance—I am referring to the new plan—was about 12 per cent. For employers and employees it was 88 per cent which was reflected in the appropriate level of premiums needed to meet that 88 per cent. By 1978, prior to the 1978 amendment, the financial obligation of the government had risen to 50 per cent leaving the employers the other 50 per cent. Why did it rise to 50 per cent? Because of the high level of prolonged unemployment, and not for any other reason. In 1979, reflecting the 1978 amendments the governments share of the total financial obligations was reduced to 33 per cent, with the predicted financial obligation of the government in 1980 going back to 20 per cent.

I know that my time is almost up, Mr. Speaker, and I want to say that I intend to support this bill. The bill in isolation makes sense, but as part of the total amendments in the seventies it appears to me to be part of a very concerted effort by some officials to get their hands on that pool of money—

Mr. Andre: I thought the bill came from the minister, not the officials.

Mr. Mackasey:—which in reality does not belong to the government in the first place. It belongs to the employers and employees. It reflects their weekly contributions. That surplus, if the act operated properly, should have been reflected in lower premiums in order to offset that surplus.

Finally, I plead with the minister not to listen to those who would suggest that the contributions of the employer and employees of this country to unemployment insurance should provide the moneys needed to finance manpower programs. That is the government's responsibility and it should be met out of general funds. The minister said that he would get back to me about that. I welcome his statement on the need to return to insurance concepts. Then there would be no room in