

*Unemployment Insurance Act*

through regional extended benefits, which are being withdrawn by the Government.

**Mr. Reid:** Absolutely not.

**Mr. Thompson:** You are dead wrong. That is the same speech you gave last fall.

**An Hon. Member:** No it isn't.

**An Hon. Member:** Good morning.

**Mr. Wappel:** Put that man on a VIA train.

**The Acting Speaker (Mr. Paproski):** Order, please there is still 30 minutes remaining. I would like to hear the Hon. Member's speech.

**Mr. LeBlanc (Cape Breton Highlands—Canso):** The flaws that I just outlined are obviously worth repeating because I believe Hon. Members opposite have not fully understood them yet.

**Mr. Reid:** That is where you are wrong.

**Mr. LeBlanc (Cape Breton Highlands—Canso):** If they would speak to their constituents they would realize what this program means to Canadians. I would like to focus my remarks on some less obvious weaknesses in the program. It is interesting to note the lukewarm reception that the Minister's proposed changes have received from the business press. It is the business press that has been clamouring for UI reforms, clamouring to make the UI program more efficient, for ending abuses in the program, for making it more strict. It has been clamouring for this Government to make major cuts and changes to the unemployment insurance and to root out the so-called abuses in the program. It is interesting to note the kind of response that the Government has received. For instance, *The Financial Post* says that the reforms missed the target. *The Financial Times* says: "McDougall's plan may wind up satisfying neither those who want UI reform, nor people demanding expanded benefits for the jobless."

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Claude Forget, who argued strongly for reform in his report, expressed amazement that the Government would introduce these changes without an appropriate rationale. In fact, the Minister's changes not only make major cuts to the program; they do nothing whatsoever

to correct any of the adverse incentives and inequities that motivated reform to UI in the first place.

Let us look at a few of these changes. First, let us look at the benefit structure. One of the criticisms that has been made of the UI program by those claiming that it encourages instability in the labour market is that one of the identified targets is the regional extended benefits and the variable entrancerequirements.

What has the Minister done? He has expanded the variable interest requirement. At the same time the regions of the country where UI benefits are the most difficult to get and where the economy is the least resilient, they have increased those minimum interest requirements substantially and widened the gap. Therefore, the unemployed worker is caught between a rock and a hard place. They reduced the number of benefits.

The second aspect is the repeater provision. The Minister has claimed seasonal workers will be better off because of the abandonment of the repeater provision. I would just like to enlighten Members on how much the repeater provision will affect unemployed workers. Essentially, with the changes in the benefit schedule, what it means, combined with the withdrawal of the repeater provisions, is that very few people will fall into the repeater category anyway. The benefits are more strict for everybody and the Government has—

**Mr. Reid:** The penalty is gone?

**Mr. Leblanc (Cape Breton Highlands—Canso):** Yes.

**Mr. Reid:** Well, the penalty is gone.

**Mr. Leblanc (Cape Breton Highlands—Canso):** And everybody else faces higher benefits. So it nullifies the advantage that repeaters might have got.

**Mr. Reid:** Of the parts of the country that need it.

**Mr. Leblanc (Cape Breton Highlands—Canso):** You do not know what you are talking about.

**Mr. Reid:** Please enlighten me.

**Mr. Leblanc (Cape Breton Highlands—Canso):** Let us compare the new rules for the fishing communities. Let us compare the application of these new benefit rules to the fishing communities. We know that there is a crisis in the Atlantic fishery motivated by this Government's failure to manage the fishery, the failure to prevent the overfishing by Europeans and a whole litany of problems