

Unemployment Insurance Act

to turn to the welfare program and, therefore, the provinces will have to take over responsibilities assumed up to now by the federal government. Again today, Mr. Speaker, the House has before it Bill C-14, to amend the existing act. But we are aware that in reality it is the members of the commission, together with the minister, who will write the regulations, which will not require passage in the House and which will change the entire interpretation of the bill.

I have an example from my riding concerning farm workers. The original legislation treated these workers the same as all other industrial or commercial workers. However, under regulation 57 established by technocrats and the minister, farm workers must have worked a minimum of 25 days for a minimum wage of \$250 to be eligible. I always thought that this was made on a voluntary basis. But I learned today from the minister that this is mandatory and that those 25 days must be worked under the same employer, which is worse, and which is not even mentioned in section 57 of the unemployment insurance regulations.

I say to the minister that this is misleading the workers in addition to making people believe this section is in the act. And I want to tell him that some officials mislead the workers by telling them it is in the act when it is only a common regulation. However, the minister, in reply to my question, said that this regulation had been suggested to him by the farmers' federations, but I must point out to him that after contacting some provincial associations, I can prove that when one or two associations agreed, the regulation became optional. When the minister made it mandatory, they were not consulted, even though a majority of them are opposed to section 57 in its present form.

I want to be honest and I want the government to be honest with all my fellow citizens. I swear that I will not stand seeing more than 100 of my fellow citizens, who have been working in Ontario for years picking fruits and vegetables, deprived of unemployment insurance benefits. When I think that for many years—

The Acting Speaker (Mr. Ethier): Order! I regret to interrupt the hon. member, but the time allotted to him has expired.

[*English*]

Mr. Paul McCrossan (York-Scarborough): Mr. Speaker, it is an honour to rise here today to make my maiden address on one of the most serious areas of mismanagement of our economy, the unemployment insurance system. The deficit in this system will amount to almost one-fifth of the total government deficit this year. This deficit will arise from a combination of factors. By far the most important factor is the tragic mishandling of our economy over the last ten years, mishandling which has seen the aspirations of Canadians from coast to coast thwarted; mishandling which has seen our regional differences, both politically and economically, widened.

[Mr. Gauthier (Roberval).]

Another very important reason for the large deficit in the unemployment insurance plan is the terrible design of the plan itself. We on this side of the House have spoken often about redesigning the plan to cut abuses. We have spoken often about the need to bring deficits under control. We were speaking about restraint years before the deathbed repentance of the Prime Minister (Mr. Trudeau).

Furthermore, by proper redesign much more money could be saved and far less hardship would be caused. However, I contend the proposed changes will not do the job, are poorly conceived, and will only serve to create hardships among many hundreds of thousands of victims of this government's mismanagement.

How did the current problems arise? There was a general feeling in the late 1960s that the benefits were too low under the plan and that some recipients of unemployment insurance benefits bordered precariously on impoverishment. After 30 years of working a little too well financially, the government introduced massive changes in the plan. It widened the scope of the benefits, increased the coverage, increased benefit amounts, increased the covered earnings, decreased the qualification period, and changed the method of financing. The 1971 changes were dramatic. They were almost breathtaking in scope. But history has proven that the 1971 changes were disastrous in design.

Recent public opinion polls show that a very high proportion of the population, usually over 80 per cent and most recently 88 per cent, believe that the unemployment insurance system is subject to widespread abuse. Just recently I joined the House after campaigning for the better part of a year, and I can confirm that this perception is very widely shared among the electorate. I made a point of asking people at coffee parties and public meetings why they believed the abuse was so widespread. The answer was shocking. Over a period of some three months, every single person I asked claimed that personally they knew someone who abused the system. They personally knew someone who had received benefits from the unemployment insurance system while having some other sort of cash income, or who had taken benefits from the unemployment insurance system while not seriously looking for work. The public's perception is that there has been and still is widespread abuse of the unemployment insurance plan.

What action has the government taken about this abuse? It has attempted to tinker several times with the concepts introduced in the 1971 bill. It has tried advertising campaigns to convince the Canadian public that the abuse is minimal. Also it tried advertising campaigns to convince the cheaters that somehow cheating is unpatriotic.

I am an actuary, and I am one of a handful of actuaries in Canada who has actually priced and designed income protection plans. This is an area which is loaded with pitfalls, an area where it has been demonstrated time and time again, in country after country, that when an income protection plan is not properly designed, widespread abuse of the plan will take place.