

Unemployment Insurance Act, 1971 (No. 2)

• (1250)

With more and more workers unable to find work, both Liberal governments and the short-lived Conservative government moved to prevent more people from qualifying for unemployment insurance by tightening up the entrance requirements. It was only four years after the new Unemployment Insurance Act had been introduced in 1971 that the Liberals set about dismantling it. Recognizing that unemployment would undoubtedly persist at above the 4 per cent predicted for the rest of the decade, the threshold level above which the government was responsible for the cost of initial benefits was changed from 4 per cent to an eight-year moving average of unemployment rates. In 1977 the government wriggled out from its commitment to bear the cost of extended unemployment. Bill C-27 eliminated two extended benefit periods for which the government had previously been totally responsible. The same bill introduced the variable entrance requirement we are dealing with today.

Most of the members opposite will no doubt insist that the variable entrance requirement was introduced to promote regional equity in the UIC program. I submit that is nonsense. After that requirement was introduced, unemployed workers in the hardest hit regions of the Atlantic provinces were required to have ten weeks of insurable earnings to qualify for unemployment insurance instead of eight weeks. How can making it more difficult to qualify for unemployment insurance promote regional equity? That can only be characterized as Liberal logic. They make it more difficult to qualify for UI, and then they make it even more difficult for people who do not live in those regions hardest hit by unemployment, and sell the whole package as promoting regional equity.

The introduction of this requirement in 1977 had nothing at all to do with promoting regional equity. It was a sop to the Liberal backbenchers from areas of high unemployment who were protesting the government's intention to increase the entrance requirement from eight weeks to 12 weeks. It seems to have worked; the backbenchers were silenced, and anyone today committed to saving our crumbling UIC program is forced to support the variable entrance requirement.

Since unemployment insurance was overhauled in 1971, every amendment introduced by the government, either with Liberals at the helm or my Conservative friends to the right, has ultimately served to tighten the screws even further in order to disqualify more Canadians, thus saving the federal government even more money. Of course, none of this would be possible without first trying to convince the electorate that it was in their best interests.

Bill C-14 was rammed through Parliament in 1978. It was preceded by a very slick advertising campaign designed to convince Canadians that unemployment insurance was fraught with cheaters and people who did not really want to work. Then, after trying to convince the public that it was essential to stop the unemployed from abusing the program, the federal government set about abusing it in its own way, to the tune of more than \$900 million, in Bill C-14. It did so by shifting the burden of the extended period of benefits from the government to the premium payer, and by making it even more difficult to

qualify for benefits. The victims of the government's abuse were young people and women, those sectors of the public having the most difficulty breaking into the labour market.

Finally, in 1980 the government ushered in legislation to take it out of the unemployment cost-sharing business to an even greater extent. The eight-year moving average was eliminated. No longer would the government assume financial responsibility for unemployment insurance should the unemployment rate become unacceptably high. The government only contributes now to the regional extended benefits. That manoeuvre saved the government about \$360 million in 1980-81. Not content with that, it began to raid the fund, paid for by workers and their employers, to finance other government ventures. In April, 1980, an order in council transferred the costs of the national employment service, some \$202 million in 1980, from the Government of Canada to the UIC. Last year \$188 million in job-training costs were charged against unemployment contributions. This year the minister is raiding the fund to the tune of some \$190 million to date to pay for work sharing. This, instead of taking real steps to create jobs for the thousands of Canadians facing lay-offs as the government's economic policies take their toll.

However, we have good reason to fear, Mr. Speaker, that the minister has even worse changes in store for unemployment insurance. I am referring now to the recommendations of the task force on unemployment insurance which the government reluctantly released last summer. I say reluctantly because I think it is evident that if my leader, the hon. member for Oshawa (Mr. Broadbent), had not secured a copy of that report and made it public it would not have been released to this day.

I mentioned earlier that the government's share of the cost of unemployment insurance has been dropping with each amendment since 1977. In 1980 Bill C-3 reduced the government's contribution to 20 per cent of the cost, the level which existed prior to the hon. member for Lincoln's Bill C-229 in 1971. But now the recommendations from last summer's task force would have assumed a fixed share of costs established at 15 per cent, rather than assuming the responsibility for any part of a program which is costly because of the government's inability to produce jobs where they are needed.

The task force would also have the regional extended-benefit phase eliminated entirely. The focus of unemployment insurance if these recommendations are implemented, will shift from income protection to labour market development. People living in areas hardest hit by unemployment will be penalized with a boost in the requirement from the present ten to 14 weeks to 15 to 20 weeks. So here we have regional equity being promoted in a way which will disqualify more Atlantic workers from benefits and force them to move west to meet the needs of the labour market.

The task force cited as evidence of the need for these changes more allegations of the unemployed abusing the program. It spoke of the fact that in Newfoundland workers could now qualify for up to 42 weeks of benefits with only ten