

Unemployment Insurance Act

people would be touched by a Government under his control.

After the election the unemployment insurance system became more important to the Government and was mentioned both in November in an economic statement and in the May 1985 Budget. The 1984 economic statement sliced \$300 million from the program through changes to definitions of income and other changes.

In July 1985, the Government announced the creation of the Forget commission to provide an assessment of alternatives to the unemployment insurance system. The commission had both business and labour representation. When the commission reported in December 1986, it was utterly split with the labour representatives submitting a minority statement of unprecedented proportions at that time.

The two key recommendations from the commission's majority were the loss of regional benefits and the annualization of benefits. The commission claimed that these changes would make the system fairer by giving all Canadians access to 50 weeks of benefits. These benefit levels would be based on average weekly wages over the past year, rather than on average wages over the previous 10 weeks.

The actual impact of these changes would have been drastic cuts in benefits. This system would have seen an over-all cut in benefits of 30 per cent. Newfoundland and Prince Edward Island would have seen their benefit levels fall by more than 50 per cent. We have heard some statements tonight about the impact of this current legislation on Atlantic Canada. The commission suggested that these cuts be replaced by a completely undefined set of income supports.

The Government was clearly not comfortable with these recommendations or its timing. Its major power base in Quebec would have lost \$1 billion under those proposals presented. The Government reacted by referring the recommendations to a standing committee which completely rejected the commission's proposal in its March 1987 report. The committee Members had to go home to their constituencies and face real problems with real people. They actually recommended improvements in the system.

In the end the Government whose mind was focused on an impending election did nothing. Not surprisingly,

the Prime Minister (Mr. Mulroney) also chose not to make the Forget report nor unemployment insurance reform a part of his election platform in 1988.

The New Democratic Party position on unemployment insurance is reflected in a presentation by our colleague for Nickel Belt to the Forget commission entitled *Back to the Future*. That document generally called for the liberalizing of the program and an improvement of benefits.

We have also called on the Government to pay for the training programs out of general revenues and not out of the funds submitted by employers and employees. To a large degree, unemployment insurance is an insurance program paid for by workers and employers. As a tax measure to pay for other programs it is extremely regressive and should not be used.

The New Democratic Party supports both of the cases which came out of the courts and led to some of the changes which we support within this legislation. We previously opposed the elimination of those over 65 from the program. We have consistently called for better parental benefits as they are envisaged in the Federal Court decision dealing with the rights of natural fathers.

I touched briefly on the insurance program. Let us make no mistake that at its core unemployment insurance is an insurance program. It is not a social assistance program. It is designed to ensure that working Canadians are able to look after themselves and their families during personal difficult economic times. It is with this in mind that employees have permitted money to be deducted from their cheques.

In so doing working Canadians believe that just as the money they contribute to pension programs will be there when they retire, money they contribute to the Unemployment Insurance Program will be there for them and their families should they lose their job. It is also with this in mind that we should examine carefully all that is within this Bill C-21 now before us in the House of Commons.

Thank you for the opportunity to speak tonight, Mr. Speaker. I see you are motioning that my time is up. I appreciate the opportunity to speak. I wish everyone well here tonight in convincing the Government to withdraw this Bill and go back to the drawing-board.