

Unemployment Insurance Act, 1971

Party caucus has no problem with supporting this Bill. I want to assure the Minister that we can go bang, bang, bang and put it through all stages. However, I want to use this opportunity to say a few things about the unemployment insurance program and about its administration.

First, the very fact that the Government has to extend the variable entrance requirement is an admission that it has not done a very good job, indeed, it has done a very poor job, in ensuring that in the hinterland of this country, in the regions, employment is created. I know the Government boasts about the hundreds of thousands of jobs that have been created. If it has done that, Newfoundland should not still be sitting at 17 per cent unemployment. If the Government had been successful in dispersing employment evenly across the country, there would be no need for a variable entrance requirement. It is an admission of failure on the part of the Government. It knows that it would not be politically wise to let the variable entrance requirement of 10 weeks to 14 weeks die in January of 1988 and go to a 14 week period across the country because it would receive a considerable amount of flack. Its job-creation programs have not done the job they should have done, particularly in the regions, and we now have the spectre of the Government entering into a free trade deal, and the Minister of Employment and Immigration (Mr. Bouchard) saying that we can expect the loss of up to 500,000 jobs.

While urban centres in central Canada will be hard hit by the Minister's prediction, think, Mr. Speaker, of what it will do to the hinterland of the country. For example, in my riding the present unemployment rate is 11 per cent. In Newfoundland it is 17 per cent. In many regions we are looking at double-digit unemployment. We really have not improved the situation in the hinterland, and everyone cannot live in Toronto, I want to tell the Government that. Many of us who live in northern Ontario would like to remain there and raise their families there.

Mr. Keeper: There are no houses in Toronto.

Mr. Rodriguez: People moving to Toronto are creating all sorts of social problems. There is a lack of housing. We know about the overloaded sewage disposal system. We know about all of those things. They are very evident. The Minister himself said that because of the free trade deal this country could lose up to 500,000 jobs. The Prime Minister (Mr. Mulroney) in his speech to the Exporters of Canada here in Ottawa said that labour adjustment programs would have to be put in place. Then we have an argument in this House as to whether he said it, or who said it, and he said he said it and who said he said it, and he did not say he said it. No one believes that Party over there any more, anyway, and this just reinforces the fact that the Prime Minister is not believable on this issue.

The Minister of Employment and Immigration said we would lose up to 500,000 jobs. Just six months or seven months previously the Solicitor General, the Hon. Member for Sault Ste. Marie (Mr. Kelleher), said we would lose up to 800,000 jobs. At the time he was Minister for International Trade.

That is what the Government said. Let us keep that in mind. This is not scare-mongering by the New Democratic Party. It comes from the lips of government Members who hope we will forget. I want to say that I am quoting Ministers of the Crown. They are the ones who are declaring that hundreds of thousands of jobs will be lost to the economy.

The second thing that bothers me about this legislation has to do with the deficit in the unemployment insurance program. A short while ago the Minister announced that he was not touching the premium rate for unemployment insurance, that is, the amount of money paid into unemployment insurance by employers and employees. In fact what he did was to increase the level of the maximum insurable earnings. He went on to say he was not touching the premium rate, leading people to think that somehow or other they will not have an increase in what they are paying into the unemployment insurance program. I think that was pure subterfuge because, in fact, by increasing the maximum insurable earnings, the average employee will pay some \$43 a year more, and employers, since they pay 60 per cent and the employees pay 40 per cent, will pay some \$57 more a year. Small businesses will pay \$57 more a year per employee.

● (1720)

So while the Government did not cut the premium rate by adjusting the maximum insurable earnings upwards, it is collecting and taking from each employee an average of \$43 per year more. What is the Minister going to do with that money? He stated that he wants to retire the deficit in the unemployment insurance program. That deficit was accrued in a period of recession in the early 1980s.

I wish you to keep in mind, Mr. Speaker, those figures that I am putting on the record. In 1986, the unemployment insurance program generated a surplus of \$721 million based on the present rate structure. All of that \$721 million was applied to the deficit. Based on the present rate structure, the projected surplus this year in the unemployment insurance fund will be \$1.6 billion. That is the surplus, and it will be applied to the deficit. It took four years of recession to run up the deficit in the fund. Employees are now paying large amounts of money out of their pay-cheques and pockets as premiums, and small businesses are paying considerable amounts of money per employee into the unemployment insurance fund, and it is generating those types of surpluses.

This is the moment while the Government is adjusting the maximum insurable earnings upward—and I have no problem with that—to cut the premium rate. By increasing the maximum insurable earnings, if it could take in the same amount of money, in the next fiscal year the Government could generate another \$1.6 billion. This is the time to give a break to employees and small businesses. Instead, the Minister is keeping the rate at the present level and increasing the maximum insurable earnings. If the present state of affairs continues, I would project that in the next fiscal year there would be a surplus in that fund of more than \$2.3 billion.