

Unemployment Insurance Act

These amendments are certainly necessary. It is agreed that the Unemployment Insurance Act as introduced in 1971 can only be described as a mess. It has cost the Canadian public many hundreds of millions of dollars, and improvement is long overdue. I am sure that no member of parliament or, for that matter, many Canadians, would seriously quarrel with the principle of unemployment insurance, that is, the principle that insurance should be provided to deal with the consequences of involuntary unemployment. However, I believe there has grown up amongst the Canadian people a vast amount of confusion and, indeed, resentment over vacillating government policies which on one hand give at one period of time, and on the other hand take away at another time.

The Prime Minister (Mr. Trudeau), in his Thanksgiving Day speech to the nation calling for severe restraint, stated:

All over the world, people are caught in the grip of what some have called the revolution of rising expectations. We have come to expect that there is some magic by which we can have cheap and plentiful food, energy, housing and government services, together with an ever improving standard of living. We expect this as a matter of right, regardless of how successful or unsuccessful we are in increasing our production of goods and services.

It is my opinion, and I am certain this feeling is shared by a great many citizens of Canada, that this Liberal government must take the major share of the responsibility for these rising expectations of the people of Canada. The Unemployment Insurance Act is only one example of Liberal government policies which have led the Canadian people to raise their expectations of government services to the point where the government is now calling for a program of restraint which, as the Prime Minister stated, is the heaviest imposed upon Canadians since the Second World War.

There are three measures in the proposed legislation which embody the principle of restraint. The first is an increase from three to six weeks in the period of disqualification for those who have quit, have been fired from their jobs or have refused suitable employment. I believe this provision is an improvement over the present legislation; it will undoubtedly reduce the number of abuses in respect of unemployment insurance benefits. The other two measures, termination of benefits at age 65 and the reduction of benefits to low income claimants, while contributing to restraint to some extent cannot, I feel, be justified on either economic or ethical grounds.

Let me expand on this point. Those in the labour force over age 65 have only a 10 per cent participation rate in the unemployment insurance scheme. Even if this entire group was receiving unemployment insurance benefits at the average Canadian rate of \$74.61 per week for 15.9 weeks—and I emphasize that all these points are highly unlikely and have been overestimated—the total saving to the Government of Canada would be \$2.77 million, or .07 per cent of this year's deficit. That is hardly significant, Mr. Speaker, in terms of employed persons over age 65. I believe the benefits to the government, whatever they may be, do not outweigh the detrimental effects felt by these persons. The provision to do away with the special benefit rate for low income claimants will affect those in dire circumstances, those to whom the benefits are most useful. In these three amendments we see measures which embody the principle of restraint. But can this restraint be

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justified when it affects the poor and the aged, those least able to bear the added restraint?

● (1510)

When the amendments to the Unemployment Insurance Act were debated in committee in 1971, some opposition was expressed to the provision of retirement benefits since these were not seen as falling within the principle of unemployment insurance with respect to interruption of earnings. This opposition was brushed aside by the government, however, and the provision for retirement benefits was passed. I do not wish to seem unconcerned about the plight of our senior citizens; indeed, this concern has been expressed a great many times. But I wish to make the point that this is a concrete example of the government's contribution to the "revolution of rising expectations". The government puts the blame on the Canadian people for their rising expectations, while their policies contribute directly to this attitude: they give with one hand and take away with the other.

I have said that I approve of the provision to increase the disqualification period from three weeks to six weeks as I feel it is, taken over-all, a valid vehicle for restraint. Moreover, I feel it will contribute to shoring up the Unemployment Insurance Act in the badly needed area of work incentives. Indeed, this is the only amendment proposed for the Unemployment Insurance Act which is designed to deal with the problem of work incentives. The inclusion of work incentives goes back to the basic principle of unemployment insurance, one which has been debated many times over the past few years but which has become even more pressing as the cost of operating the Unemployment Insurance Act becomes more and more prohibitive. This principle concerns, of course, whether the payment of unemployment insurance benefits should be regarded as strictly insurance or whether it should include aspects of income supplement.

My colleague, the hon. member for Hamilton West, and others who have spoken in this debate have asked to what degree the Unemployment Insurance Act as presently constituted has undermined the work ethic in this country. The idea has been pooh-pooed by some, but not by those who have looked objectively at the effect on unemployment insurance. The destruction of the work ethic is something all Canadians should be concerned about. It represents a change in our society which is not an improvement.

Concern has been expressed about young people who show no concern for their future, about the degree of vandalism which is apparent, and about the disrespect for many features in our system. The statistics are alarming. I would not suggest that the Unemployment Insurance Commission is causing this, but I think it would be foolhardy not to recognize that the change in our sense of responsibility, in our appreciation of the importance of work, in the importance of initiative, and of being responsible each for his own welfare, has contributed to a general breakdown in our traditional patterns. If there is any improvement in conditions at all, it is an accident and is not due to the clear direction of this government.

The other aspect of the deterioration of the work ethic in this country is the drop in productivity of Canadian