

Unemployment Insurance Act

people who follow Gallup and follow what they think are the vagaries of public opinion in this regard will be undone by that very same public opinion.

Granted, it may be unpopular to defend unemployment insurance in a time of restraint. But that is the price we in this party are quite prepared to pay. We have paid it before through other measures and we will do it again. The fact remains that the vast majority of people who are in receipt of unemployment insurance are deserving, both in terms of the law and in terms of need. The fact is that the overwhelming effect of this bill will complicate matters considerably for everybody. I cannot understand some of the provisions, and I have sat through committee meetings. I challenge the parliamentary secretary to explain to me once again the difference between repeaters, re-entrants and new entrants. It took two or three nights going through the bill for the civil servants to explain that to us.

● (1412)

An hon. Member: The *Globe and Mail* said you were bright!

Mr. Rae: For once the *Globe and Mail* was right. But when I think of the Liberals I always think of what that great Canadian philosopher, Larry Zolf, once said—"The Liberals firmly believe that you should never kick a man when he is up". I think that is the philosophy that the Liberals have taken on. They are not prepared to take on the powerful people in this community who have taken advantage of the tax system to acquire companies rather than to invest in Canada. The people they would rather take on at the present time are the unemployed. There is no easier road to follow than that road.

Just to show you how far industry has gone in this respect, I have a letter from the Pulp and Paper Association to the committee praising the proposals that have been put forward by the government. It says:

It is well known that the employment rate is not strictly a demographic function of a growing working age population trying to fill too few jobs.

The industry feels that the proposed amendment to the benefit rate reducing it from 66½ per cent to 60 per cent of average weekly insurable earnings will help break the linkage between the participation rate and the benefit rate.

If the total labour force had expanded at the same rate of growth (1.9 per cent) as the working age population the number of job seekers would have risen by 203,000 over the past twelve months. Given the 362,000 new jobs created in the same period, the seasonally adjusted employment rate would have come down to 6.8 per cent instead of staying at 8.2 per cent.

The participation rates are very volatile and are reflective of many tendencies, among these being young people staying out of school, and women seeking a second family income because of rapid inflation. Also among these must be included the high participation rates induced by the level of unemployment benefits itself. An interesting statistical analysis on this phenomenon was presented last December in *Executive Magazine* by Mr. John Kettle. Reducing the benefit rate to 60 per cent of insurable earnings should, in our view, help to reduce participation rates and thereby the unemployment rate by adjusting the number of job seekers more closely to the job-creation rate.

We know where to go now. We do not go to the Economic Council of Canada who have not called for any changes in the unemployment insurance—they have called for a change in the administration but not for a change in the regulations—we go to *Executive Magazine*. It is *Executive Magazine* that is dictating the course of this government.

We can see precisely what this government is trying to do in this regard. The government is trying to get a lower unemployment rate by cutting down on the participation rate in the economy. So if we get people back in the homes and back in the schools where, in the government's view, they belong, we will not have to put them on the unemployment statistics and worry about them any more. That is precisely the point that I made to the minister when we discussed the Outreach program in committee. That is precisely the point that is made by the Pulp and Paper Association, and that is precisely why the Pulp and Paper Association and *Executive Magazine* and the business corporations of this world are 100 per cent behind the government. They want to see that participation rate go down. They do not want to see women and young people in the employment market; they want to see them out of the employment market. I think it is a sad day for those people when it has been proved statistically that the vast majority of women working in the work force need to work because of the economics of the situation.

In Toronto, the metropolitan social planning council found that a family of four needed \$14,500 per annum just to live above the poverty line, that the average income of families was \$19,000 and that 80 per cent of families needed to have two incomes just to be living at the level of a \$19,000 per annum salary. So I say to the government, and I say to the Conservatives—you cannot tell the difference any more—to the hon. member for York-Scarborough (Mr. McCrossan) who keeps talking about secondary wage earners—and he was talking about secondary wage earners in his speech the other day—that in my opinion there is no such thing as a secondary wage earner in Canada today. There are primary wage earners only, because every single wage earner is necessary in order for those families to keep up with inflation. The theory going around that there are secondary people in the labour market who are causing all sorts of problems, that women do not really need to work and that children do not need to work until they reach the age of 24 or thereabouts, is a dangerous and reactionary theory. If that is what the government is trying to put forward, I think they are making a major mistake.

We have opposed this bill tooth and nail right down the line. I know that our opposition has caused a great deal of concern on both sides. We have been attacked almost equally by the government and the Conservatives because we have put up such strong opposition. In view of this opposition, Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That all the words after the word "that" be deleted, and that the following words be substituted therefore:

"Bill C-14 be not now read a third time but that it be read a third time this day six months hence."

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased today, as the debate draws to a close on Bill C-14, which to my mind is of considerable importance to the Canadian people, to make a few comments on third reading. This bill was parachuted and passed full steam ahead, to say the least.