

Unemployment Insurance Act

that our country in the past lived with high deficits and high ratios of debt to gross domestic product.

The second most obvious reason for the Government's introduction of the legislation is that as part of its delivery system for the Free Trade Agreement it has given in to the Americans who believe that our unemployment insurance system constitutes an unfair trading practice and that it should, therefore, be curtailed if not completely eliminated.

We of the Liberal Party warned Canadians during the last election that the Conservatives would dismantle the essential public services in this country for the sake of free trade. The Government's actions have confirmed our dire warnings. It has cut regional development grants, unemployment insurance tonight, provincial transfer payments, grain transportation subsidies, CBC funding, VIA Rail, and the list goes on and on. The Government made cuts to social programs as well as to a variety of other services in order to create conditions which would permit American businesses to compete with their Canadian counterparts on what the Conservatives call a level playing field. If a level playing field means plant closings and hundreds of people thrown out of work, including 975 workers at Northern Telecom in Aylmer, Quebec, 139 workers at Pittsburgh Paints, 600 Gillette Canada employees in Quebec and Ontario, then I would suggest the Government has succeeded very well indeed.

What Canada needs right now to deal with all the lay-offs caused by free trade is a more progressive and compassionate unemployment system. Instead, the Government tables this legislation which makes it more difficult for displaced workers to obtain unemployment benefits. Where is the logic in all of this, Mr. Speaker?

The third excuse which the Government uses to denigrate Canada's unemployment insurance system is that it believes workers to be fundamentally lazy and that a progressive unemployment insurance system encourages this nasty tendency. For anybody with at least a modicum of common sense and understanding of human behaviour, this argument is nothing more than vapid rhetoric. Individuals take pride in and get satisfaction from gainful employment. People use unemployment insurance benefits out of necessity, not choice. If the

Tory Government does not understand this, then it had better do some more homework.

Statistics show us that only an infinitely small percentage of unemployment insurance claimants either cheat or abuse the system. According to figures supplied by the Department of Employment and Immigration, only 5,507 people were caught cheating in 1987-1988. During the same period, 6,215 people refused a job while receiving unemployment insurance benefits and thereby lost their rights to the benefits.

If you tally up these figures, the number of people who either cheated or refused a job while claiming benefits is negligible. Only 0.45 per cent of all claimants can be said to have abused the system. Think of it, Mr. Speaker, that is less than 1/2 of 1 per cent of the 2.4 million people on unemployment insurance. If the Government thinks a progressive unemployment system encourages laziness, then I would have to say that the Government's thinking is muddleheaded because figures do not lie.

There is absolutely no relationship between a progressive unemployment insurance system and a high level of abuse and cheating. In fact, countries which have the most progressive unemployment systems, as the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) said in this House on June 6, have the lowest rates of unemployment in the world. For example, Sweden, Switzerland, West Germany, France and Australia all have unemployment rates of less than 5 per cent. Moreover, the average rate of unemployment in Canada between 1965 and 1980 was 5.6 per cent, a very low figure indeed. Therefore, it is a fallacy to assert that a progressive unemployment insurance system encourages sloth.

[*Translation*]

Mr. Speaker, the Unemployment Insurance Act was brought in by Mackenzie King's Liberal Government in 1940, following the great economic crisis of the 1930s. The basic purpose of this law was to ensure that all Canadians could meet their essential needs when they were laid off against their will. Unemployment insurance is only one of the features that makes our society more compassionate and fairer.

The Bill that we are debating today is clearly contrary to the spirit of that law. The Government intends to reduce its contributions to the Unemployment Insurance Program by \$1.3 billion. Furthermore, it will use this money to offset the cuts of over \$700 million that it made