

October 5 last. If we pass clause 2, then we approve what the government has done in terms of governor general's warrants even though we argued for two days about the illegality of that. As a matter of fact, someone said it was one of the most unique situations, right on the border of illegality. We are being asked to give overt approval to something that we believe was definitely and drastically wrong.

If we approve this, it is also putting an added burden on those who contribute to the scheme, the employees and employers. The minister shakes his head.

**Mr. Andras:** You just don't understand.

**Mr. Alexander:** If it is going in as an advance, it has to be paid back on such terms and conditions and in such a manner as the Minister of Finance may prescribe. That is quite obvious. Whereas, Mr. Speaker, if this matter is left as a grant it takes on a different complexion entirely, because then it is out of the consolidated revenue fund; that is where it stays and the whole program is shared by the taxpayers, generally speaking.

• (2120)

In conclusion, Mr. Speaker, I am most surprised that a bill which I had thought would be meaningful and would solve the ills of the unemployed has led us into one of the most elite debates that I have encountered in my four and a half years in this House. It is a debate that I think we should all be very much aware of; we should all be cognizant of what this government is attempting to do in two areas. First of all, they are trying to remove the control of parliament on government spending and, secondly, they are trying to make us accessories after the fact. We do not appreciate either of these gestures, Mr. Speaker, and we do not endorse them. Accordingly, as on second reading, we take a very dim view of this bill.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, when the hon. member for Hamilton West (Mr. Alexander) was condemning the government for its failure to solve the problem of unemployment, and indeed for its deliberate policy of creating unemployment as its answer to inflation, I was with him 100 per cent.

**Some hon. Members:** Hear, hear!

**Mr. Knowles (Winnipeg North Centre):** In fact, Mr. Speaker, I wish he had spent more time dwelling on the way in which this government has let Canada down these last few years by its failure to come forward with policies that would produce full employment.

**Mr. Woolliams:** Well, you are supporting them.

**Mr. Knowles (Winnipeg North Centre):** As the hon. member for Verdun (Mr. Mackasey) has pointed out on a number of occasions, the real scandal of this government is not with respect to its administration of the Unemployment Insurance Act; the real scandal of this government is unemployment itself.

**Some hon. Members:** Hear, hear!

#### *Unemployment Insurance Act*

**Mr. Knowles (Winnipeg North Centre):** If there is anything that we should be doing in this session of this parliament, we should be bringing home to the government the urgent necessity of dealing with the problem of unemployment. I wish my hon. friend from Hamilton West would use his debating skill and his loud voice not to flog a dead horse but to try to get the government to face up to what is the real scandal.

**Mr. Woolliams:** If I ever saw a dead horse, we have one now.

**Mr. Knowles (Winnipeg North Centre):** I join with the hon. member for Hamilton West in his assertion that there are a number of weaknesses in the Unemployment Insurance Act. It may be that we would disagree about those weaknesses, however. I suggest that there are places where he would like to tighten the administration of the act, whereas some of us are more concerned that the people it covers really get the rights to which they are entitled.

The hon. member says that his party supported the Unemployment Insurance Act on division. Mr. Speaker, that statement shows that they are trying to have it two ways. When someone in this House, in response to a motion, says "On division" it does not mean that he is half for it and half against it; it means that he is against it but is not forcing a recorded vote.

Mr. Speaker, we found fault with the Unemployment Insurance Act, but on balance we felt it was an improvement over the previous act; that it was worth a try and that having tried our best in committee to get it improved, we should give it a chance. The trouble is that this Unemployment Insurance Act was put to a test by a level of unemployment far beyond anything that the government had contemplated and far beyond anything that we had considered when we had the bill before the committee. Let me say, at the risk of repeating myself over and over again, Mr. Speaker, that the scandal which erupted during the election campaign, and the scandal that is still with us, is not a monetary scandal, is not a case of misappropriating or over spending money; the scandal is unemployment itself.

**Some hon. Members:** Hear, hear!

**Mr. Andre:** Let's turn them out, then.

**Mr. Knowles (Winnipeg North Centre):** The entire opposition of this House, including my friends of the Progressive Conservative party, should be insisting on policies that will do something about unemployment itself.

Mr. Speaker, even after we have isolated the real issue, namely the scandal of unemployment, and even after we have pointed to some of the weaknesses in the present Unemployment Insurance Act, the fact is that Bill C-124 is here for one reason only. I suggest that it is the responsibility of the grown up members who sit in this House of Commons to acquaint themselves with what this bill is all about. This bill has nothing to do with the terms and conditions under which unemployment insurance benefits are paid; this bill has nothing to do with paying a deficit on the unemployment insurance account; the purpose of this bill is simply to cope with the fact that as the bill was