

*Government Orders*

Perhaps the government should have listened to suggestions made by members of its Quebec caucus instead of dismissing them so rudely. Those few brave men who dared to speak up did so on behalf of their constituents. They should have been shown some respect. Instead, the minister rejected their ideas out of hand.

Those Conservative members who spoke out against Bill C-105 understand that the changes will create a great deal of hardship for many Canadians. We on this side of the House know that too. We know that the problem is not laziness; it is joblessness. We know the problem is not layoffs; it is layoffs. We know the problem is not the indolence of our workers; it is the insolence of our ministers.

As we saw during the demonstration in Montreal, Canadians are angry at this government and will not put up with its neglect and misinformation any longer.

While we are on the subject of misinformation I want to be perfectly clear on one point. Job quitters are not the problem this government makes them out to be.

A 1991 Economic Council of Canada report found that people who quit their jobs are not a drain on the UI fund. Half of all job quitters went to another job immediately and another 43 per cent found new jobs within 10 weeks. The largest burden the UI fund must deal with are those hundreds of thousands of Canadians who have been laid off from the manufacturing sector. These people have been neglected by the government during this recession and are still waiting for the promised workers' readjustment programs.

The government claims it must penalize job quitters in order to control the deficit in the UI fund. It says that with the UI fund deficit at \$4.9 billion in 1992 it cannot afford to support people who give up work. While it is true that the UI deficit is a very serious problem, I would suggest that the government is not doing all it can to control it. It has chosen an ineffective way to do so and could have chosen a better, more productive way. The government is not doing all it can to control the deficit and the UI fund. I say this because while the government moves against people who quit without just cause and people who are fired for misconduct, it ignores those who abuse the UI program through misuse or outright fraud.

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There are many people who claim UI while earning more than they are allowed in under-the-table jobs. There are many who collect UI while studying full-time, and many who defraud the system with bogus claims. Those people, who we might refer to as cheaters cost Canadian taxpayers more than \$200 million a year. Is it not strange that a government which claims to want to stop those who abuse the UI system has decided to focus on job quitters rather than cheaters? I would think the government would want to stop this type of abuse before any other.

I said earlier that by going after voluntary leavers the government has chosen an ineffective way to control the deficit and the UI fund. In order to illustrate what I mean by this I would like to briefly outline the present state of the UI fund.

In 1990 the government stopped contributing to the unemployment insurance fund from general revenues. The fund became entirely financed by premiums paid by employers and employees. Since then the cost of the UI program has increased by \$7 billion.

To meet these rising costs the UI premiums paid by employers and employees have been increased twice. In July 1991 they were increased by 24 per cent and then by 7.1 per cent in January 1992. Unfortunately these increases in revenue have not kept pace with the demands placed on the UI fund. Chronic unemployment has kept the UI fund in a deficit. The cumulative deficit now stands at \$4.9 billion.

Desperate to control the deficit in the UI fund, the government decided it had only two choices: raise premiums again or cut benefits. They chose the latter. Unfortunately, the cuts are expected to save only \$2.5 billion over two years. The effect they will have on the UI fund deficit is negligible. By the end of 1993 the deficit will rise to an astounding \$7.6 billion despite the cuts.

That is why I say the government has chosen an ineffective way to fight the UI fund deficit. Earlier I also said the government could have chosen a better, more effective way to control its deficit. I suggest the best way to control the cost of the unemployment insurance program is to put unemployed Canadians back to work.