

*Unemployment Insurance Act*

work and his earnings allow man to acquire his independence, which is essential to the status of free man and to the very existence of a democratic system.

Every citizen, whoever he may be, has a right to a guaranteed annual minimum income, whether he gets it through his work or through the state, if he does not work because of a surplus of manpower or because he suffers from a social, mental or physical handicap. He needs this income and, under present circumstances, with the complications that arise because the act has not been sufficiently modified, the victims of unemployment will continue to meet the constant difficulties caused by this overly complex legislation.

In our superstructured societies, economists are given virtually absolute infallibility. To some extent, they are considered the popes of capitalism. They dominate government services. They serve on boards, commissions or agencies. Since the beginning of the industrial era in North America and since the beginning of the quiet revolution in Quebec, they have gained favour with the governments: they are listened to. They enunciate dogmas which greatly influence our social environment, but only a few people take the trouble to closely examine these dogmas and even fewer people dare question them.

However, in the face of the enormous problems created recently by inflation and unemployment, experts begin to wonder. Do economists deserve their reputation of infallibility? Are their dogmas consistent with the facts? It would be in order to discuss some of their theories.

According to one of their dogmas, there would be a relationship between wages and unemployment. Economists with a reputation of soundness suggest that if unemployment rises, pay increase claims will come down. This is contradicted by the facts. Labour unions are not blind. They ask for pay increases as prices rise, and that unending price-wage spiral is hindering productivity increases. Therefore, profits decrease, business declines, some industries close down, and others speedily convert to automation, increasing unemployment.

Unemployment is a good example. Quebec and Ottawa naturally want to fight unemployment, but they have to use public works as expressways, subways, airports and other projects.

But to really fight inflation, governments should forget for a while the rather questionable dogmas of their appointed economists, and in all humility consider steps to develop new infrastructures, to give full employment to the greatest possible number of Canadians. Clearly, economic theories prevalent in the heroic times of frontier development are outdated in our highly urbanized society. We must now reason within the context of an entirely new social structure. On the whole, present dogmas are false. We must therefore consider the situation anew, look at the actual facts and change the act, so that a real incentive is given to Canadians, the greater number of whom are very well inclined.

[English]

**Mr. Walter Baker (Grenville-Carleton):** Mr. Speaker, I think the House owes a debt of gratitude to the hon. member for Hamilton West (Mr. Alexander) for the very

[Mr. Dionne (Kamouraska).]

constructive way he has dealt with the problems that are imperative in this bill.

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

**Mr. Baker (Grenville-Carleton):** As we proceed toward a Christmas adjournment, we ought not to forget that this bill puts a heavier burden on many people in the community, such as the elderly and those who would otherwise benefit by the extended benefits, and the change in the benchmark that has occurred by this piece of legislation. These people who are afflicted by this legislation are also the beneficiaries of what can only be termed a breach of trust by this government in terms of providing employment opportunities for Canadians.

● (1500)

Neither should we forget that the program which was announced the other day, ineffective as it is, will do nothing in terms of the psychology which would permit the government, if it chose to exert any leadership, to show leadership to investors in the business community and to others, and give them some hope.

We have before us a piece of legislation which has been debated fully in the House. Parts of it are acceptable to the party to which I belong. Other parts are not. In order to facilitate progress with this matter I would comment to the House the excellent contribution made by my hon. friend from Hamilton West, and ask the government if it is now ready to bring this matter on.

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

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, I should like to inform the House that we have been able to curtail the hon. member for Nickel Belt (Mr. Rodriguez).

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

**Mr. Peters:** I shall not try to make the remarks he had intended to make but I will say it was very odd to listen to the last speaker. He damns the government and then, I presume, intends to vote for the bill before us.

**Mr. Baker (Grenville-Carleton):** Wait and see.

**Mr. Peters:** I wish to associate myself with the hon. member for Kamouraska (Mr. Dionne) who this afternoon made the case I might have wanted to make in terms of the effects of the bill upon the poorer people of the country. As one who comes from a rural area he is well aware that the abuses which are alleged by members of the Conservative party and members of the Liberal party do not exist, in our experience. The penalties now proposed will hurt the unemployed, those who are seeking work and are unable to find it. Almost all the changes which are to come into effect when this measure is proclaimed will affect such individuals adversely. On the other hand, the sections which might give them some advantage are not being proclaimed at this time.

The adverse effects of this legislation will be added to those of the government's anti-inflation program, the burden of which falls largely on the backs of the poor. We are asking them to carry such a heavy share of the restrictions called for in these programs that it is a disgrace to