

*Unemployment Insurance Act*

The evidence in Canada is overwhelming that widespread abuse has taken place. The public knows it; the statistics prove it. But let me try to put this abuse into perspective. My experience in design of private insurance reinforces the conclusions of actuarial and other economic studies of the unemployment insurance plan to suggest that about 1 per cent to 1.5 per cent of the working population is abusing the plan. This is about one out of six of the unemployed. It is the actual design itself of the plan which leads to this abuse.

My friends in the New Democratic Party probably would argue that my estimate of the amount of the abuse is too high. That is a point I could debate with them. However, whether my figures are too high or not, the basic fact remains that the vast bulk of the unemployed are legitimately unemployed. They are not cheaters. They are unemployed because of the ineptitude of this government. They are unemployed because there is not enough work available in the country.

This government is trying to conceal its own ineptitude by blaming the unemployed for its failures. In his address on August 1, the Prime Minister referred to those who chose not to work. Referring to the proposed changes in the unemployment insurance bill, federal spokesmen have used words such as, "UIC crackdown" and "weeding out the abusers". For the government to pretend that its current proposals for unemployment insurance will "weed out the abusers" is unethical and dishonest.

We on this side of the House recognize there must be changes in the unemployment insurance plan. There must be cuts, but they must be sensible and intelligent ones which curb abuse. Each of the proposed changes presented by the government does not distinguish in any way between honest and dishonest claimants. The changes proposed by the government represent no less than an attempt to ride to popularity on the backs of the unemployed whom this government is responsible for creating.

In his introductory statement to the House, the Minister of Employment and Immigration (Mr. Cullen) stated that he tried to wield a scalpel instead of an axe. A scalpel is a precision instrument when wielded by a surgeon. However, a scalpel in the hands of a layman can result in cutting away the muscle rather than the tumor. A scalpel in the wrong hands can result in the victim bleeding to death through a series of painful cuts. At least the axe has the virtue of putting the victim out of his agony quickly.

● (1652)

The minister has stated that the prime objective of his proposals is to "reduce some of the disincentives to work which are present in the program". "Reduce the disincentives to work"—doesn't that just roll off your tongue nicely? What the minister means is that many thousands of families in desperate straits are going to have essential dollars removed from their incomes when there is no work available.

What the minister means is that in areas of high unemployment people who are unlucky enough to lose their job twice in a year can be cut off benefits. What the minister means is that

people returning to the work force after a period of absence must find 20 weeks of employment to be covered, work which may not be available because of the economic mismanagement of this government.

In order to eliminate the political problem of the public's perception of abuse within the unemployment insurance system, the minister appeals to the worst in the electorate. He appeals to the electorate to cut back all of the unemployed's benefits, knowing full well that the vast majority of the unemployed, at least five out of six, are unemployed because of this government's economic failures. He has thrust that scalpel into the gut of the unfortunate and is twisting it about.

The burden of the government's proposed changes falls very unevenly in this country. Going back ten years, we had regional disparities in this country. However, the rate of unemployment in the more fortunate provinces differed only by 2.9 per cent from the rate of unemployment in the less fortunate provinces. Today, Mr. Speaker, that difference has widened terribly. The difference between the unemployment rate in the more prosperous provinces and that of the less prosperous provinces was 7.9 per cent last year, nearly the 8.1 per cent average rate of unemployment across the country.

These proposed changes will fall most heavily on that area of the country that can least afford to bear it—the Atlantic provinces and Quebec. In his initial national election campaign, the Prime Minister committed our country to a national goal, the goal of eliminating, or at least significantly reducing, regional disparity. The Prime Minister talked about the just society. Where is the justice of these proposals? Where is the justice of exacting the largest penalties from the areas least able to afford it, the areas where the government's own failure is causing the problems?

I agree with the Minister of Employment and Immigration that the government needs to wield a scalpel instead of an axe. But the scalpel has to be in the hands of a surgeon to be of use, in the hands of someone with compassion, someone with understanding, someone committed to designing a workable plan, a fair plan, an equitable plan that will provide Canadians with the protection they deserve at a price they can afford.

Let us look at the basic premise underlying the current and the proposed plans. The government has tried to design an unemployment insurance plan which provides one level of benefits, 60 per cent of earnings, for Canadians making less than \$12,500 regardless of their situation in life. I think it is obvious that any benefit which is high enough to be adequate for a family consisting of a husband, a wife and children with only a single wage earner will be more than adequate for a single wage earner with no dependants, and can even provide an incentive to exploit the plan with no financial loss to certain types of secondary wage earners. Consider a family supported by one wage earner, either a single parent family or a two parent family, where the wage earner earns \$200 a week. Under the current plan the wage earner could, if unemployed, collect up to \$133 per week.

I submit that few heads of families would find any inducement whatsoever to quit their jobs to take that sort of income