

people who benefited from these provisions, and the government mentions in its white paper that special provisions for fishermen will remain. I presume that these are going to cost money, and in all probability more money under the proposed legislation since the benefit payments are higher than under the existing act. The question which I want to have answered is: how much will these benefits cost and what will the real saving be which the government alleges will be made through the elimination of seasonal benefits.

Since becoming a member of this House, I have read a great many white papers and reports by special committees, but none has been so bereft of substantiating evidence or documentation as the white paper on unemployment insurance. The most elaborate and far reaching claims are made without the slightest shred of evidence to support them. On page 5 of the government white paper we find this:

Persons with a short work history may have even greater problems than those who have a long term labour force attachment. Allowing workers to take early advantage of an unemployment insurance program prevents them from falling into unstable work patterns. Instead, they are effectively integrated into the productive main stream.

My question is, very simply, how? The real problem of our economy is in creating new jobs, in revitalizing various segments of our industry and in bringing about taxation measures which offer a genuine incentive to increased productivity. Welfare measures of the kind proposed in this legislation will do nothing to create jobs. They may very well, however, have the detrimental effect of creating large classes of people who are capable of work and desirous of being gainfully employed but who, by reason of the government's mismanagement of the economy, will become nothing more than recipients of monthly handouts from the state, subsidized by those people who are productive members of the work force and by their employers.

The government's assumptions throughout the white paper have been based on a national unemployment rate not in excess of 4 per cent. Largely through the government's own efforts this country has in the past year been plagued by a national unemployment rate which is very nearly twice this figure. I wish that I could see on the horizon clear signs that in the next very few months the national rate of unemployment would return to levels of 3 per cent or 4 per cent, but I do not. I think we must, therefore, take very lightly the claims which are set out in the white paper assuming that the national rate of unemployment will be 4 per cent or less.

At current levels of unemployment, and by that I mean the level of unemployment which has persisted in the past year, the unemployment insurance fund would operate at a deficit of approximately one half billion dollars on the basis of the schedule of payments and the period of payments proposed in the act now before the House. I make this claim on the basis of a lengthy and most detailed study on the financial implications of the government's proposed changes in the Unemployment Insurance Act by a prominent Canadian chartered accountant,

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whose views were substantiated by an independent actuarial consultant. They were further discussed at length and in person by him with the officials of the Unemployment Insurance Commission, the result of which was to force him to conclude that however desirable may be certain features of this proposed legislation they cannot be implemented under existing circumstances without the fund operating at a deficit of some several hundred millions of dollars.

I note the following in the white paper:

The government is not only willing to help the unemployed and the less advantaged by providing a system of incomes support during an adjustment process; it is also ready to assume the cost of extra unemployment insurance benefits when the national unemployment rate exceeds 4 per cent or when regional unemployment is over 4 per cent and exceeds the national average by more than 1 per cent.

This certainly appears to be a very generous statement for the minister to make. However, I wonder where he believes the means will be found which will enable the government to pay these extra benefits. It is the people of Canada, the taxpayers, who will assume this cost. Who else but the people of this country provide government with the funds to carry out such programs? I suggest that the present bill is simply a further example of the government foisting on the people of this country socialistic measures which are neither wanted by the vast majority of the people nor needed, nor are they within the financial means of the country. In reading the minutes of the proceedings and evidence of the Standing Committee on Labour, Manpower and Immigration respecting the white paper on unemployment insurance, I was struck by the fact that the overwhelming number of witnesses who were heard opposed this bill. That should provide reason in itself for the government to consider whether it would not be best to rethink its proposals on unemployment insurance.

Perhaps these objections were best summed up in the presentation made to the committee on October 13, 1970, by the Canadian Teachers Federation. The federation said in its brief:

There is no doubt that the present unemployment insurance scheme, if it is to continue to exist requires over-all reform. Proposals to improve the financial condition of the fund by drawing in groups with a low expectation of claims are not new. We have consistently opposed them on the grounds that they represent selective taxation of an inequitable kind. They are not made more attractive by the addition of benefits which are generally already enjoyed by those whom it is proposed to include, nor by the addition of a highly doubtful claim to universality. From our point of view, even within its own terms, the present proposal for amendment of the unemployment insurance scheme creates more difficulties and anomalies—and of a more baffling kind—than it resolves.

Also, in an editorial in the *Winnipeg Free Press* of April 2 of this year, headed "Unfair Tax" we find the following:

It has been obvious for some time that, whatever else Canada's revised unemployment insurance plan will be, for many people it will not be insurance. People who have no need for such a plan, and who cannot hope to benefit or receive protection from it (which is what insurance is supposed to do) will be paying, in effect, an additional compulsory tax. And employers will be levied a similar tax.