

*Unemployment Insurance Act*

obliged to cut down the amount of food and fuel they can buy for their families.

● (2032)

If this proposal goes through it will mean serious deprivation for many people next year. Many people have depended on unemployment insurance for a substantial portion of their annual income, and now much of this support will be taken from them. There are, of course, the welfare rolls. In Newfoundland the welfare office is fairly active as things are—I cannot say it has more clients in proportion to the total population than any other province in the country but I suspect that is the case. The welfare rolls will get longer. Newfoundland is a province which already has a tremendously high debt. I shall not go into the financial status of the Newfoundland government, but the added costs of welfare payments will prove to be a serious additional burden. It is somewhat unbelievable to me that some 8,000 people—

**Mr. Lalonde:** The hon. member might mention that we pay 50 per cent of welfare costs. He might put that on record.

**Mr. Faour:** That may be so, but this will still have serious consequences for many communities.

Reduction of benefits is another aspect to be considered. The government has proposed that benefits be reduced by 10 per cent across the board from 66⅔ per cent of insurable earnings to 60 per cent. That is a reduction of about 10 per cent. At a time when inflation is wiping out the benefit of any increase in income people may get, at a time when incomes in provinces like Newfoundland are among the lowest in the country, at a time when the Metropolitan Toronto Social Planning Council suggests that a family needs \$14,000 if it is to live above the poverty line, the government is cutting down on the amount the average individual in Newfoundland receives from unemployment insurance.

Since the amount is based on income earned we need to look again to ascertain who is being hurt worst. They are people at the lower end of the income scale receiving the minimum wage, or slightly better, for a few months of the year, enough to qualify them for unemployment insurance benefits. They would qualify for two-thirds of the meagre income they earned in the summer and this will have to carry them over the winter. This is certainly not a very great amount at present, but under the government's proposal the proportion would be cut to 60 per cent.

In Newfoundland the average wage is about \$100 a week. The government is proposing that an individual should live and feed his family on \$60 a week. In other words, a person who earned the minimum wage in the summer would have to live on a weekly income of \$60. I think, for instance, of fish plant workers who are not unionized and whose wages are not very high. They earn the minimum wage or slightly above it and, of all people, it is they who will have to accept a cut in income because of the government's austerity measures. This is unforgivable. What they should be getting, as was suggested by one or two witnesses, is added income during the winter months so

[Mr. Faour.]

that they could cope with inflation. Remember, payments are based on income earned some time earlier, and inflation is eating up every month the amount they are receiving. So while the government is putting forward the figure of 60 per cent, in real buying terms that figure may be closer to 55 per cent six months after the claimant begins collecting benefits.

These are aspects which I believe the government has failed to consider or, if it has considered them, it has dismissed them as being too unimportant to stand in the way of slashing reductions in expenditure. What the government is doing is making people at the low end of the economic scale, people who can least afford any reduction in income, shoulder the burden of cutbacks and restraints. The government is telling them it is they who must bear the brunt of government waste and excesses. To my mind this is not fair play. The Prime Minister (Mr. Trudeau) many years ago talked about a just society. This is not a just society. If the Prime Minister would cut out give-aways to corporations the government could probably make up the same amount of money as it hopes to gain from this bill without attacking the poor and the unemployed who can least afford a cut in income at the present time.

As I said before, I am sure the minister has some good in his heart. If he really knew what the effects of these cutbacks would be, especially in parts of the country like Newfoundland, he would never introduce them in the form in which we see them. But he has not had a chance to see what the situation is really like. The committee, led by the government members, heard only nine witnesses, and most of those were from central Canada, either academics or professionals who had jobs. We never saw a single unemployed person appear before that committee; we never heard one bit of testimony from a person who was unemployed, the person who would be most affected by these cutbacks. I am sure that if the minister could have heard testimony from those directly affected by his proposals he would have relented. I cannot believe that if he understood the impact of these proposals on Newfoundland, for instance, where unemployment is very high, or on Cape Breton, he would seek to push these proposals through. For some reason, however, the government appears to have made up its mind. It does not wish to be confused by the facts. It wants—

**The Acting Speaker (Mr. Turner):** Order. The time allotted to the hon. member has expired. He may, of course, continue by unanimous consent.

**An hon. Member:** No.

● (2042)

[*Translation*]

**Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I had hoped until recently that I would not have to take the floor on this bill as the original purposes of the legislator, when he presented Bill C-14 to the House, are commendable and I think that if this bill could be