

Mr. Valcourt must rethink his bill, eliminate its offensive aspects and above all avoid tarring abusers and victims with the same brush. The intrinsic evil of this legislation explains the outrage of its opponents. If the government insists on having this legislation passed, it will consecrate the right of the strong to crush the weak.

[English]

• (0950)

As I mentioned during my speech at second reading of the bill, the Conservatives are alleging that they must impose this measure in order to reduce the debt and deficit. I would suggest that this is another convenient excuse prepared by a cynical administration to undermine Canada's social programs.

[Translation]

As honourable senators probably know, unemployment insurance will be the largest item of program expenditure item for the federal government in 1993, nearly \$22 billion.

Before Bill C-21 in 1990, the federal government's contribution to the unemployment insurance fund was about 20 per cent. Then the Conservatives decided to end the federal government's contribution and decreed that the fund would be financed solely through premiums paid by workers and employers.

Nevertheless, the Conservatives increased these premiums twice. They pay nothing but they increase the premiums that the others pay! In July 1991, premiums rose by 24 per cent and in January 1991 by 7.1 per cent. These premiums amount to \$18 billion in 1992-93. However, the cost of the program has risen by \$7 billion since 1990.

The reason for this increase is obvious: With this government's disastrous economic policies, unemployment went from 8.1 per cent in 1990 to 10.3 per cent in 1991 and 11.3 per cent in 1992. Furthermore, the costs related to unemployment insurance are constantly rising, and finally, the government decided in 1990, as you will recall, to finance training programs with money from the fund, whose total deficit is \$4.9 billion, as we predicted in the debate on the first bill.

What impact will the proposed changes in Bill C-113 have on the unemployment insurance fund?

By lowering the benefit rate from 60 to 57 per cent and by denying unemployment insurance benefits to those who are dismissed or quit their jobs voluntarily, the government is hoping to save about \$2.5 billion in two years. Nevertheless,

despite these reductions, the deficit of the unemployment insurance fund will reach \$7.6 billion by the end of the year.

Obviously, the impact of the changes imposed by Bill C-113 will be laughable. If the Minister of Finance wanted to control spending with this bill, as he said on December 2, he has failed miserably. As I said the other day, if the government honestly cared about putting its finances in order, it would have avoided measures like Bill C-92 which extends the tax break for trusts and thus deprives the government of hundreds of millions, even billions, of dollars in revenue.

So what will the consequences of Bill C-113 be for Canadian society? This measure will neither reduce nor limit the deficit in the unemployment insurance fund. It does not go after the real cheaters but attacks those who quit their jobs, thus affecting a negligible number of unemployment insurance recipients. Therefore the Conservatives put up the pretense that they want to weed out abusers and quitters from the UI system. That is nothing more than a diversion from the real problem.

[English]

In fact, the government is at a complete loss as to how they can resolve the unemployment crisis, a crisis they created in the first place. However, the price unemployed Canadians will have to pay for the government's ignorance could be quite high. For instance, when the government tabled its 1990 UI restrictions, thousands of families were thrown into poverty. The percentage of unemployed workers covered by the program fell from 70 per cent to 58 per cent, forcing many people to apply for welfare, which is paid by the provinces, of course. If Bill C-113 becomes law, many more people will be ineligible for unemployment insurance, and many more people will be forced to turn to the already overburdened welfare system.

The bill is so completely unacceptable to the civil servants who process UI applications that they have written a booklet to give job seekers tips on how to cut through unemployment insurance red tape. This brochure was also designed to help the unemployed qualify for maximum benefits and overcome barriers to qualifications under Bill C-113; legislation, as we know, that will cut off people who quit their jobs without just cause, or who get fired for misconduct.

I believe this brochure sums up the problem with the bill and with the government very succinctly. It is written by the people who administer these programs and it reads in part:

Unemployment is a bad experience for most people. It causes a lot of stress and costs you a lot of money. You may never make up for the money you lose if you have to take a new job with lower wages or less hours.

[Senator Hébert]