

makes \$20,500 a year contributes generously to the unemployment insurance fund.

So when he claims unemployment benefits after losing his job, he must get the same guarantees as any other unemployment insurance recipient. It is unfair and discriminatory that this individual must return part of his benefits if he earns over \$20,500 when he is reintegrated in the labour market.

The government evaluates at \$1.5 billion its savings under the proposed changes. We should note that the savings made in unemployment insurance represent \$1.5 billion or 60 per cent of total cuts. Obviously, the government justifies this accounting exercise by pointing out that the savings made in unemployment insurance will be reallocated to job creation programs, job training programs, and the reduction of the employer and employee contributions to the Consolidated Revenue Fund. However, those changes are beneficial to the employer and employee while their cost is mostly supported by unemployment insurance recipients and workers. Does this mean that Canadian workers subsidize 60 per cent of the cost of our economic recovery? We can really say that the unemployed are at their wits end.

The many changes made from time to time by this government to the unemployment insurance program are causing more and more hardships to the unemployed. For mysterious reasons, the government has declared war against the most unfortunate of our society. The family allowances bill was a good example of this. As concerns the unemployment insurance bill, it just confirms that tendency. What strikes us about this bill is the negative nature of those amendments. You can certainly support measures intended to make ineligible those who abuse the system, but when you see so many measures applied without distinction to the unemployed and the freeloaders it gives you cause for reflection.

The percentage of unemployed is much higher than the percentage of those who abuse the system. A study of the Economic Council of Canada maintains that four out of every five unemployed who draw unemployment benefits are jobless for reasons beyond their control. By reducing benefits rates from 66½ per cent to 60 per cent of the average weekly insurable earnings the government unfairly penalizes those who are really unemployed as well as the freeloaders.

As a corollary to the last point, let us mention that in the case of the unemployed, that is, the person who really cannot find work, the cost of living is going up every year just as it does for the rest of us. But instead of providing compensation for the loss of income stemming from inflation, the government decides to reduce the rate of benefits. Bearing in mind the inflation factor, the unemployed person is now being doubly penalized.

In a statement published on September 1, 1978, the Minister of Employment and Immigration (Mr. Cullen) explained, as follows, one of the prime objectives of the new amendments to the Unemployment Insurance Act. I want to make sure, he

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said, that the unemployment insurance program fully encourages Canadians to seek employment. Even if there is no work, they must find a job. With the new regulations going into force, about 240,000 recipients will therefore have to seek and find jobs. That truly is a strange goal, considering the fact that at the end of September there were 940,000 unemployed and, at the very same time, only 50,000 jobs were available in Canada.

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How will the minister manage to convince 249,000 idle workers to apply for those 50,000 jobs? The proposal of the minister sounds quite like a magic trick. With this new bill the government is once again putting the plough before the oxen. Before initiating such drastic cutbacks in the unemployment insurance program, the government should try instead to stimulate the economy thereby creating employment because the creation of jobs is the surest way to lower the cost of unemployment insurance. However, I warn the government that it is not by doubling the number of bureaucrats that it is going to create new and productive jobs.

According to the government, one of the flaws of the present system has to do with the ease with which people can find a job and be again in a position to draw benefits. They see a chronic evil in that fact. Yet is it truly their fault if they cannot find a job and have to rely on unemployment insurance to survive? Unemployment insurance actually becomes a form of guaranteed annual income for a good many unemployed and the government seems to be opposed to this philosophy, yet it is showing itself rather receptive to the principle of a guaranteed annual income as such. The least that can be said is that this government is not very consistent or coherent in its way of thinking.

The government is claiming that it is more than ready to open a dialogue with the provinces. With regard to the amendments put forth with respect to the unemployment insurance bill, it has only been partly receptive to the recommendations submitted by the provinces. As a matter of fact the Minister of Employment and Immigration refused to comply with the expressed wishes of the provinces at the last federal-provincial meeting. These provinces were asking him to delay the implementation of the new changes and rather to wait for the release of a study on the impact these new changes might have on the various welfare agencies. If one decides to go ahead with the changes before learning of the content of the study, why then bother with ordering that study in the first place?

The unilateral approach was paramount in this case and the federal government keeps accepting the contributions of the workers while having the provinces pay for social welfare. These same 249,000 unemployment insurance beneficiaries who will be dropped off will not all be able to get a job as we have seen. Consequently, because we are not yet living in an era of guaranteed annual income, these same people will have