

*Government Orders*

not be done with moneys from the unemployment insurance fund.

This leads me to the real philosophy and purpose of this bill, which is not to put more money into training because, as I pointed out, the government cut the training budget by 32 per cent since 1984. The real philosophy and purpose of this bill is to help the government deal with the deficit. That is one of its priorities. It wants to deal with the deficit. After cutting training since 1984 by 32 per cent, the government then realized it had to return to the training area and said: "Where can we find the money?" The government did not want to take it out of general revenues, so it took it out of the unemployment insurance fund. By the way, the unemployment insurance fund had a current surplus last year of \$2.8 billion. While the government has a deficit, the unemployment insurance fund had a current surplus of \$2.8 billion. The government says: "There is a good place to get the money, we will take it from there and also cut our statutory contribution to the fund".

• (1140)

The other philosophy underlying this bill is that the government really believes that the unemployed are lazy people and if you partially starve them and make it very tough for them, they will find work. How can you really believe in something like that in this country? Admittedly, there is a small percentage of people who might be like that. Our figures show that there are less than 2 per cent in Canada who have that attitude toward work. How can you really believe that when Canada is basically a country that relies on resource industries and a lot of seasonal work.

For example, I return to Prince Edward Island. Prince Edward Islanders are involved in fishing, farming, potatoes and the tourism industry. When November comes, those industries close. You cannot fish through the ice and you cannot harvest potatoes in the middle of winter. Processing them can only last so long. Unless you can rely on conventions, the tourism industry closes down as well.

**Mr. Hockin:** It doesn't close down.

**Mr. Allmand:** Here is somebody from Ontario talking. It does not close down altogether but it closes down in substantial terms. The buses that come across the ferry into Prince Edward Island do not come in the same

numbers in the winter. It is no fun on the beach in Prince Edward Island in the winter.

**Mr. Hockin:** There's great skiing.

**Mr. Allmand:** Here is somebody from Ontario talking. I do not know if the hon. member is trying to maintain that Canada is not plagued by seasonal work. We are plagued by seasonal work. That is one of the things we have to look at. Many of these people want to work but cannot work. There is no work in the winter, even in the construction industry. Everybody admits the construction industry slows down in the winter. What are you going to do? Leave these people without income in the winter?

That is just one point about Canada. Because we rely on resource industries which sell in a world market, we are dependent on world prices and world market conditions. When the legislative committee on this bill went to Sudbury, it was very well pointed out to us that in 1982, when world nickel prices declined, Inco and Falconbridge in Sudbury laid off approximately 7,000 workers because they could not sell their nickel on the world market. The price was too low for the costs that they had. They laid off 7,000 workers and there were approximately another 3,000 workers in related industries who were laid off. So Sudbury had 10,000 people out of work, not because they did not want to work or their employers did not want to put them to work but because of world market conditions. Those people were out of work for almost a year.

Witness after witness told us that if it had not been for the unemployment insurance system the community would have been in very serious trouble but, because we had a sound unemployment insurance system, these unemployed nickel workers and related workers were getting their benefits, were paying for their rent, their groceries and the basic necessities of life, even though the benefits were only 60 per cent of their income. They were still able to keep that money circulating in that community and many small businesses were able to survive.

It was not like the Great Depression of the thirties. One of the problems of the Great Depression was that we had no unemployment insurance. When certain firms closed and the workers had no money to spend, it affected the balance of the community. It had a cumula-