

Unemployment Insurance Act

this bill. This party, the party of right, justice, goodness and light, is opposing Bill C-14. I should get a little applause for that!

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Rodriguez: Clause 1 has a connection to clause 14, which talks about taxing back unemployment insurance benefits. In effect, it dandies up the language which allows clause 14 to take effect. What is the government arguing with respect to taxing back? They are saying, in effect: People who are wealthy should be prepared to pay back benefits via the income tax provisions; they should be prepared to pay back the benefits or part of the benefits they have received under unemployment insurance. So they have introduced this formula of 1.5 times the average annual insured earnings. That is what is proposed and it works out to around \$18,700 for next year. That is what they are calling an excessive amount of earnings; if you are getting that much or go above it, you will have to pay back a percentage of benefits.

● (1552)

It just so happens, Mr. Speaker, that the metro Toronto social planning council came out the other day with the latest figures showing that there is a \$1,150 jump in costs affecting a family of five. Such a family would have to earn a taxable income of \$14,450, or \$12,170 after tax. The poverty level in metropolitan Toronto therefore, for a family of five, is now \$12,170 after tax. But the government wants to tax it back as soon as income reaches \$18,000 or over.

We in this party have said this is a phony approach. When the provinces proposed a two-tier system and the provincial Tory premiers got their lackeys in the House of Commons to push it forward, we heard the minister say that it took away the insurance principles from the program. What does he think clause 1 does, Mr. Speaker, if it does not take away the insurance principle? Those people at the top of the earning scale, paying the same premiums for the coverage, are going to find their benefits have been taxed back. That is not an insurance scheme, Mr. Speaker; that is breaking with the insurance principle which the minister has touted time and again during debate in committee on this bill.

That was the argument he used against the Conservative party when they proposed a two-tier system. We say this is really a prop; if you want to go about with this sort of game, taxing people who are making a lot of money in this country, why not revise the Income Tax Act? I have been around here participating in debate, sometimes at great length, on the income tax program. But what has been done? It seems to me the principle the government is following is to take from those who earn a lot from this country. They ought to get into the whole question of revising the progressive income tax system so that as people earn more they are expected to pay more income tax. That is why we argued so vigorously against the loopholes, the RHOSP, the RRSP and the various other ways the government allows those who are wealthy in this country to escape paying their fair share of taxes. It seems to me a

[Mr. Rodriguez.]

worth-while project for the government to embark upon would be to set up a just tax program so that those who earn most from the economy are taxed accordingly.

It seems to me this clause is the thin edge of the wedge. The next step will be consideration of family income. If a family's income is over, say, \$22,000, the government will want to tax back. This is the new game which is being played by the government. That was the thin edge of the two-tier proposal made by the Conservatives—to take family income into consideration.

We have heard some very persuasive argument by the hon. member for Kingston and the Islands (Miss MacDonald) against the whole concept of using family income to determine what persons will get under any kind of social program introduced. That is what the minister is proposing to do though. That is where they are headed with this proposal, it seems. I can just imagine the bureaucratic red tape which would be involved. Already the unemployment insurance program is a very tough one with respect to administrative detail. Large numbers of those receiving unemployment insurance do not have the educational background to understand what is involved. That is why members of parliament often become advocates for constituents on unemployment insurance. We have tried to bring this point home in the past when we dealt with Bill C-69 and Bill C-27, which was an erosion of the 1971 Mackasey agreement. God bless his soul; he is now up there with the chairmen—

An hon. Member: He won his war with poverty!

Mr. Rodriguez: Yes. After bringing in the Unemployment Insurance Act of 1971 he has gone on to his just reward—to be chairman of the board.

Mr. Benjamin: He is flying up there in the clouds, now.

Mr. Rodriguez: Mr. Speaker, we brought the point home to the minister and his officials that the act is very complicated and bureaucratic. What the amendment before us will do is to superimpose on an already very complicated act an involvement by the income tax department. People who dispute what has been deducted will have to appeal under the Income Tax Act. So there will be two appeal authorities to be dealt with, the Income Tax Act and the Unemployment Insurance Act, and, as I said before, this will affect people who have very basic concepts about the way in which the unemployment insurance program works. In that shuffle I am sure many people will be hurt.

How much is the minister proposing to get out of this tax back clause? In all of Canada, \$9 million. What about the hundreds of thousands of people who have paid premiums to get coverage? If they go on benefit their premiums are not reduced. If the minister wanted to extend this principle of insurability he ought to have established a ratio between the amounts paid by people who are taxed back and the premiums they should pay, but he has eschewed such a principle. It is unfair. I will tell you what it is, Mr. Speaker: it is grand larceny. Because people have no choice but to contribute to the