

An interesting article appeared in the *Globe and Mail* of December 11 under the heading "Regional unemployment disparities remain at surprisingly constant levels". This study, by Arthur Donner and Fred Lazar, showed that unemployment figures in the various parts of Canada have varied remarkably little over the years, unemployment being persistently low on the prairies and high in the Atlantic provinces. The authors ascribe this state of affairs to two main reasons. The first is that in Quebec and the maritime region there is a high rate of job transfer. They suggest that if regional job turnover differences were eliminated, the unemployment rates in the three high unemployment regions would be relatively lower, ranging anywhere from zero to 20 per cent above Ontario's rate. Further according to the authors of this article it is probable that the highly seasonal nature of employment and job opportunities in the three areas of high unemployment are the cause of this situation.

In my view, this calls attention to a weakness in the plan. A seasonal worker employed for 20 weeks of the year is often as well off financially as one who works for 50 weeks of the year. The present unemployment insurance system is deficient inasmuch as it fails to take into account a worker's total earnings for the year. It also fails to take account of the situation in the prairie provinces, for example, where large numbers of the population are self-employed and contribute heavily to the fund through the general tax structure without the possibility of benefiting directly since self-employed people cannot claim unemployment insurance.

The survey may also indicate that administrators in rural communities are able to keep off the rolls many would-be recipients by strict use of the regulations. Indeed, it might fairly be said that many workers in rural areas have little chance of drawing benefits under the regulations the commission is presently following. The people affected are very often casual workers. These people are usually in the lower income brackets, working at jobs which, by and large, others do not want—for example, the farm housewife who goes to cook at logging or construction camps. She would be ruled out under the residence rule. She must pay unemployment insurance but has little or no chance of ever obtaining benefits; and, of course, she must contribute to the general tax structure.

● (1410)

I also ask whether the enormous transfer of funds from one area of the country to another to maintain the unemployed is the best method of using our money power. Certainly, if a worker lives in a high unemployment area he is likely to be able to obtain, if he wishes, enough money from short-time work to tide him over the year. It is not hard to obtain work at the average weekly wage in various parts of the country at some time of the year, even if a person has to move out of his home area. For workers who wish to take advantage of this, it seems that there are many built-in disadvantages to moving from an area of relatively high unemployment to an area where the work would be less seasonal and steadier.

The introduction of increased employee-employer deductions, with the raising of the benchmark, might be an improvement if true insurance principles were followed. But these few amendments to the Unemployment Insur-

Unemployment Insurance Act

ance Act are not likely to be very effective. I suggest that we have to take a look at the eight to 16 weeks' employment provision and at whether it is not too generous. If a person is only able to work eight weeks a year, surely he needs assistance other than unemployment insurance. There must be some serious impediment to his finding a job.

In addition, there should be more supervision of seasonal workers in the sense that some effort is made to assess their total working hours and income. It is well known that many companies carry the so-called black book, whereby workers can bank hours and these are taken up when they are laid off in the wintertime. More recognition must also be given the lower paid workers who contribute to unemployment insurance week in and week out and who are never unemployed, so therefore never make use of the system. They still pay their premiums and taxes. Many of these people harbour a great feeling of disillusionment because they feel they are victims of the system. I think the system would be more acceptable and workable if those who are unemployed were given either a bonus or paid lower premiums.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I debated with myself whether I should say anything on this particular amendment before the House, but after listening to the announcements made yesterday and last night I decided it was only appropriate that I make a few remarks. There are two matters that occurred to me arising from the events of yesterday, and they have direct relevance to the bill before the House. I am glad this bill has been examined as thoroughly as it has for the last five days, which permitted the announcements of last night and yesterday afternoon to be made. It tends to put things into proper perspective as far as the members of this party and many people in the country are concerned. This is why I am glad the bill is under scrutiny at this moment.

The two events that occurred yesterday rather intrigued me. The first was the announcement in the afternoon of the surtax by the Minister of Finance (Mr. Macdonald). One of the fascinating things about the announcement was that for a person earning \$35,000 a year with two children, the surtax would amount to \$10. That is the kind of restraint I like to see. I really enjoy it because it is an illustration of the problem we are facing. Then we had the announcement last night.

I should like to say something about the comments that floated across the House in regard to this clause. We were told by the hon. member for Hamilton West (Mr. Alexander) that we have to remove the disincentives from the Unemployment Insurance Act, and perhaps, in effect, this is what the minister has done. But I am always amazed at this business of disincentives and incentives. Why is it that we can take \$10 surtax from someone earning \$35,000 a year, but cannot take more because we do not want to kill his incentive to work, whereas when you give a hand-out to the poor people it is called a disincentive to work. I do not understand that sort of concept.

Mr. Anderson: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Comox-Alberni (Mr. Anderson) is rising on a point of order.