

Unemployment Insurance Act

(Mr. Andras) in the last six months. I can think of no proposal more insulting to the ordinary people, no tax so pernicious, unfair and regressive as that which the minister is proposing. He will get it, of course, because of the support of the backbench members of the Liberal party, but that does not mean that he is doing the right thing. It does not mean that this is a fair tax or that the proposal meets the needs of the Canadian people. Because it does not meet the needs of the Canadian people, it is unfair—and because it is regressive it is our intention to oppose this clause and, indeed, to vote against the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this amendment regarding the benchmark clause, I find that this is a very interesting change for the government. The Postmaster General (Mr. Mackasey), when he was in charge of putting this revised bill through the House in 1971, was adamant that 4 per cent was the level above which unemployment should not rise and above which it was considered to be a national disaster. But in effect the 4 per cent seems to have been highly visionary. Although, reputedly, there are many hundreds of thousands of unemployed in various parts of the country, it certainly is true that there are many job vacancies. This poses considerable problems for the economy. Canada, of necessity, is a far northern country. We have, in our seasonal work, periods when substantial numbers are unemployed due to the weather, and so on. We rely heavily on export markets, and certain industries such as the grain industry, pulp and paper, lumber and mining which are peculiarly sensitive to the wide swings in prosperity of these industries. I think any discussion of this question is significant when speaking of the benchmark clause.

In effect, the government is going to charge, within a year or two, enough premiums to the employees and employers to take care of the benefit payments exclusive of the extended benefits portion. This would mean that for the year 1974 the initial benefit cost of approximately \$16 million would have been covered by premiums. With the rapid rise in unemployment, it is obvious that the government wishes to decrease the burden on the treasury and shift the cost to the employer-employee. It certainly is an indication that this year there is a massive pay out in unemployment insurance, somewhere near the \$3.5 billion mark including the cost of administration. On a rule of thumb, approximately 25 per cent of the cost of unemployment insurance is an extended benefit. This means that for the year 1975 the employee-employer contribution, to meet the total initial benefit pay outs, would have to approach \$24 million or perhaps \$28 million, and \$24 million is a 50 per cent increase over what was collected in 1974.

Nevertheless, there is considerable merit in increasing the benchmark so that at least the initial benefit payments are met by deductions; it makes it a better insurance benefit. Increasing the benchmark is not, in itself, necessarily a good thing unless other considerations are met. At the present time, 50 per cent of this year's cost of the benefit pay-out and administration will have to come from the public treasury.

There are large numbers of people who do not qualify to draw unemployment insurance because they are self-employed, retired people or on fixed incomes. They are the ones who, in effect, must contribute through the tax

[Mr. Orlikow.]

system for the payment of unemployment insurance. I do not believe this is correct, because most of the people are not better off than the beneficiaries of unemployment insurance themselves. Extended benefits, particularly in a time of high unemployment, are still to be carried by the federal treasury and will amount to a substantial sum. This money is raised from the taxpayers at large.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time for private members' hour has arrived.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Victoria-Haliburton (Mr. Scott)—Finance—Small business loans—Request for changes in regulations to alleviate difficulty in obtaining loans; the hon. member for Sault Ste. Marie (Mr. Symes)—Labour Conditions—Strike of pulp and paper workers—Request for report on negotiations; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Publishing—Possibility of action to protect Canadian shareholders in *Reader's Digest*.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motions.

● (1700)

PRIVATE BILLS

[English]

AMALGAMATION OF EASTERN CANADA SAVINGS AND LOAN COMPANY AND CENTRAL AND NOVA SCOTIA TRUST COMPANY

Mr. Herb Breau (Gloucester) moved that Bill S-29, to enable the Eastern Canada Savings and Loan Company and Central and Nova Scotia Trust Company to amalgamate, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Peters: Mr. Speaker, by leave, now.

Mr. Breau moved that the bill be read the third time and do pass.