

the kind of cuts it has brought to parliament will increase unemployment in every part of Canada—Atlantic Canada, the prairies, the west coast and in the central provinces of Ontario and Quebec.

In terms of employment, this government has one of the worst records in existence. I say with care—because I do not know for certain, but this can be checked—that if you took a period for the last half-dozen years and compared the record of industrialized countries not pre-industrialized countries, you would find that this government has the worst record in providing work opportunities for the population than any country in the industrialized western world.

Yes, as the former leader of our party has just said, this government is even going to cut back on Manpower retraining programs. This government has a thoroughly reprehensible record. There was not one item in the package the government brought in on Thursday to suggest a specific program to stimulate employment. The package contained some good and a lot of bad. Many of the good parts were accepted by this party and even suggested earlier. Others have been pointed out as being bad and should have been eliminated some time ago. However, the across-the-board cutback on expenditures, meaning good programs as well as bad, means we will have more unemployment in Canada in 1976 than would otherwise have been the case.

● (1410)

One of the reasons the government brought the present bill before parliament was that they had discovered there was a constant increase in the amount required by the public treasury to pay into the unemployment insurance scheme. The reason there has been a constant increase, to the extent of hundreds of millions of dollars, has been the persistent and increasing high levels of unemployment.

What did the government do? Faced with this serious problem of increasing pay-outs which were generated by their own mismanagement of the economy, what they did in the case of unemployment insurance is precisely what they did in their budget cuts of Thursday night—they put the burden of paying the increased cost on the average and low income Canadians. They said that the ordinary people are being unemployed more frequently in Canada, so let them pay for their own misery. That is the full effect of the major amendment that is introduced in this bill, and it is for that overriding reason, as well as a couple of others which I will mention in a minute, that the NDP is opposed to this bill.

As a number of members know, the present act requires that the general revenue funds be used to pay for all unemployment insurance payments beyond the 4 per cent level of unemployment. What the government has done is to amend that and say that instead of the 4 per cent benchmark serving as the point at which the public treasury picks up the cost, they will have a floating average based on the average unemployment for the previous eight years. What this will mean during the coming year is, for example, that instead of the payments being for unemployment beyond the 4 per cent level paid out of general revenue, which comes from corporation taxes and from the income of people who pay taxes into the general revenue

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scheme, the excess beyond the new benchmark level, which will be in the neighbourhood of 5 per cent to 6 per cent, will be paid for out of the increased premiums paid by the people who contribute to the unemployment insurance scheme, namely, the ordinary workers, the very set of people on whom the government has also just imposed a set of wage controls.

What does this mean in dollars and cents? There are no precise estimates. We have had various ones. The minister responsible for the bill has given a figure of \$500 million. The *Financial Post* has provided another estimate of some \$800 million. I do not care which figure is the precise one. The case is that we are going to have additional revenue demands imposed on workers in Canada to the extent of \$500 million to \$800 million in 1976, demands on people whose incomes in the main are below \$8,500 because the legislation provides a ceiling of \$8,500 beyond which you do not contribute in proportion to your income. It means that ordinary workers, the majority of whom in below the \$8,500 category live at or below the poverty level, will have to pay the cost increase brought in by the government which, I say, is in the range of \$500 million to \$800 million.

If the bill had not been amended, as it is now being amended, that additional load would be borne by corporation taxes and taxes from the income of Canadians at all levels. What this means, in straightforward economic terms, is that average and low income people are having a disguised tax put on them and the people who are above them in income position will get a reciprocal benefit. For that reason, we find that this piece of legislation is extremely regressive. It goes against the principle of sharing responsibility for financial costs in the community in an equitable fashion, and indeed goes against one of the other arguments introduced at the committee stage by the former minister responsible for this act, the Postmaster General (Mr. Mackasey), when he said that by having a 4 per cent ceiling or benchmark at which point Treasury Board would have to pick up the total cost of unemployment insurance, we would have a major incentive built into law which would cause the government to keep unemployment down below the 4 per cent level.

By removing that 4 per cent benchmark and substituting a floating average, we remove that incentive. Given the nature of the present government, it is probably of no great consequence because it did not act as a real incentive with them in the first place. Ever since the present UIC legislation was passed in 1971, as I indicated, unemployment had constantly gone up. At no period did it fall below the 5 per cent level. For those two reasons, both in terms of the fairness of burden in the financing of the unemployment insurance scheme, which my party believes in the main should be a public responsibility because the public policy in our country, as well as in other countries, is the main determinant of unemployment levels, and because the government is backtracking completely on this and putting the burden of financing unemployment insurance on the ordinary working people themselves, we reject this bill.

We reject it, also, because it removes whatever little incentive there was in the act by having a 4 per cent benchmark at which point the government would have had to pay all increased costs. The floating average means that there will be no real prospect of the government accepting