

*Unemployment Insurance Act*

cost \$35 million. Ontario sees the impact in welfare costs alone, not social services and loss of revenue, as \$15 million. New Brunswick sees it in terms of \$27 million. Amounts borne by municipalities—and these account for 20 per cent of the bill—go on property taxes, the already burdened property tax. The people you think you may be pleasing are going to find out that at the end of the line there is another cash register you didn't tell them about. They will have to pay it with their property tax.

Let me deal with Toronto since this is the place on which I have the statistics. In that city it will mean 2,500 more per month—hon. members may laugh about it but I am going to tell them what it means. In Toronto 2,500 more people per month will be on welfare rolls. That will cost \$6.6 million plus \$900,000 for two new offices and re-administration. I did not think those figures up. They are from the report to the commissioner of social services of metro Toronto. That report was also dealt with by the minister of social services of the province of Ontario. Throughout any recitation of these kinds of statistics the government simply says, "Not true, not true, not true." Well, the fact is that every province is saying the same thing. Every municipality is saying the same thing. They cannot all be wrong and only the federal government right.

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The government cannot deny—and this bill shows it—that it is placing a burden in terms of welfare costs, social services and loss of income on every region, province, city and municipality in this country. The government might look good when its ministers talk about cost savings, but people are not that stupid, and the people will find the government out very shortly.

Behind much of this is the sense that there is no direction. What is the philosophy of the government with respect to unemployment insurance? Is it insurance? Is it social assistance? The government says it is both. Should there be a two-tier system which would allow people in the greatest need to get what they require in terms of the fund as it was, which is the essence of a two-tier system? People who have dependants will be asking Liberal candidates in the next election campaign why they did not adopt a two-tier system.

**Mr. Anderson:** Do you agree with it?

**Mr. Crombie:** People will be asking why people with dependants must get less. They will not understand. When it comes to a two-tier system the government says it cannot go along with that because it is a needs based program. It is a program which is related to need, and therefore the government cannot go along because it is an insurance program. The government will say it would love to go along but that it cannot because unemployment insurance is insurance and cannot be related to need. But then we look at clause 14, and in clause 14 it says "tax back". Son of a gun!

Why is the government doing that? People do not need that. Talk about working both sides of the street; this is unbelievable! However, it is not just sleight of hand. This reflects something which goes far deeper and is far more worrisome.

[Mr. Crombie.]

This continues to contribute to the cynicism of people who will be affected by this bill because if you are one of the 264,000, or someone who does not have a job and is looking for one, what happens is that after a while you do not care what line-up you get into. You just want to know which is the insurance line-up or which is the welfare line-up. You want to know where to go. Hon. members can ask anyone who has been in municipal government—and I know some hon. members opposite have been—and anyone who has will say that that is the truth. After a while people simply want to know how to maintain their incomes, particularly if they have dependants.

The government had a real opportunity to do a really good job. Public confidence in this program has been waning for four years. The government had an opportunity to come forward and engage in public discussion. The consequence would have been public education about such things as whether and to what extent there is induced unemployment as a consequence of the unemployment insurance program itself.

The Fraser Institute produced a very good study about which some hon. members know and which some have read. That study would have been useful because there may be induced unemployment, and if there is, we ought to know. There was a terrific opportunity to look at what happens in other parts of the world. Sitting in the committee one might have got the feeling that the only way to go is the government's way, but we should look at what happens in other countries.

I would not advocate the system of any one country, but it is worth looking at the variations which exist in the world. Let us consider, for example, benefits as a per centage of gross earnings. This bill would make them 60 per cent. In West Germany they are 60 per cent. In Spain they are 75 per cent. In Japan they are 80 per cent. In Sweden they are 51 per cent.

The number of weeks' work required to get unemployment insurance in Canada is 40 out of 104. It is interesting that the number is 13 out of 52 in the United States. The number is 52 out of 104 in Italy. In West Germany the maximum number of weeks of benefit is 52. The number here will be 50. In Denmark it is two and a half years. The variation is immense.

I can assure hon. members that people in Toronto would have appreciated an understanding that there is to be a new direction. We have high unemployment, and as a consequence people need money. How can we relate the program to the various income maintenance programs which allow people to carry out their obligations as husbands, mothers, fathers, and so forth? We did not have that kind of discussion, and I wonder why not. I think it is because the government was blinded by a new word, "restraint". This government has not known this word for very long. It was discovered sometime in the late spring or early summer. It is a word which hon. members opposite do not understand as being the exercise of government. They understand it as being the exercise of politics, not government, and that is why they did not deal with unemployment insurance in relation to the needs of people in Canada and, indeed, in relation to the needs of the various regions, provinces and municipalities of Canada. They dealt with it in panic. They felt it was necessary to show that