

Unemployment Insurance Act

We were being given some solid representations, and we accepted them. We did not go all the way with the Chamber of commerce, which wanted to see the entrance requirement increased much more than I wanted to increase it. We did not listen to those who would have had us reduce the benefit rate to 50 per cent. However, we accepted what we thought was an appropriate compromise. That is the way a bill should be drawn. We could not accept the main amendment of the New Democratic Party. We were told that if we accepted it, the bill would have gone through quite easily.

Then we looked at the two approaches taken by the Conservative party. The hon. member for York-Scarborough (Mr. McCrossan) said he spoke to my officials. We examined the two-tier approach and the voluntary quits approach to see if they had any merit. We looked at the approach the Conservative party was presenting. We did not feel that approach had any merit.

The Conservative party did a flip-flop with its own representations. Conservative members kept changing. They would tell us what they would like. When we pointed to a flaw, they flipped-flopped on this two-tier approach. It is roundly and soundly condemned by members of this party and by the NDP.

The two-tier approach is not equitable. We pointed out during committee hearings that, if this proposal were adopted, it would have a serious discriminatory effect on women. If one were to use the definition of "dependants" as contained in the Unemployment Insurance Act before 1976, total savings would be about \$850 million, which is comparable to the package contained in Bill C-14. But if one were restrictive and adopted the provincial definition of dependants—that is, dependent children only—savings would be increased and discrimination toward women even more profound. Using the former unemployment insurance definition of dependants, the two-tier proposal could result in a situation whereby only 5 per cent of women would receive the higher benefit rate and 42 per cent of men would be entitled to that rate. I could not accept the two-tier approach as proposed by the provinces and by the official oppositions.

Miss MacDonald: Because you do not understand choice.

Mr. Cullen: We pointed out this discrimination, and they drew in their horns somewhat. Perhaps the provinces were not totally right. Hon. members opposite did not bother to refer to the province of British Columbia, which said that our approach is a step in the right direction. Admittedly, the government of British Columbia is a Social Credit government and might have wanted us to go a little further, but that government said our approach is a step in the right direction. So all the provinces were not in favour of the two-tier approach.

In order to overcome the discriminatory aspect the Conservatives then proposed that either spouse could claim children as dependants. In other words, it was no longer a differential benefit rate for those with or without dependants but for those with or without children, whether or not they were really dependants. If they were trying to save money, this would have

[Mr. Cullen.]

reduced savings by another \$200 million. That is somewhat surprising because they were trying to come out with something which would get them off this hook.

When I introduced my package, the hon. member for St. John's East (Mr. McGrath) said it was like a kick in the gut. The hon. member for York-Simcoe said that it was a great move and that it was too bad it was not taken long ago. Hon. members opposite are trying to skate off this thin ice on to which they have got themselves, and they have come up with a two-tier system which is total discrimination against women. They say it is not discrimination and that it is just that more women are affected than men. They say that that is not discrimination. I challenge them to tell that to the National Action Committee and the National Advisory Council on the Status of Women.

● (1452)

Then yesterday they were trying to bail out the party. They had about six critics over there, but finally the Leader of the Opposition (Mr. Clark) rose to speak. I thought we were going to hear something other than a political speech. To his credit he got in a couple of good political jabs—one at me because I did not keep my mouth shut as I should have, but I appreciate it; that is what this place is all about. But then the Leader of the Opposition, speaking on the report stage of the bill, introduced the notion that the Conservative's two-tier proposal would use the same definition of dependants as that contained in the Income Tax Act.

Now we have heard a third definition of dependants. This definition is very similar to that formerly used in the unemployment insurance program; that is, it includes dependants' spouses as well as children. What effect would it have? The Income Tax Act allows either spouse to claim the children as dependants. If this course were followed in such a way that whichever spouse was claiming unemployment insurance could claim the children as dependants, it would have the effect of reducing discrimination against women; but it could reduce the savings to \$635 million, when they were touting their program would save more money, closer to \$1 billion.

If, as at present, the spouse with the highest marginal tax rate continues to claim the children as dependants, then the savings would be in the order of \$850 million but the discrimination against women would continue to be profound. In other words, the Conservatives cannot have it both ways. In order to maintain the high level of savings, the two-tier approach must discriminate against women. The removal of that discrimination implies a considerable loss of over \$200 million in the savings to the unemployment insurance program.

Some hon. Members: Hear, hear!

Mr. Cullen: Another suggestion from hon. members opposite dealt with voluntary quits. We were condemned because when we looked at it some of my officials said that if we studied it long enough, maybe we could make it work, but we could not consider the approach of opposition members. We recognize