

Mr. PETERS: That contribution of both the employee and the employer is a wage cost and is taken into consideration as general wages?

Mr. URQUHART: Yes, it adds to the cost of the house, and the suit of clothes I wear.

Mr. BROWNE (*Vancouver-Kingsway*): Would you not say it is an insignificant cost? I would like to point out that you said your rates run as high as \$3 an hour; and keeping in mind the rates of unemployment insurance and the employer's contribution to it, would it not be insignificant in relation to \$3 an hour? It seems to me it would be rather insignificant in the costwise factor.

Mr. URQUHART: I will give you an example. Our firm has done work for a large American outfit who sell their products across the world. They have many plants in the United States and several in Canada. We have just finished a project which ran a little over a year; we were modernizing an old plant. When we cleaned up I asked him when we could get some more work in order to keep our fellows going. He said there would be no more work. He informed me that they could not afford construction costs either in the United States or in Canada. He said they had to manufacture in Europe, South America and elsewhere because the construction costs here are pricing them out of the world markets. He said they sell in the world markets and the price is out of it, and that they were putting in automation in all their plants. They are remodelling them to take new machinery and new labour-saving devices.

Mr. BROWNE (*Vancouver-Kingsway*): You have said your wage rates are \$3 an hour and there are other factors which might bring it up to \$3.50 or \$3.75 an hour. According to my calculations I believe your total contribution would be 90 cents a week, which would be around two cents an hour. Breaking that down further, and taking the increase that is going to be made under Bill C-43, it perhaps would be one-half or three-quarters of a cent per hour. In relation to a figure of \$3.50, it seems to me it is a rather insignificant cost factor.

Mr. URQUHART: You multiply that by the total number of people who are working in our labour force. We stated there are 600,000 today.

Mr. BROWNE (*Vancouver-Kingsway*): If you multiply it by one million or one billion, the relationship stays the same. It is insignificant as a cost factor.

Mr. URQUHART: It is not insignificant. There have been a lot of construction contracts given on a fee basis. There is one going on in Montreal now. No one knows the exact fee. The government pay a bit more than private industry; but in this case the fee from the general contractor is less than one per cent; so, therefore, the increase in the unemployment insurance rates here are taking the entire amount of this fee. If you break that down you will find flaws in it, because this fee is on the whole thing. One-half of one per cent is not an insignificant figure.

Mr. BROWNE (*Vancouver-Kingsway*): But the increase is not one-half of one per cent.

Mr. URQUHART: The increase will come to almost one-half of one per cent of our labour costs on a job.

Mr. MARTIN (*Essex East*): Have you calculated what the total cost to the employers will be in terms of the proposed increase of contributions?

Mr. URQUHART: No, we have not gone as far as that yet.

Mr. MARTIN (*Essex East*): Would \$25 million be in excess?

Mr. URQUHART: It would be a pure guess; however, it would be an enormous amount of money.

Mr. SIMPSON: I would like to get back to this cost of the initial contributions for unemployment insurance, which Mr. Urquhart was mentioning. He says it is not an insignificant amount, but in clause 7 it is stated that: