

Unemployment Insurance Act

When the accounts are balanced off in April, Mr. Speaker, and all the T4 slips are analysed, we will find that in effect the commission owes the government \$189 million, which in effect is owed by the employers and employees of this country, and which will be absorbed and balanced off over the next few years by minor adjustments of a nickel or a dime to the weekly contributions. I cannot stress strongly enough that to defeat this bill, or even to postpone the passage of this bill, can have only one effect and that effect will be to deny to the unemployed of Canada the unemployment insurance benefits to which they are entitled, and to deny them as early as next week. That will be the general effect of postponing Bill C-124 or of defeating it in the House of Commons. The failure to carry out that responsibility and moral obligation is something that I do not think anybody in this House wants to have on his conscience. Certainly, the party with which I am presently allied does not want to be responsible for denying the unemployed of this country that to which they are entitled.

Constantly through the question period today there was concern shown by hon. members opposite for the unemployed, but it is very difficult for me to equate their concern during question time with their obvious intention to downgrade, to question, to defeat, if necessary, the Unemployment Insurance Act by postponing, delaying or defeating Bill C-124.

Some hon. Members: Oh, oh!

Mr. Mackasey: It is all right for the members opposite to holler and take exception to my remarks but through you, Mr. Speaker, I say to them that you cannot have it both ways. You cannot on the one hand condemn the government, with justification, for the abnormally high rate of unemployment, if on the other hand you begrudge the cost of the plan to the government, out of the general revenues, for supplying financial assistance to the unemployed of Canada. You simply cannot have it both ways.

If you argue that they are unemployed through no fault of their own in the overwhelming majority of cases, and that seems to be the general theme that emerges from this debate, then how can you begrudge them sufficient income in order that in the interim, while they are looking for work, they can at least exist with a degree of dignity, a degree of dignity that was impossible under the old act because of the very small levels of weekly payments?

• (1510)

Another thing that caught my attention today, Mr. Speaker, was that hon. members opposite have said the latest figures show a great degree of regional disparity. This is a problem that has faced governments for a considerable number of years. How many members opposite in the debate on second reading, in their question before the Miscellaneous Estimates Committee, the Labour, Manpower and Immigration Committee or this debate on third reading, have bothered to pay token tribute to the economic advantages of the present act and the contribution that unemployment insurance has made to reducing regional disparity? I want to quote once again some of the figures that I quoted on second reading, Mr. Speaker.

[Mr. Mackasey.]

In Newfoundland under the old act, \$20,630,740 was distributed in unemployment insurance benefits in the first six months of 1971 and for the same period in 1972, \$42,264,696 was distributed; in Prince Edward Island, \$3,627,433 under the old act and \$7,486,583 under the new act; Nova Scotia, \$23 million, under the old act and \$42 million under the new act; New Brunswick, \$21,512,336 under the old act and \$42 million under the new act; in Quebec, \$156,518,741 under the old act and \$308,663,331 under the new act; Ontario, \$169,880,126 under the old act and \$327 million under the new act. In case people out west think that they are not getting their fair share of this money that tends to reduce regional disparity, may I cite these figures? Manitoba received \$25,604,776 under the old act and \$37,564,287 under the new act; Saskatchewan, \$15 million under the old act and \$33 million under the new act; Alberta, \$30 million under the old act and almost \$62 million under the new act and finally, British Columbia \$61,417,092 under the old act and \$136,442,825 under the new act. I am sorry that I do not have the breakdown for the Territories.

The new Unemployment Insurance Act happens to be a good business instrument, both socially and economically, to reduce regional disparity. As I have pointed out before, the money I am talking about is one of the reasons we have had a certain degree of prosperity in Newfoundland this Christmas, as I am sure many hon. members opposite would agree. It has helped drop the unemployment figures we read today. The boom in retail sales is shown. It has arrested unemployment in this area by helping to reduce inventories of wholesalers and by providing work for the small industries in this country. I do not think anybody should discourage that, Mr. Speaker.

The question is, Mr. Speaker, what would the fate of the economy be at the moment if we had not distributed \$2 billion through unemployment insurance benefits over the last year? What method would we have used to transfer this money from the treasury to the people of this country?

Mr. Mazankowski: Give them some work.

Mr. Mackasey: Mr. Speaker, members opposite can provide their own answers; I am only asking the questions. I am simply saying that the unemployment insurance fund this year has distributed \$2 billion which does not vary too greatly, as hon. members know, from the concept of reducing personal taxes for precisely the same reason. Personal taxes are reduced in order to stimulate the economy and in order to provide more money for spending. An across the board reduction in personal taxes is not so effective in the sense that the wealthy get it; the person who has no income tax in which to reflect the reduction does not benefit. The wealthy may put it in the bank, not necessarily spend it, so it can have inflationary effects in the main cities. With this act we at least provide the people with money to spend in the regions of high unemployment, which at the moment are essentially the Atlantic provinces. I am surprised that any member of this House should disparage the \$2 billion that has come from the federal treasury to be distributed to the unemployed in Canada.

Some hon. Members: Oh, oh!