

Unemployment Insurance Act, 1971

However, the Unemployment Insurance Act compels people to put money. Every employee in the country on a wage must put money in. It is a tax, kind of a hidden tax in a way, but people do not have an option. They must put money in and the money that comes in is topped up by government, but it has to match the money that is paid out.

If we try to meet all our social needs, all our income needs for things like the welfare system under the Canada Assistance Plan, through unemployment insurance, then we would have to tell the employees of the country that they have to put more money in, that we are going to tax them higher. We would have to tell the businesses of the country that we are going to have to tax them higher to pay for that.

Any tax on labour should be entered into very carefully because it is a carrot to business to discontinue with a job, to replace a job with a machine. That is what a tax on labour does, and if we are really concerned about those Canadians who want jobs then we really have to be careful. The Opposition has put forward, and both Parties seem in agreement on this, an increase in taxation for those who have jobs.

The Member opposite raises the standing committee report. At the point at which that report was brought to Parliament, I was the chairman of the committee so I think I indeed know an awful lot about that report. It bothers me that some days in the House of Commons the report is distorted.

Members worked very hard with the resources we had. The hours, the days, and the weeks went by and we proposed a major restructuring of the unemployment insurance principle. We did not have the resources to do all the research, but we believed that it would produce better benefits at lower taxation.

When we pull a single recommendation out of the over 50 recommendations we are not treating the Act as a whole, as a total arrangement. This amendment is simply proposing an increase in taxation for people. That is really what is being proposed, whereas the Bill that the Government has brought in is saying that in areas where jobs are not available, where it is very difficult to get more than ten weeks of work, one shall qualify. However, if one lives in an area like downtown Toronto or southwestern Ontario where there is almost a labour shortage today, where jobs are readily available, one has to work longer, because jobs are there, to get one's pay.

It is the Government's view that those who really need the help because they come from an area where jobs are hard to get shall benefit under unemployment insurance, but we do not want those same people to pay the costs of people who come from downtown Toronto where jobs are readily available.

That is the reason for variable entrance. We do not want to tax the poor to pay the rich. This amendment would force us to tax the people from high unemployment areas higher to pay benefits in downtown Toronto. We think it should work the other way, that those coming from areas where jobs are readily

available should pay more to help Canadians in other parts of the country where jobs are very difficult to get.

I would urge government Members to vote against this amendment for those reasons.

Mr. Cassidy: Mr. Speaker, it seems to me that what the Hon. Member from Calgary is doing is defending the program which the Liberals put in place when they were in power and which the Liberals are apparently now prepared to recant.

I would just recall to him the argument made by my friend from Thunder Bay—Atikokan pointing out that people in a high unemployment area of his constituency are still forced to have 16 or 17 weeks of contribution in order to get benefits because of the fact that the unemployment rate is relatively low in other parts of the region on which that calculation is based.

I know northern Ontario. It is a substantial drive between Atikokan and Thunder Bay. In winter it is a very substantial and dangerous drive because the roads are icy. It is just simply not feasible for a person living in Atikokan to take a job in Thunder Bay. Therefore, we do not have one labour market, we have several. The effect of the present rules is to create real inequities because of the way they are applied.

The Hon. Member has also tried to suggest that this is a tax on working people, et cetera. I would have thought that this kind of amendment would be acceptable to a Government which was committed to having full employment, not only in southern Ontario but through the rest of the country as well. In other words, if we had a Government which was committed to bringing down unemployment to the level that prevails, for example, in Sweden, down to a 3 per cent or 4 per cent level in Canadian terms, we would not be talking about major expenditures.

● (1310)

We are talking about potentially major expenditures now because the unemployment rate in Canada is an average of 8 per cent. In many regions of the country it still runs as high as 12 per cent or 13 per cent.

Mr. Tobin: 17 per cent.

Mr. Cassidy: It is 17 per cent in parts of Newfoundland as my friend, the Hon. Member for Humber—Port au Port—St. Barbe remarks. It is scandalous that the Government should be talking about the fine job it has done in economic management when many parts of the country have unemployment rates comparable to many of those that prevailed at the time of the recession in 1982.

The Parliamentary Secretary is trying to suggest that what is needed for the problems is a stick so that in areas of labour demand workers would not sit on their backsides, as he might, say, but would get a job because they would not be able to get unemployment insurance.