

Unemployment Insurance Act, 1971

are in many cases. The minister shakes his head in the negative, but he did not let me finish my sentence. One can readily understand that anybody who is self-employed and employing others is paying into the unemployment insurance fund. Now, the minister nods in the affirmative, Mr. Speaker, so we have finally reached an agreement on that particular statement. The self-employed in many, many cases do pay into the unemployment insurance fund.

Now, this fund is basically a product of the depression. It first appeared in legislative form in 1934 or 1935. I see the minister is eager to correct me again, but I am not going to accept it at this time. It was ruled ultra vires by the Supreme Court of Canada and it is interesting to note that other acts can still be ruled ultra vires by the Supreme Court of Canada. I would not like to think that this is one of them, but one could envision other bills of this House that could be so ruled. This unemployment insurance scheme or the application of some form of unemployment insurance was ruled ultra vires in 1937 or 1938. It was brought in again in a more acceptable form to the Supreme Court in 1941 and has been amended from time to time since.

Mr. Barnett: Don't forget the amendments to the B.N.A. Act.

Mr. Horner: I thank the hon. member for the correction. It required constitutional amendment and was brought in again in 1941. Since then, we have had a series of amendments and studies on the unemployment insurance scheme and the practical application of it. The most recent study was carried out in the early 1960's, by the Gill Commission. This was an exhaustive study on how the act should be amended and changed. I notice that in the minister's remarks he attempted to hang some aspect of this bill on the Gill Report. It is hanging very, very shakily and I am sure the coat hanger will soon be pulled from the wall because this bill cannot find any real or permanent basis for its origin in the Gill Report.

● (5:20 p.m.)

This bill does nothing more than impose a tax. It adds an additional tax to our society. Whether it will be of benefit to the general worker is debatable. In his remarks the minister seemed to envision huge amounts of unemployment in the years ahead among people whose occupations we today consider as secure, people such as the civil servants of Canada, firemen, policemen, members of the RCMP, teachers, etc. Of course, considering conditions in the public service at present, there may very well be huge lay-offs in the public service. However, the possibility of disruption in our public service will not continue for very much longer. Nevertheless, this bill will impose an additional tax on us.

Let us look at it that way and analyse one of the basic difficulties of our economy. What will we find? We see that workers go out on strike for higher wages. For the sake of argument, let us say that a union threatens to go on strike unless its members receive a 10 per cent wage increase. Let us say the workers are granted this increase; yet, because of the built-in costs of our society,

[Mr. Horner.]

they will take home only about 4 per cent of that increase. The additional 6 per cent will go towards taxes of one sort or another, income tax, the unemployment insurance fund, a whole host of organizations, and so on.

Mr. Bigg: For a check off.

Mr. Horner: Yes, for a check off, for union dues and so on. Only about half of the increase is taken home by the worker to his family. In other words, we have built up a costly society in which a worker must work. It costs a great deal for a worker to work. The society he works in is affected by the total of the 10 per cent increase the worker has been granted, to cite the example I am using and that 10 per cent increase in his wages is reflected in costs throughout the rest of society. So, because the worker only takes home about 4 per cent or 5 per cent, or about half his increase, after two years or whenever his contract expires he must seek an additional 10 per cent increase. People wonder why there are these continuous rounds of wage negotiations. The Minister of Labour (Mr. Mackasey) has tried to persuade unions to spread out their demands over three years as opposed to the two years for which they sometimes settle. The extended period only postpones the next cyclical increase. We must go to the root of the problem and determine why there are these cyclical increases. We must analyse these cyclical increases. Very simply, we have built into our economic system too much overhead and expense. It costs too much to work. An analysis of this bill reveals that it constitutes an additional tax. By passing this bill we shall contribute to increasing the cost of a person's working.

In his speech, the minister referred to the guaranteed annual income and cited the experiment going on in the United States. He said that it is amazing that some people on a guaranteed annual income still want to work. Well, man is not content to be idle. He wants to do something; I agree with that. But he does not necessarily want to stand on an assembly line tightening bolts or packing and cutting meat. He wants to do something that will occupy his mind and keep his body in good physical tone. We cannot describe work that way. Common sense shows us that work must be described as the doing of something that must be done at a specific time and place. I do not deny what the minister tried to say in his speech, that even though people get a guaranteed annual income they will want to work. Nevertheless, he defined work very loosely.

In this bill we are providing for a tax on people who are now working because our society says we need built-in security. I have come to the chamber after studying exhaustively another piece of legislation that attempts to build in security and my thinking has now evolved to the point at which I think that man's security can perhaps best be placed in the hands of the Lord. Perhaps only there will he find security.

An hon. Member: Who pays the bills?

Mr. Horner: Perhaps that security is cheapest. This bill seeks to create security, yet we are discussing some workers who will never claim benefits.