

Unemployment Insurance Act

construction jobs. These people should be entitled to the same benefits as others. They should be in the position to draw benefits if and when they become unemployed.

There are several other points I should like to raise in relation to this legislation, but I think I should wait until we reach the consideration of the bill at the committee stage.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I welcome the opportunity to speak about these proposed changes to the Unemployment Insurance Act. I am pleased to note that in the absence of the Minister of Labour (Mr. Nicholson) a fellow maritimer has stepped into the breach. I refer of course to the hon. Minister of National Health and Welfare (Mr. MacEachen), who has taken over the sponsorship of this bill.

I listened very carefully to his remarks this morning regarding the changes to the Unemployment Insurance Act. According to his remarks the ceiling in respect of contributions is to be raised from \$5,460 to \$7,800. Anyone making \$7,800 or less will be required to make contributions. I understand that employers' contributions are to be increased proportionately, to the extent of \$1.40 per week for those earning \$100 per week and over. The former ceiling on employers' contributions was 94 cents on earnings up to a maximum of \$69 and over.

• (3:50 p.m.)

Employees' contributions are increased. They range up to a maximum level of \$1.33 per week, compared to the former level of 90 cents. Allowable earnings are raised to \$27.00, so that a maximum income of \$80 per week is permitted: that is, the \$53 plus the \$27 allowable earnings. The act comes into effect on June 30, 1968.

I realize that these changes are required, and I support them; but surely it is a fact that it is the incompetence of this government that has made the changes necessary. How are these changes to be considered? The Minister of Labour (Mr. Nicholson)—I regret that he is not in his seat at the present time because I intend to refer to him, although not in an uncharitable way—stated in his speech at Kingston in July that the reason for the increase was inflation. The sad fact is that inflation has already eaten away the increase that is proposed. It hardly does more than compensate for the rise in prices since the last increase in 1959.

Speaking of inflation, who can live on \$53 a week when meat is selling at \$1.30 a pound?

[Mr. Keays.]

Second, I believe the increase itself will create still further inflation. A third point—and this was covered quite well by the hon. member for Halifax (Mr. McCleave) when he spoke today—is that although the Gill commission brought in its report on the Unemployment Insurance Act on December 21, 1962, nothing has been done by this government, in the almost five years it has been in office, to implement the recommendations of that commission.

The major proposals of the Gill commission were as follows: benefits for fully insured eligible unemployed to be fully financed by contributions from employers and employees; second, benefits for long term unemployed and seasonally unemployed to be financed from general tax revenues, and these people were to be removed from the fund; third, those who are unemployable or largely outside the labour force to be regarded as social welfare cases.

If the Gill commission recommendations were implemented, the effect would be to remove freeloaders from the fund and remove from wage earners the burden of paying for those individuals who are in reality welfare cases. This bill adopts none of these proposals and continues to operate the fund as a welfare proposal, with employed workers largely paying for those who are not employed or even employable.

The philosophy behind this bill is quite obvious. To find the answers, one has only to look at the speeches made by the Minister of Labour, and especially his speech at Kingston last July. The most authoritative declaration in this regard was made by the minister at Kingston—and again I apologize for referring to him in his absence, but I was unaware when I prepared these notes that he would not be in the house today—at a conference of unemployment insurance officials in July, 1967.

In his speech at that meeting the minister advanced the concepts of universality and integration, and although he later tried to back away and water down his statements there is no doubt that they represent an accurate reflection of government intentions. Basically, the minister made it very plain in his speech at Kingston that this government was abandoning, or had already abandoned, the insurance concept and the concept of actuarial soundness, and was now in the process of turning unemployment insurance into a straight welfare scheme.