

*Unemployment Insurance Act, 1971*

what the hon. member has said. Your Honour did ask that any arguments in relation to this bill should be distinctive, that is, they should be different from the arguments we have advanced generally.

I suggest that the proposal in this bill really does not infringe upon the financial initiative of the Crown at all. The taxability of Unemployment Insurance benefits remains intact. The only difference is that the individual will not have to compute and pay that tax until the end of the year rather than on a weekly basis when the Unemployment Insurance benefit is received.

The fact of the matter is that the Unemployment Insurance benefit that that worker is receiving is less than his normal pay. There is no telling what will be his total position for the calendar year. It may be that at the end of the year he will get back the amount which was deducted from his benefit. On the other hand, if he has done well, returned to work and his income is high, he will have to pay. Perhaps I am getting a bit into an argument on the substance of the bill, but I am simply trying to make the point that in terms of dollars and cents and in terms of what the treasury has to gain or lose, there will be no change as a result of this bill. It is only a matter of convenience to the unemployed worker.

**Mr. Speaker:** The Chair has listened with interest to the views expressed by both hon. members and will take their argument under consideration.

## AMENDMENT RESPECTING HOLIDAY PAY

On the order: Introduction of Bills.

Mr. Peters—Bill Intituled: "An Act to amend the Unemployment Insurance Act, 1971 (holiday pay)".

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, the same argument which applied to the bill Your Honour allowed respecting sick leave pay applies to this bill. In the case of all these bills it seems to me that the only argument that can be advanced against them is that these matters are the responsibility of the Crown and that we are infringing on the Crown in relation to them.

The bill that amended the Unemployment Insurance Act established some new rules and provided for changes in the original act. However, in the original act and in other pieces of legislation severance pay and bonuses accumulated over a period of time in our opinion were not intended to be included as earnings and certainly not calculated over the period when those sums of money would not normally be available.

When holiday pay legislation was originally passed in the province of Ontario there was a time element placed on it. The worker received stamps in his book. He could not cash those stamps until July 2 of the year following the earning of those stamps. They were specifically collected by the worker to provide for a holiday period. The amount was not considered as earnings. It was part of the pay schedule. This was not the intention of the legislation but it was the intention of the regulations.

• (1130)

We are not now asking for a payment from the Crown. We are not redistributing the money the Crown has  
[Mr. Knowles (Winnipeg North Centre).]

raised. All we are doing is exempting something which does not belong in the calculations of benefits under the Unemployment Insurance Act.

I presume that Your Honour's objection to these bills stems from the situation that the moneys are not now in a fund directly linked with the Unemployment Insurance Commission but are included in general revenue and that in a technical sense all moneys paid for unemployment insurance through the collection made by the Department of National Revenue become moneys of the Crown. I suggest this is a technicality. There is a lot of bookkeeping in the process and the situation has really not changed since the unemployment insurance fund lost its old form and became a revolving fund. The moneys paid for holiday pay will make no difference as far as the tax structure of the nation is concerned and the question of whether this involves a change in taxation should not enter into our consideration because I believe there is a difference between moneys collected to pay for unemployment insurance benefits, or expenditures made on behalf of the unemployment insurance fund, and taxes which flow into general revenue. If this is not the case, the country will be very surprised to find that unemployment insurance is a welfare measure operated by the consolidated revenue fund rather than an unemployment insurance fund. I do not think even the government has that intention.

**Mr. Speaker:** The bill will stand.

## AMENDMENT RESPECTING RETIREMENT BENEFIT

On the order: Introduction of Bills.

Mr. Peters—Bill intituled: "An Act to amend the Unemployment Insurance Act, 1971 (retirement benefit)".

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, this bill was placed on the order paper more for clarification and interpretation than probably a change. In looking at the Unemployment Insurance Act which we passed recently there is by a simple reading of that act a three-week retirement period for persons who have either made an application under the Canada Pension Plan or have reached the age of 70.

This has been interpreted to mean that a person who is already on a major claim that has paid 20 weeks benefits is entitled to three weeks. But if he is drawing benefits when he reaches 70 the interpretation has been to discontinue the payments. This is a clarification indicating that those three weeks to which he is entitled will be paid to him after he has reached his seventieth birthday.

**Mr. Speaker:** The bill will stand.

## AMENDMENT RESPECTING BENEFITS AT TIME OF RETIREMENT

On the order: Introduction of Bills.

Mr. Knowles (Winnipeg North Centre)—Bill intituled: "An Act to amend the Unemployment Insurance Act (benefits at time of retirement)".

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, the purpose of the bill is simple. I realize I am not introducing the bill at this point, but the purpose leads