

second. We must know why the minister believes it is necessary that people who are about to leave the work force and get a pension, be it the Canada pension or the Quebec pension, should get this \$300.

There are many other points that I could raise with respect to this legislation, Mr. Speaker. I know that a number of my colleagues wish to raise certain matters which they believe the government should be interested in and upon which it should be prepared to act.

I hope that through the minister's efforts, those who are in need right now will be permitted to acquire benefits under the new scale. We all know that the maximum now, \$53 or \$58—I forget which—is totally inadequate in view of rising costs and the frustrations that accompany the provision of non-deferrables such as clothing, mortgage payments, food and medicine. I hope the minister will show consideration in this area. His reputation would be greatly enhanced if our suggestions were put into effect.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, among my souvenirs I have a number of items that came to me from the files of my predecessor, the late J. S. Woodsworth. One of them is a leather-bound copy of one of the first unemployment insurance books which was given to him, along with a letter from Hon. Norman McLarty, who was Minister of Labour at the time, in recognition of the part Mr. Woodsworth had played over a number of years in urging the adoption of unemployment insurance. I mention that, Sir, so that our credentials in this area will be established. We have long been advocates and supporters of the principle of unemployment insurance.

Our understanding of unemployment insurance, so far as its essence is concerned, is that it is an arrangement under which those whose income comes from employment pay into a fund, so that if they are out of income there is something they will receive that is theirs as a matter of right. One of the critical requirements is that there be no means test on such benefits, no looking at what other members of the family may have. Rather, it is an arrangement under which workers have their income protected when that income is interrupted because of loss of employment.

Even though we have long been advocates and supporters of unemployment insurance, it is our strong contention, as was suggested this afternoon in another debate by my colleague from Waterloo (Mr. Saltsman), that the main aim of any government should not be just to come up with a perfect unemployment insurance plan but to come up with policies that provide for full employment. We recognize that in the course of history this has seldom been with us for any extended period of time, and so we assert that we must have a program of unemployment insurance. But, Mr. Speaker, we urge the government not to use such a program as an excuse for policies that lead to unemployment.

● (8:50 p.m.)

Having mentioned one or two items of history, and bearing in mind some of the remarks of the hon. gentle-

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man who just resumed his seat, may I mention that in 1940 the British North America Act was amended. There was written into it, in section 91, authority for the federal Parliament to pass legislation with respect to unemployment insurance. I press the point that workers who happen to come under provincial labour jurisdiction are not out of bounds so far as federal unemployment insurance is concerned. Indeed, I suggest that no workers are out of bounds so far as unemployment insurance is concerned, because authority for such legislation is contained in our Constitution, the British North America Act.

There are a great many details in this legislation and it is only natural that the place where we shall go into those details and try to bring about changes—indeed, a number of changes are still desirable—will be the standing committee to which this bill is to be referred. Therefore, those of us who speak on second reading do not feel obligated to cover all points. There are a few points, however, that I should like to mention at this stage of the debate. The pattern of my remarks is one that I have followed quite often. To begin with, I shall indicate a number of things in this new bill that are good and that we warmly welcome. While I am discussing those points the minister's face will be as bright as his shirt and he will enjoy what I have to say. But then we shall come to the other side of the coin, to the three or four things in the bill that we find not satisfactory.

An hon. Member: Then his face will be as black as his suit.

Mr. Knowles (Winnipeg North Centre): I thought the minister was about to say that he would have to change his shirt at that point, but there is no provision in our rules for that being done in the House of Commons.

May I refer to some of the reasons for our welcoming this bill. I indicate, first, our pleasure that the scale of benefits that may be paid under this legislation represents a considerable increase over the benefits now payable under the Unemployment Insurance Act. At present the maximum is \$53 a week, plus the 10 per cent "Benson bonus" that was provided a short while ago. That was about the only time that that man ever provided for a bonus.

Once the new legislation is in full effect, a maximum payment of \$100 a week will be possible for those whose normal wage is \$150 a week or \$7,800 a year. Not only are there these higher benefits which are based on the proposition that benefits shall be 66⅔ per cent of the wages that a person has been earning, but there is also provision—I think the minister referred to this matter this afternoon—for those benefits to escalate to 75 per cent if a person's period of unemployment continues beyond a certain length of time and if that happens at a time when there is a high level of unemployment in the country.

You will not hear any remarks from me to the effect that those benefits are disincentives, or anything like that. For far too long we have been concerned about what happens to people whose earnings are interrupted