

outside the plan, but as the bill is designed they do have that right.

I have pressed the provinces to say whether they are coming in or not. My communications so far have all been verbal in nature; I am meeting with the ministers of labour on Thursday and Friday hopeful that I shall be able to get firm decisions from some of the provinces on whether or not they intend to include their public servants.

Since the figure of 4 per cent has attracted a good deal of attention, I imagine somebody is going to suggest that the government has determined 4 per cent to be an acceptable rate of unemployment in Canada. Well, it is not my criterion. Like everybody else, I believe the acceptable rate of unemployment is the least possible rate. This is what we should be working toward. This should be our goal as a country. Our system is really on trial if we cannot operate on the basis of lower rates of unemployment than have been traditional, particularly in the light of the fact that the working force is growing at a tremendous rate. We have used the 4 per cent figure because 4 per cent, according to our computer estimates, triggers the government's contribution to the fund at a realistic level. If it were lower, the government's injection would need to be extremely massive, so massive that some form of additional income by way of taxes would be required. Five per cent would practically eliminate the government's contribution. So, we think 4 per cent is a realistic figure.

However, I am sure that when the rate of unemployment is running at 6 per cent the economists who work with the government planning fiscal and monetary policy cannot be immune to the thought that these additional two percentage points mean \$200 million of injected capital into the economy, money which must be found somehow. So we have not set the figure of 4 per cent as an indication that the government is regarding it as an acceptable rate of unemployment for the future. The Economic Council suggested 3.8 per cent, and years ago it suggested 3 per cent. However, I am not interested in that debate. The 4 per cent happens to be a convenient point at which the government's injection of money into the plan is triggered. It could easily have been 6 per cent if 6 per cent would in some way provoke the government's participation at a realistic level. But it is interesting to note that over the last decade the rate of unemployment in Canada has hovered between 4 and 5 per cent on an average. This is due, I suppose, to many reasons which we do not wish to debate today—at least, I do not.

I believe I have covered most of the aspects of the plan. I now await the participation of other hon. members and later, perhaps when I close the debate on second reading, I may cover some of the points I have missed. We are bringing in a plan designed to increase benefits, reduce contributions, extend the period of benefit and make the plan much more acceptable. Maternity and sickness will be recognized as legitimate reasons for drawing unemployment insurance. Under certain circumstances, extended benefits will be paid for entirely by the government. The plan will be financed mainly by the

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employers up to the 4 per cent level of unemployment. When assessing the period during which workers are entitled to benefit we shall take into consideration not only the national rate of unemployment but the rate in the particular area where the worker lives. This can be considered in more detail during the committee stage. Admittedly, the waiting period would be extended to two weeks but, on the other hand, we have for the sake of simplicity got away from using the word "stages". We now refer simply to two phases, regular benefits and extended benefits. Reference to stage one, stage two, stage three and so on, was proving complicated. We speak now of two phases only, regular benefits and extended benefits. I think this is much simpler and hon. members will probably be able to understand the process a little better.

Some hon. Members: Hear, hear!

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I know the entire country has been awaiting an explanation from the minister of this extremely important piece of legislation.

Many people have complained that the type of measure before us today is not concerned with unemployment insurance but, rather, with welfare. The minister has sought to explain that it is not. There are many who believe it to be a means of transferring payments made by people who would perhaps never—I use the word with some hesitation, because one cannot be sure—be in a position to draw benefits under this plan. The position taken by the teachers comes to mind. I know the minister has encountered some difficulty with them, indeed, all Members of Parliament have done so, in consequence of the argument that teachers enjoy security of employment. In this connection, it occurs to me that in the past month or so certain events indicate that the conclusion the teachers have reached in this regard is perhaps without good foundation. We have heard of provinces and local school boards in various parts of the country crying out because of the increased costs of education, and giving every indication that they intend to hold the line.

The minister will no doubt begin telling me how much the provinces and the cities will save as a result of bringing schoolteachers into the scheme. I do not quarrel much with him in this regard since I believe the universality of the program will in the long run benefit the schoolteachers themselves. What concerns me more is that this proposal seems to be an unwarranted intrusion upon the jurisdiction of the provinces in the field of education. I refer particularly to the Province of Ontario. It appears that if and when the legislation before us takes effect, and I am sure we all believe it will, since, after all, there are 155 members of the other side—

Mr. Thomas (Moncton): There are 160.

Mr. Alexander: We are whittling them down. In the near future, on May 31, they hope to bring themselves back to strength.

Mr. Thomas (Moncton): You are right.