

Unemployment Insurance Act, 1971

sum of \$394,505,391. Since professionals, self-employed persons, dealers and others are not subject to unemployment insurance, one must take into account only salaried persons or employees of concerns or institutions, employees of various governments and other unclassified employees, to discover that employees represent 83.5 per cent of individuals who filed income tax returns.

Thus, the employees would have contributed approximately \$329,412,001 to the Unemployment Insurance Fund in 1967, according to the scale of the white paper, namely a sum almost equal to the total of aggregate contributions by employers and employees for that year.

We have seen previously that the average contribution of employers in the manufacturing industry in 1967 was \$48 per year or 91 cents per week.

Now according to the white paper proposals, the group of employers accounting for a low unemployment percentage will pay from 71 to 88 cents per employee per week and the group of employers registering a heavy percentage of unemployment will have to pay between \$1.42 and \$1.76 per week per employee, which is almost double the 1967 average, and the group of employers between the first two will have to pay between 99 cents and \$1.23 per week per employee.

If the share of the state earmarked for the re-establishment of the unemployment insurance fund could be easily figured under the former system, it is almost impossible to know what the state will have to pay under the proposed system.

In conclusion, employees will pay on the whole almost twice as much as in 1967; most of the employers will pay as much as regards the first category and almost twice as much for the two other categories, while the taxpayers may expect tax increases when unemployment exceeds 4 per cent. For three years, unemployment has exceeded this level and in some areas it is almost twice as much. Therefore heavy tax increases should be expected.

Also, the white paper says very little about what it will cost the state to help the unemployed.

Under the current system, it is easy to calculate this share. It amounts to 20 per cent of the contributions plus the administration costs.

Under the new system, the state alone will bear the cost if unemployment exceeds 4 per cent as well as the additional cost of the benefits of phases 1 and 2 and of the first part of phase 3.

In addition, when the regional rate is over 4 per cent and exceeds the national rate by 1 per cent or more, the state will assume the costs already mentioned, as well as the benefits of phase 5 during 18 other weeks.

Tables 7 and 8, which appear on page 36 of the Canada Statistical Review of July 1970, show the number of unemployed by region, as well as the regional rate of unemployment.

One realizes that the rate of unemployment exceeds the standards proposed in the white paper for areas in the Atlantic provinces and Quebec.

Considering all those circumstances, we must be careful in enacting this bill and amend it according to what

[Mr. Dionne.]

the circumstances require. I do hope that these few suggestions I have made will be considered in the best possible spirit.

• (9:50 p.m.)

[English]

Mr. David Weatherhead (Scarborough West): Mr. Speaker, in the few minutes that I have before ten o'clock I should like to make a few comments with respect to our committee's work and, with your permission, I will continue my remarks tomorrow afternoon.

As chairman of the House of Commons Standing Committee on Labour, Manpower and Immigration I might say that last fall we spent much time studying the white paper on unemployment insurance. It is a pleasure for me to make some comments at second reading stage of this new act. Last June the white paper on unemployment insurance was referred to our committee, and later that month the committee issued an invitation for briefs on the subject from all interested individuals and organizations. The committee began its hearings in Ottawa in mid-September during the summer recess and continued until early November. Thirty-six meetings were held and we heard the presentations of 33 organizations representing management, labour and the new groups of employers and employees which it was proposed to insure for the first time.

The Minister of Labour (Mr. Mackasey) and Unemployment Insurance officials were heard and questioned by our committee on many different occasions. After numerous in-camera sessions by the steering committee and the whole committee, and with the reliable assistance of our consultant professor, Mr. Gilles Paquet, and our committee clerk, Mrs. Santosh Sirpaul, the committee reported to the House of Commons last December 18.

I would like to thank all members of the committee who devoted so much time to this study last fall. I am sure they will find it a very viable background for a clause by clause study of this bill when it is referred to us after second reading. In particular I would like to thank my vice-chairman, the hon. member for Gamelin (Mr. Portelance), the Parliamentary Secretary to the Minister of Labour (Mr. Perrault), the hon. member for Hamilton West (Mr. Alexander), the hon. member for Oshawa-Whitby (Mr. Broadbent), the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Kamouraska (Mr. Dionne) who spent much time in discussion and in drafting our committee's report.

While our committee's proceedings were not as non-partisan as those of another committee in which I have spent much time, namely, the Committee on Veterans Affairs, we have been able to get along quite well and I believe I am very fortunate in being chairman of such a conscientious, hard working and courteous group of Members of Parliament.

During our extensive hearings a few particular aspects of the unemployment insurance proposals were raised frequently. I would like to deal with some of them in the short time I have tonight, and tomorrow. First of all, I suppose that the basic question was whether we should