

Unemployment Insurance Act

application of the act or any restrictive interpretation of the regulations could vary the pay-out by hundreds of millions of dollars.

An automatic increase is built into the act in that we can expect the weekly wage rate to rise rapidly, and benefits are tied to this rise. According to the testimony presented to the committee on miscellaneous estimates, there was a rise of 10 per cent in the average weekly wage rate over that which was anticipated when the plan was set up. There was an increase from 13 to 17 weeks in the time during which unemployed recipients can receive benefits. This may have been due to the high unemployment rate and the consequent difficulty in obtaining a job, the failure of recipients to obtain work sooner, or other reasons. The whole thing seems quite obscure.

The decision whether to increase benefits from around 45 per cent of the weekly pay to 66 2/3 per cent of the weekly pay, and whether this should be a factor in increasing the length of time when a recipient who is off work will receive benefits is yet to be made. After all, there are many jobs in our cold country that are unpleasant and this factor will have to be taken into account.

Then there is the rise in the number of those leaving their jobs, from 5.1 per cent in 1970—the last year under the old plan—to 12.5 per cent now, which amounts to almost two and a half times the number of unemployed at a time of high unemployment. It would seem that people should not voluntarily leave their jobs at a time when the high rate of unemployment decreases the possibility of their getting another job. Then again, as has been pointed out by those studying the situation, after eight weeks of employment a minimum of 18 weeks of unemployment benefit is provided. The minimum, depending on the rate of national and regional unemployment, can be extended to 44 weeks as compared to the maximum duration of 51 weeks for any claimant.

In other words, the old act which tended to apply to those with a firm attachment to the labour force has been extended by the addition of people with minimum attachment to the labour force who are either on welfare or use the minimum attachment for their own ends, such as work on special projects and so on. The new Unemployment Insurance Act does not differentiate sufficiently between the worker with a long attachment to the labour force and the person who is either a welfare recipient with short working periods or, on the other end of the scale, the person who works for his own enjoyment or for a specific purpose.

The present Unemployment Insurance Act has a great many variables. The statutory ceiling provided a means for parliament to check expenditures in an obvious and discernible manner. I might point out that it is interesting that figures presented before the miscellaneous estimates committee showed, as the hon. member for Verdun pointed out last night, that the number of people receiving benefits in 1970 and 1972 was approximately the same, that is, in the neighbourhood of two million. If at this time of high unemployment there are many people who should be receiving benefits but are not, presumably this means that the act is not functioning in their interest and in such case it would be well for us to look into it.

[Mr. Ritchie.]

I suggest that there is no justification for removing the ceiling after only one year's experience. If at some time in the future the plan shows stability and the charges to the federal treasury are kept in line with the economy of the country, then it might be time to consider the removal of the ceiling. We have to include, as well, the charges to the employer-employee segment because, after all, with 96 per cent of the working people included in the plan this virtually requires that everyone be taxed.

I have attempted to point out that the present Unemployment Insurance Act by its very nature contains many open-ended regulations. Time and time again the Minister of Justice (Mr. Lang) suggested in the committee that it contained so many variables that it was almost impossible to estimate the cost of the plan for 1973. It seems to me that parliament should err on the side of caution and that the ceiling should not be removed. We hope that the ceiling will not be surpassed, bearing in mind, however, that everyone would want the recipients to receive their just benefits under the act. I hope that the government will reconsider the removal of the ceiling at this time.

Mr. Mackasey: Mr. Speaker, I wonder if the hon. member would permit me to ask him a question. I did not wish to interrupt his train of thought. He raised a very interesting point, that in 1972 the number of claimants was approximately the same as in 1970, even though in 1972 we had over seven million people covered by the act as opposed to four million in 1970. Am I correct that he is suggesting that people are being denied their benefits?

• (2120)

Mr. Ritchie: No. I do suggest that with a 4.5 per cent rate of unemployment in 1970 and 6.5 per cent now, with the same number of applicants, then presumably if there is more unemployment in our work force there should be more people applying. So if they are not applying, or are not receiving benefits when they do apply, it is because they are ineligible. In other words, there is a large number of people who are unemployed whom this act does not help.

Mr. Mackasey: I thank the hon. member, because he raised an interesting point about which I wanted to argue. How does he reconcile the fact that there are approximately the same number of claimants now as in 1970?

Mr. Ritchie: I am familiar enough with the workings of the old act, but I suggest that there is still a substantial group of people unemployed who are not covered by this act.

Mr. J. R. Ellis (Hastings): Mr. Speaker, the main question with respect to the bill before us is the removal of the \$800 million limit that was imposed on the government, by itself, to keep the Unemployment Insurance Commission in money. Some hon. members will recall that when I made my maiden speech in this House there were two things with which I found fault. One was the Unemployment Insurance Commission. At that time I cited a number of things. I made a special point of pointing out that this was not due, as some people suspected, to the inadequate work of some employees in the department. It so happens that in my riding there is a large section of this