

himself paying more income taxes, sales taxes and provincial taxes to cover the cost of extra welfare. I venture to say that in the result he will be paying more for insurance coverage than he is at the present time.

This is a factor that the government has failed to mention, and it is a very important one. As some of my colleagues have pointed out, today taxpayers are about at their wits end. It is all right to say that this program is only going to cost \$400 million, but raising this \$400 million will mean extra taxes for the taxpayers of this country. This will be an extra tax that is laid on the backs of those people that the government seems to use to fight its battles. The middle income group is the largest taxpaying group and history will probably show it is the group with the best record for steady employment. The more steadily this group is employed the more this scheme will cost it, because this is the group that pays the taxes. I should like to hear something from the minister about this aspect. What does he think this program will cost and can our economy stand it? Here we are facing a battle with inflation which was supposed to have been won in December. That battle obviously has been lost. Unemployment has reached an almost all-time high. How can our economy absorb another \$400 million or \$500 million per year in taxes?

● (4:30 p.m.)

Let me speak very briefly about another aspect which worries me, and I am thinking of the cost of administration. I am one of those individuals who is not too happy about the administration of the present scheme. I was not happy about the division of powers between the Unemployment Insurance Commission and the Department of Manpower in 1964. I have always felt that the body which handles the funds and decides the eligibility of claimants should also have the power to search out jobs which suit these people on the unemployment insurance rolls. I do not think I am alone when I say that since that division of powers, the administration of the program has become much less controlled than it was previously and that there are far more abuses. I am very critical of manpower policy because I do not feel these officials are making an honest attempt to get people back to work and off the insurance roll. These officials are not equipped to do this and do not have the proper rapport with employers. They do not seem to be able to match the employers' needs with the skills of the employees they have on hand.

When we look at this legislation, we see that it provides for greater benefits, a lesser time for qualification and that it relaxes the present inadequate supervision. Even under the present legislation there is not proper supervision. At one time an unemployed person had to stand in line in order to pick up his cheque. He was told to either go back to work or he could not draw benefits. Today, the unemployed person sits at home and gets his cheque by mail. Under this scheme, that individual will wait for two weeks and then draw three weeks' benefit. It will not matter whether he goes back to work.

The sponsor of this bill has told us it will act as an incentive to people to go back to work. I cannot buy that

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and I cannot see the logic of giving an individual \$150 or \$300, then expecting that he will go out and find himself a job. Human nature being what it is, I suspect the tendency will be for these people to wait until the three weeks' benefit is gone and then look for a job. This is what disturbs me regarding the lack of proper supervision and administration of this act. The minister should give serious consideration to bringing these two departments back together. It was a serious mistake in the first place to separate the Unemployment Insurance Commission and the Department of Manpower. It is all right for manpower to carry out certain functions, but I am firmly convinced that we must have one agency issuing money and acting in respect of replacement. Only then will we have control over this program. I seriously suggest that the minister take action in this regard.

I am quite anxious to see this bill referred to the committee for study. I have outlined some of the things I think are wrong with the proposed bill, and I can assure the government that when it gets before the committee there will be amendments proposed by members on this side. I hope the government will take serious note of some of the objections we have raised. They are not frivolous but rather objections which concern us and every taxpayer who today is loaded with taxation. These people do not honestly know whether they should keep on working or go on unemployment insurance or welfare. If the government gives consideration to our criticisms, I am sure the bill will be received favourably in the committee.

Mr. Donald MacInnis (Cape Breton-East Richmond):

Mr. Speaker, at the outset I wish to assure the minister and hon. members present that I have no intention of prolonging the debate at this time. There are two very good reasons that I should not do so. Most of the things I would like to say have already been said by other members and would only be repetition. As a result of something now before the committee, I feel the remarks I would be prepared to make might be better left unsaid until that committee makes a decision.

Let me ask the minister to give consideration to one problem which has been uppermost in my mind. This provision for placing teachers under the Unemployment Insurance Commission Act can only have a detrimental effect on the communities surrounding my home and other municipalities throughout Nova Scotia. The minister knows of the unemployment picture in my area. He knows that, because of the mining situation, the local school boards have been operating in the red for quite some time.

The inclusion of teachers under the Unemployment Insurance Act will increase the costs to these mining towns by \$13,000 or \$14,000 annually. The people of these areas are greatly concerned about costs faced by municipal school boards. I am sure these facts have been drawn to the minister's attention. Only two months ago, the committee recommended an exclusion when there was a valid constitutional or administrative reason. The exclusion of teachers in the circumstances to which I have referred could well come within either of those two