

Unemployment Insurance Act, 1971

I do not know if and when an alternative plan satisfactory to the fishermen will be introduced. I have no way of knowing. I have given my assurance, and do so once again, that despite our efforts to reduce the welfare connotation, we are not going to eliminate the fishermen from the plan until we are satisfied that we have an alternative. By the strict definition of the act, they are employers, entrepreneurs, adventurers or whatever you like to call them. Again, my remarks do not refer to normal fishermen, people who work on trawlers and are easily identifiable as working for someone else.

Mr. Barnett: Will the minister permit a question?

The Acting Speaker (Mr. Richard): Order, please. The Chair allowed a question previously without any request to the Minister of Labour. We are not in committee at the present time. I invite the Minister of Labour to indicate whether he wishes to answer more questions at the present time.

Mr. Mackasey: I would prefer not to, Mr. Speaker. There will be an opportunity to discuss this feature in greater detail. At that time, I will be able to be more specific. I will have the facts and figures. As I am not using a text, I hate to be interrupted and then have to start all over.

There are two areas which are very important. I do not think I have emphasized them as much as I should have since the white paper was tabled. I refer to the implementation date of the act. Essentially, the implementation date of the act is January 1, 1972. I doubt whether anyone has a copy of the white paper in front of him. I do not.

Mr. Knowles (Winnipeg North Centre): Would the minister like my copy?

Mr. Perrault: He knows it all by heart.

Mr. Mackasey: No, I do not. As hon. members know, the implementation date is important. We do not want half the people in the country to start thinking that, commencing July 1 they will be eligible for unemployment insurance. The concept of universality comes into existence on January 1, 1972. This is an important point. New entrants will start contributing January 1, 1972, and be eligible for benefits as soon as they acquire the proper attachment to the work force.

What will happen in the interval between July and January? As some of the more learned members of this House know, this is a complex problem. The present rates are established, not in a haphazard manner, but in ranges. Those earning \$100 a week are paying \$1.40 and those earning \$150 a week are paying \$1.40. When it comes time to receive benefits, these benefits are calculated on the value of the stamp rather than what was actually earned. Administratively, this is very easy. Everyone with a \$1.40 stamp receives \$53, plus 10 per cent. In the transitional period between July 1 and January 1, there will have to be some adjustment of the rates for this short period for people earning over \$100 but below \$150. This means an upward adjustment of a few cents a week, not only to establish the actual salary, but

[Mr. Mackasey.]

to get ourselves on a sound financial basis. On the other hand, we will have to adjust the rates downward for those people earning \$100 a week or less.

Because of administrative reasons, because we are turning over the collection and so forth to the Department of National Revenue and because the tax features only come into effect in January, 1972, any benefits drawn between July and January will be non-taxable. They will be at the new rate. In other words, benefits will be two thirds of the wages. They will not be subject to tax, therefore the contributions will not be tax deductible. I think this is a very fair adjustment during the transitional period which will be a very difficult period for the department.

On January 1, the Department of National Revenue will be seized with the responsibility of collections and keeping the records of contributions. This will eliminate many of the problems which create delays. People with three, four or five years attachment to the work force discover with horror when they come to our office that there is no record of their contributions. This is because they have not assumed their own obligation. They do not keep their record of employment which they receive from their employers. They do not keep these slips. Some may have worked for six different people. We have to help build the record for these employees. This takes weeks. All these delays should be eliminated.

Mr. Douglas: From July 1 to January 1, which eligibility provisions will apply, the present ones or the ones in the new act?

Mr. Mackasey: I will check the white paper to be sure. I am a bit confused. I have asked my parliamentary secretary to check it. I think it is the new provisions. If someone presently in the plan established a claim before July 1, it may be better to re-establish a claim with their new eligibility rather than the old. I think upon reflection I am correct in saying that the new provisions will apply for the present group of people, including the new benefits as well as a slightly revised structure of contributions for the present group of people for the period between July 1 and January 1, 1972.

• (4:30 p.m.)

This is joined to a concept of universality. The only people who may not be in the plan, and be identified as employees, are public servants of the various provinces. At the present time, public servants of the provinces, civil servants, if you like, are in or out depending on the whim of the province concerned. The present act makes their entry optional. In some of the provinces, at least, I shall not specify them, we get all the bad risks in a sense—we get the casual workers or the people who have no permanence. What we are saying now to the provinces in the new law is that there are no more options—either you are in, or you are out. The province then has to face the responsibility and the financial burden of providing some form of remuneration in respect of all employees, including those presently in the plan. In the light of the fact that collectively the provinces will be saving \$40 million under the Canada Assistance Plan, it seems inconceivable that any one of them would wish to remain