

Unemployment Insurance Act

• (4:20 p.m.)

So far as I am concerned there has always been an oversight in respect of the Unemployment Insurance Act. I am referring to the proposition that the contributions at all times should cover the benefits paid out. We have seen that the unemployment insurance fund rises and falls. I believe it has been evident that when it has gone up we have been enjoying good times, when a very large proportion of the population was employed. When it has gone down there has been an unreasonably large amount of unemployment in the country. I am not prepared to say whether the 4 per cent figure which has been mentioned is a reasonable amount in this regard. I believe that probably 1 per cent is a reasonable figure in respect of normal unemployment. This is the unemployment which will always take place, no matter whether or not there is a shortage of labour.

This will come about mainly for two reasons. First of all, there are the young people who try to find employment in a category in which they are interested. They are temporarily unemployed until they are able to gain entry into the employment field. The second group will always be with us no matter how affluent our society is. This is the group which transfers from one field to another. Unemployment in these groups will probably run in the proportion of approximately 1 per cent. This figure might increase as the number of years a person is engaged in an occupation decreases. It has been said that a young person who trains to be a computer operator today will find within a period of three years that his training is totally inadequate for the job that the computer would be asked to do at the end of that period. This means that retraining will have to be provided in a matter of three years. During the retraining period such a person would be unemployed. This would raise what normally would be the unemployment figure in respect of retraining and reclassification.

The unemployment figure now is 500,000. This does not fit into the figure of 4 per cent, 1 per cent, or whatever it might be. This is an indication that we are on the verge of an economic recession which is national in scope and which affects the national economy. Perhaps this is the situation we had when the workers of the country were asked to make a contribution to the national economy of \$1 billion, plus the contributions they were

[Mr. Peters.]

being asked to make daily to the unemployment insurance fund. In my opinion this contribution of \$1 billion was the factor which stopped the recession in the period around 1962 and 1963 from being greater than it was. This contribution was made, not because people were normally unemployed or were being retrained while seeking other jobs, but so that the country could enjoy the doubtful advantages of a recession over which the workers of this country had no control. At that time there was a 5 per cent increase in unemployment which was totally the responsibility of the government.

It was in this context that the hon. member for Essex East (Mr. Martin) asked that all civil servants be asked not to help out, but to provide a new tax structure that would allow the government to put more money into the unemployment insurance fund without in any way changing the risk at the other end. As one who has worked for many years in the mines with a pick and shovel I believe we should provide unemployment insurance to cover the risks, but I am not in favour of asking the people in other occupations to contribute in order to cover an economic recession which is the responsibility of the government and has relation to the tax structure of the nation.

I have no sympathy with the minister in this regard. I know he has made the statement that the real issue is whether or not the position has changed sufficiently to allow him to bring in teachers and other people in similar categories who will not be eligible to draw the benefits. If the minister would stand up and say that his colleague the Minister of Manpower and Immigration (Mr. Marchand) would provide for payment which would enable teachers to take summer courses or other courses which would upgrade them, he would find that even if they were in a category where there was some danger of their being unemployed there would be no advantage to them in being covered under the unemployment insurance fund. He would find that the contributions the teachers would make in order to be allowed to draw benefits while upgrading themselves would probably be greatly out of proportion to the amount of money they would contribute in the form of a tax against periods of recession when the unemployment insurance fund was being depleted at a rate greater than the normal actuarial rate.