

Appropriate means should also be found to make casual workers, such as carpenters, labourers and others who work for several employers eligible for benefits. According to the principle of universality, these workers, who do some repair jobs at different periods, do not contribute to unemployment insurance and, therefore they cannot draw benefits. Yet they could show that they have worked for three, four or six months for various employers.

An exclusion notice should also mention in large letters that the applicant may appeal the decision and this without any expense, which is very important.

Moreover, the department officials' names should be typed at the bottom of their letters, as generally their signatures are not legible.

In my opinion, various matters should be taken into consideration, such as the number of weeks of waiting, and regions should be determined with regard to the percentage of unemployment rate. This is not mentioned clearly enough in the bill.

It would be in order that the new legislation be flexible enough in its administration so as to favour really those who are the victims of unemployment.

While seeking to determine the advantages and the disadvantages of the new legislation for a married worker without children who would earn \$100 a week, I tried to figure out what would happen after 40 or 52 weeks of work and I let my colleagues free to draw their own conclusions about it.

Let us assume that an individual works 52 weeks at \$100 a week. He would receive then a gross salary of \$5,200, and for the same time, his \$1.40 unemployment insurance would be \$72. The federal tax for 52 weeks at \$8.30 would amount to \$431.60. The provincial tax, at \$4.95 a week, would amount to \$257.40. Premiums to the Quebec Pension Plan, for 52 weeks, at \$1.59 a week, would amount to \$89.68. Medicare, at 80 cents a week, would total \$41.60. There remains a net salary of \$4,313.92.

If he works during nine months or forty weeks, he will earn a gross salary of \$4,000. At the rate of \$1.40 a week, unemployment insurance will cost him \$56. Federal income tax will amount to \$332 and provincial income tax to \$198. Contributions to the Quebec Pension Plan will total \$63 and those to Medicare will be \$32. His net salary will therefore amount to \$3,318.40. Furthermore, at the end of the year, there would be a reimbursement on federal income tax in the amount of \$137, one from the provincial income tax of \$198 and another from the Quebec Pension Plan of \$2.44. Medicare would reimburse \$32. and for twelve weeks he would receive unemployment benefits that would amount to \$58.30, producing a total of \$699.60. The government would have reimbursed \$1,069.04 leaving him a net salary of \$4,387.44. Thus, the employee who would have worked nine months would have received \$75.52 more than the one who would have worked the whole year.

Those who have worked throughout the year will have paid out \$886.03 to the government and those who have worked nine months will have cost the government

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\$1,060.04. The cost of the proposed reforms must also be taken into consideration. Since the government is to assume total responsibility for payment of contributions so long as there are to be unemployment percentages, taxes must be expected to increase in some way or other as under the present system our administrators have no other source of revenue. Care must be taken not to exhaust the reserves of forbearance of those who are fortunate enough to have an income but are beginning to show signs of impatience when faced with the amount of taxes they have to pay. This should be looked into carefully.

To obtain an idea of the cost of the proposed reforms, a comparison should first of all be made between present contributions and those which will come into force under the new system. An index of present costs appears on page 20 of document No. 72-516 (December 1969) entitled: "Labour costs in the manufacturing industry in 1968." Under the heading "Unemployment insurance", it is found that in the manufacturing industry, the contribution rate has increased to \$48 in 1968, representing 8 per cent of the gross earnings.

For the employers engaged in the manufacturing industry, the weekly cost of unemployment insurance, therefore, comes to 91 cents. And as employees pay the same rates as their employers, their contributions are then 91 cents per week on the average.

The 26th annual report of the Unemployment Insurance Commission published in 1969 for the fiscal year ended March 31, 1967, shows both the employees' and the employers' contributions for the year under review.

Employers and employees together have paid \$343,800,000 into the Unemployment Insurance Fund. One wonders what their contributions would have been had they been subject to the plan advocated in the white paper.

According to the proposed plan, employees earning less than \$100 per week would have to pay contributions varying from 71 cents to 88 cents, or an average of 80 cents per week.

At the same time, for salaried people earning more than \$100 a week, contributions will range from \$1.06 to \$1.32, or an average of \$1.19 a week.

Now, according to the 1969 issue of the publication "Taxation Statistics", which gives an analysis of the returns of individuals for taxation year 1967, some 5,365,269 returns indicated incomes of less than \$5,200 a year, or less than \$100 a week.

Granting that all of these individuals, or most of them, come under the new plan and that their contributions average 80 cents a week or \$41.60 a year, they would have paid a total of \$223,195,190 into the Unemployment Insurance Fund in 1967.

For the same year, there were 2,768,426 returns indicating incomes of more than \$5,200 a year, or more than \$100 a week.

If their contributions to the Fund had averaged \$1.19 a week, or \$61.88 a year, as proposed in the white paper, they would have paid the sum of \$171,310,200 in 1967. In other words, if all individuals had contributed according to the scale of the white paper, they would have paid the