

Unemployment Insurance Act, 1971

premiums on his summer employment, even though both he and his employer know that the employment is only temporary and that the student will never need the protection of the insurance scheme. I have always believed this to be wrong. This same student will have income tax deducted from his pay. But when he files his income tax return, if he does not fall into the taxable bracket his contributions for income tax will be remitted to him. It has always been my contention that it is unfair to tax a student for the one situation and not the other. If the student is entitled to an income tax rebate, his insurance contributions should also be rebated.

It seems to me that this legislation is a move on the part of the government to correct this situation. In other words, if a student cannot get work the following year he will at least draw a benefit. But I submit that the government is going about this in the wrong way. This will be a very expensive method of reimbursing the student for his insurance contributions. I know I will be told that there are administrative difficulties here, but if the Department of National Revenue can make these repayments, why cannot the Department of Labour? Instead of allowing a student to collect eight to 12 weeks benefits the following year, why can we not tell the student that his insurance contributions will be rebated to him the following year?

I do not want to leave the impression that I am unsympathetic to the plight of students in the summer time. Three of my own children have gone through university and I know the problems that they had to make a little money in the summer to tide them through the following year. But the situation of students in modern society is quite different from that of ordinary workers. Just what is a student's income? Today it is a hodgepodge of summer earnings, scholarships, bursaries, money received from parents and part-time earnings during the winter. So, it is illogical to try to maintain some fictional income for the months of May and June, for example. All I am saying is that if we do want to assist our students—and God knows they need it in view of the employment situation this summer—then let us assist them in some way other than this. Let us assist them through summer employment programs rather than using the vehicle of unemployment insurance as a means of granting welfare assistance to students. This is another reason I and a lot of other critics say that this bill departs from the insurance principle and becomes a welfare measure.

As the House knows, members of my party are not in accord with the principle of establishing an eight-week qualifying period. We think this too short an attachment to the labour force. We think it will lead to abuses by many of those workers who are in and out of the work force almost like a door opening and closing. We think the period is too short and that this is one of the provisions that should be changed; and no doubt amendments by members on our side will be introduced in committee.

The government is preaching universality of this bill. While they talk of universality out of the one side of their mouths, out of the other side of their mouths they tell us that the program cannot be universal, that certain people cannot be included in the program because of adminis-

trative difficulties. I cannot buy this argument. I have heard it said today by one member opposite that the self-employed person has freedom of choice in regard to when he is working and when he stops working. This is not quite true. What about the commission salesman who is employed not by one firm but represents half a dozen firms in a given area and works on a commission basis? Under the present act he is not insurable, and as I understand it he will not be insurable under the new act. If I am wrong about that I should like to be corrected.

Even though such a person is employed by several firms, he has no control over his terms of employment. If one of his employer firms suddenly decides to drop one of his lines, then he loses it and that is all there is to it. If he loses five or six different lines, then his employment has gone. This is why I do not buy the argument that a self-employed person has freedom of choice regarding whether the works or not. This argument does not apply either in the case of many franchise holders. Although it might be their own fault, if something happens to take away their franchise then they are out of work; there is no freedom of choice there.

If the minister is going to be sincere when he says this program is going to be universal, then why should not the workers in the two examples I have just given be included in this legislation? I do not buy the argument of universality. After all, the government cannot have it both ways; either the scheme is universal or it is not universal. If we are going to accept the principle of universality then let us make this legislation truly universal. I suggest that instead of 4 per cent of the labour force not being covered, this figure should be reduced to half of one per cent or something like that. Certainly, the scheme should be much broader than it is.

In all this debate to date on this proposed legislation very little mention has been made, certainly by members on government benches, of the over-all cost of this program. We have been told that by enlarging the scheme and spreading the risk we will make this program less costly to those who take part in it. That is only a half truth. As a contributor to the fund, I may find my premium reduced from \$1.40 to 90 cents, or whatever the figure is—I am not concerned with exactitude here. However, a steady worker, one who, if this legislation goes through, could be referred to as one of those fortunate people who never happen to be laid off, will find himself paying just as much or maybe a little more than he is at the present time. I say this because in order to absorb the extra cost of national unemployment over 4 per cent, the government will have to draw funds out of general revenue. I have seen various estimates of the extra cost of this program ranging anywhere from \$300 million to \$500 million or \$600 million.

Let us suppose that the extra cost will amount to \$400 million. As far as I know, there is only one place where the government can get this \$400 million and that is from the taxpayers' pockets. So that a person employed today will have his insurance premium reduced by 30 or 40 cents a week, but at the end of the year when the government has to cough up \$500 million he will find

[Mr. Thomas (Moncton).]