

seasonal industries, and special coverage for self-employed fishermen. These two groups invariably collect benefits in the off-season. For example, self-employed fishermen collect benefits equal to about nine times the premiums contributed. This situation is rectified in the proposed plan by eliminating seasonal benefits and by eventually replacing coverage for self-employed fishermen with a plan designed specifically for them.

Furthermore, where an extended duration of benefits is required because of local or national conditions of unemployment, it is recognized that this cannot be insured in the normal way and that the cost should be borne out of ordinary tax revenues. Economists generally agree that in times of high unemployment this injection of capital through the spending of individuals is the best way to stimulate the economy and that it is logical that such cost should be met from general revenues.

Then there is the argument, on the basis of an apparent misinterpretation of the white paper, against the proposed change in the number of employment weeks needed to qualify. Under the present act a worker must have been employed for at least 30 per cent of the time over the past two years to receive any benefits. Under the proposed program a worker must have been employed for at least 40 per cent of the time in the previous year to qualify for the full range of benefits, which is 20 weeks in the past 52 weeks. This is an increase in the qualifying requirements and not a decrease, as has been suggested.

However, it should be mentioned that for some people with an attachment to the labour force of eight to 19 weeks, or employed for 15 per cent to 38 per cent of the time in the previous year, the new plan would provide less than the full range of benefits except in very extreme circumstances of high national or regional unemployment. It is here that the plan recognizes the government's responsibility for the unemployed worker when these extreme circumstances exist.

In passing, it may be well to correct the erroneous comparison of maximum entitlement in the present and the proposed plan for a worker earning \$100 a week. Many have implied that an employee earning \$100 a week for eight weeks would be eligible to receive benefits of \$100 a week for 51 weeks. This is not the case. In fact, this worker would receive only 66⅔ per cent of his insurable earnings, or \$67 a week, and not for the full 51 weeks. His maximum benefit duration would vary from 18 weeks to 44 weeks, depending on the unemployment rate. It is also important to note that this benefit will be taxable.

It has also been stated that a worker, under the present plan, may contribute only \$42 and is then eligible to draw \$2,756 in benefits, compared with \$15.80 in contributions and \$5,100 in benefits under the proposed plan. First, Mr. Speaker, these calculations are incorrect. For a 30-week attachment to the labour force, the present plan provides for \$42 in contributions and eligibility for 15 weeks at \$58 per week, for a total benefit of \$870, untaxed, compared with \$23.70 in contributions and from \$2,144 to \$3,417 in benefits under the proposed plan, which would be taxed. Second, it is clear that the contri-

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bution in both cases is insignificant in relation to benefits, as it should be if the insurance principle of being covered from the first premium is accepted.

Others have referred to the large group of people who are constantly floating in and out of the labour force. However, as with the present act, those who are in fact defined as being out of the labour force are not eligible for benefits. The substance of this is in the definition of the words "out of the labour force." In the proposed plan, as in the present act, unemployed workers must be capable, available and actively searching for work to be considered eligible for unemployment insurance benefits. Furthermore, every claimant is subject to a well defined and efficient benefit control system. This system has been developed over the years and resulted in some 83,000 claimants being disqualified in the fiscal year 1969-70. Recently in the Public Accounts Committee we heard of disqualifications for refusal to accept work dropping from 21,229 to 2,024 since the separation in 1966 of the National Employment Service from the Unemployment Insurance Commission and the creation of Canada Manpower centres. This tells only part of the story because it does not take into account the benefit control procedure which has been revised to detect ineligible claimants independently of Canada Manpower centres.

When people refer to the possible misuse of the lump sum payment of three weeks' benefit by people entitled to it, by having worked 20 weeks or more I think that to some extent these are valid questions. But we have to make a value judgment whether there should be a three weeks' benefit payment or not. Frankly, I am of the view that the payment of three weeks' benefit will be an incentive to the unemployed to get back to work earlier than they would normally. This view was endorsed by the Parliamentary Standing Committee on Labour, Manpower and Immigration in their final report on the white paper published on December 16, 1970. It must also be emphasized that the proposed program is based on a two-week waiting period, which is a greater incentive to find work than the present one-week waiting period.

Many are also confused about the effects upon the middle-income group, which includes those with incomes of between \$7,800 and \$12,000 a year. They mistakenly believe that the 1,200,000 proposed to be covered for the first time are made up of persons solely in the middle-income group. In fact, these new entrants include 700,000 persons earning less than \$8,000 per year who work for hospitals, charitable institutions, police forces and federal, provincial and municipal governments. It is proposed to extend coverage to only 500,000 additional middle-income persons, and the repeated implication that all the 1.2 million newly covered employees are in the middle-income group is not valid.

● (9:00 p.m.)

I have heard it stated that the middle-income group will be paying an "added tax" of \$62 per year in the form of unemployment insurance with little or no chance of drawing benefits. However, there are 750,000 persons in the middle-income group now covered under the present plan. They would, it is estimated, contribute \$33