

*New Unemployment Insurance Program*

Coverage will become universal. Some will call this an unnecessary imposition on those who apparently are secure in their employment. Perhaps they need not fear unemployment in the classical sense. But surely there is no one any more who can say with certainty that he or she will never suffer a temporary interruption of earnings.

The benefit rates are to be substantially increased in order to provide meaningful income support during the employment search or training period.

The benefit rate will be two-thirds of average wages during the qualifying period, rising to three-quarters in the later stages for persons with dependants. The maximum benefit, however, will be \$100 per week.

Employee contributions will be significantly lower than at present while the employer cost will vary from well below the present costs to slightly higher, depending on their lay-off pattern. For example, the employee who earns \$100 per week presently pays \$1.40, this will be reduced to 79 cents under the new plan. The employer now pays \$1.40 for that same employee and this rate could drop to as low as 79 cents. Persons already in the labour force excluded under the present Act will enter at a preferred contribution rate with a maximum of 50 cents per week.

Benefits will also be extended to those who suffer loss of income due to sickness, pregnancy and retirement. These benefits will be for a 15-week maximum, with the exception of the retirement benefit which will consist of a three-week lump sum.

In harmony with our intention to return to the insurance principle, certain welfare features that have crept into the plan will be discontinued. For example, the seasonal benefits as well as the provisions that permitted retired persons to draw up to 18 months of benefits will be dropped. However, eligibility will be expanded to allow those persons with as few as eight employment weeks to draw some benefit.

In addition, the government is not only proposing to help the unemployed and the less advantaged by providing an expanded system of income support during an adjustment process, it is also ready to assume the cost of extra unemployment insurance benefits when national unemployment rates exceed 4 per cent or when regional unemployment is over 4 per cent and exceeds the national average by more than 1 per cent.

[Mr. Mackasey.]

Finally, it is important to point out that the 4 per cent level is not to be taken as a rate of unemployment acceptable to the government. A benchmark of 4 per cent, based on a long term average national unemployment rate, was used to set the lower limit for government contribution. It is in no way intended to be a definition of full employment for the economy.

I cannot, Mr. Speaker, in the time allotted to me, even attempt to outline the proposals in detail. However, a measure as comprehensive as this one deserves the immediate attention of all Canadians, especially those who are in the most pressing need of a more effective unemployment insurance program. With this in mind, I would hope there might be immediate agreement among the members to refer the white paper to the Standing Committee on Labour, Manpower and Immigration.

**Mr. Muir (Cape Breton-The Sydneys):** Mr. Speaker, I wish to express my thanks to the minister for his kind co-operation and courtesy in forwarding a copy of his statement to this side of the House. This is not an unusual action for this minister. Also, I wish to commend him on his forthright and refreshing statement today concerning the matter raised by the hon. member for Peace River (Mr. Baldwin). His frankness and honesty should be noted by some of his colleagues.

**Some hon. Members:** Hear, hear!

**Mr. Muir (Cape Breton-The Sydneys):** This is a welcome statement, Mr. Speaker, however long overdue. In fact, it is approximately eight years overdue. After much labouring "mountainous Mackasey" has brought forth not a mouse but a Trojan horse. This Trojan horse appears to be a gift to the masses. However, with this government nothing of that sort can be accepted without criticism. The white paper on higher taxation is an example.

I wish first to deal with the good aspects. Improvement and rationalization of benefits is good, as well as the reference to cleaning up the funds welfare aspects and putting emphasis on more clearcut insurance principles. Many will undoubtedly welcome the provision for payments in the case of pregnancy. Certainly, some improvement was required in this area. It will be popular. However, the committee will have to make a long and careful study of this aspect.