

these benefits will be payable only on presentation of a medical certificate.

One of the basic features of the proposed unemployment insurance program is the lowering of the qualifying requirement to eight weeks of attachment to the labour force in the last 52. This is a proposal that received a great deal of attention during the deliberations of the parliamentary committee. I note that the representative of the Conservative party has questioned the proposal to lower the barriers for entry into the plan. However, there was no suggestion made as to what the minimum entry requirement should be. The hon. member for Hamilton West (Mr. Alexander) suggested that the reduction of the qualifying period would encourage abuse, but on the other hand noted that the program would be of little assistance to the growing number of young persons with no work experience who are not eligible for jobless benefits nor retraining programs. I wish I knew what the hon. member was advocating. Either he is for or against this aspect of the proposal; he cannot be for and against.

I was gratified, on the other hand, that there was very little criticism or objection in the parliamentary committee report concerning the new plan to lower the period necessary to qualify for benefits. There were a number of statements in briefs about minimum attachment to the labour force, but these varied from recommendations to increase the present length of attachment to the labour force to reducing it to zero for those just entering the labour stream. It goes without saying that setting the minimum attachment to the labour force before being eligible for benefits is a matter of judgment based on a number of considerations, such as the objectives of the program, other conditions of entitlement, and probably the administrative mechanisms that are in place to reduce to a minimum the possibility of abuse.

I must emphasize that the lower qualifying requirements have been proposed only after a considerable amount of research and study centred around the motivation of the individual, the needs of a worker when faced with a loss of earnings, and the ever-changing composition of our society, which brings with it a reshaping of the labour force and its attendant dislocation of individuals. The results of these studies have shown us that no rigid guidelines are available from which we could formulate a hard and fast rule for qualifying, but there are indications that current conditions require a re-orientation of our thinking in terms of providing protection and assistance to members of the labour force. Therefore, we must look to our objectives in deciding on a level of minimum attachment.

We cannot ignore the deplorable fact that under the current plan several hundred thousand workers who become unemployed cannot meet the existing requirements. Persons in this situation generally turn to public welfare agencies for assistance, and are faced with a level of subsistence which is inadequate to meet their needs. The psychological effect of this situation on the individual who is without work does not need to be emphasized because every indication is that he will have a much more difficult time in finding steady employment

### *Unemployment Insurance Act, 1971*

than the person who, through steady attachment to the labour force, receives a level of benefit which is acceptable during the time he is looking for suitable employment. One of the main purposes in reducing qualifying requirements is to provide a minimum benefit to those people who have a short work history, as it is often this group that has the most difficulty in becoming re-employed.

• (4:00 p.m.)

You are aware that benefits under the present act are related to length of attachment to the labour force and bear no relationship to the difficulty in becoming re-employed. More specifically, qualification is established by having made 30 weekly contributions over the past two years, eight of which must have been in the last year. Entitlement to benefit, therefore, is based on past history rather than on prevailing economic conditions. These conditions, of course, bear heavily on the ability to find employment and the proposals in the bill take them into account in the determination of entitlement to benefits. With today's rapidly changing economic environment, the very large relative increase in the number of younger people in the work force, and the increased mobility of the working population, it has become necessary to relate entitlement of benefits to a much shorter and more recent work history.

The hon. member has stated that any unemployment insurance scheme must maintain a proper balance between providing temporary income maintenance and facilitating reabsorption into the labour force. I could not agree more, Mr. Speaker, and the proposals of the bill are designed to do just that.

Another factor which enters into this consideration is that of cost. A balance has to be struck between what you are trying to provide and the cost of providing it. We can increase the cost of the program by lowering the qualifying requirements to nothing, as some have suggested, or we can reduce the cost of the program or provide better benefits by increasing the entrance requirements as suggested by those who are more conscious of costs and have expressed fears about abuses. Let me reassure you, Mr. Speaker, that the studies carried out to establish the costs for the new program have shown that this balance can be reasonably established with a work force attachment of eight weeks in the last 52 weeks.

The qualifying conditions that are part of the proposals of the bill will provide a substantial measure of short term financial support, in the event of unemployment, to the Canadian labour force. This financial support, coupled with the other services which the government plans to make available to claimants, will ensure that proper guidance and motivation are provided to the person who is faced with the loss of earnings. In view of the factors I have just put forward, in terms of cost and in terms of reasonable attachment, I am confident that the qualifying requirements are compatible with our rapidly changing labour environment. I would not like to depart from the principles of the bill because it seems to me that to do so