

legislation. Appended to the minutes of proceedings and evidence of the Standing Committee on Labour, Manpower and Immigration of October 13, 1970 is a representation received from the Manitoba Teachers Society that said, and again I quote:

Historically, the Society has opposed it on two related grounds. The first of these was that by the nature of their work operating under annual contracts, and because of the shortage of teachers, there would very seldom be times when teachers would actually benefit from an unemployed insurance scheme and that such inclusion would simply mean that there would be one such section of the population, not affected by unemployment insurance, elected to help pay for unemployment insurance and that this would therefore be a discriminatory tax on teachers. The second point was that at a time when the provinces were seeking to get more federal monies for provincial education, the federal government would actually be forcing a flow of provincial education money to aid the federal government for other purposes.

I trust it is now abundantly clear to the government that the economy cannot at this time sustain measures which would result in further tax increases. The effects of the bill before us, if it were passed into law, cannot but be otherwise. To me, as well as to other hon. members, I am sure, it is of great significance that in the white paper entitled "Unemployment Insurance in the Seventies" the government made no effort to document clearly its claims regarding the cost of its proposals to bring about changes in the Unemployment Insurance Act. At current levels of unemployment, I am confident that the unemployment insurance fund will operate at such deficits that it may be necessary for the government to increase premiums far beyond their present levels, thus aggravating an already excessive taxation burden being carried by the vast majority of Canadians, particularly in my province.

Mr. Charles H. Thomas (Moncton): I do not think anyone in the House seriously quarrels with the principle of unemployment insurance, the principle that insurance should be provided to deal with the consequences of involuntary unemployment. Nor do I think anyone seriously quarrels with the idea that the benefits provided under today's legislation are unrealistic and that they ought to be increased so as to be more in line with living costs. But we on this side have serious reservations with respect to many of the clauses contained in the legislation before us, such as the provisions shortening the period of time required for eligibility, provisions for the supervision or lack of supervision, of the administration, and so on. If the government is prepared to accept some of our criticisms, criticisms we believe to be justified and worthwhile, then I am sure this bill will make reasonably good progress. But we are bound to set out our objections in the hope that they will be considered by the government and that amendments will be introduced in committee to correct some of the less acceptable features of this legislation.

There has been a great deal of discussion as to whether this scheme represents insurance or welfare. I do not intend to enter into this discussion myself, except to say that in my opinion many of the features of this legislation amount to welfare rather than insurance. Let me

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correct some of the statements which have been made by members on the government side. One of their spokesmen said, for example, that when a man buys insurance the amount of the benefit does not depend on the number of contributions he has made. In other words, a man could buy life insurance today, and if he were to die tomorrow, his heirs would collect. This is true, but I should like to point out that if a person sets out to buy commercial insurance, he immediately finds that premiums are rated according to the degree of risk. If I have terminal cancer, or any terminal disease, no life insurance company will insure me. If I have a history of heart disease, I may be able to get insurance but my premium will be rated much higher than that of a healthy person. Similarly, fire insurance is rated according to the degree of risk, depending upon where the property is located and so on. This is something which members on the government side have chosen to overlook or ignore. Then again, the purchase of commercial insurance is voluntary. If I feel my risk of loss is not sufficient to justify the cost of the premiums required, I do not have to take out insurance. In any case, I am not obliged to carry fire insurance or life insurance, for example. But here we are being forced to contribute to a plan whether we want to do so or not. This is another fundamental difference, one which lays emphasis on the welfare aspect rather than the insurance concept.

As an example, may I direct your attention to what I believe to be a glaring weakness in the program? This program would offer insurance to persons who enter employment for a definite, stated period of time, perhaps two months or three months. When they leave that employment they will be in a position to collect benefits. I have in mind students who engage in summer employment. A university student probably takes employment from May 15 to September 15. Both he and his employer know that he will be employed only for a definite period. At the end of that period, he will leave. But, as I understand it, under this legislation, since he has been attached to the labour force, he would be able to draw benefits the following summer. The parliamentary secretary shakes his head. I am glad to note his action. I hope the minister will correct the impression which has been created. This will satisfy one of my objections to the legislation.

● (4:20 p.m.)

Mr. Mackasey: If the hon. member would permit, I just want to make one point. He is absolutely right. A student who draws eight weeks attachment or more to the work force this summer will be entitled to unemployment insurance within a 52-week period provided he cannot find work the following summer. So to that extent it is in his interest. Under the present act if a student works this summer he will pay unemployment insurance contributions but will never draw any insurance.

Mr. Thomas (Moncton): I thank the minister for his intervention which has confirmed my understanding of the act. This brings me to my next point. One of the chief criticisms I have heard made of the present act is that a student is assessed for unemployment insurance