

Unemployment Insurance Act, 1971

However, I repeat that it is following that assessment that we extend the 18 weeks benefit in movements of six weeks, depending on the deviation of the national rate of unemployment from the figure of 4 per cent. In other words, if the rate of unemployment across the country is 6 per cent, as it is now, this will extend the 18 weeks by 12 weeks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Automatically?

• (4:10 p.m.)

Mr. Mackasey: Yes, sir. Then, of course, if you are still unemployed we would take into consideration the regional rate. The purpose of this is logical. It is sound insurance. We are insuring not what happened in the past; we are insuring the probability of your being reabsorbed into the work force and we must take into consideration the economic conditions of the country at the time.

Those hon. members who know more about economics than I, and I suppose that includes almost all hon. members of the House, can appreciate the effect that an injection of approximately \$100 million for every one, per cent of unemployment in this country can have when we reach this particular plateau. The financial critic of the New Democratic Party would understand something that has evaded economists for years, the mechanism by which we can inject into the economy and into the hands of people who have a propensity to consume and spend, the money that is necessary when the economy needs stimulating. That is not hard to do. The problem has been to retrieve the money when the economy has been booming and when too much money has been in the economy. This feature of the bill will make this possible. If the rate of unemployment happens to be 6 per cent, that will mean an injection into the economy by the government, through the unemployed people in this country, of approximately \$200 million. However, if unemployment were to drop to 4 per cent, by shortening the benefit period under which people are entitled to unemployment insurance, we will remove from the economy approximately \$200 million.

Many features of the plan can be criticized objectively. I expect this and welcome it. On balance, I think these are all questions of degree. Should the waiting period be two weeks, or one week, or no weeks? We think it should be two weeks. We set two weeks because of the master plan we had in mind. We considered the cost of the plan and the need to provide maximum benefits at the lowest possible cost to the Canadian worker, particularly since he will be partly financing this plan. That has been one of the considerations. If you were to reduce the waiting period to zero, the cost would be astronomical. At two weeks we think the cost will be bearable and will permit us to build in this two thirds relationship as between benefits and a person's actual income. It is very easy to criticize or take objection to certain specific features of the bill. I only hope that hon. members who are here will approve of these changes, suggest modifications and improvements and try to look over the bill so that we can come up with the best possible legislation for Canadians.

[Mr. Mackasey.]

There have been the usual criticisms, Mr. Speaker, that unemployment insurance is welfare in disguise. It never has been that and it was never meant to be. We have attempted to close up the unintentional loopholes that previously permitted welfare connotations to creep into the plan. One of the weaknesses of the present structure is this: it has been difficult for people legitimately in the work force for the first time to become identified as legitimate members of the work force. After you leave university or high school or teacher's college and enter the work force for the first time, you must be part of the work force for two years and accumulate by a tortuous formula 30 contributions—hon. members know all the rest of it—as well as so many contributions in the last year before you are eligible for any type of assistance. We propose to reduce that period. We shall consider someone as attached to the work force if that person has as few as eight weeks of contributions. I say that because we are interested in the future of that worker and not in his past history. I think this will be of tremendous advantage to the Canadian worker. This is his fund.

I have heard people saying, and read editorials to this effect, that after a contribution of \$1 or \$10, say, a person can draw \$5,200. I could make a similar argument about the man who buys insurance on his home today and sees it burn down tomorrow, or about the poor fellow who buys life insurance today. It is small consolation for the widow to hear, "Well, your husband invested \$50, and you got \$10,000 four days later." Of course, the whole concept of insurance, which I need not explain to hon. members, is the pooling of risks. This is what we are doing. Of course, there will be some of these cases. However, our plan is actuarially sound in general and we know it.

I have mentioned pregnancy, Mr. Speaker, and we do not apologize for the inclusion of that feature. One of the greatest unintentional abuses under the present plan has stemmed from the fact that women who were about to have a child, as is their right, have gone to their employer and said, "I am sorry but I cannot continue working because I am expecting a child." In more cases than we realize, the well meaning employer has falsified the reason for that woman's dismissal. Then, the lady, either through the mail or by visiting the local office, will say, "I have been laid off owing to lack of work." She could begin drawing unemployment insurance and, unfortunately, in many cases draw it for 52 weeks. Now, we are making it possible for an employer to be honest. He can fill out a declaration that Mary Jones is retiring from work temporarily because she is to have a child. She does not have to falsify the reason for quitting and she need not feel like a criminal. She may go to the unemployment office and draw exactly what she is entitled to, 15 weeks coverage—that being nine weeks before the termination of pregnancy and six weeks after.

I think the inclusion or recognition of sickness as a legitimate reason for drawing unemployment insurance is long overdue. May I remind hon. members that, at the moment, if you are dismissed on Friday and establish your claim at the local unemployment insurance office on Monday then fall sick on Tuesday, you can draw unemployment insurance. On the other hand, if you fall sick