

Unemployment Insurance Act

The time has come to examine what we have done. I agree with the minister that it is more than a year ago that we decided to separate the two departments. I believe the National Employment Service has been working well and that it has done great things. I know that in my own area we were able to use persuasion in some cases and the big stick in others so as to increase the volume of hiring through the National Employment Service. People seeking work were able to go to the office to fill out their application forms and in many cases they found there was employment available to them; they did not file for benefits but took advantage of the opportunities offered to them.

The Minister of Labour has travelled across the country making a number of speeches about unemployment insurance. Mr. Speaker, I have received about 1,000 letters from teachers who believed it was the intention to revive the old chestnut which the hon. member for Essex East (Mr. Martin) used to talk about as a private member, that is, combining unemployment insurance with the tax structure in such a way that civil servants and others in similar jobs would pay into the fund.

Nobody was saying—and the minister did not say—that unemployment insurance benefits would be paid to civil servants. No, all they would do would be to pay money into the fund so that somebody else could get the benefit. This is not an insurance program. It could not be actuarially sound, because people paying into it would have no chance of receiving benefit. The only intention behind this proposal was that more money should flow in by way of revenue. Why was more revenue needed at the time this proposal was made by the hon. member for Essex East? It was needed because, in a period of recession, the fund was being depleted much faster than revenue was coming in. I believe the fund had fallen from about a billion dollars to within \$100,000 of a deficit position.

The depletion of the fund was accelerated by the inclusion of two categories of workers on an actuarial basis which was not sound—categories which should not have been covered for the reason, though this time in reverse, that the civil servants are excluded. Coverage was extended to fishermen, who obviously cannot fish for half the year because of weather conditions, and to bush workers who in my opinion should have been covered in a totally different manner. Then again, coverage is available to construction workers.

[Mr. Peters.]

Many people objected to the coverage of construction workers on the ground that they might be able to earn as much as \$15,000 in six months of the year. Nevertheless they are eligible for benefit during the other six months when work is not available because of adverse climatic conditions; unemployment insurance benefit was granted as a sort of beer money. As for the fishermen, the amount they earned had no relationship to the benefits they were eligible to receive. They were in the same class as others who were covered as insurance risks, not as a sure thing.

I mention all this in the light of the discussions which have taken place on the question of unemployment insurance in recent days and the concern felt by the teachers in the light of the minister's statements. It is my belief that the minister was flying a kite to ascertain the reaction of the country to this proposal. Some suspect that changes are contemplated of a kind which would change the nature of the fund entirely. No longer would it be an insurance fund, but it would be a fund of a totally different class, probably working toward the establishment of a guaranteed minimum wage.

• (4:10 p.m.)

I am totally in agreement with the proposal to establish a guaranteed annual income program. I think the country is prepared to support the principle of such a program. In the next election the people should be asked how extensive they think such an income should be, and at what level we should correlate our welfare programs with a guaranteed annual wage. However, so far as I am concerned if a guaranteed annual wage is introduced, applying to farmers and other workers alike, I believe there will still be a role for the unemployment insurance fund to play. There will be a gap between the amount of the guaranteed annual wage and the full amount of a worker's earnings when he is employed.

A man earning \$10,000 a year in a construction job should be permitted under an actuarially oriented program to provide himself with unemployment insurance income during his periods of unemployment. Construction is an industry which is subject to periodic change and there will always be times of unemployment in it.

Some people say that in the foreseeable future, due to the influence of automation and technocracy, a worker may change his occupation five times during his lifetime. If this be so, and if his retraining is provided by the