

I remind the minister of the gravity of this situation by stating that at the end of January, 1971, there were 844,000 claimants, some 26 per cent more than the 672,000 registered for benefits a month earlier, and 28 per cent more than the January 30, 1970, total of 659,000. We are talking about a significant number and saying there is no technical or legal reason why increased rates should be withheld until some time in July, 1971. I hope that when the minister replies, after listening to several speeches, he will give us a better reason than he has given so far as to why he cannot implement the suggestions we have made, thus alleviating some of the pain, suffering and hardship of those who are confronted by unemployment.

We have argued for an acceleration of the implementation of the new rates, and continue to do so. The government has admitted responsibility in the area of cyclical unemployment, and since the new act suggests that the government assume the costs of financing when the unemployment rate exceeds 4 per cent, it is reasonable that the government should accelerate its program to respond to the present employment crisis. The urgency of the unemployment situation in terms of numbers and the present inadequate level of benefits, keeping in mind the recent cost of living index, suggests that moral considerations at present far outweigh bureaucratic ease of implementation some time in July.

There are other matters in this bill and I will touch on a few of them. My colleagues in this part of the House will elaborate and perhaps bring home several points which because of time I will not pursue. I should like greater elaboration in respect of the self-employed. As far as I am aware, no argumentation is made by the minister for this categorical exclusion. Since the proposals of the white paper are designed to broaden coverage rather than restrict it, a better explanation from the minister is required.

Of course, there are difficulties to be encountered in the inclusion of the self-employed. However, it would be sheer intellectual and perhaps moral laziness by the government to exclude the self-employed rather than attempt to surmount these difficulties. Unemployment insurance is basically a plan of income maintenance. Consistent with the philosophy of the Carter report and the tenor of the white paper on tax reform, which call for taxation from all sources, the white paper on unemployment insurance and the ensuing legislation with which we are now dealing should be concerned with the maintenance of income from all sources. Here we get a picture of universality once again.

However, the insurance principle militates against the inclusion of self-employed persons per se because no effective regulations have been established to screen those who have voluntarily severed self-employment. In many situations the integrity of the fund demands the exclusion of the self-employed where checks against fraud are totally lacking. Nevertheless, it is my respectful submission that the government should make a serious attempt to develop regulations for inclusion in the legislation so that the insurance principle will not be endangered and the principle of income maintenance can be

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properly extended. Also, they must be more precise in that endeavour. The Canadian economy is far more interdependent than the government seems to imagine. For many individuals, the semantics and characterization of self-employed are extremely misleading. By far the majority of those who are today called self-employed, whose annual income is derived from a form of self-employment but whose self-employment clearly depends upon a third person, could easily be incorporated into the act with the aforementioned considerations in mind. These are the "franchisees."

I was very impressed when the minister first started to deal with this bill. The hon. member for Winnipeg North Centre (Mr. Knowles) posed a question to the minister. The subject was of vital concern and I thought the minister would see his way clear to explain the situation. He indicated it was a marvellous suggestion but not one he had heard just recently. He indicated it was being considered and that he hoped to delve into the matter and come up with some answers.

Let me indicate to the minister through you, Mr. Speaker, that "franchisees" would include taxi drivers, gas station operators, chain food and entertainment operators, life insurance salesmen, door-to-door salesmen, farmers under supply management, etc. The franchise factor would be quickly ascertainable by the commission, allowing it to determine whether the applicant had lost his franchise or had surrendered it; whether he has been laid off or had quit. I think this is probably what bothers the minister, although I know he is always concerned about constructive criticism. I hope he has second thoughts, because we intend to talk about universality. The suggestion is that 96 per cent are covered, which means that 4 per cent are not. A reasonable suggestion is that this 4 per cent represents the self-employed or the "franchisees" who are deserving of more consideration than the minister and bureaucrats have given them.

I should like to touch upon another controversial issue, the experience rating factor. This is a highly controversial and ill-advised proposal of the new act, at least as far as I am concerned. The proposal is to institute experience, or what is more commonly called merit rating, whereby adjustment of employers' contributions may be applied according to their record of lay-offs. The government has made no final decision on the proposed formula for determining merit rating to establish contributions by employers. The Commons committee suggested it be judged in accordance with the industry involved. Whatever the formula, Mr. Speaker, I respectfully state that I will not accept in any way, shape or form the proposal of experience or merit rating, whatever the term may be.

The arguments presented by the white paper is really attractive rhetoric. We have heard many comments on this question both pro and con. There was some merit in the arguments of those who were against this type of proposal. The white paper suggests that the introduction of experience rating will more properly allocate the cost to employers according to their lay-off pattern as well as serving as an incentive to create more stable employment patterns. No one is quarrelling with such motives. How-