

Unemployment Insurance Act, 1971

under which the employer makes a payment and the employee makes a payment; these add up to 100 and then the government pays an additional 20 per cent of that total amount. The fact is that the government is involved from the first. Indeed, at the present time it pays not only 20 parts out of 120, which is 16⅔ per cent, but it also pays the administrative costs.

I am familiar with the argument that there are some expenses below the 4 per cent level which the government will pay. I realize, also, that once unemployment amounts to more than 4 per cent, government costs will skyrocket while costs to employees and employers will not increase. But we are concerned about bringing unemployment down. Once this level of 4 per cent has been set as the point at which the government comes in, getting unemployment down to 4 per cent will be the sole aim of government policy, and I for my part insist that this is not good enough.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The minister also told us this afternoon that under the new legislation certain benefits will accrue to unemployed persons when the national rate is above 4 per cent, benefits which would not accrue to them when the national rate is below 4 per cent. It would be hard to explain to an unemployed person, whose need is just as great when the national figure is 3.9 per cent as when it is 4.1 per cent, that although in one case he will get the additional benefit, in the other case he will not.

It seems to me that the benefits which accrue to workers drawing unemployment insurance should, if they are to be flexible, be geared to the duration of that person's unemployment rather than to the national average, the general condition in the country. This whole concept of a 4 per cent threshold is one which needs to be examined all over again in committee. We went into it exhaustively, in both senses of the word, in the committee which considered the white paper, but it is so crucial to the legislation before us that I urge that we do so again when this bill gets back to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker, I come now to one of the principal items of criticism which I wish to raise. Here I am meeting the minister with respect to the attribute of this legislation of which he is most proud. He is proud of the fact that this bill has adopted the principle of universality. This is true up to a point but—and this is the trouble—it is true only up to a point. The minister has tried to bring within its four corners all persons whose living depends on the money they received because they are employed, whether they are shopworkers, railwaymen, teachers, doctors, lawyers or whatever—if they are employed as opposed to being self-employed. But even though he has widened the net and brought in many more people than were eligible before, he has not touched the self-employed at all.

The hon. member for Hamilton West (Mr. Alexander) reminded us that we raised this question in committee one day when the minister was there; the minister took it seriously and undertook to have it studied, but later we were told it was too complicated. In this age of

[Mr. Knowles (Winnipeg North Centre).]

computers which can do the wonderful things the Minister of Justice (Mr. Turner) told us about this afternoon, I do not think it is beyond the wit of the people in the department to devise legislation which would protect the incomes of all our people.

The argument the minister used in defence of the payment of sickness and maternity benefits—and I agree with him 100 per cent—was that what he is protecting is the income of these people; the purpose of unemployment insurance is to see to it that those whose income is interrupted have a source from which to draw income to replace it. This is just as important a need for self-employed people as it is for employed people. If the minister really wants to bring in legislation which measures up to the billing he has given it, he ought to go a lot further and introduce a bill which would protect the incomes of all our people whether employed by others or self-employed.

Many of the criticisms of this legislation which are being made—I do not agree with them, but one can read them in some of our newspaper editorial columns—are to the effect that this is not really unemployment insurance, but welfare; that it really involves the taxing of certain groups, and so on. I suggest this would disappear if we were presented with a plan into which everybody would pay in order to protect his income against a time when that income might be interrupted because of loss of work or conditions over which the person concerned had no control.

● (9:20 p.m.)

Some of the people who do not like being covered say that the plan is not really universal after all; that they are being brought in while others are not. Let us get everyone into the plan. As a matter of fact, what is wrong with Members of Parliament being in the plan too?

Mr. Mackasey: Agreed.

Mr. Francis: Agreed.

Mr. Perrault: Agreed.

Mr. Knowles (Winnipeg North Centre): I have three votes. Are there any more? There seems to be more support for my proposal on the Liberal side than on this side. I guess they are anticipating the result of the next election. When I have advocated this proposal in some quarters, the retort has been made, "You mean, if a member is defeated at the next election he gets paid out of the unemployment insurance fund?" I suggest that while there is no means test in the Unemployment Insurance Act, there are provisions about going on pension and some MP's around here will be going on pension when they are defeated; so there could be a relationship between those two situations. Others would get other jobs. The result would be that not too many would collect from the plan. I think the moral effect of the answer it would provide to some of the critics would be worth our making a payment as well. The minister does not need to throw in his little piece about the premiums having been reduced, because they have not been reduced by very