

Unemployment Insurance Act, 1971

That man could not survive without the unemployment insurance fund, and he should not survive. There are too many industries in this country evading their responsibilities and passing the buck to the public. We have seen this with pollution and with unemployment insurance.

I also have serious reservations about a fund of this sort that does not rate industries. I think industries should be rated. In fairness to the bill I should say that there are some weak provisions in regard to a low rating, a high rating and a medium rating; but in my view the gap between them is not wide enough. All industries should be experience rated.

I think that one of the best programs in this country is workmen's compensation. Looking back over the history of workmen's compensation we see it has had an admirable effect on the prevention of accidents in factories. Most of us who have been working for quite a while remember the time when no one cared much about accidents in industry. After all, that was part of the price that you had to pay for the production of goods. But when workmen's compensation boards started to give certain industries a high accident rating, these industries began employing safety officers in their plants. They began to scratch their heads and introduce safety devices, paste up posters in plants and promote educational programs. They did everything they could to ensure that they would not be put into a penalty position as a result of accidents in their factories—and that is the way it should be.

Too many industries have been living off the unemployment insurance fund, and the chief beneficiary of the fund has unfortunately not been the working man but, rather, the inefficient industries of Canada. This is a matter we must examine closely. If we are critical of unemployment insurance, and if there is cause to be critical, let us put the criticism in its proper place.

There are, of course, workers who abuse a fund of this sort. In any society consisting of millions of people you will find individuals doing things with which we do not agree. But my experience, and I think the experience of anyone who wants honestly to examine the behaviour of the working man in our society, is that he does not want to abuse the fund. By and large the labour force plays fair. If workers become unemployed, in most cases it is not their fault. They do not collect from the unemployment insurance fund of their own volition.

● (9:40 p.m.)

We can remember industries that as a matter of habit hired all kinds of people when things were good, and laid them off just as fast. The automobile industry was one of these. When automobiles were selling they would have high employment, but when things slowed down they would throw their workers on unemployment insurance. This continued until the unions stepped in and said they could not operate this way. The unions have made it too costly for the automobile industry to hire and fire on this basis.

[Mr. Saltsman.]

These industries used to raise the argument that they could not organize their operations this way because their business was seasonal. They said they had to lay off people, but in fact this turned out not to be the case. When they had to pay these people even though they had laid them off, they stopped doing so and began to use their head in terms of levelling off the ups and downs of the industry.

I remember the \$500 winter works bonus which was paid to the house building industry in respect of each house built during the off-season. Until that time virtually everyone in the house building industry told us there was no way they could build during the Canadian winter. They said it could not be done. The construction industry has been notorious for its lay-off pattern. The industry hired men for a day, a week or a month and then laid them off. The industry has had no sense of obligation to these people. There is no long-term attachment in most cases between the employee and the employer. Once there was a bonus involved and the industry knew there was some benefit if it built houses in the winter. Consequently, there was a great deal of construction in the winter.

One of the things we must look for today is a guaranteed annual wage. We must tell industries that they are obliged to treat their blue collar employees the same as the white collar man rather than as parts of a machine which can be shut down and started up again. They do not treat the office staff this way, so why should they do this to the men in the factories? The argument to the effect that they cannot organize the men in the factory does not hold water, because when they have to do this they do it.

We must emphasize this matter and use the unemployment insurance fund to stimulate this kind of approach. There should be a heavy penalty imposed, by way of the unemployment insurance fund, on employers who traditionally lay off workers at certain times each year, or those who do not exercise responsibility toward their workers. Let me go a little further and say something that may sound harsh. If industries cannot run their businesses in a way which will provide decent employment the year round with only lay-offs which cannot be avoided, they should not be in business. These industries receive fantastic sums from the public purse—and to add insult to injury it is very often the same industries which belabour the working man for abusing the unemployment insurance fund. They do so without taking into account the fantastic subsidies they receive and the abuses of the fund.

This erratic hiring and firing of the labour force locks people into poverty. It prevents their looking for other jobs. They hang on when they should get out. This enables them to attain a marginal existence when in fact there is not much hope for them in that industry. This practice undermines the retraining and mobility of our people. What we have in many cases is an insurance subsidy paid to industry. It is not any more an insurance program for workers in the real sense of that phrase.

If we are talking about insurance in comparison with welfare, the risk has to be unpredictable. That is what