

Unemployment Insurance Act, 1971

ty: what the claimant does is up to him and his conscience. Such a program geared to modern day conditions represents, I believe, one of the more forward steps taken by any government in dealing with human problems on a human level.

[Translation]

Mr. Roland Godin (Portneuf): Mr. Speaker, at a time when unemployment has reached appalling levels, everyone must rejoice at any improvement in the plight of the unemployed. That is why the system put forward by Bill C-229 seems to be effective, at first sight, particularly because the unemployed will be able to receive increased benefits more in keeping with their needs.

But finally, it is realized that the proposed system can only work over a short period, in view of the federal government's present policy. Should the government persist in the belief that inflation can only be curbed through unemployment, the unemployment insurance system will become inadequate, because the number of unemployed will be too great.

● (8:30 p.m.)

It can be seen that the unemployment insurance plan works fairly well when it is a matter of seasonal unemployment or of unemployment of short duration, or when the number of unemployed is not high. However, when the unemployment rate reaches a high level, as it does today, the plan becomes deficient and inadequate. In spite of that, the government has decided to deal with the problem from the standpoint of benefits, that is in a superficial manner.

By increasing the benefits and extending the benefit period, the government believes that it has solved the problem. The government could be right, if there was a decrease in the unemployment rate, but, on February 23 last, the President of the Canadian Labour Congress, Mr. Donald Macdonald, stated that, because of the government's present policy, unemployment would last for several more years.

In the newspaper *La Presse* of Monday February 15, it is reported that Mr. William A. Dyson, president of the Canadian Welfare Council and member of the Castonguay Commission stated that the rise of unemployment could become a permanent phenomenon in our society. He added and I quote:

Apparently, the level of unemployment is not as important as it used to be, since production is increasingly dependent on industries, businesses and services using machines and computers.

Consequently, the means of production and wealth derived therefrom make the producing mechanism less and less dependent on workers, managers and experts.

There is no doubt that we are now witnessing a deep economic alteration. The machine is now liberating the man of tomorrow from an incredible number of menial tasks. However, while being liberated, he becomes unemployed. We know that problems are appearing much more quickly than legislation is improving.

Consequently, the thriving community must ask itself how it should provide for the needs of those who are no longer useful in the productivity process.

The hon. Minister of Regional Economic Expansion (Mr. Marchand) stated recently that the high unemploy-

[Mr. McNulty.]

ment rate was no cause for alarm, that it was normal. This means that the services and recreation are and will be more important than ever. But instead of tackling the whole problem, the government divides it into various areas: unemployment insurance, family allowances and heaps of other things so that it is impossible to find either a challenge to work or any improvement of recreation which would normally tend to increase the quality of life. So the government offers a solution to an immediate problem rather than an adequate solution that would encompass the future.

As neither the present government nor any traditional political party seem willing to accept valuable solutions in matters of unemployment, namely monetary solutions, it follows that the present system which is split in layers only takes care of particular cases and disregards general needs. For this reason, the various plans and programs, that is, family allowances, unemployment insurance, old age security pension, are far from being integrated and what we have been suggesting for years is to integrate all these plans into one aimed at providing a vital minimum, which would help solve all the problems at the same time. This is a plan which was accepted in principle at the Liberal conference of last fall, but which the federal government has not deemed proper to translate into a policy.

Following the rejection of such a policy, this government has kept on introducing white papers and legislations which do not deal with the basic problem but which somehow are more or less popular because they improve conditions in a particular field.

Since we must consider a specific bill and since this is not a comprehensive policy, as it should be, I should like to pass on to the analysis of this legislation. It would appear, in this great legislation, that contributions are required even from those who, apparently, enjoy security of employment, that is teachers, federal public servants, etc. This means that benefits higher than those of the present system and extended benefits will be paid for by the contributions of those who will never need them, so that 96.3 per cent of the Canadian labour force will participate in the unemployment insurance plan. Such a scheme seems far from the original principles according to which nobody was supposed to contribute among those who were not likely to be out of work, and benefits were indeed paid for by contributions of the unemployed themselves, the government and employers. Thus the new system would become a welfare scheme, something which was consciously avoided at the beginning.

Suppose we agree that those who have job security must participate in the unemployment insurance. How come then federal public servants are included under clause 3, on a mandatory basis, while provincial civil servants are not necessarily covered? If the principle applies to one of the categories, there is no reason to make a difference between them.

Besides, if almost universal contributions are required, why impose a ceiling on contributions, so that those who earn but a low income should maintain the system while those who are better off pay only a small portion of their income?