

Unemployment Insurance Act, 1971

made to the House. If there are a few that are not—and I will explain it later when we get back to committee—there could very well be other clauses. It is a lengthy bill. I might say, before I get into the bill itself, that it represents many months if not years of preparation, many meetings of the committee and much consultation with the provinces. As a result of consultation with the provinces there have been one or two changes in the bill which I think have made the bill a better one, for instance as I previously mentioned once or twice in the question period, we are no longer limiting referrals to the Department of Manpower and we are taking advantage of other social agencies across this country that can help people without work. We also indicated that when and if a province were to introduce on the provincial level, and for all residents of that province, features equal or similar to those provided by the new unemployment insurance act in the case of illness or maternity, we would gladly take this into consideration in assessing the rates of the workers in that particular province in order that there may not be duplication, overlapping or double taxation of the individual worker in that province. Particular clauses in the bill make this possible, when and if a province introduces some form of universal health insurance, which would provide income to workers who are out of work as a result of illness.

I think that those members who have been in close touch with the particular problem concerning the Unemployment Insurance Act in the past agree that the benefits paid to workers were very unrealistic if the act was to fulfil its main purpose, that is to help people who are temporarily out of work to find work without having to face the problems of insufficient income during the period of unemployment. In other words, we have substantially increased the benefits to which a person is entitled under the proposed act so there will be a direct relationship between the benefits received and the level of income that he has achieved over a period of time. It has been widely heralded in headlines that everybody on unemployment insurance would draw \$100 a week. Of course, this is not true. People would draw two thirds of their income in most cases, with a maximum of \$100, and people drawing \$100 would be those whose average income over a set period of time was \$150 a week or more. So there may be consistently with the proposed tax reform, and with equity of all types, benefits will be taxable in the same way as other forms of income are taxable. This is a departure from the present act. I might remind hon. members that at present benefits are not taxable, but the new benefits will be.

The second change makes universality possible. Universality was one of the recommendations in the Gill report and basically is the cornerstone of this legislation. We have tried, and I do not apologize for this, to make the coverage under the Unemployment Insurance Act as universal as possible. We have not included self-employed people for a variety of realistic reasons, one of course being the administrative problems that this would create and another the fact that a self-employed person, has control over his destiny, over his profits and loss. Unemployment insurance is not intended to be insurance against a bad business venture.

[Mr. Mackasey.]

However, we have extended universality by removing the \$7,800 ceiling on salaries and generally extended coverage to any member of the work force whose employer we can identify. This includes groups which have traditionally been exempted in the past, such as school teachers, army personnel, firemen, policemen and federal civil servants. These people will be included in the act for the first time. I think this is consistent with social insurance, social policy and social legislation. I would be the first to admit that many of the groups coming in are less likely—I hope for their sake—to ever have to draw the benefits of unemployment insurance than others who are less fortunate. Nevertheless, there will be many people coming in who should have been included many years ago, people who were left out for traditional reasons, such as social workers, casual workers working for different governments and municipalities.

• (4:00 p.m.)

It is significant that of the 1,200,000 who will be coming under the act for the first time, at least 700,000 are earning less than \$7,800 at the present time, and only about 500,000 of those people coming into the plan for the first time earn above that figure. From this we can see that there has been unintentional hardship all through the years as a result of our not broadening the coverage to bring in many people who have had to get by as best they could. I refer to the chronically unemployed people and other people who, for one reason or another, have not been covered. This is one of the progressive features of this proposed legislation.

We have received many representations from groups who have opposed the concept of universality, particularly teacher groups. I have appreciated their contributions to the debate. I have met with most of their provincial organizations and, in the main, found that the concept was fairly acceptable to them, although there were exceptions in each group. But Mr. Speaker, there are many teachers who are prepared to come into the plan, understanding that we live not only in a new type of society in which technology can almost make a trade or skill disappear over night, but that in a period of high unemployment across the country the traditional characteristics of unemployment are changed. It used to be the case that the undereducated and the younger people were most affected, but now for the first time people with 20 or 30 years seniority—here I am thinking of people in the railway industry, of architects, engineers and bookkeepers—are finding that they may be threatened with unemployment. I am also thinking of many people who, even ten years ago, could reasonably be satisfied that they would not become unemployed, depending on their seniority and the development of the particular skills they possessed. But that is no longer characteristic of any industrial nation, and unemployment insurance will be of benefit to these people.

I would not want to leave the impression, Mr. Speaker, that all teachers across Canada are prepared to come into the plan, but I am saying that their organized opposition to its universality is not nearly as consistent as it was a month or six weeks ago. That has been due to the many