

Unemployment Insurance Act, 1971

Just as important as the terms and details of benefits to be provided under this act is the way in which this new unemployment insurance act is going to be administered when it comes into effect. It should be done in such a manner that the whole concept of insurance will be something the Canadian working force can be proud of and support. I hope the committee will fully assess this aspect of the matter during its meetings with members of the present commission and the minister when they appear before the committee. Unless this kind of situation I have tried to describe is given some attention, the whole scheme is bound, sooner or later, to crumble and fall to the ground. I am sure the minister would not want to see that happen.

Mr. A. D. Hales (Wellington): Mr. Speaker, this is one of the most important bills to come before this chamber in a long time. It is important because it affects 96 out of every 100 working people in Canada. Let me congratulate the minister upon the method he has chosen to bring such an important bill to the attention of the people of this country. He introduced a white paper which was referred to the Committee on Labour, Manpower and Immigration. At that time the committee heard many witnesses who gave their views on the contents of the white paper. The minister has now introduced the bill, and we are about to give it second reading in order that it may be returned to the committee for further study. I do not know what better method he could have adopted to make this information available to the people of Canada.

In order to keep my remarks in some sort of chronological order, I should like to deal with four points. Is Bill C-229 a welfare scheme or an insurance plan? I should also like to refer to the universality concept. I will then say a little about administration and the real problems that will be involved in this regard. Under that heading I will have something to say about the two weeks' waiting period. I will then refer to reasons for having the Department of Manpower, the Department of Labour and the unemployment insurance offices amalgamated as they used to be. The minister, by introducing such a bill is providing reason enough for having these offices united as they were in the past. What could be more related than an office dealing with a man out of work and an office paying him benefits? These are related problems. This Government separated these offices and the communication among them at the present time leaves much to be desired.

In the opening paragraph on page 103 of the Gill report, under the heading "Conclusions and recommendations", we find the following:

—we believe that a plan of unemployment insurance should be designed to take the first impact of unemployment and should be based on insurance principles—

We find the following in the next paragraph:

—insurance is indemnity for loss...the concern of unemployment insurance is to indemnify insured persons for loss of wages resulting from unemployment.

The report goes on to point out that a man cannot be said to lose what he never had. This was a reference to

[Mr. Barnett.]

seasonal workers under the existing plan. If a man works from April 1 to December 1, and is normally idle during the rest of the year, it cannot be said he has lost any wages during his off season. It may well be that such an individual needs and deserves some form of income assistance, but that is not the role of a real unemployment insurance plan.

The Gill commission felt that the unemployment insurance fund should be confined to the payment of indemnity for wages lost as a result of the failure to obtain employment. I could continue to quote from this report but I think I have said enough to bring the thinking of the Gill commission to the attention of the minister. The report states further:

● (4:50 p.m.)

...the insurance concept has been pushed more and more into the background.

The plan is neither a valid insurance plan in its present form nor is it a socially desirable type of income supplement.

Is it a welfare or insurance plan? When I take a look at the bill and find that the following things can happen, I cannot help but think that it is a welfare scheme and not an insurance scheme. A person who has only worked eight weeks of the year can qualify for benefits. A person who had worked for a period of from 8 to 19 weeks could qualify, depending on national and regional unemployment rates, for benefits of 8 to 51 weeks. The benefits could be as high as \$100 a week. It would be possible for a person to contribute as little as \$15.80 to the scheme and draw out as much as \$5,100. I should like to ask the minister if he believes this is actuarially sound and if so, whether it is an insurance scheme, a welfare scheme or a hand-out.

A person who works for 20 or more weeks in a year and loses his job could automatically collect three weeks benefits even if he returned to work the very next day. The amount could be as high as \$100 a week. Therefore, a person could collect \$300 even if he returned to work the next day. This is called an incentive to find work. I would say it is an incentive to sit at home. A person who was not looking for work could collect as much as \$100 a week for three months and receive \$1,200 in that period before the unemployment insurance commission would even attempt to determine whether or not he should be receiving benefits. He could collect \$1,200 before the counselling service which is to be established would inquire into the problem and try to determine why he had not obtained a job. Under this bill, I understand it would be possible for a woman to work for eight weeks in order to obtain pin money. She could work during November and December in the Christmas rush in a department store earning pin money and collect \$800 worth of insurance when laid off while her husband might be earning a salary of \$15,000 or more a year. I ask you, is this a sound insurance plan?

When such things are possible, I hope the committee will examine this bill very closely. It would seem that by this bill we would be producing a work force with bad work habits. I believe I have said enough to bring before