

ing period. I know the argument. I heard it in committee and the minister gave it again this afternoon. It is really the old trade-off argument which we get from this government. The minister said we could have a shorter waiting period but it would cost so much we would not be able to provide certain other benefits.

The workers of this country have been studying this bill. They are not unsympathetic toward it. They regard it as their legislation and they take a certain amount of pride in it. One of the things that worries them is this longer waiting period. It gets a bit confused. Although there was not supposed to have been a waiting period for the last while, there really had been a week. Now there is to be a two-week waiting period. As I work it out, there will be three weeks. During this period people will have to wait before they can collect unemployment insurance benefit.

The previous speaker was concerned that once people have established a benefit period they can pick up the benefit for three weeks. He was concerned about that being a disincentive. I think it is the other way around. A person who is genuinely attached to the labour force—and he has to be that to get the benefit—after a couple of weeks receives pay for three weeks. He is told that if he can get a job before his three-week period expires, he will be that much money ahead. That is what he will do. Far from being a disincentive, it is an incentive to people to get back into the labour market.

Apart from that, I am afraid that this period of having to wait before there is any income from the Unemployment Insurance Commission, income that is the right of the workers, is something we will have to tackle all over again. We tackled it very thoroughly when the committee was studying the white paper. The minister, his officials and others were very persuasive. They used the cost argument, the trade-off argument, and so on. This is one instance where we are having a bit of participatory democracy. We did not get it with regard to the old age security legislation. In this case the workers and trade union bodies have been seeing it. I say to the minister that this point is of very real concern. I hope that when we get into committee we will be able to shorten the waiting period rather than lengthening it.

The second matter about which there is great concern among trade union bodies and workers generally is the whole question about the definition of earnings, particularly the earnings that a person might have in a waiting period or during a period when one is receiving unemployment insurance benefits. This is one of those cases where the definition is not in the legislation. The definition of earnings will be left to regulation, but it will be very important that the definition be such that people will not be given something with one hand only to find that it has been taken away with the other. The minister is a member of a government that is very good at that. This was done to the old age pensioners on the guaranteed income supplement, and to recipients of war veterans allowances. I hope there will be a different kettle of fish in this instance and the minister will not do the same as his colleagues have done.

#### *Unemployment Insurance Act, 1971*

Speaking of fish, I might say in passing that one of the angles of this bill that is causing concern is the position of fishermen under it. But I do not intend to go into that question: my colleague, the hon. member for Comox-Alberni (Mr. Barnett), promised the minister this afternoon by implication that he would go into it very thoroughly. The point that my colleague and others wish to make is quite sound. It is fine to have the minister's promise that fishermen will continue to be covered under this legislation until one of his colleagues introduces something else that is satisfactory. However, it is very difficult to know in advance whether that something else will be satisfactory.

I move on to another point which is perhaps one of the most crucial with regard to this legislation. I refer to this business of setting a threshold at 4 per cent. I suppose this is an area in which we can engage in debate, use of words, semantics, and so on. We can do this on both sides. But it seems to me the minister and the government are not going to get away with their insistence that writing this 4 per cent figure into the bill will not sanctify a level of unemployment at 4 per cent. I can see this coming just as sure as anything. As long as the level of unemployment does not exceed 4 per cent, hon. gentlemen on the other side will say, "This is full employment."

• (9:10 p.m.)

The minister said this afternoon that he was proud of this legislation because when the level of unemployment rose above 4 per cent it triggered the flow of government money into the unemployment insurance program, and since such a flow of money would be triggered, government economists and other who make government policy would say to themselves, "We cannot continue doing this. We must do something to establish policies which create unemployment." I say that if this is the way it works on the basis of an unemployment figure of 4 per cent or 5 per cent, it will also work at unemployment rates of 2 per cent or 3 per cent. Two per cent is no better than 4 per cent for the unemployed man who is down at the bottom. But from our point of view it would be a lot better if government involvement in the financing of unemployment insurance began at a much lower level. In the committee we argued that it should be 2 per cent. If we could even get a compromise between the two figures, it would be an improvement.

My contention is that the present procedure will give an air of respectability to 4 per cent unemployment which will vex us for a long time to come. Don't tell us the government is not prepared to countenance 4 per cent unemployment; we have a Prime Minister (Mr. Trudeau) who is prepared to accept 6 per cent, and got even more. I urge the government to reconsider this part of the program.

The old Unemployment Insurance Act involved the government right from the start. We presently have a 50-50-20 formula. Hon. members who were on the committee understand that formula. Even the white paper made the mistake of saying it was 40-40-20. I wonder who wrote that? We have a program at the present time