

*Unemployment Insurance Act, 1971*

many more people would be employed. But businessmen and industrialists in this country are afraid to do any more because the government's bite is just too large; the services are getting out of hand. In times of high unemployment such as we have experienced in the past year, the premium rates for this insurance scheme will, on the government's admission, be increased to compensate for the large benefit payments envisaged. Thus, at the very time when the economy needs increased purchasing power the necessary increase will be denied in part by the provisions of the bill before us; employees negotiating wage and salary settlements will demand that those settlements reflect the cost of meeting unemployment insurance premiums.

Employers, of course, will be obliged to pass the cost of these new settlements, as well as the cost of their premium payments, to users of their products or services. In considering these proposals to extend the benefits of unemployment insurance we should take account of the considerable number of businessmen in this country who are being forced into bankruptcy. Many businessmen have paid into this scheme, yet when they go bankrupt they find themselves without recourse in terms of unemployment insurance benefits. I suggest to the minister that since he is including so many new categories in his scheme, he might just as well include bankrupt businessmen.

**Some hon. Members:** Hear, hear!

**Mr. Alexander:** Before they go bankrupt.

**Mr. Saltzman:** Welfare for the rich—that's what we need.

**Mr. Downey:** What possible justification can there be for the inclusion of professional athletes in the new groups of workers compelled to pay into the fund? If there are sound reasons for including professional athletes, surely the same reasons ought to apply to professional musicians and actors, poets and painters, philosophers and magicians, since I would assume their employment prospects could be at least as hazardous as those of policemen or teachers.

Might I say as an aside that in the farming communities of the west, alarm has been caused from time to time by the growth of Hutterite colonies. These people are very good farmers. They farm on a communal basis and do so well that individual family farmers sometimes find it difficult to compete. Clause 4(e) of the bill before us contains a provision which, it appears, would make the existing competitive advantage even greater. I shall read the appropriate words from the bill which would exempt colonies from unemployment insurance:

The employment of a member of a religious order who has taken a vow of poverty and whose remuneration is paid directly, or by him, to the order—

And so on. This provision would, I believe, place the individual family farmer in a worse competitive position vis-à-vis the Hutterite colonies. Then, again, what possible justification could there be for the government proposing that a retired worker should receive benefits

[Mr. Downey.]

for a period as long as 18 months? This could cost as much as \$7,800 per person. Further, what justification could there be for providing benefits lasting up to 15 weeks in the case of pregnancy? Surely pregnancy ought to be regarded as a voluntary act by which a woman removes herself from the work force, unless of course the woman is the head of a family in the sense that her husband is unemployed during that period, or since becoming pregnant she has become widowed or divorced. This matter needs looking into again.

I commend to all hon. members the reading of the brief presented to the standing committee on October 22, 1970, by the Canadian Association of Equipment Distributors. In particular I should like to quote one portion of a paragraph from this submission as follows:

We are very much disturbed by the further incentives to idleness and work avoidance which seem to be built into the new proposals. Far from there being indications of any vigorous intention to tighten up against the abuses well known to occur under the present system, it appears that the work-shy are likely to enjoy more generous treatment than ever. We believe that the proposed qualification of eight contribution weeks in a 12-month period is totally inadequate to constitute any form of attachment to the labour force. Since the earning of as little as \$25 in seven days can comprise a contribution week, we have the situation that a person who has earned only \$200 in a 12-month period (which at some current labour rates can mean as little as 30 hours' work in 12 months) is considered to be a bona fide member of the labour force entitled to enjoy unemployment benefits as an entrant to the system.

I believe that rather than devote enormous resources and funds to providing palliatives for the unemployed, the same resources and energy should be channelled into the more positive role of providing employment. We have to recognize that there are many thousands of citizens in our society who through no fault of their own require assistance in various forms from the state in order to enjoy a proper and decent livelihood, and I would support all measures that are directed toward the welfare of such people. I believe in social reform, but I say there is a distinction between socialism and social reform. They are two very different entities. Socialism increasingly fosters the belief that the state will provide all the essentials of life from the womb to the tomb.

**Mr. Saltzman:** Hear, hear!

**Mr. Downey:** The only thing wrong with that concept is that in the process of bringing it about, our freedoms are destroyed. Someone said that the power to tax was the power to destroy, and this is what we are experiencing. If hon. members think this is an overstatement I suggest they read the representations made on this bill to the Standing Committee on Labour, Manpower and Immigration; they will find that the overwhelming majority of those submissions, including those from the unions, were opposed to the bill as it now stands.

**Mr. Max Saltzman (Waterloo):** Mr. Speaker, I intend to say some critical things about the bill before us and the way in which it is set up, but before doing so I should like to say some complimentary things about the minister. I see the minister presenting this bill as conducting a one-man subversion of his own government: in fact, what