

*Unemployment Insurance Act*

man had the benefit of a ratio of 1.33 to 1 over a single man whereas in the proposal now presented by the government the ratio is from 1.30 down to 1.26 to 1. In my opinion this is a definite indication of discrimination against people who, by and large, need greater help than persons who have no obligations to others. When the minister closes the debate I hope he will give some reason for this rather unusual approach on the part of the government which in effect discriminates against married workers. If this matter is not dealt with adequately in the reply of the minister, then it will certainly be dealt with when we move into committee study of the bill because to me this is a shocking discrimination.

● (12:10 p.m.)

I made mention of the Gill report that was commissioned on July 17, 1961 and completed with the volume issued in November, 1962. Perhaps it is a good idea to refresh our minds on some of the points made by that report. However, before I do so may I say that the minister has given some reasons for bringing a more comprehensive measure before us at this time. For example, there are the 24,000 plus cases of fraud. That example, with others, shows the dilatoriness of this government in coming to grips with a contentious public issue. I think the government might have introduced the amendments which have been suggested to it. The measures which have been introduced are tantamount to a confession by the government that inflation is rampant in this country. The government could have made this measure more palatable to the public had the competent and conscientious suggestions of the Gill committee on the Unemployment Insurance Act been heeded. At page 103 the Gill report says:

A plan of unemployment insurance should therefore confine itself to payment of indemnity for wages lost by reason of the failure to obtain employment where the person concerned could, in the light of his previous employment record, reasonably expect to have obtained it.

It is another general insurance principle that the event insured against must be outside of the control of the insured person or, if it is within his control, it must be undesired so that there is no inducement for him to bring about the event of his own volition. Unemployment insurance suffers particular difficulties in this regard because the event insured against—unemployment—is not always undesired by the insured person. He may bring it about personally (voluntary quitting) or, once unemployed, he may prefer that state to employment. Thus it is important to see to it that the amount of indemnity is not so large in relation to wages as to encourage insured persons to prefer unemployment to employment. On the other hand, from the viewpoint of the social effectiveness of the plan, it is desirable to have the indemnity as nearly as possible equal to the lost wages.

[Mr. McCleave.]

On page 105 of the report the following point is made:

The present unemployment insurance plan, although satisfactory enough in its basic structure, has by reason of amendments over the years departed unduly from insurance principles appropriate to such a plan. Undoubtedly each such amendment appeared justifiable at the time in terms of the social problem that the amendment was designed to meet, but as such amendments have accumulated, the insurance concept has been pushed more and more into the background. The existing situation is one where, in attempting to assess the validity of any proposed amendment, it is impossible to determine any consistent set of principles by which the amendment can be judged. The plan is neither a valid insurance plan in its present form nor is it a socially desirable type of income supplement, since in many cases the income supplement goes where it is not needed and fails to go where such supplement should go.

In his report Mr. Gill and his confreres dealt with what may be the most vexatious problem in the field of unemployment insurance, the matter of seasonal unemployment and seasonal benefits. I read from page 129 of the report:

The benefits are "seasonal" in that they are confined to a certain season of the year and no doubt they are availed of to a very considerable extent by persons who are in seasonal occupations and who find themselves unemployed in a regular pattern during the winter months of each year. The payment of seasonal benefit is not, however, confined to persons who are occupied in seasonal employments in the normal sense in which that term is used. It might be more appropriate, therefore, if this program were referred to as a program of "winter benefit" rather than "seasonal benefit".

Under the program that we recommend, seasonal benefit in its present form would disappear. It would be replaced to a substantial extent by the plan of extended benefits to be described subsequently, and the existing unemployment assistance plan.

In that paragraph there is reference to a later part of the Gill report. I continue reading:

We may say that the existing seasonal benefit was the subject of more criticisms in briefs that we received than perhaps any other single feature of the existing plan. It appeared to us that the criticism rested on two points. The first was that to a substantial extent the recipients of seasonal benefit are persons who are engaged in seasonal employment and expect to become unemployed during the winter months of each year as a regular pattern. Thus the critics complained that the benefit is not an "insurance" benefit at all but is, instead, a subsidy to persons who are engaged in insured employment for only part of the year as a regular pattern. The objection was not so much that persons who work in insured employment only part of the year receive a subsidy during the off season, but rather that the subsidy is drawn from the insurance plan and is financed by insurance contributions.