

Unemployment Insurance Act

per cent of benefits payable in a week without a reduction.

As hon. members may recall, since the idea was incorporated in the act in 1955 experience has shown that the amount of allowable earnings should be high enough to encourage claimants to take casual work. The proposal, then, is to allow a claimant to earn one-half of his weekly benefit rate, rounded out to the nearest dollar, without a reduction of his benefit. By doing this, two desirable results will be achieved. In addition to creating a greater incentive among claimants to accept casual work there will be less temptation, particularly with increased benefits, to withhold advice of earnings, an area which constitutes the largest source of fraudulent withdrawal from the fund. The change with respect to allowable earnings preserves these principles.

In general, the purpose of the amendments covered by the bill is to fill the immediate need of adjusting upward the rates of benefit and contribution to place them in the current context of the considerably higher Canadian average of normal weekly earnings.

As has been stated on more than one occasion during recent months, the government is convinced of the need for the changes proposed. We believe that this adjustment will be very timely in its effects. The unemployment insurance fund has contributed immensely over the years to the stability of the Canadian economy, particularly in times of recession, and will continue to do so in the future. The purpose of these amendments is to bring the contributions and benefits in line with current wage conditions.

Mr. Robert McCleave (Halifax): Mr. Speaker, I had hoped to commence my remarks with some general pleasantries directed to the newest appointment to the cabinet. I wanted to wish the Minister without Portfolio (Mr. Mackasey), who I thought would be piloting the measure before us, a short but happy tenure of office. However, the presence of the Minister of National Health and Welfare (Mr. MacEachen) as the acting sponsor gives me and others an opportunity to say hello to him during his visit to the house. He has been away in London on government business and in other places in the country on his own business. We welcome him back, however short his visit today and perhaps next week.

In his speech the minister referred briefly to the actuarial basis of the fund but did not deal with how the fund will fare in a country

with over 500,000 people out of work. I found this passing strange especially since the minister, like myself, is a maritimer and comes from an area where one person in every nine is out of work. The minister did not deal with the closure of unemployment insurance commission offices across Canada at a time when there will be greater demands for service by those who have been thrown out of work. I found this passing strange as well. Other members of this party will elaborate on this theme in their contributions to the debate.

Neither did the minister mention the Gill report which was issued in November, 1962, though he did concede that a general overhaul of the Unemployment Insurance Act should be made at some time. Five and a half years ago a thoughtful report was presented to the government; yet five and a half years later no action has been taken on it with the exception of some of the Gill recommendations regarding manpower training and retraining.

I will get around to saying something about the Gill report in a moment, but first of all I should like to deal with an obvious weakness in the amendments that have been presented to us. When we go into committee I shall seek to find out how anyone can justify on an actuarial basis giving an even worse deal to people with dependants than what they now receive. This is precisely what the measure will do, Mr. Speaker.

I took the trouble to examine the weekly rate of benefits under the 1959 measure and compared the ratio between benefits paid to a person without dependants and those paid to a person with dependants. Generally I think the ratio was 1.33 to 1. That is to say, for every \$1 received by a person without dependants, a person with dependants in the same general category would receive \$1.33.

In the schedule that is before us as set forth in clause 4 of this measure the ratio varies, but it does discriminate against the person with dependants. For example, if we start at the top of the table we see that the weekly benefit rate for a person without dependants is \$13 and for a person with dependants it is \$17. The ratio between these two figures is 1.30 to 1. In other words, the person with dependants would receive \$1.30 compared with \$1 received by the person without dependants. If we move to the bottom of the table the two figures are \$42 and \$53, which produces a ratio of 1.26 to 1.

So it will be seen that in the measure the government is seeking to repeal the married