

*Amidash
Ottawa*

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BILL NO. 8

THE EMPLOYMENT AND SOCIAL INSURANCE ACT.

Memorandum submitted to the Dominion Government on the above subject by the Canadian Manufacturers' Association.

1. Pooling System:

The principle of flat rates both of contribution and of benefit regardless of unemployment experience means that the contributions paid in by industries in which employment is comparatively steady will go to provide benefits for the unemployed in industries where employment is intermittent. Further it is generally true that in the industries where employment is comparatively steady, wages are, for that very reason, lower than in industries where employment is not steady, the higher wages in the latter being paid for the purpose of helping the worker to tide over his periods of unemployment. Thus the low-wage, steadily-employed worker is by the present Bill required to pay out of his low wages, contributions to provide benefits, not for himself--for his work is steady, but for the high-wage employee in the industry where work is not steady. This, it is submitted, is a serious and inequitable anomaly.

The difficulty arises, obviously, because contrary to the principle which is followed in all forms of insurance properly so called, fire, life, accident etc., no account is taken of the degree of probability of claims being made. No doubt it would be most difficult to differentiate accurately between various classes of occupation in respect of the risk of

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