

### 3. Exclusion for Administrative and Jurisdictional Reasons

The committee noted that there were very few disagreements with the proposed exclusions of certain groups from benefits because of administrative problems.

The need for more protection for the earnings of the self-employed has been considered. For example, the Newfoundland Federation of Fishermen expressed their opposition to the exclusion of self-employed fishermen from unemployment insurance coverage. Evidence suggests, however, that this need would not be met fairly and efficiently within Unemployment Insurance legislation. It is the view of the Committee that the needs of certain groups of self-employed be met through auxiliary programs.

#### B. Comments

The major arguments in support of universal coverage presented by the briefs would seem to indicate that, in a contemporary Canada, the contingency of an interruption of earnings is not restricted to certain groups as it may have been in earlier years. As the Canadian Manufacturers Association put it, "All employed persons are exposed to risk at certain points in time."<sup>8</sup> The removal of the salary ceiling was supported by the Gill Committee and by the Interdepartmental Committee which studied the Gill recommendations so that on this count there is substantial support for the proposed change.

Because the contingency of interruption of earnings is now so widespread, there should be no employee exclusion on the basis of the employer's form of organization. In our view, for example, employees of non-profit institutions should have access to UIC benefits.

<sup>8</sup> See *Minutes of Proceedings and Evidence*, 2nd Session, 28th Parliament, September 17, 1970, Issue No. 12, Appendix "N", p. 101.

The exclusion of the self-employed and those employees who do not have an "arms-length" relationship with their employer (a spouse for instance) appears valid.

Inclusion of such groups would pose extreme administrative problems.

A question arose in connection with the distinction made between the casual and non-casual worker: While the establishment of a "minimum number of hours" rule to establish entitlement to benefits is impractical because of the great diversity of methods of remuneration, it appeared to the Committee that the method proposed in the White Paper could be improved.

Two solutions were placed before our Committee, one would favour the continuance of the present practice of half-contributions to qualify the casual workers; and the other would propose an adjustment in the earnings-rule to reflect the different circumstances existing in the several regions of Canada. The argument for the retention of the half contributions formula is impractical in view of the reduced eligibility requirements as proposed.

#### RECOMMENDATIONS

C. In the light of the evidence examined, the Committee

(1) endorses universal coverage with exclusions only for constitutional or administrative reasons.

(2) Since arguments for both a built-in escalation clause and a regional adjustment factor are convincing if they do not involve excessive administrative costs, we recommend that either a \$25.00 minimum earning-rule to define a *bona fide* member of the labour force should apply or a minimum earning-rule established as a percentage of the industrial composite of average weekly wages and salaries in each province<sup>9</sup> whichever is lesser.

<sup>9</sup> For example the figures would be as follows based on the averages for 1967; 1968 and 1969 if 25% were used.

	Industrial Composite			1967	25%	
	1967	1968	1969		1968	1969
Newfoundland.....	90.92	99.15	106.00	22.73	24.79	26.50
P.E.I.....	70.58	72.41	80.87	17.65	18.10	20.22
Nova Scotia.....	82.64	88.19	94.51	20.66	22.05	23.63
New Brunswick.....	85.25	89.55	96.80	21.31	22.39	24.20
Quebec.....	101.16	107.92	114.24	25.29	26.98	28.56
Ontario.....	105.86	113.52	121.55	26.47	28.38	30.39
Manitoba.....	91.95	100.46	107.67	22.99	25.12	26.92
Saskatchewan.....	95.77	102.11	107.90	23.94	25.53	26.98
Alberta.....	100.86	108.02	117.95	25.22	27.01	29.49
B.C.....	114.50	120.76	129.35	28.62	30.19	32.34
Yukon.....	114.38	160.74	173.45	36.10	40.19	43.36
N.W.T.....	158.87	169.11	169.00	39.72	42.28	42.25