

*Review of Unemployment Insurance Act*

believe this can be stressed too strongly. However, before we go too far with regard to benefits or drastically change the presently accepted classes, I suggest we should take a good look at other programs and examine other legislation which has been introduced over the years and even recently. During the past few weeks there has been a great deal of discussion in this place in connection with Bill No. C-150 which relates to the adult retraining program. There have been many problems connected with the changeover to the new program under which the federal government has accepted full financial responsibility. The purpose of this act has been to upgrade the skills of men, the lack of which has caused many unemployment problems. There is the manpower mobility program as well as the technical assistance program. There have been many pieces of legislation directed to social welfare benefits. I do not suggest that these will eliminate the necessity for unemployment insurance. However, they are programs provided by this and previous governments which were not available and in all probability were not considered at the time the Unemployment Insurance Act was introduced.

• (5:20 p.m.)

I should like to quote paragraph 5 of the Gill commission report to be found at page 2:

Our studies have shown that the system of unemployment insurance in Canada as it now operates will not and cannot meet the problems and requirements of either today or tomorrow. We are living in an era of extraordinarily rapid change. Revolutionary advances in technology, new conditions of foreign trade and a continued marked expansion of the labour force will have far reaching effects on the operation of the economy and on the occupational structure of the population. In these circumstances it is obvious that there is an urgent need to re-examine the procedures of the past and to devise new approaches commensurate with the realities of the future.

Paragraph 6 reads as follows:

In developing our recommendations we have sought to devise a program of support for the unemployed that will be economically and financially sound and at the same time deal adequately with the social problems that lie ahead. First and foremost, we place great emphasis on the positive solutions to the problem of unemployment. There is no system of unemployment insurance that can cope with heavy and prolonged unemployment in a manner that is at the same time financially practicable and socially defensible. In so far as this vital but larger matter comes within our terms of reference we are proposing a basic reorganization in the role and operations of the national employment service. In our view it is essential that this service be used more effectively, as part of a comprehensive and forward-looking manpower policy, to expand employment oppor-

[Mr. Hymmen.]

tunities and to assist individuals to make the best use of their skills and abilities. Such a reorientation, along with the pursuit of a positive concept in respect of emerging employment and manpower problems, is the foundation stone upon which a program of support for the unemployed should be built. The development of adequate opportunities for employment and the fullest use of human resources is a prime concern of the community; support for the unemployed when work is not available is a necessary and important social obligation, but it is never an end in itself.

We all know of abuses of the Unemployment Insurance Act, Mr. Speaker. I am also sure that the unemployment insurance commission is well aware of the problem. Too many individuals participating in the plan feel that unless a collection is made and benefits are received they are losing something, and they operate under this assumption. However, they should appreciate that they are protected against probability, if not against eventuality or certainty, and this is the principle of any insurance scheme. At the same time we should not criticize too seriously those who have not participated in the plan if they look forward to a retirement benefit.

We have had the benefit of the report of the Gill committee to which I have already referred. This committee of inquiry was appointed by the previous government to investigate difficulties, problems, inadequacies and abuses of the Unemployment Insurance Act, and it reported in November, 1962. A point of interest to hon. members is that one of the commissioners was Dr. J. J. Deutsch, who has just completed a rather productive term of office as chairman of the Economic Council.

The Gill report is a rather sizeable document and this is not the time nor the place to examine it in detail. However, there are one or two basic recommendations in the report to which I should like to refer, and one of them is in regard to financing. The report says:

—with the exception of administrative expenses the unemployment insurance plan be financed by contributions shared equally between employees and employers, with no contribution from the government except in its capacity as an employer; the administrative expenses arising in connection with the plan be met by the government from general taxation revenues.

This, as I understand it, is not the procedure that is followed at present. Under current arrangements the employee contributes two-fifths, the employer two-fifths and the government one-fifth. The latter is in turn covered by a statutory grant which for the current year 1967-68 amounts to \$74 million.