

My constituent is a very concerned person and does not want to do that. However, if he does not do that, he will lose his help. He has contacted the Unemployment Insurance Commission to see whether it is appropriate. I will have to tell him that it probably is, that he can probably do that kind of thing. There is nothing in the act to say when a person must take his holidays. He can take them any time he wants. There is nothing to prevent an employer from paying a person two days' holiday pay a week for a number of weeks prior to a layoff. Indeed, they can give him a day's holiday a week if they want to handle it that way. Really, it is the use of the system, not the abuse of the system.

This brings me to the first question I asked in connection with merit pay, as the minister likes to call it—I prefer to call it employment rating. The Unemployment Insurance Act provides for employment rating. There are some categories of employment in which a lay-off rarely occurs. For example, the secretaries in my law office are rarely, if ever, unemployed and they probably never will be in a traditional sense. It seems to me totally unrealistic that people in a job where there is no likelihood of lay-off pay the same premium as those in an industry which by its very nature can scarcely continue during the off-season. You do not run a skidoo or a ski-lift in the summer, and schools are closed during July and August. People who take up employment of this type, employers and employees alike, have an obligation to realise that this is the name of the game. Surely, it is not the responsibility of the government of Canada to keep an employment group together under the guise of paying unemployment insurance.

The hon. member for Verdun (Mr. Mackasey) has been very vocal on this subject, telling us that unemployment insurance is a form of income redistribution. He even likened it to a form of DREE grant. I want to tell him we certainly do not need social welfare programs designed for those who may well be earning \$20,000 a year and living for extended periods at the expense of taxpayers such as the kids in my office who are working all the year round and paying the same amount in unemployment insurance contributions as others do.

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, we could discuss the question of holiday pay from a number of different viewpoints, but since the hon. member has directed his remarks to it from the viewpoint of merit pay, I should like to answer them in that context. May I say in passing that the government does not acknowledge that unemployment insurance is a form of social welfare. We think, rather, that it is a form of social

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insurance, and on another occasion I should be happy to explain this point to the hon. member for Peel South.

Mr. Blenkarn: Mississauga.

Mr. MacGuigan: I am sorry, Mississauga. The original question was whether the minister had received a proposal or proposition from the Unemployment Insurance Commission. While we have received no such proposition from the Commission it is relevant to note that the white paper on unemployment insurance tabled in June, 1970, proposed a form of experience rating which would relate the premium paid by employers to the experience generated in terms of benefit costs against the program. This proposal was studied in depth by the parliamentary committee on Labour, Manpower and Immigration in the fall of 1970.

Many briefs were received from both employer and employee associations respecting the merits of introducing a system of experience rating in the Canadian context. The committee endorsed the principle of experience rating but recommended in its report that the subject matter be further studied with a view to determining the general structure of an appropriate rating system.

The government accepted this recommendation by the parliamentary committee and in the spring of 1971, when Bill C-229 was presented to the House, the minister of labour of that day asked the Unemployment Insurance Advisory Committee to undertake a complete review of the question of experience rating and make appropriate recommendations. The committee began the review in the fall of 1971 and a subcommittee of commission officials, management and labour was formed to examine in detail the technical aspects of any experience rating system. The committee met on a number of occasions during 1972 and it was expected that the Advisory Committee would receive a report at the beginning of 1973.

However, in the early part of 1973, when the committee would have expected to begin concluding its examination of experience rating, it was asked by the Minister of Manpower and Immigration to review the benefit control operation of the Unemployment Insurance Commission. The chairman of the committee has stated that the committee expects to pursue this matter early in 1974 in the hope that some conclusion can be arrived at in the course of that year.

Due to the complexity of this matter and the generally negative reaction which this concept has aroused among both employer and employee organizations, these first findings will have a bearing on the committee's ultimate recommendation. I cannot, of course, prejudge this conclusion but we have to take into account the feelings which employers and employees generally hold.

Motion agreed to and the House adjourned at 10.33 p.m.