

*Supply—Labour*

has been a feeling that it is a kind of charity, when in essence it is a form of social insurance. Until we get this thing reorganized I do not think the average worker is really going to have very much respect for this fund and for this particular way of dealing with unemployment. That is why I think it is most necessary, and I think it is an obligation upon this government, to do something in connection with this matter before it goes to the country. I do not think it can go to the people of Canada and justify what has happened to this fund over the last five years and what has happened to this economy without making at least one solid attempt to provide the kind of legislation which this country must have in this area.

I think it is a time to clarify the whole philosophy behind it. We get all tangled up because we are trying to deal with this legislation on an actuarial basis. It really is not insurance at all. We do not expect people to contribute what they expect to collect. It is not based on those principles. This is what has caused a great deal of confusion. I think this government has a responsibility to deal with this kind of confusion. I feel that we cannot raise the rates on those who are most likely to be unemployed, as would be done in an insurance aura. What you have to do is deal with it as a national problem. I think it is a matter of this government accepting responsibility for dealing with this problem, and at the same time recognizing that this has been part of the cost of unemployment, and a tremendous cost it has been.

I saw an article just last September to the effect that the unemployment insurance fund has paid out \$3,250 million in unemployment insurance benefits—\$3 billion in round figures—since it began 20 years ago. But let us look at the rise. In 1942 it paid out only \$37 million. By last year, that is 1961, we paid \$85 million in the one month of March. I think that is just fantastic; I refer to the rise that has taken place in what we pay out. I do not think this really is a payment which is related to economic growth or anything of which we can be very proud in this matter at all.

What I am concerned about is the fact that to a large extent we think that because we are not paying out unemployment insurance, because numbers are going off the unemployment insurance rolls, we have dealt with the problem. However, I am sure that all hon. members in this House of Commons know that there are many thousands who have exhausted their benefits completely. In the *Globe and Mail* of Wednesday, December 6, 1961, there is an article which states that the social welfare department in Quebec

is now spending close to \$6 million a month in helping workers who have exhausted their unemployment insurance benefits. If other hon. members have constituencies which are anything like mine, they will know that a great many of the men who last year were standing in front of the unemployment insurance office are now standing in front of the welfare office, and the welfare payments in the various provinces have been going up at a rate that has alarmed those who are, I might say, the least conservative of the people in provincial government circles.

I think some steps must be taken. There must be some great change before this parliament goes to the country. The Canadian Labour Congress has suggested that we should separate financing of the ordinary benefits from the seasonal benefits and that the seasonal benefits might very well be paid out of some kind of consolidated revenue fund.

Another problem, in my opinion, is the fact that monthly unemployment insurance payments, here again because they were geared to see a person over a few months, naturally are not very high. But now they are having to see people over many months and indeed years, and month by month what happens is that the individual finds that he is getting further and further behind, that his debts are rising. I think we need to take a very serious look at what the benefits should be in the kind of situation in which so many of our people find themselves. Indeed, one economist in the United States, for example, suggested that we should pay an amount equal to some fraction of the difference between workers' regular revenue or regular earnings and what his benefits should be, and that they should go up over the period in which he is unemployed. Today, of course, the average weekly benefit is some 30 per cent of the average weekly wage. How can an individual be a consumer and add anything to the economic well-being of the community under such a situation? Therefore I think we should look at this whole area of variable rates.

I am not going to take up any more of the time of the committee on this item, because essentially we are not dealing with the legislation. However, I think the fact that we are facing this item in the middle of March, with the possibility of this being the last session of this parliament, places a special obligation upon the government. I think we have to deal with this whole problem and do so in such a way that we can have the confidence of the workers and the employers; for after all these two groups in my opinion do have a responsibility and they have a right to expect that the government will accept its responsibility.

**Mr. Robichaud:** Before this item is carried I think the parliamentary secretary should