

the discussion on second reading of this bill. I hope he will be able to return to the house later in the day.

I believe there is a general awareness of the important and very significant changes that have occurred in the economic environment in Canada since our Unemployment Insurance Act came into effect in 1941. There have been periodic amendments to the act and regulations for good and sufficient reasons, but undoubtedly there is a need to consider an up to date plan of unemployment insurance in Canada as a result of our experience with the present legislation and in terms of new and progressive ideas.

It may be of interest to state in passing that serious thought has been and will continue to be given in the months ahead to the merits, and indeed to the possibility, of a greater degree of administrative co-operation in the various segments of social security in Canada, a process which has been followed with no small success in other countries. With our changing times and circumstances there has been some overlapping of resources, and it is quite within the bounds of possibility that the concept of an integrated scheme might be drawn up in the future which could serve as a frame of reference for the revision of the unemployment insurance program.

● (11:50 a.m.)

I might say also that another valid reason for an updating, indeed for a new act, lies in a need for the modernization of administrative procedures to take advantage of the new and more sophisticated business methods in vogue today. A co-ordination of collection, for example, would be of great benefit to employers as well as for the insured population.

Perhaps it might also be well for me to mention that of late members of the public have been expressing their concern more and more frequently about alleged or suspected abuses of the unemployment insurance system, fraudulent abuses. Unfortunately, as in most if not all social security programs, there have been abuses. One very significant area of fraud has been, and still is, failure while drawing benefits to declare earnings in excess of the amount allowed by law. Under the act a person drawing unemployment insurance may earn up to one half the maximum weekly benefit without deductions being made from the benefit he is receiving. The commission is greatly concerned with this area of abuse, as is the general public.

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The matter of alleged abuses and known abuses has been discussed frequently between the Minister of Labour and the new chief commissioner. The new chief commissioner has given assurance that utmost efforts will be made to control these abuses. A stepped up program to meet all forms of fraudulent behaviour has already begun with very significant results. In the last fiscal year the enforcement division of the Unemployment Insurance Commission uncovered no less than 24,486 detected cases of fraud and illegal withdrawal from the fund. These represented a total of \$1,114,816 in overpayment of benefits. These figures, Mr. Speaker, speak for themselves. They provide full justification for strong measures, and these the commission intends to pursue. Every possible step will be taken to ensure that the funds which the people and government of Canada have invested in unemployment insurance shall be put to the proper and effective use that the Unemployment Insurance Act provides.

I might also say that when the general revision of the act comes before this house, changes will be put forward directed toward eliminating or at least correcting possible abuses. It should be mentioned here, however, that while the commission is taking new and stronger measures to control abuses, this is not to suggest that there is any intention of interfering with the inherent rights of insured Canadians to receive benefits as and when they are entitled. The appeal process, which is an essential part of the Unemployment Insurance Commission's machinery, will continue to serve its purpose, protecting the insured wherever there is an element of doubt.

But while a comprehensive revision of the act is a matter of deep concern, and one which should be followed as soon as practicable, nevertheless the updating of the existing program cannot be postponed. There is an immediate need for a change in the ceiling and for an upward adjustment of the rates of benefit and contribution. It is proposed in the bill, Mr. Speaker, that the coverage ceiling be raised from \$5,460, the established figure since the last amendment was made in 1959, to \$7,800. The purpose of this is to bring back under the umbrella of coverage large numbers of Canadians who were included originally but who, because of sharply rising incomes in recent years, have gradually become excluded from the scope and benefit of the plan.