

Unemployment Insurance

into the possibility of making some increases in the benefits payable under the act to unemployed persons with dependents. This is undoubtedly a step in the right direction. But since I understand that the scope of the investigation of the advisory committee went only so far as to permit consideration of what increases could be actuarially made without any increase in the rates payable under the act, I should not imagine that any such increases could be substantial. The disappointing thing about the amendment is that neither in the bill itself nor in the statement made by the minister is any hope held out that consideration will be given to making some fairly satisfactory increase in the benefits, if necessary by the increase of the rates payable; because of course this fund must be on an actuarial basis.

Now that we have come through the first year or so of peace, and for the first time use is being made of the benefits under the act by a substantial number of persons, there is general realization in the country that these benefits do necessitate a steep drop in income from the moment a person becomes unemployed. Take for instance the two top classes. A person earning from \$80 to \$100 a month, upon becoming unemployed, is reduced to between \$48 and \$54, and if he is in class 7 earning over \$100 a month he gets not less than \$57.60 and not more than \$62.50 a month provided he has a dependent. Hon. members will realize that if one takes say \$25 a month out of that amount for rent, which I believe is a reasonably conservative estimate for that item, there is not much elbow-room left for the unemployed person. It is perfectly obvious that if this scheme is to be successful it must be maintained on an actuarial basis; therefore, the benefit cannot be increased unless the government itself is prepared to make a greater contribution without an increase in rates.

I hope that consideration is also being given by the advisory committee and by the minister to the possibility of increasing the benefits, particularly to married persons, substantially above the sum of \$14.40 a week, which is the maximum possible, even though it might mean some increase in the rates payable. I hope that some scheme can be worked out under which these increased rates would not bear too heavily on a person while in employment. Naturally all these matters have to be taken into consideration by the experts on the commission, but it struck me that if it were possible to pay a higher benefit for the first month, let us say, after a person becomes unemployed, the shock of the drop from his

full earning rate to the unemployment insurance rate might be lessened. In my opinion, in that first month will fall the extra expenses, the back bills that have not been paid, and during that interval time would be given the unemployed person to turn around so that if he is going to remain unemployed more than a month he at least would have a better opportunity to adjust himself to the new conditions.

From a Gallup poll which was taken last November it would appear that there is a general feeling among the lower-paid workers across Canada that the maximum rate of benefit for a person with dependents is too little. It must be obvious that with costs rising as they are to-day, \$14.40 is not enough to keep a family in a bare state of maintenance. But any scheme for increasing rates would require an increase in the rates payable. The other way to bring increased benefits on an actuarial basis is for those who have the custody of the fund to reserve it strictly for those for whom no suitable employment exists. If we can be sure that benefits are paid out only where no proper work is available for the applicant, then over the course of some years—and perhaps not so many—I am sure that the factor of safety, which the actuaries must have applied, could be modified and some increases granted without raising the rates payable.

I agree with the minister when he said yesterday that suitable employment is a difficult thing to define and must be considered in each case. Even then I am sure it is not easy. But all the efforts of those concerned with this act must now be directed toward an increase of the benefits which are payable, so that they may reach a level which will, if possible, enable an unemployed person to pull in his horns and save himself from going deeply in debt. At the present time I am sure that a person who was unemployed for a long period would be bound to go into debt or to draw heavily on the amount that he may have saved.

As to prevention of depletion of the fund, I should like to call the attention of the house to some of the figures given, in the debate in the other place, with respect to payments into the fund since its inception and the benefits which have been paid up to the present time. The figures show that up to 1945 substantial payments were made into the fund and the payment of benefits was quite negligible. As a result the fund built itself up to the good position in which it finds itself now, with more than \$300 million to its credit. But in 1945 there was a substantial increase in the benefits paid