

*Unemployment Insurance Act*

I hope the greatest care is given in this consolidation of offices to seeing that people who live at a distance receive the utmost consideration. I agree entirely with the suggestion that we should appoint people whose task would be to investigate special cases. I am afraid that far from everything being marvelous at the moment, very real problems still exist.

**Mr. Warren Allmand (Notre-Dame-de-Grâce):** Mr. Speaker, this afternoon we are dealing with a measure to amend the Unemployment Insurance Act so as to increase the benefits payable to the unemployed and extend coverage to new groups of persons.

While generally I support these principles I have a few reservations I should like to bring to the attention of the house which I believe disturbed many Canadians when they heard this bill was to be brought forward. I refer mainly to people who are to be included in the plan for the first time and who feel they will never have an opportunity of benefiting from the program though they will be obliged to pay into the fund. Their feeling is that the scheme is riddled with abuses and that their payments will only permit those abuses to continue. I do not agree with these criticisms but I feel they should be dealt with.

In general the criticisms we receive from our constituencies can be classified in four categories. First, there are those who disapprove of any unemployment insurance whatsoever. Second, there are those who while accepting such a program feel that abuses have been too widespread and that we should correct these abuses before extending coverage or benefits. Third, there are those who merely disagree with the proposal to pay increased benefits at this time and, last, there are others who disagree with the proposal to extend coverage.

I should like to deal with the first objection, the contention that unemployment insurance is unnecessary. When unemployment insurance was first introduced the intention was to provide income for those who were really out of work and who honestly could not find employment. To this extent it was certainly most worth while and useful. There was another important reason for introducing it. It was brought in so as to maintain purchasing power during periods of unemployment and recession with a view to limiting the extension of that recession. Again, this was a most valuable objective and one which in my opinion was justified. During the great

[Mr. Johnston.]

depression men were laid off and once they were laid off and deprived of purchasing power the effect of their unemployment spread to the merchants who would normally sell them goods and services.

• (3:20 p.m.)

Unemployment insurance is in many respects like other insurance. Just as we insure ourselves against fire or automobile accidents we insure against the risk of losses resulting from unemployment. Just as we pay premiums for other types of insurance we pay premiums for unemployment insurance coverage. There are some people who believe that because they pay unemployment insurance premiums they have the right to collect at some time in their life. I find that this feeling is rather widespread, but it is hard to understand. People who hold other types of insurance do not think this way. Many of us pay high premiums for automobile insurance—I think much too high—but we do not expect or want to collect on that insurance. We take it out to protect us against costly, unforeseen automobile accidents, and we certainly do not look forward to the day when we have to collect on it. The same attitude should be adopted toward unemployment insurance. We pay it merely to protect ourselves against the possibility that we will be out of work against our will and cannot honestly find new employment. I think it is worth while to put forward these arguments from time to time because I believe there are a certain number of people in Canada who dispute the need for unemployment insurance. It is a very necessary program, for the two very important reasons I have mentioned.

I now wish to deal with the abuses that have been mentioned by other hon. members and that are referred to in more detail in the Gill commission report. Some of the more flagrant ones involve people who draw unemployment insurance while having part time jobs or other income, and people who draw unemployment benefits but are not honestly looking for work and who use those benefits to subsidize their laziness. Then there are married women whose husbands are making rather good incomes but who draw unemployment benefits when they are pregnant. There are people who are retired on good pensions and have no intention of going back to work but also draw unemployment insurance benefits. There is also the problem of seasonal workers, and the large group of people I have mentioned who feel they have a right to draw