

*Supply—Labour*

has to come out of the same pocket eventually. It is about time we overhauled the whole social security field. It is time that we began to look at it honestly. It is time to call a spade a spade. We should not bring in items of \$25 million such as this, which do not represent a solution to the problem and which only serve to delay the inevitable day of reckoning.

**Mr. Pitman:** Mr. Chairman, I am moved to say a few words on this item. It has come to my attention from many sources and directions that there are many holes and gaps existing under this legislation in respect of which this item is being introduced. I think the feeling on the part of many people in Canada is that the unemployment insurance scheme must be definitely revised.

In respect of this fund the government evinces a kind of schizophrenia in the sense that when the matter is discussed there seems to be great urgency, purpose and concern, but when it comes to taking action a means is found to avoid coming face to face with the problem, by some back door or back alley method. For example, in the throne speeches of 1959 and 1960 we were promised amendments to the legislation, and last year a four-man special committee was appointed to review the legislation. I have in my hand a newspaper clipping dated July 17, 1961 in which the announcement is made of the appointment of the special committee.

It states:

Prime Minister John Diefenbaker, in announcing the formation of the committee, with powers of a royal commission to call witnesses, did not indicate when the committee would report, but said he wanted it to be at the earliest possible date.

So we are constantly given the feeling that this government is ready to move, is ready to do something.

**Mr. Martin (Essex East):** It met eight months later.

**Mr. Pitman:** That is a piece of information with which I was not acquainted, namely that it met eight months later. However, the point is this. It appears that the government wishes to do something but for some unknown reason it does not do anything. Perhaps we should appoint a psychiatrist to the cabinet or something. For some reason they cannot seem to break through this thought barrier and do something about this problem. On July 1, 1961 the public accounts committee viewed with alarm the reduction in this fund. As has already been suggested by the hon. member for Essex East, the advisory committee of the unemployment insurance commission has suggested something being added to this fund for some time.

[Mr. Martin (Timmins).]

It seems to me that there are three areas of responsibility here. There is the responsibility of the employer to contribute, there is the responsibility of the employee to contribute, and surely it is the responsibility of the government to see to it that the legislation is going in the right direction. Furthermore, it is the responsibility of the government to provide the kind of economic situation which will allow this particular piece of legislation to work properly. It always makes me smile when people say we cannot have the full employment society, that we cannot have the kind of economic growth which will produce it; and by full employment I mean maybe 3 per cent, 4 per cent or 5 per cent of the working force unemployed. Yet this piece of legislation was put through to work in a full employment society. That is the only kind of society in which it will work.

The reduction we have seen from \$900 million plus to the figure at which it stands today, namely \$100 million plus, indicates that very point, namely that we must have a full employment society for it to work. This legislation simply will not cover prolonged chronic unemployment. It will not cover extensive seasonal unemployment. When it was passed in 1940 it was simply meant to carry a worker from one job to another. Of course it was assumed that after the war there would necessarily need to be some transitional period in which this might happen and this fund would tide the worker over. We are making this legislation deal with a situation which has no relevancy whatsoever to the intention when the legislation was passed, and it has no relevancy whatsoever to the philosophy behind the legislation and no relevancy whatsoever to the kind of society in which we have been living under this government.

Surely the government has two alternatives. It must either gear the legislation to accommodate itself to the kind of economy in which this government is willing to operate, or it must change the economy and provide the growth which will allow the legislation to work. Those seem to be the only two alternatives. What do we have? We have continuing announcements of concern and of urgency but never any real action. This item we have before us simply outlines what I think is the schizophrenia of this government in not being able to jump the barrier, or to leap through the bulwarks which prevent them from taking this thing in hand.

The reason I am led to rise today is that I think this country demands an explanation as to what is wrong. I find workers who have a kind of inferiority complex because they are collecting unemployment insurance. There