

Review of Unemployment Insurance Act

the government should be careful in planning any expansion to include professional groups.

In effect what would happen is that the professionals would be taxed exclusively while the government would be able to maintain the appearance of not having raised taxes and still keeping the fund in a strongly solvent position. If that is all the government intends to do to ensure the solvency of the unemployment insurance fund, I believe it will lay itself open to severe censure. In fact, it seems to me this is a back-door approach to the minimum guaranteed annual income scheme, another question altogether which I do not have time to discuss now.

I submit there is a great need to restore the unemployment insurance fund to its original structure of an actuarially sound plan based on insurance principles. Social security and other welfare plans have no place in an insurance scheme.

This leads me to my resolution which affects one of the grievances and abuses about which we hear so much in regard to the unemployment insurance fund. It reads as follows:

That, in the opinion of this house, the government should give consideration to amending the Unemployment Insurance Act, to the effect that persons wishing to continue employment beyond their normal retirement age be not required to pay any unemployment insurance.

While I could cite individual situations where this situation has worked extreme hardship on specific persons, I still think we must look at the broad picture as it affects larger groups of workers and I call to witness evidence contained in the Gill commission report. On page 25 there is a letter which the commissioners studied. Let me remind hon. members that this was in 1962. In the letter there is the following statement:

Throughout the last 15 years the claims statistics and the information derived by the commission from its experience in administering both the unemployment insurance scheme and the national employment service have steadily indicated that the group 65 years of age and over draw benefit in a far higher ratio than that which their own numbers bear to the rest of the insured population. The differential is so substantial that the inference can only be that many of these older persons have retired from the labour market and are drawing benefit as a supplement to or substitute for a pension.

It is to be expected that the impact of claims from the older group should be somewhat heavier, as these persons find it harder to get employment than younger persons. The impact is likely to be heavier both in regard to the percentage making claims and in regard to the length of time they stay on benefit. For example, a ratio higher than

the average by say 50 per cent or 75 per cent would not be surprising. In fact, however, it is about 250 per cent as regards the number of claims and about 300 per cent as regards the amount of benefit drawn.

The problem still remains unsolved. In talking with some of the officials at the manpower centres I was told that persons in the upper age group constitute less than 3 per cent of the labour force and yet they claim more than 10 per cent of the amount of benefits. So obviously something is going wrong.

As I said earlier, it looks as though this plan is not really insurance in the true sense. Some type of social security is working its way into the scheme. I am not suggesting that persons over 65 years of age should be barred from the labour market. If the principle of insurance is to be applied, I think these persons have a right to expect benefits when they do not find employment.

In another section of the report dealing with pensioners the following statement appears on page 36:

The complaints relating to the abuse of the plan on the part of pensioners are largely of the same type as the complaints relating to married women as noted above. The fact is that persons who have retired on a pension are, if their pension is other than a very small one, free to accept work or not as they choose.

It is optional; they are not really required to work daily. In fact the whole principle of pensions is to give to those moderately advanced in age the freedom from having to attend to daily work. I think it is not proper to include this group in the unemployment insurance plan.

• (5:10 p.m.)

I must point out that at the time the Gill commission report was tabled the old age security pension was available to persons reaching the age of 70. As we know, the eligible age has now come down to 68 and by 1970 people will eligible to receive the pension of \$75 when they reach 65. Persons who normally would be in receipt of that pension would not be totally without means. I am not suggesting that the pension is adequate, but they are not completely without income and perhaps therefore not so much in need of protection as are other employees.

In order to be brief and come to the point, I would commend to the government recommendation 185 of the Gill commission report.

[Mr. Enns.]