

Unemployment Insurance Act

scheme for many years. I do not lay blame at the feet of the minister or the present government, except to say that I doubt that they have looked into this vast problem in the way in which they should have. It is a supplementary scheme. If you are a construction worker and your salary schedule is already in line, then when you are seasonally unemployed it is nice to get an additional \$36 per week. If you are covered by a union contract and you are on strike, then it is nice to receive a supplementary income in addition to your strike pay. If you are a logger, a fisherman, and so on, you are in this category.

Mr. Winch: But if you are on strike you do not get it.

Mr. Otto: It is very nice to have a supplementary income. What has happened to the unemployment insurance idea? Originally the plan was introduced as an unemployment insurance plan, but over the years, politics being what they are, there has been pressure to include other things in it, and that has been done. As the hon. gentleman pointed out, this has not helped the plan. Indeed the result has been to make it a hodgepodge of little use to anybody.

This plan was introduced shortly after the compulsory savings plan that we had during the war. Of course people knew what their contributions were, how much they had saved, and immediately after the war they wanted a return of their contributions. They considered this to be their money. Of course when a contributor looks into his unemployment insurance book he sees that he has so many stamps. It may be that this reminds people of the contributions they have made, and makes them think of it as a sort of savings plan. Since human beings are what they are they tend to say: So and so has received so much from the plan, why shouldn't I have it? It is obvious therefore it is no longer an unemployment insurance plan.

I should like to bring the attention of members today other plans which serve a similar purpose, especially the workmen's compensation plan in Ontario. This plan has been in effect almost the same length of time, but it has been a successful plan. The benefits paid are realistic. The workmen's compensation plan pays 75 per cent of our previous earnings, up to a certain maximum. An employee who happens to be making \$100 a week can live on \$75 a week. Surely no one can suggest that a family man who is unemployed can buy fuel, pay his rent or mortgage payments

[Mr. Otto.]

and clothe his family on \$36 per week. If we want to raise the benefits higher, then how much higher can we raise them? I believe that the whole concept of unemployment insurance deserves study. Many of the assumptions that have been made have proven to be wrong. I have discussed this subject with other groups. I have said that possibly unemployment insurance benefits should be paid in realistic amounts to anyone who is unemployed for any reason whatever. Immediately there has been a hue and cry to the effect that you are going to pay all these lazy people who do not want to work, people who would rather get 75 per cent of their salary than work. However, it is always the other person who would do this, never the person to whom you are talking.

The fact is that when people are happy at their jobs, they will work. No one is going to take advantage of that situation merely to stay at home. If a person does, then he is usually psychologically maladjusted. I once had occasion to test this theory. There was an employee of mine who obviously was not happy with his work, and was causing me a great deal of concern. I told him, "I am going to give you four months wages. You are to report here every Friday to pick up your cheque, but I am going to give you four months in which to find yourself a job in which you will be happy, where you can get along with your fellow employees and where you do not hate the boss." My partners said, "What are you going to do; this man is going to take four months wages and he will not be any better off." This proved not to be so. In less than three weeks that man found a job. When he was working for me he was about 10 per cent productive, but working in a place he liked with people he liked he was about 90 per cent productive. This fact alone is worthy of consideration.

If we accept the fact that we should have an unemployment insurance plan, I doubt whether it should be a contributory plan. These weekly deductions are a reminder to people that they have paid money into the plan, so the inclination is to get their money out. I am sure we could adopt a plan similar to the compensation board plan, which is not contributory. Contributions are made from the general profits of the company. Of course whether the contributions are made by government or in any other way, the plan should be all inclusive. Benefits should be payable to any person who is out of work.