

Part II Unemployment Insurance Benefits, Part III Contributory Premiums, Part IV Collection of Premiums, and Part V Administrative Machinery would probably be the parts of most interest to this committee. Part VI Financial Provisions, which includes the funding, Part VII Employment Service, Part VIII Transitional and Repeal Provisions and the schedules are probably not of the same interest. Perhaps we might concentrate on those parts that contain the meat of the bill, in view of the limited time at our disposal. Is that agreed?

Hon. Senators: Agreed.

The Acting Chairman: I presume in his presentation Mr. DesRoches will deal with the new parts of the bill, the innovations and new departures included in Bill C-229, that were not part of the old Unemployment Insurance Act.

Mr. J. M. DesRoches, Chief Commissioner, Unemployment Insurance Commission: Mr. Chairman, honourable senators, I do not have a prepared statement, but perhaps I can briefly outline the history behind the preparation of the bill.

I am sure the committee members will remember that there was a committee of inquiry appointed in 1961 or 1962 under the chairmanship of Mr. Gill, which was composed of Mr. Gill, Dr. Deutsch and a number of other citizens, who reviewed the whole field of unemployment insurance. This was after the fund went into the red, I think somewhere in the sixties or late fifties, and the committee presented its report in the early sixties.

Following the presentation of that report there were a number of interdepartmental studies. I am not sure if the Senate looked at it at the time, but a number of groups reviewed the recommendations of Mr. Gill's committee, and a number of associations outside presented further briefs, either for or against the Gill Report. As a result, there was a great deal of review and activity of that type, which went on until about 1965, when a final interdepartmental committee report was drafted, but I do not think it was ever formally given to the government. That is where the matter lay. There were a lot of suggestions made, recommendations made and counter-proposals, but all of them were in abeyance until early 1968, when we began a fresh study. We had all these earlier proposals and recommendations, and at that time we began a research study. The approach we followed was to gather a group of people from inside the organization and from outside—from universities and management, consulting firms, actuarial firms, and so on. We gathered this team together and began looking over the previous recommendations to see where one could find room for improvement in the act or in the program as a starting point.

This study lasted perhaps a year. It started early in the spring of 1968 and by 1969 it had pretty well finished its planning. The main basis of its work was a mathematical model built composed of data obtained from various sources in the Government. This data was put together in a computer and samples of it were used. First of all, about 250,000 case samples of people were used including all the various characteristics such as occupation, meth-

ods of work, periods of employment and unemployment, levels of salary and so on. All this data was used to sample a fairly large group of people. From these samples various sub-samples were taken to arrive at some means of estimating the impact of the present program, to determine what changes or improvements could be made in the program, and to test both the validity and the cost of these various improvements. So there was a fairly solid base.

There were two main samples of about 27,000 cases used to monitor and control the cost of the program. They were used to determine the impact of various suggestions or recommendations made to the Government.

The upshot of all this study and the building of this model and the use of the samples which were taken was the proposal which we made to the Government in the middle of 1969. I might indicate that the samples taken went beyond this model I referred to. Some samples were taken in industry, for example, to determine the patterns of employment and unemployment there. As you know, there is a feature of experience rating here which was based on samples taken from a number of industries. There was a lot of study of this type based on fresh data and this together with a fresh approach to the situation eventually led to the proposal we made to the Government in the middle of 1969.

It took a period of study at the ministerial level, the inter-departmental level and, eventually, the cabinet level before the Government approved the issue of the White Paper in June of 1970. Actually, it was approved perhaps in January of 1970, but it was ready for release in June of 1970.

The White Paper incorporates all the policies that the Government approved, and I think you will find that most of the policies outlined in the White Paper have been incorporated in Bill C-229. As you know, the White Paper was the subject of fairly extensive review by the house committee.

Senator Connolly (Ottawa West): How long did that last, Mr. DesRoches?

Mr. DesRoches: It started in June. The moment the White Paper was released the chairman of the house committee issued letters to all those who had submitted briefs, including those to the Gill study and others submitted over the years. You are aware that each year the CLC, the CMA and the Chamber of Commerce make briefs in which they include references to UIC. Well, the chairman issued his letters immediately following the release of the White Paper on June 17, 1970, or very close to that, inviting submissions from those people who had submitted briefs before and from the public in general. Ads were published inviting briefs.

Through the summer of 1970 formal briefs and letters came in. Fifty-eight formal briefs were tendered and the committee began its study in early September before the house resumed last fall. The committee reviewed and heard each and every one of the presenters of briefs. There were 43 actual oral presentations and there were approximately 25 sessions held in all.