

In view of these two basic objectives, the new Unemployment Insurance Act will differ radically from the present plan.

Despite this approach, the proposal is still an insurance scheme ... (5)

#### Problem of Need

10. The reference to "benefits ... more based on need" can only mean that the proposed increase in benefits is intended to support a "standard of living" closer to that achieved through earnings than do the benefits under the present plan; the adequacy of these future benefits in this regard is discussed in section II. As already noted, a wage-related program clearly cannot meet actual need since the wage system does not do so - as the condition of the "working poor" testifies. This problem can be illustrated through the figures on benefits under the proposed plan, recently supplied (6) to this Committee by the Unemployment Insurance Commission.
11. In June 1970, 70 per cent of claimants had gross weekly earnings of less than \$100. Under the proposed benefits a family of four in this income range would receive after-tax benefits over the the average claim period ranging from \$17 weekly at the lower end of the scale to \$61 at the top end where previous weekly earnings

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(5) White Paper, p. 8.

(6) "Comparison of Present Benefits to Proposed Benefits with Tax Effects, Using Average Claim Duration of 15 Weeks (1969 Experience)".