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If the proposal were approved, it would be necessary to introduce consequential amendments to the Unemployment Insurance Act.

An explanatory note had been circulated.

(Minister's memorandum, Mar. 9, 1953 - Cab. Doc. 67-53)

17. In the course of discussion, it was pointed out:

(a) that the new proposal might possibly constitute an invasion of a field reserved to the provinces under the British North America Act;

(b) that the proposed disability payments represented an important departure from the essential purposes of the unemployment insurance legislation as originally intended;

(c) that the new scheme went even beyond the field of state activity envisaged by proponents of health and hospital insurance, into the field of income maintenance and consequently, would have serious implications if the Federal government were now to agree to the implementation of such a plan for the relatively restricted group of workers insurable under the Unemployment Insurance Act;

(d) that, although the unemployment insurance fund continued to show a sizeable surplus, the present high levels of employment might not continue indefinitely and there might be heavy demands on the fund in the future;

(e) that the proposed disability payments raised a major question of policy which should be considered carefully in all its implications before a final decision were reached; and,

(f) that consideration might, nonetheless, be given to the possibility of widening somewhat the applicability of the current legislation to cover otherwise eligible persons who became ill while unemployed.

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