

Canada. Parl. H. of C. Standing
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HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: G. E. NIXON, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

REPORT OF THE UNEMPLOYMENT INSURANCE COMMISSION
FOR THE YEAR ENDED MARCH 31, 1956

TUESDAY, FEBRUARY 19, 1957
THURSDAY, FEBRUARY 21, 1957

WITNESSES

From the Unemployment Insurance Commission: Mr. C. A. L. Murchison,
Commissioner and Mr. James McGregor, Director of Unemployment
Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

JANUARY 24, 1957.

Resolved, That the following Members do compose the Standing Committee on Industrial Relations

Messrs.

Barnett,	Gauthier (Lac-Saint-	MacEachen,
Bell,	Jean),	Michener,
Brown (Brantford),	Gauthier (Nickel Belt),	Murphy (Westmorland),
Brown (Essex West),	Gillis,	Nixon,
Byrne,	Hahn,	Philpott,
Cauchon,	Hardie,	Richardson,
Churchill,	Hosking,	Rouleau,
Cloutier,	Huffman,	Small,
Deschatelets,	Johnston (Bow River),	Starr,
Dufresne,	Knowles,	Studer,
Fairclough (Mrs.),	Leduc (Verdun),	Viau,
Fraser (St. John's East),	Lusby,	Vincent—35.

Ordered, That the Standing Committee on Industrial Relations be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

MONDAY, February 18, 1957.

Ordered, That the Report of the Unemployment Insurance Commission for the year ended March 31, 1956, laid upon the Table of the House June 29, 1956, be referred to the said Committee.

TUESDAY, February 19, 1957.

Ordered, That the said Committee be empowered to print from day to day 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

Ordered, That the said Committee be granted leave to sit while the House is sitting.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, February 19, 1957.

The Standing Committee on Industrial Relations begs leave to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print from day to day 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

2. That it be granted leave to sit while the House is sitting.

Respectfully submitted,
James A. Byrne,
Acting Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, February 19, 1957.

(1)

The Standing Committee on Industrial Relations met at 11.00 a.m. this day. The Chairman, Mr. G. E. Nixon, was unavoidably absent.

Members present: Messrs. Barnett, Bell, Brown (*Essex West*), Byrne, Deschatelets, Mrs. Fairclough, Messrs. Gauthier (*Lac St-Jean*), Gauthier (*Nickel Belt*), Gillis, Hahn, Hosking, Knowles, Lusby, MacEachen, Michener, Murphy (*Westmorland*), Philpott, Richardson, and Studer.

In attendance: The hon. M. F. Gregg, V.C., Minister of Labour; Mr. J. A. Blanchette, Parliamentary Assistant to the Minister of Labour; and Mr. C. A. L. Murchison, Commissioner of the Unemployment Insurance Commission.

On motion of Mr. Gauthier (*Nickel Belt*), seconded by Mr. Studer, *Resolved*, That Mr. Byrne be Chairman of the Committee for this day. There being no other nominations, Mr. Byrne took the Chair.

On motion of Mrs. Fairclough,

Resolved, That the Committee seek power to print 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Philpott,

Resolved, That the Committee request permission to sit while the House is sitting.

On motion of Mr. Brown (*Essex West*),

Ordered, That a Subcommittee on Agenda and Procedure be appointed, and that the Chairman select 5 Members to serve on that Subcommittee.

Mr. Gregg outlined briefly those matters that he felt might be studied by the Committee, particularly railway workers' problems, general complaints and the application of Section 45(2) of the Unemployment Insurance Act.

On motion of Mr. Brown (*Essex West*),

Resolved, That the Subcommittee on Agenda and Procedure decide the matters to be dealt with at the next meeting and the time of that meeting.

It was suggested that members of the House of Commons who are not members of the Committee might attend the Committee's meetings and question witnesses. This matter was left to the Subcommittee on Agenda and Procedure.

At 11.30 a.m. the Committee adjourned to the call of the Chair.

THURSDAY, February 21, 1957.

(2)

The Standing Committee on Industrial Relations met at 11.00 a.m. this day. The Chairman, Mr. G. E. Nixon, was unavoidably absent.

Members present: Messrs. Barnett, Bell, Cloutier, Dufresne, Mrs. Fairclough, Messrs. Gauthier (*Lac-St-Jean*), Gauthier (*Nickel Belt*), Gillis, Hahn, Hosking, Huffman, Knowles, Leduc (*Verdun*), Lusby, MacEachen, Michener, Philpott, Rouleau, Small, Starr, and Studer.

In attendance: Mr. J. A. Blanchette, M.P., Parliamentary Assistant to the Minister of Labour, and *From the Unemployment Insurance Commission* Messrs. C. A. L. Murchison, and R. J. Tallon, Commissioners; Mr. L. J. Curry, Executive Directors; and Mr. James McGregor, Director of Unemployment Insurance.

Mr. Studer moved, seconded by Mr. Philpott,

That Mr. Gauthier (*Nickel Belt*) be Chairman of the Committee for this day.

There being no other nominations, Mr. Gauthier took the Chair.

Agreed, That, as recommended by the steering committee, the difficulties arising in the settlement of claims relative to the recent C.P.R. strike be the first matter to be considered by the Committee.

Mr. Murchison made a preliminary statement and introduced Mr. McGregor who presented a statement on the reasons for disqualification being imposed on Engineers of the C.P.R. due to a labour dispute. Mr. Murchison and Mr. McGregor were questioned on the matters referred to in the above mentioned statement.

Mr. McGregor presented an explanation of the waiting period under the Unemployment Insurance Act. The witnesses were questioned thereon.

Agreed, That the witnesses supply for the records of the Committee a statement outlining the Commission's policy regarding statutory holidays with pay.

The contributions of stevedores under the former and present Act were discussed.

At 12.35 p.m., the Committee adjourned to the call of the Chair.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

Thursday, February 21, 1957.
11.00 a.m.

The ACTING CHAIRMAN: May I first of all thank you for the honour of having been appointed acting chairman.

Unfortunately Mr. Byrne is not present and the minister is also absent today because of a cabinet meeting going on at this time; but he hopes to be here for some time before this meeting is over.

I think it was decided at the last meeting that we would hear some of the departmental officials on questions arising out of the claims of railway engineers and other trades who were affected by reason of the strike of Canadian Pacific employees, and the subcommittee recommends that this could be the first matter to be considered.

Is it the pleasure of the meeting to go on with this matter?

Agreed.

Mr. C. A. L. MURCHISON (*Commissioner, Unemployment Insurance Commission*): Mr. Chairman and hon. members, as your acting chairman has said, at the first meeting of the committee the minister enumerated the subjects upon which he felt discussion might be useful. It was agreed that at today's meeting the commission would present a paper in which would be described the disposition of the recent applications for benefit made by locomotive engineers of the Canadian Pacific Railway. The paper will outline the reasons for the commission's decision in the engineers' cases.

From that decision, incidentally, an appeal is being taken by the Brotherhood of Locomotive Engineers. By agreement between the brotherhood and the commission the case being used as a test case is that of an engineer who is not a member or an officer of the brotherhood of locomotive firemen and enginemen.

It should be remembered that there is the right of appeal to the umpire, who is a superior court judge.

Mr. Chairman, in view of the arrangement and also in view of the fact that the Board of Referees is now seized with the case, it is respectfully suggested that our duty will have been fulfilled to this committee when we recite to you the facts upon which the commission's decision was made and draw your attention to the section of the act which governs the making of that decision.

In addition to the engineers' cases there are those persons in other crafts and departments of the railway in respect to whom the effects of the waiting period and the law on earnings have been to them difficult to understand.

Therefore I think a word of explanation on the waiting period and the law on earnings would be helpful to this committee. So with your permission I would like to call upon Mr. James McGregor, director of unemployment insurance, to present to you a paper designed to cover the points to which I have referred. We have copies of that paper which we will distribute to you.

The ACTING CHAIRMAN: I shall ask the secretary of the committee to distribute those papers to the committee at this time. I shall now call upon Mr. McGregor to proceed with an explanation of certain disqualifications being imposed on engineers of the Canadian Pacific Railway.

Mr. JAMES MCGREGOR (*Director of Unemployment Insurance*): Thank you, Mr. Chairman. Ladies and gentlemen, this is an explanation for the disqualification imposed upon engineers of the Canadian Pacific Railway in the recent labour dispute.

Disqualifications were imposed on all firemen and all engineers of the C.P.R. in respect of the recent labour dispute, under section 63 of the Unemployment Insurance Act, which reads as follows:

63. (1) An insured person who has lost his employment by reason of a stoppage of work attributable to a labour dispute at the factory, workshop or other premises at which he was employed, is disqualified from receiving benefit until

- (a) the termination of the stoppage of work,
- (b) he becomes *bona fide* employed elsewhere in the occupation that he usually follows, or
- (c) he has become regularly engaged in some other occupation, whichever event first occurs.

(2) An insured person is not disqualified under this section if he proves that

- (a) he is not participating in, or financing or directly interested in the labour dispute that caused the stoppage of work, and
- (b) he does not belong to a grade or class of workers that, immediately before the commencement of the stoppage, included members who were employed at the premises at which the stoppage is taking place and are participating in, financing or directly interested in the dispute.

(3) Where separate branches of work that are commonly carried on as separate businesses in separate premises are carried on in separate departments on the same premises, each department shall, for the purpose of this section, be deemed to be a separate factory or workshop."

Under sub-section (2) of this section, a claimant who has lost his employment due to a labour dispute is disqualified from the receipt of benefit for so long as the stoppage of work continues unless he proves that

- (a) he is not participating in, or financing or directly interested in the dispute
and
- (b) he is not a member of a grade or class of workers any of whom are participating in, financing or directly interested in the dispute.

Under the collective bargaining agreements between the respective brotherhoods and the railway, determination of whether an employee is a fireman or an engineer is made on what he was doing at 12.01 a.m. on the first day of each month. This basis was used by the Unemployment Insurance Commission and the status as at the 1st January, 1957, so established.

Those who were classed as firemen on this basis were disqualified as participating, and being directly interested, in the dispute.

It was found that some engineers, who are members of the firemen's brotherhood and are office bearers of that body, pay full union dues to the firemen's brotherhood even when acting as engineers. As the strike pay

disbursed to the firemen was paid from a fund to which these engineers were contributing, they were considered as financing the dispute and so were disqualified.

Since there were some engineers (members of the firemen's brotherhood) who thus financed the dispute, then all of the engineers, because they belong to the same grade or class of workers as those financing, were subject to disqualification.

Our decision is based on a decision of the umpire in which he disqualified all the firemen who were employed at the colliery when they lost their employment by reason of a stoppage of work attributable to a labour dispute.

The firemen were neither participating in, nor directly interested in the dispute. However, at the date of the stoppage, one of the firemen was a member of the mine workers' union which was financing the dispute. All the firemen were disqualified and the umpire went on to say:

To be entitled to relief (under section 63(2) of the act), an applicant must show that at the time in respect of which he claims benefit the conditions of that section are fulfilled in his case.

A representative appeal has been lodged, the decision of which will apply to all engineers excepting those who paid full dues to the firemen's brotherhood.

The ACTING CHAIRMAN: We might as well carry on with the sections here respecting the rates that apply to those who qualify.

Mr. MCGREGOR: This is an explanation of the waiting period.

Mrs. FAIRCLOUGH: Am I to understand that this ends any discussion?

The ACTING CHAIRMAN: Oh, definitely not. We merely want to clean up this thing.

Mr. KNOWLES: I think the other paper really covers a different situation. The one we have just heard deals with engineers who by decision of the commission are ruled out entirely, while the other paper deals with rates and benefits paid to those employees of the railway who did qualify. So it seems to me that we should clean up one situation before we go on to the other.

The ACTING CHAIRMAN: Well, I thought that perhaps we might get more light if the other paper was read immediately because it affects the rates payable to those who were qualified. There are many of them. There seems to be two sections,—engineers who were still under the brotherhoods and who did not qualify according to the umpire's ruling, and then there are many others who did qualify.

Mrs. FAIRCLOUGH: The matter of the waiting period goes far beyond the railway workers. It is a problem which affects all insured persons. If first of all you are going to consider railway workers, I think we should carry on with them.

The ACTING CHAIRMAN: I have no objection to our going into a discussion on the first paper at this time.

Mrs. FAIRCLOUGH: You may remember that the minister, when he was here, indicated what could be considered and he said that first of all we would consider railway workers; and then he said that if we had time after that we would consider the problem of the waiting period.

Mr. MURCHISON: I would like to point out that this explanation concerning the waiting period and allowable earnings contains several examples of actual railway cases. It really does not matter to the commission of course. We are here to submit to your will, but this has to do primarily with railway cases, involving an explanation concerning the waiting period and allowable earnings.

The ACTING CHAIRMAN: I believe then that we should go on with a discussion of the first brief read to us.

Mrs. FAIRCLOUGH: Mr. Chairman, the matter of disqualification of an employee under section 63(1)(b)—

Mr. MCGREGOR: Do you not mean section 63(2)(b)?

Mrs. FAIRCLOUGH: No, I am talking about the matter of employment elsewhere; section 63(1)(b) is the one; and I have here a letter, the original of which went to others, in which it is claimed that in Winnipeg the employment service was not extended to railway men, and none were registered for other employment. Now, that is not a matter which is under consideration by the court and I wonder if you have any report on conditions there, because there is going to be this complaint which comes from the officers of the Brotherhood of Railway Trainmen of America, and they claim that the employment service was not extended to them and consequently they could not register for employment.

Mr. MCGREGOR: A large number of the claims were made and skeleton registrations taken for everyone who made a claim. Essential particulars were put down sufficient to identify the person concerned with a view to later filling in a registration in full if the work stoppage had continued for any length of time that is beyond the matter of a week or ten days. There was a skeleton registration made for each person.

Mrs. FAIRCLOUGH: Then these people who qualified for benefits did so by reason of the fact that they were deemed to have been registered?

Mr. MCGREGOR: Registration has nothing to do with it.

Mrs. FAIRCLOUGH: If this service is open to them, how can you disqualify them?

Mr. MURCHISON: The provision is that he had to become regularly engaged in employment.

Mrs. FAIRCLOUGH: But he has no chance to become regularly engaged if the employment service is not open to him.

Mr. MURCHISON: There are many ways outside the employment service by which a person might obtain a job. The condition is that he has been regularly engaged. Casual employment even would not meet the situation or answer that condition.

Mrs. FAIRCLOUGH: It seems to me that if a man indicates his willingness to accept other employment, the facilities of the employment service should not be closed to him.

Mr. MCGREGOR: I do not think they were.

Mrs. FAIRCLOUGH: That is the claim that was made.

Mr. MCGREGOR: They were all registered with skeleton registrations at the outset with the idea of filling them in if the occasion demanded—if the work stoppage had gone on.

Mr. KNOWLES: Do I understand that the engineers were ruled ineligible for benefits included those who are members of both organizations and those who are members only of the engineers' brotherhood?

Mr. MCGREGOR: Yes, on the basis that they belonged to the same grade or class.

Mr. KNOWLES: I believe Mr. Murchison has already told us—but may we have it again—that the appeal which has been launched was with respect to one who was a member of both organizations?

Mr. MURCHISON: No. We were really leaning backwards in order to get the fairest possible decision from the tribunals in question. Therefore the case that has been chosen is that of an engineer who belongs to the "Big E" and who has nothing to do with the Brotherhood of Locomotive Firemen and Engineers and he is not an officer of that union and does not pay dues thereto.

Mr. MICHENER: I may have missed this information for which I am now going to ask. What is the number of engineers involved, or those who have their rates dependent on this decision, and what would be the average compensation to each, so that we may get an idea of the proportions of the problem?

Mr. MCGREGOR: Among the number, as far as we can estimate, there are 2,800. That is, there are 2,800 engineers of the Canadian Pacific Railway, 500 of whom are dual members of the Brotherhood of Locomotive Firemen and Enginemen as well as of the Brotherhood of Engineers. Originally I think I gave the figures as 3,300, but I was counting the 2,800 members of the Engineers' Brotherhood and the 500 (members of the Firemen's Brotherhood) whereas these latter 500 were included in the 2,800. That would be the maximum number involved and in all probability they would be at the highest benefit rate. The amount of benefit to which they would be entitled would depend upon the earnings in the week in which the strike occurred and also in the week in which the strike ended. This will be covered by the explanation of the waiting period and the allowable earnings.

Mr. MICHENER: There may be 2,800 engineers in total and something like a week's compensation involved.

Mr. MCGREGOR: Not necessarily.

Mr. STARR: Mr. Chairman, it seems to me there was a very unfair decision made under the act where the firemen were neither participating nor directly interested in the dispute, but at the same time of the stoppage of the work one of the firemen was in charge of the mineworkers' union which was financing that dispute. As a result of that all the firemen were disqualified. The unfairness is probably that none of the firemen were aware that this one fireman was in a position which would disqualify them.

Mr. MURCHISON: That point raised by the honourable member concerns another case entirely and has nothing to do with the commission. It probably should have been made more precise, that that was a citation from a decision of the umpire in another case. That was used as part of the jurisprudence in dealing with the railway case.

Mr. STARR: The unfairness still remains.

Mr. MCGREGOR: That is the umpire's decision. We cannot do anything about it.

Mr. BELL: Is this pay which comes out of the fund contributed to by a particular union, or would that be from a group of unions.

Mr. MCGREGOR: A particular union, from the firemen's brotherhood.

Mr. BELL: In other words the appellant in this case is not a member of the immediate union but he is a member of another union, and the union in which he is a member would not be involved.

Mr. HOSKING: Why would these 500 people be members of two unions? What are the advantages?

Mr. MCGREGOR: The explanation given to us by the two brotherhoods concerned is as follows. When a fireman graduates to an engineer, that is if he is an engineer at 12.01 a.m. on the first day of any month he is classed as an engineer for that month and has to pay union dues to the Brotherhood of Locomotive Engineers. He has certain vested rights in the Brotherhood of Locomotive Firemen in that he is being covered by group insurance, and so on, and makes a token payment to the firemen's union, maybe up to a dollar a month, which is used wholly and solely by his local lodge. We disregarded that entirely in our thinking because that money did not go into the fund from which the firemen's strike pay was paid.

But there was another type of engineer; who, as an office-holder in the firemen's brotherhood is excused from paying dues to the engineers union and pays to the firemen's union his dues which went into the strike fund from which the firemen's strike pay was paid.

Mr. KNOWLES: Because there were a few such individuals in the 500 group you found it necessary to disqualify the 2,800; is that the situation?

Mr. MICHENER: Has Mr. McGregor information as to the number of the 2,800 who actually claimed compensation?

Mr. MCGREGOR: No. We do not attempt to keep a record of those by specific groups when claims are made.

Mr. MICHENER: That is the maximum number who could claim under the ruling, but you do not know how many of those who claimed qualified?

Mr. MCGREGOR: No.

Mr. MICHENER: Was it a large number?

Mr. MCGREGOR: Quite a large number, I think.

Mr. MICHENER: There is another point which arises out of the reading of the brief. I notice in subsection 2 of the act, the clauses (a) and (b) are joined by the word "and" and Mr. McGregor used the word "or". Was that deliberate?

Mr. MCGREGOR: No. I beg your pardon. Perhaps I should explain that a person who has lost work because of a labour dispute has to prove six things. First of all he has to prove that he has not participated in the dispute, he has not been financing the dispute, he is not directly interested in the outcome of the dispute, and that he is not a member of a grade or class of which there are members who are participating in the dispute, directly interested in the dispute, or financing the dispute. Those six things he has to prove.

Mr. STUDER: Would these engineers who were supposedly disqualified from unemployment insurance benefits not be eligible to receive payments from the firemen's union fund, or are they disqualified on both counts.

The ACTING CHAIRMAN: That is a union matter. The commission would not know anything about a matter of that kind.

Mr. STUDER: It would appear to me that the engineers who were involved would be aware of the unemployment insurance regulations before the strike was precipitated and that they would govern themselves accordingly and either withdraw from the firemen's union in order to be eligible for unemployment insurance benefits or accept the consequences.

The ACTING CHAIRMAN: I think that they know pretty well through their collective bargaining agreements that they would be disqualified in a case of that nature.

Mr. HAHN: Should it not be the purpose of our labour legislation to recognize the desirability of an improvement in the situation. Certainly I feel that that should be carried through in the regulations as well. I am thinking of this case where a fireman became an engineer at 12.01 on the beginning of the month and by doing so had bettered his position and had become a more desirable individual in the labour force itself. This it seems to me is rather discriminatory in the over-all application. What is the attitude of the department in respect to improving one's position?

Mr. MURCHISON: It is rather difficult to answer that question. The point which you raise is written right into the act itself and we are simply administering the act and giving it what interpretation we feel is correct in the circumstances. If we are wrong we can be put right by the board of referees or by the umpire.

Mr. KNOWLES: What you are telling us is that if we want a change in this provision we have to have the minister introduce it in the House of Commons.

Mr. BARNETT: Referring to subsection 2 (b) of the act, if instead of reading "he does not belong to a grade or class of workers", that phrase read "he does not belong to a collective bargaining unit", would it take care of the situation that has disqualified the engineers who are not members of the Firemen's Brotherhood.

Mr. MURCHISON: That expression would not be appropriate for the general administration because not all plants are organized, not all establishments are organized, and therefore there are no bargaining units where there is no union in existence.

Mr. BARNETT: It does not necessarily have to be phrased in that exact way. I am relating it to this term which would segregate persons who are actually part of the segment of workers involved in the strike from those who appear to belong to a grade or class of workers. I use that phrase "collective bargaining unit" to make that distinction. I suggest that it should be phrased so that it would apply in the case of an organized situation. I think you understand the point I am driving at.

Mr. MURCHISON: I do. However, Mr. Chairman, would it not be as well for us to reserve our comments on that point until we have had the last word from the appeal boards and the umpire if necessary. After we have had the umpire's comments, in the case that the appeal is taken to the umpire, then consideration could be given to the problem in the light of that decision.

Mr. GILLIS: Mr. Chairman, the difficulties in connection with the firemen at this time appear to arise from a decision made by the umpire in another case. I wonder if it would be possible for the committee to have a copy of that judgment which was handed down by the umpire with respect to the firemen in the colliery case. This is another matter where a precedent is kicking back on us and causing difficulties. That is the crux of the matter.

Before we can render a judgment in the firemen's case we would have to know something about the judgment upon which the Commission made rulings. I do not know where that colliery was located, but I cannot understand firemen at a colliery being involved in a dispute, for the simple reason that firemen around a colliery are maintenance men, and provincial laws prohibit maintenance men from leaving a colliery in a condition which would endanger it. Where did it take place?

Mr. MURCHISON: Mr. Chairman, this is not a Canadian decision. I wish to point out to you that when the Unemployment Insurance Act was first put into effect there were no precedents, no jurisprudence, and nothing to help us in that way. Because of the fact that the Canadian act was at that time the same as the act in the United Kingdom, the practice was adopted, long before I was with the commission, of following the jurisprudence of the British umpire. The case to which you refer, Mr. Gillis, is that of a person in the United Kingdom involved in a strike at the colliery in question.

Mr. GILLIS: I think it is a poor thing to render a decision in this way. I know in Nova Scotia, and I think it is the same all over Canada, firemen have been prohibited by law from being involved in a dispute. I think what we have to do now is to determine the relationship between the situation you have described in the British act and its application to similar situations in Canada. It cannot occur in Canada, to start with.

I think Mr. Barnett will agree with me that the thing which we should do is to obtain that precedent. It certainly cannot occur in Canada.

Mr. HOSKING: Do you not think there is a little more involved in this than a precedent. Is this not a matter of a strike which has been stirring up for a

very long time. If these people were just taken on as engineers, having been firemen, then all the time this was under discussion they would have been firemen and voting as firemen to go on strike. It is possible that at the last moment when the strike actually took place they were promoted to be engineers. However, during all the considerations and action which took place during the past year they were actually firemen. We have to decide whether we should pay unemployment insurance to people who go on strike or whether we should not.

Mr. KNOWLES: Are you not overlooking the fact that there are 2,800 people who are actually engineers, who do not come under the situation which you have described but who are being denied this benefit because perhaps ten or some such number of their fellow workmen happened to hold the dual membership.

Mr. HOSKING: I do not think that is the point at all. I think the point is that during the past year when the discussions and debates and all the arrangements preceding a strike took place most of them would have been firemen.

Mr. KNOWLES: Most of the 2,800? Surely not.

Mr. HOSKING: Yes. They are only temporary firemen as I understand it.

Mr. MURCHISON: Mr. Knowles referred to some of the engineers who might be in another union. It is pointed out that there were approximately 500 holding dual membership, and in addition it is our information that the presiding officer or the chairman of some locals is an engineer and not a fireman. That is why he is holding membership as an engineer, and that is why he is the chairman of the local. He is the person, I am informed, who was called upon to vote on whether or not they would take strike action. However, apart from the point as to the British umpire's decision, there is the principle which will have to be settled by a Canadian board as to whether or not in the circumstances outlined in this case there was enough done by the participants, the people who were actually members of the Firemen's Union, to cause all the others, because they were in the same grade or class, to be disqualified. That is the issue.

Mr. KNOWLES: Is this the first case of this kind of incident so far as Canada is concerned?

Mr. MCGREGOR: Yes.

Mr. HAHN: Mr. Chairman, there is another question which arises out of section 63 (2) (a): "he is not participating in, or financing or directly interested in the labour dispute that caused the stoppage of work,—". I am wondering whether my interpretation of this is wrong or not, and I would like to be corrected if I am wrong. Are we to understand from this section of the act that should an individual, let us say who belongs to the typographical union, assist directly in the financing of a fireman, or donates to a fireman's fund, and it could be shown that such is the case, that it would disqualify all the members of that typographical union?

Mr. MCGREGOR: Not in the case of individual donations like that. The British umpire has already established that policy. It is only in the cases of this kind where there is organized financing through union funds, or some such thing.

Mr. BELL: In our previous considerations of the Unemployment Insurance Act has it ever been necessary to modify or loosen the act because of the fact that our administrative appeal boards are following an unjust and harsh decision—and perhaps rightly so? In other words, supposing that in this case this precedent was followed, which is a little bit different due to

our changing labour conditions, and we agreed that it was rather harsh due to the circumstances, would favourable consideration be given to loosening or modifying the act, or has that ever been done?

Mr. MCGREGOR: Mr. Chairman, I think it was done in the case of "holiday pay" at one time. I think that was one incident that I can recall. It can be done at any time, of course.

Mr. KNOWLES: If the decision with regard to this appeal is favourable to the men, is there anything in the statute that bars any of the engineers, who have not yet applied, from receiving benefits, or will those benefits be automatically available to all of the engineers whether they applied or not?

Mr. MCGREGOR: This one test case will apply to all the engineers of that one group, all those who applied, only. With respect to those who did not apply, there is the question of antedating, and unless they had good cause for not making a claim at the proper time, they could not get benefits. That is under the section on antedating.

Mr. KNOWLES: With regard to that matter, at what stage of the game did the engineers know that the commission was denying their claim? I ask that for an obvious reason. If it was known to the men that their claims were going to be denied, that would discourage some of them from bothering to apply.

Mr. MCGREGOR: Three weeks after the strike started. In other words, they would be back at work almost a week before that decision was made—at least a week, if not two weeks.

Mr. MICHENER: If the decision is favourable to the engineers, you will have to determine the number who have applied and deal with their cases?

Mr. MCGREGOR: Mr. Tallon reminds me that the brotherhood sent out circulars to their member lodges right at the beginning of the strike.

Mr. MICHENER: I asked you before about the number and you said it was quite a large number.

Mr. MCGREGOR: We could easily pick those out. That is to say, they were disqualified under a certain code. We could pick out all those codes—pick them out and readjust them. That happens quite frequently.

Mr. MICHENER: Can you say when the decision is expected?

Mr. MCGREGOR: No, sir. That will depend on the umpire.

Mr. MICHENER: How long has it been before the umpire now?

Mr. MCGREGOR: It is only going before the board of referees now. I was informed last week by the Brotherhood of Engineers that they were making that claim on an Ottawa case—an appeal, I beg your pardon. I suggested that they take an Ottawa case so that they could nurse it all the way through. I think they have done that.

Mr. MICHENER: What is the normal length of time that elapses before the appeal is disposed of?

Mr. MCGREGOR: The board of referees could dispose of the appeal in about two weeks, perhaps. Then we have 21 days after that in which to appeal to the umpire, and so have they.

Mrs. FAIRCLOUGH: What is the situation with regard to engineers generally? Are they all covered by insurance, regardless of the amount of earnings?

Mr. MCGREGOR: Yes, being on a mileage basis.

Mr. MICHENER: Has the board formulated as yet any policy with respect to a further appeal to the umpire?

Mr. MURCHISON: It depends on the nature of the decision made by the board of referees.

I understand, Mr. Chairman, from talking to Mr. Campbell, who is the person responsible here on behalf of the engineers, that he is busily engaged at the present time preparing a brief, and he wants a few days to complete that brief. I can assure you that the board of referees will be prepared to hear him just as soon as it is convenient.

Mr. MICHENER: Then the decision of the board, at present, is that the ruling, the board's decision, is right and the appeal of the engineers will be contested by counsel for the board?

Mr. MCGREGOR: I think, sir, if the board of referees maintains our decision, Mr. Campbell has already intimated to me that he will go right to the umpire.

Mr. MICHENER: Will the commission be represented before the board of referees by counsel opposing the appeal?

Mr. MCGREGOR: No.

Mr. MICHENER: That is just left to the board to decide.

Mr. BELL: Is this just a test case?

Mr. MCGREGOR: Yes.

Mr. KNOWLES: Mr. Chairman, Mr. McGregor has reported to us Mr. Campbell's statement that, if the decision goes against the men, they will take it to the umpire. Is he in a position to say what the commission will do if the decision is favourable to the men?

Mr. MCGREGOR: No.

Mr. MICHENER: That, I take it, has not been decided?

Mr. MCGREGOR: No.

Mr. BELL: I think that is reasonable, Mr. Chairman.

The ACTING CHAIRMAN: You have got to take the position that they are waiting to see what the decision is going to be.

Mr. MICHENER: What is the commission's normal practice in appeals from its initial decision? Is it to contest the appeal, or to leave the matter entirely to the board of referees?

Mr. MURCHISON: The practice is, Mr. Chairman, for the insurance branch to recommend to the commission that an appeal be taken in such a case. It is then left for the commission to determine whether an appeal should be taken. The commission has the last word in the matter of an appeal from the board of referees' decision to the umpire. We do not always go along with the insurance branch in such recommendations.

Mr. KNOWLES: There may have been an answer to this question before, but may I put it again to either of the gentlemen. Has there ever been a case before the board of referees where it has had to look at this British precedent and decide whether it would be good or not, or decide about it at all?

Mr. MURCHISON: Have you reference to this particular British decision?

Mr. KNOWLES: Yes.

Mr. MURCHISON: Not this particular case.

Mr. KNOWLES: In other words, am I correct in assuming that this is the first time the commission has fallen back on this British precedent, and that this will be the first time the board of referees, therefore, has had to decide whether that precedent should apply?

Mr. MURCHISON: I do not know whether it is right to say we fall back on it. The practice is to look up the jurisprudence, and if you come to a case in point, then it is used to help us.

Mr. KNOWLES: What I am getting at is this: the board of referees is not bound by any precedent on its part that would make it necessary for the board to follow this precedent?

Mr. MCGREGOR: It is bound by a Canadian decision,—definitely bound by that, but in this particular instance, no.

Mr. KNOWLES: That is hopeful.

Mr. MICHENER: But they are bound by a decision of the Canadian umpire.

Mrs. FAIRCLOUGH: But there is every possibility that the outcome of this will establish a precedent in Canadian jurisdiction?

The ACTING CHAIRMAN: A Canadian precedent.

Mr. HOSKING: May I follow my thinking and get it clear. We know nothing about this case that you are using as an example. In this case, how many of these engineers—or would you have any idea of the number of these engineers—would have been in a position to discuss a strike, as firemen, in the preceding months? I ask that question for this reason: I do not know if I would go along with the ruling that, if there were just one or two, the whole group should be disqualified. Would you have any idea how many of them would have voting rights, and take part in the meetings and in the discussions in the previous period of, say a year, before the strike actually took place?

Mr. MCGREGOR: Mr. Chairman, the best answer I can give to that is that I would think—I do not know for sure—those 500 who were dual members, having been members of the Firemen's Brotherhood, would be entitled to vote. I would not be sure of that. I would think that they would be entitled to vote in any decisions taken by the Brotherhood of Locomotive Firemen.

Mr. HOSKING: So that there would be one-sixth of them, 500 out of 2,800—a little more than a sixth.

The ACTING CHAIRMAN: Will we go on with the other brief now?

Mr. MCGREGOR: This is an explanation of the waiting period under the act, and also an explanation of the allowable earnings and its application. Dealing first with the waiting period:

At the beginning of each benefit period, that is, when a claimant establishes his right to benefit by having the requisite number of contributions he has to serve a waiting period before any benefit can be paid to him.

This waiting period is somewhat like the deductible clause in an automobile insurance policy whereby the insured (owner) is himself liable for the first \$50.00 (or \$100.00) of loss that occurs.

The waiting period is expressed in terms of money, the amount being equal to one full week's benefit. Thus, if a claimant's benefit rate is determined as \$30.00 then the first \$30.00 that he would be entitled to, after making his claim, is not paid to him but is applied as the waiting period.

Explanation of Allowable Earnings

Every claimant is allowed to earn a certain amount, each week he is on benefit, without loss of benefit. This amount varies with the weekly rate of benefit to which he is entitled, as per the following table:

I do not propose to read the table. It varies all the way from \$2 where the benefit rate is \$6 for single, and \$8 for dependents, up to \$13 when the rate is \$23 for single and \$30 for dependents.

For example, consider a claimant whose weekly rate of benefit is \$30.00. He is allowed to earn up to \$13.00 in any week and still get full benefit of \$30.00. But, in any week in which he earns more than \$13.00 the excess is deducted from his benefit. Thus, if he earned \$25.00 one week, the weekly benefit is reduced by \$12.00 (\$25.00 less (allowable earnings) \$13.00=\$12.00).

This rule applies to every week that the claimant is on benefit including the waiting period.

Now, here are some examples of the effect of earnings on the waiting period and on benefit payments subsequent to the waiting period.

1. Claimant "A"

Weekly benefit rate—\$30.00; allowable earnings—\$13.00; waiting period—\$30.00. Initial claim filed week commencing 30 December, 1956.

During this week "A" earned \$40.00. He is allowed to earn \$13.00 without loss of benefit so \$13.00 is first taken off the total earnings of \$40.00, leaving \$27.00 of excess earnings, that is, \$27.00 in excess of the \$13.00 that is allowable. His weekly rate of \$30.00 is, therefore, reduced for that week by the \$27.00 excess earnings so that there are \$3.00 coming to him. But, as already mentioned, he has first to serve the waiting period of \$30.00 before any benefit can be paid to him. The \$3.00 is, therefore, applied against the \$30.00 waiting period so that he has still \$27.00 (\$30.00 less \$3.00) of the waiting period to serve.

That is a typical case, I might say, of the railway men in this last strike.

Week commencing 6 January, 1957

In this week "A" earned \$23.00. As already mentioned (see table above) he is allowed to earn \$13.00 without loss of benefit so that his excess earnings this week are \$23.00 less \$13.00 or \$10.00.

These excess earnings of \$10.00 are then deducted from the weekly rate of \$30.00 so that leaves \$20.00 (\$30.00 less \$10.00). But he has still \$27.00 of his waiting period to serve so the \$20.00 is applied thereto leaving \$7.00 of the waiting period yet to be served.

Week commencing 13 January, 1957

In this week "A" earned nothing and would be entitled to the full \$30.00 except that he has \$7.00 of his waiting period yet to serve. He is, therefore, paid \$23.00 (\$30.00 less \$7.00).

2. Claimant "B"

Weekly benefit rate—\$30.00; allowable earnings—\$13.00; waiting period—\$30.00. Initial claim filed week commencing 30 December, 1956:

During this week "B" earned \$48.00. He is allowed to earn \$13.00 without loss of benefit. His excess earnings for the week were, therefore, \$48.00 less \$13.00, or \$35.00. As \$35.00 is more than the weekly rate of benefit nothing can be applied on his waiting period which means that the full waiting period of \$30.00 has yet to be served.

Week commencing 6 January, 1957

In this week "B" earned \$12.00. As this is less than his allowable earnings (or \$13.00) no deduction is made from his weekly rate of \$30.00. The \$30.00 is applied on the waiting period which is, therefore, served in full.

Week commencing 13 January, 1957

In this week "B" earned nothing and, as his waiting period has been served in full, he is paid the full rate of \$30.00.

3. Claimant "C"

Weekly benefit rate—\$30.00; allowable earnings—\$13.00; waiting period—\$30.00. Initial claim filed week commencing 30 December, 1956.

During this week "C" earned nothing. He will, therefore, be entitled to the full \$30.00, except that he has his waiting period of \$30.00 to be served. This means that his full waiting period has now been served.

Week commencing 6 January, 1957

In this week "C" earned \$42.00. He is allowed to earn \$13.00 without loss of benefit so that his excess earnings this week are \$42.00 less \$13.00, or \$29.00.

These excess earnings are deducted from the weekly rate of \$30.00 so that leaves \$1.00. As his waiting period has been served in full he is, therefore, paid \$1.00 (30.00 less \$29.00). It was fully dependent on the earnings in that first week and on the earnings in the second week.

4. Claimant "D"

Weekly benefit rate—\$26.00; allowable earnings \$9.00; waiting period—\$26.00. Initial claim filed week commencing 30 December, 1956:

During this week "D" earned \$40.00. He is allowed to earn \$9.00 without loss of benefit. His excess earnings for the week are, therefore, \$40.00 less \$9.00 or \$31.00. As \$31.00 is more than the weekly rate of benefit nothing can be applied on his waiting period, which means that the full waiting period of \$26.00 has yet to be served.

Week commencing 6 January, 1957

In this week "D" earned \$24.00. He is allowed to earn \$9.00 without loss of benefit so that his excess earnings for this week are \$24.00 less \$9.00, or \$15.00. These excess earnings are then deducted from the weekly rate of \$26.00 so that leaves \$11.00 (\$26.00 less \$15.00). But he still has his full waiting period (\$26.00) to serve so the \$11.00 is applied thereto leaving \$15.00 of the waiting period yet to be served.

Week commencing 13 January, 1957

In this week "D" earned nothing so he would be entitled to the full \$26.00 except that he has \$15.00 of his waiting period to serve. The full waiting period is, therefore, served and he is paid \$11.00 (\$26.00 less \$15.00).

Important

It should be noted that the waiting period is served only once during a benefit period. A benefit period runs for 52 weeks unless all of the benefit authorized is used up before that time. In most cases, therefore, a waiting period is served only once in 52 weeks.

Mrs. FAIRCLOUGH: Would you mind going back to page 4 of your brief and taking the case of "B" who in the week commencing the 13th January, where they say in this case "in this week B earned nothing, and as his waiting period had been served in full, he is paid the full rate of \$30".

Had he earned \$13 in that week he would still have been paid the full rate, would he not?

Mr. MCGREGOR: That is correct.

Mrs. FAIRCLOUGH: I thought that was a point that should be cleared up. It helped in that case that he did not earn anything more.

Mr. MCGREGOR: The week before was \$12, being just under \$13.

Mrs. FAIRCLOUGH: There is a situation which occurs in the automobile industry. It occurs in the Studebaker plant in Hamilton where they have been working on alternate weeks. When you take the case of a man—and this happens almost every year—a man working probably for ten and a half months full time—and they have a system whereby they try to give senior employees some work, and they probably work one day a week. Well, let us say that they pay them the 60 cent stamp, and they have this in their books for ten and a half months and they come along and get a 16 cent stamp to cover that one day. The benefits are paid on the average of the last 30 weeks. So here they have only 30 weeks, of which probably five or six weeks are with 16 cent stamps and the rest of the time with 60 cent stamps; so instead of qualifying for \$30 benefits, they only get \$26 benefits; but at the same time their allowable earnings are cut by \$13 a week to \$9 a week.

It seems to me that these people might very well say that they are going to be better off if they refuse the one day a week and claim the larger amount of benefit if their allowable earnings stayed at the rate which would have been theirs had they continued the \$30 a week. If every applicant who applied for unemployment insurance had a 60 cent rate, he would have \$30 a week. But when he works this time (less than full time) it cuts not only his benefits but it also cuts his allowable earnings away down.

Mr. MCGREGOR: The principle of that is that the rate reflects the earnings, and over those last 30 weeks this man's earnings have been reduced. The benefit of course is an indemnification of the earnings to some degree and is governed by the earnings of the last 30 weeks.

Mr. MURCHISON: No, during the last 24 weeks.

Mr. MCGREGOR: No, during the last 30 weeks.

Mr. MURCHISON: 30 weeks; that is right!

Mr. LUSBY: There is no provision under the act by which the commission can waive that waiting period?

Mr. MCGREGOR: Yes, if one benefit period immediately follows another. If a man uses up all his benefits and is still unemployed, he can requalify for benefits under certain circumstances and the waiting period can be waived, but that is only when one benefit period immediately follows another.

Mr. LUSBY: I think your department issues a brochure which endeavours to explain matters in connection with unemployment insurance for the ordinary person?

Mr. MCGREGOR: Yes.

Mr. LUSBY: There was a situation in Springhill, Nova Scotia, last fall, following the mine disaster. There were two mines operating. When the explosion occurred—which was on Thursday, November 1st—the number 4 mine immediately went out of operation. Number 2 mine was the adjoining mine and it was not directly affected—but for safety reasons, and to carry on rescue operations, it shut down for a short period.

It so happened that the waiting period coincided with the opening and the resumption of work at the number 2 mine.

At that time number 4 mine started to receive unemployment insurance benefit and the number 2 mine was not eligible. I understand that because of an ambiguity in this brochure they were under the impression that the commission could have discretion to grant them unemployment insurance in regard to these waiting days. As a matter of fact they went out on strike for a day or two over it.

I thought it was very unfortunate according to the information I had from the U.M.W. and the town officials, the main indignation was due entirely to the fact of that misinterpretation of the terms of this brochure. It seems to me that it could be more clearly worded, and that it is something you might keep in mind.

Mr. MURCHISON: Let us make a note of that.

Mr. MCGREGOR: When you write a brochure you try to condense things so that it will be easily readable. You do not bring in all the sections of the act and so on. What we say in there actually is that "under certain circumstances the waiting period may be waived," and I think that is as far as we go, as I recall it. But as I have explained to you, the circumstances must be that one benefit period immediately follows another. There is no attempt made to go into it in the brochure because it is rather involved.

In the last two weeks of his claim the excess earnings must not be greater than the weekly benefit rate before this waiving can come into operation. This is rather involved to try to put over in a brochure of that kind, and I think that is the reason for its being condensed and having been shown in the way indicated.

Mr. LUSBY: It does seem to me sometimes that perhaps it should be made clear that it does not apply to the ordinary situation.

Mr. KNOWLES: I would like to return to the application of the material which Mr. McGregor has given to us as it affects the men who were involved in the lay-off that resulted from the Canadian Pacific Railway strike. I am referring now to this brief which has been read, and to the men in occupations who were able to qualify, such as machinists, car cleaners, and all sorts of men in jobs of that kind.

I am sure that the officers of the commission know just as well as we do, that it is in this field where there is the greatest number of complaints; and they are still coming in. As a matter of fact it was on the basis of complaints of this kind that I suggested to the minister last week that a meeting of this committee might be held; and still more letters are coming in.

The complaints the men make, even after I have had the privilege of talking to Mr. McGregor and sending his explanations back to the men, are that they cannot understand how different men can be off work as a result of the strike for the same length of time and yet end up drawing benefits varying from \$1 to \$30 over the period they were off work.

It is an easy thing to put it down in terms of this memorandum, but it is still pretty difficult to explain to the men that there should be those differences. And I would point out that while this very brief may show how the act has to be interpreted, it also demonstrates the complaint of the men. For example, if you take these four cases which have been set out in this brief, A, B, C and D and add up total earnings of each of these people as they are set out in the brief, and set off against them the amount of benefits which each man received, then you have a picture and a confirmation of the complaints the employees are making.

In the case of "A", his total earnings are set out in the example as being \$63, but he drew benefits of \$23 for the time he was unemployed. In the case of employee "B" he had total earnings of \$60, and he drew benefits of \$30. The difference in earnings was very slight, but the second man drew \$7 more.

In the case of "C", his earnings were only \$42, but his benefit was only \$1; and in the case of "D" his earnings were \$64 and his benefits were only \$11. I see Mr. McGregor is nodding his head that my figures are correct.

Indeed, all I have done is to add up the figures in the examples which were given to us today. We appreciate the fact that you gentlemen realize that a memorandum which explains how it works does not remove the feeling

of grievance from the minds of these employees. We realize that you must operate under the act and you have to administer it according to its terms; but I would ask you this question: is this partly as a result of the change made in 1955 when the act was put on a weekly basis?

Mr. MURCHISON: There were no allowable earnings under the previous act. This was introduced later. There were no allowable earnings features in the original act. It was only in 1955, with the revision, that the allowable earnings provision was inserted. There were rules concerning the earning of money through subsidiary employment.

Mr. KNOWLES: Yes.

Mr. MURCHISON: But it was only in the 1955 revision that this provision was made applicable.

Mr. KNOWLES: Is it true to say that in the 1955 revision a change was made with respect to the waiting period so that it was expressed in terms of dollars rather than in terms of days, and also that every week stands on its own? I can see the gentlemen are nodding their heads; I take it they agree with me that that is what is causing some of these troubles.

Mr. MURCHISON: The trouble only occurs at the beginning of the benefit period. This business of waiting out the amount of your weekly benefit is troublesome at the start, but once you have got over that difficulty, the other applications of the law of earnings is simple.

Mr. KNOWLES: In other words, if the strike or loss of work had continued indefinitely, the point would eventually have been reached when all these men would have been drawing the same benefits every week?

Mr. MURCHISON: That is right, subject to their earnings, because the amount of benefit must follow the excess earnings.

Mr. KNOWLES: The difficulty is that when the strike occurred some went off work at 4 o'clock that day, while others worked that night, and still others worked the next day; and moreover they went back to work at different times. It is still pretty hard to explain to the men how there can be all these differences in benefit from nothing up to \$30 a week, when the length of time that they were off work is the same in so many cases.

I realize that this is getting into the realm of policy, yet in respect to unemployment insurance the commission does consider policy matters and make recommendations; and I wonder if this experience has not raised some questions which need to be reviewed so far as the act itself is concerned. You have never had an experience like this before?

Mr. MCGREGOR: We have them every week. In regard to the different claimants, I think it depends wholly on their earnings; and I would say that there was great difficulty on the part of some railway men in declaring their proper earnings. Some men knew the rates exactly and what they would get for the two or three days. Others did not report that they received holiday pay for January 1 while others did.

Mr. KNOWLES: That brings up another issue I would like you to explain when we get through with this one.

Mr. MCGREGOR: I know, because I have been informed by the local offices, that some men in the running trades, reported only their basic daily rate, which is quite different from the actual amount of wages they received. The matter is in the course of being adjusted, where we find that a man had declared only his basic rate while he actually received more than that. We are going after it and are having adjustments made where necessary. That is another factor; as a matter of fact I think that is the biggest factor in the differences in the amounts actually received.

Mr. KNOWLES: At this point, since you have now brought it in, may I say that one of the complaints I have received from a number of different unions representing the men concerned, was that at Winnipeg, at any rate, different rulings were made. At one time they were told not to include statutory holiday pay for January 1, and the men acted accordingly. But a week later they were told that an opposite ruling had come from Ottawa. When this sort of confusion arises, I need not try to tell you the kind of material which comes to us in letters from those affected.

The ACTING CHAIRMAN: By whom were they told?

Mr. KNOWLES: The unemployment insurance office in Winnipeg.

Mr. MCGREGOR: There was an error made at the Winnipeg regional office in that regard, with respect to holiday pay. Claimants were told to disregard it. That was the only region where it occurred; and we corrected it.

Mr. KNOWLES: Can we be assured that no men will suffer from that error?

Mr. MCGREGOR: They were told to make adjustments wherever they possibly could and get the amended weekly reports which form the basis of payment.

Mr. KNOWLES: Could you at this time put on the record a memorandum which would give us the information as to how the act works with respect to statutory holiday pay. It seems to me that that should be part of the record for today or of the next day we sit.

Mr. MURCHISON: You are suggesting that a paper be prepared and filed to form a part of these proceedings?

Mr. KNOWLES: Yes. It might include "A", "B", "C" and "D" again, and I believe it would prove the grievance which the men have.

Mr. HAHN: I have a question to ask further to the question asked by Mr. Knowles.

The ACTING CHAIRMAN: Mr. Knowles, do you wish to have that printed as an appendix?

Mr. KNOWLES: If we are not meeting again, then I would suggest that you do it in that way; and if we are meeting again I would suggest that it be provided at the next meeting.

The ACTING CHAIRMAN: We can meet again.

Mr. KNOWLES: Perhaps it should be part of today's proceedings and can be prepared and submitted as an appendix.

The ACTING CHAIRMAN: Is it agreed?

Agreed.

Mr. HAHN: Further to the earlier question asked by Mr. Knowles and Mr. McGregor's statement that it depends wholly on the earnings, I am thinking of a different class, the stevedores in the New Westminster area. There we have a situation where there are many different earnings and as I understand it the divisor used there is \$18. I am thinking of a situation where a man works 14 hours, which is actually equal to two days, and earns \$35.18, let us say, and by using the divisor of 18 he is only given credit for one day. Another man might earn \$1.70 or \$1.50 in a two-day period, or one day, and is, where a divisor of 18 is used, given a ten cent stamp for that. This area has many different stevedoring firms. A man may work for several different firms in a day and only get three stamps in a week. That does not agree with the statement of Mr. McGregor that it depends wholly on the earnings. It is difficult to explain that to these men.

I wonder if Mr. McGregor would care to make a statement on the application of that as it now stands.

Mr. MCGREGOR: With respect to the question raised by Mr. Hahn there are actually four rates in operation. I understand that you are referring to the New Westminster area.

Mr. HAHN: Yes.

Mr. MCGREGOR: There are actually four rates in operation and four divisors. If the hourly rate of earnings is from \$1.15 to \$1.54 the divisor is \$10. If the hourly rate is \$1.55 to \$1.90, it is \$12; if it is from \$1.91 to \$2.35, it is \$18; and if more than \$2.35 the divisor is \$22. In the present pattern of stevedores' employment they work long hours at a stretch, with gaps between the jobs and they may work for several employers in a day. The commission under the old act provided regulations for a divisor system of contributions. Under this system, the earnings of the stevedores were divided by a daily amount depending on the local hourly rate. For example, at Halifax where the rate is less than \$1.70 an hour, the divisor is \$12, and where it is \$1.70 and over the divisor is \$14. Thus, if a stevedore earned \$36 in a week and his hourly rate was less than \$1.70, he was entitled to three days contributions. The rates of contribution were, in turn, related to the daily rate of earnings, and where the daily divisor was over \$10, the daily rate of contribution is 10 cents. Again, if a stevedore at Halifax, at the hourly rate of less than \$1.70, earned, say, \$96 in a week he is credited with eight daily contributions at 10 cents, which is a week and a third. This recognizes the fact that a great amount of work can be crowded into a relatively short period.

When the new act came into being in 1955 and the weekly concept was introduced, meetings were held with the stevedore organizations where it was pointed out to them that they would perhaps be better off if they came under the regular scheme; that is, base their weekly contribution on the amount of their weekly earnings. The stevedore organizations did not favour this, feeling as they did in any week in which more than a normal week's work was performed they would not continue to have the advantage of getting additional contributions as they previously did. It was pointed out to them that, with the daily divisor, it was quite possible in some cases the rates of contribution in a week would be somewhat less than under the regular scheme, and it was a case of either having a lesser rate of contributions or fewer contribution days. They were adamant in maintaining the status quo and it is this which has brought about some inquiries as to the rates of contribution being lower than they are under the regular scheme which, in turn, of course, lowers the benefit rate. In other words they could not have it both ways.

Mr. HAHN: You say that you spoke to the different stevedore groups across the country?

Mr. MCGREGOR: They made representations to the commission.

Mr. HAHN: Were the representations made by each localized area or by the international organization?

Mr. MCGREGOR: It was the international organization which came down here and they were accompanied by Mr. Jodoin.

Mr. BELL: Has there been an expression of opinion from them recently about the present attitude?

Mr. MCGREGOR: The last I can recall is that the east wants it one way and the west another. The west coast say with respect to the application of divisors, carry on the way you are, and the east coast want it changed.

Mr. PHILPOTT: So you just stay put.

Mr. BELL: Those from the east coast appreciate that it is an extremely difficult problem. To make the situation more grave there are different opinions within the unions because the part-time workers who seek employment in the

heavy season naturally want their weeks of qualification as the main consideration, whereas a steady worker wants a high rate of benefit. So you have a conflict within the union. Therefore, I appreciate your problem.

Mr. MCGREGOR: Moreover, there is a difference between Halifax and Saint John, because Halifax has a very tight union membership, whereas at Saint John it is almost wide open. That creates a problem of lesser work for the Saint John men, whereas Halifax men get more work.

Mr. BELL: Of course the effects of section 45 (2) come into this. I do not suppose that we will get into that at this point.

Mr. MURCHISON: Not today.

Mr. HAHN: Mr. McGregor indicates that sometimes you may have an accumulation of stamps. Would that mean that the employee would not become eligible for unemployment insurance until a maximum period has been served after the usage of those stamps? That is, the waiting period must come after you have used up the excess stamps.

Mr. MCGREGOR: It depends on the earnings those stamps represent. We translate those stamps back into the earnings which they represent and say that this is the earnings for that week.

Mr. HAHN: How long can he accumulate them?

Mr. MCGREGOR: For two weeks in advance.

Mr. STARR: Mr. Chairman, I would like to ask Mr. McGregor if he would explain to me the basis on which allowable earnings are set up because it seems to me that you may have a man who gets \$8 as a weekly benefit and is only allowed \$2, but the person who has earned good money is entitled to, with dependencies, \$30 weekly benefits, and allowed to earn \$13. It seems to me as though you should endeavour to help the fellow who is only getting \$8 to earn \$13, and vice versa.

Mr. MURCHISON: This is an insurance gimmick and the purpose in establishing the graduated scale of allowable earnings which may have the increased rate of benefit is in order to provide a very uniform percentage of relationship between allowable earnings and benefits as against the normal earnings of the individual when employed. It runs anywhere from 77 per cent to about 60 per cent. For the lower paid worker the percentage is high and for the high paid worker the percentage is lower.

Mr. STARR: I can understand where that scale would be used in determining the weekly benefits, but is it necessary to use that type of reasoning when you consider allowable earnings?

Mr. MCGREGOR: Yes, because if you did not do that you would have those people at the lower brackets who do not get \$13 a week drawing full unemployment insurance benefits and there would be no incentive to work.

Mr. STARR: In other words they would be making \$21?

Mr. MURCHISON: That is right.

Mr. STARR: And you think that \$21 a week would be an incentive for them not to work?

Mr. HAHN: How many dollars per week must they earn in order to get \$8 a week unemployment insurance?

Mr. MURCHISON: The lowest rate is the bracket from \$9 to \$15 earnings. If the man was earning \$21 he would be quite content to take unemployment insurance.

Mr. MICHENER: He would soon come to the end of his benefits.

Mr. MURCHISON: And then he would complain that he was not getting insurance.

Mr. MICHENER: When the act was up for review I took the view that this table ought to work the other way. I wonder if in any other jurisdictions the allowances have been graded as the compensation went down and if there has been any test made of that to arrive at the incentive to work. Personally I do not think that would be a serious difficulty. It seems to me that there are many people—

Mr. MCGREGOR: It is what the actuary calls "a moral hazard".

Mrs. FAIRCLOUGH: What is "moral" about it.

Mr. MICHENER: Take the person who draws dependency rate of \$8. He is earning at the rate of \$10 a week and becomes unemployed. He can draw dependency rate of \$8 and earn \$4 allowable, so he can make \$12 which is more than his earnings. That does not create any difficulty to some.

Mr. MCGREGOR: He would be quite content to go along on that basis taking little bits of work here and there instead of working full time.

Mr. MICHENER: It seems strange that he would be content to earn \$12 a week when he could earn more.

Mrs. FAIRCLOUGH: It does discriminate against some old workers who only have casual work. I have an example, of which I am sure you are aware, of an elderly man who worked as a commissionaire. Here he was in a position where he would really be better off in the first instance not to work at all. He was disqualified because under the new ruling where he was only making about \$10 for two days, he could not get any benefit at all.

Mr. MCGREGOR: He was building up contributions against his future benefit.

Mrs. FAIRCLOUGH: But he never got benefit from it?

Mr. MCGREGOR: He would if he lost the job completely.

Mrs. FAIRCLOUGH: Yes. But, at most he is only working two or three days a week.

Mr. MURCHISON: He has built up for the future.

Mrs. FAIRCLOUGH: Are we going to continue?

Mr. KNOWLES: I have another point to raise but if the committee prefers I can leave it over until another day.

Mr. BARNETT: Some reference has been made to obtaining a report as to how a new arrangement under section 45(2) is working out. Will we have a special report at a future meeting?

Mr. MURCHISON: It was arranged the other day, Mr. Chairman, that we would discuss these particular matters which have been submitted to you. You will remember that the minister, and later the steering committee, in discussing the matter, agreed to limit our consideration to these problems. We still are to have a discussion on the alleged delays in processing unemployment insurance claims. We have also undertaken to submit to you statements showing the effect of the change that was made in 1956 in section 45(2). We will have that statement ready for you at the next sitting of this committee.

Mrs. FAIRCLOUGH: Mr. Chairman, did I understand Mr. Murchison correctly to say that the steering committee had agreed to limit the discussion of these particular items to today?

Mr. MURCHISON: No. That is all we can talk about today.

Mrs. FAIRCLOUGH: It was not the intention that the discussion on these items close at the end of this sitting today. You meant that the things which we are to consider today are limited to these items.

Mr. MURCHISON: Yes.

Mr. KNOWLES: I have another matter which I think arises out of the railway situation, but I am prepared to leave it over until the next meeting. It is the alleged change of the benefit period without giving a proper notice to insured persons.

Mr. MCGREGOR: Could you give me an illustration perhaps?

Mr. KNOWLES: I have a case, F-139576, where a man following the directions in the little booklet filed a claim last July and was told that his benefit period was good for a year from then, but he learned in January that there had been some regulation ending the benefit period at the end of the calendar year.

Mr. MCGREGOR: No. The end of that benefit period would come about wholly through exhaustion. He must have used up all the benefits. The benefit period runs for 52 weeks or until all of the benefit is exhausted. Now, supposing the gentleman Mr. Knowles speaks about had been awarded, say, twenty-five weeks' benefit, and he had used all that up between July and January, then a new benefit period starts. But, that is the only time a benefit period ends prior to fifty-two weeks.

Mr. KNOWLES: Is there not any regulation ending the benefit period at the end of the year?

Mr. MCGREGOR: No, sir.

Mr. KNOWLES: I am glad to hear that, but that is the complaint I have in the letter before me, Mr. Chairman. I would be glad to show it to Mr. Murchison and Mr. McGregor, and perhaps we could deal with it at the next committee.

Mr. HAHN: Mr. Chairman, if you would entertain a motion to adjourn and call the committee at a later date, I would be prepared to move such a motion.

The ACTING CHAIRMAN: I think we have done fairly well this morning. The minister has not arrived, so I think we can adjourn to the call of the chair.

—The committee adjourned.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: G. E. NIXON, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

REPORT OF THE UNEMPLOYMENT INSURANCE COMMISSION
FOR THE YEAR ENDED MARCH 31, 1956

TUESDAY, FEBRUARY 26, 1957

WITNESSES

From the Unemployment Insurance Commission: Mr. C. A. L. Murchison,
Commissioner and Mr. James McGregor, Director of Unemployment
Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: G. E. Nixon, Esq.,
and Messrs.

Barnett,	Gauthier (<i>Lac-Saint-</i>	MacEachen,
Bell,	<i>Jean</i>),	Michener,
Brown (<i>Brantford</i>),	Gauthier (<i>Nickel Belt</i>),	Murphy (<i>Westmorland</i>),
Brown (<i>Essex West</i>),	Gillis,	Philpott,
Byrne,	Hahn,	Richardson,
Cauchon,	Hardie,	Rouleau,
Churchill,	Hosking,	Small,
Cloutier,	Huffman,	Starr,
Deschatelets,	Johnston (<i>Bow River</i>),	Studer,
Dufresne,	Knowles,	Viau,
Fairclough (Mrs.)	Leduc (<i>Verdun</i>),	Vincent—34.
Fraser (<i>St. John's East</i>),	Lusby,	

(Quorum 10)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, February 26, 1957

The Standing Committee on Industrial Relations met at 11.00 a.m. this day. The Chairman, Mr. G. E. Nixon, presided.

Members present: Messrs. Barnett, Brown (*Essex West*), Brown (*Brantford*), Gauthier (*Lac-St-Jean*), Gauthier (*Nickel Belt*), Gillis, Hahn, Johnston (*Bow River*), Knowles, Leduc (*Verdun*), Nixon, Starr, and Studer.

In attendance: Mr. J. A. Blanchette, Parliamentary Assistant to the Minister of Labour. *From the Unemployment Insurance Commission:* Mr. C. A. L. Murchison, Commissioner; Mr. L. J. Curry, Executive Director; Mr. James McGregor, Director of Unemployment Insurance.

The Committee resumed consideration of the operation of the Unemployment Insurance Commission.

Mr. Murchison made a statement outlying the work of various committees and units presently working on unemployment problems.

Mr. McGregor was called and explained the processing of claims for Unemployment Insurance. He supplied tables showing the number of claims received and processed during recent weeks.

Ordered,—That a statement respecting holidays and earnings, tabled by Mr. McGregor, be printed in the record. (*See Appendix "A" to this day's evidence*).

At 12.30 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes
Clerk of the Committee.

EVIDENCE

TUESDAY, February 26, 1957
11.00 a.m.

The CHAIRMAN: Will you please come to order, gentlemen. Before we proceed with the usual work of the committee I would like to report that the minister will not be here. He intended to come in this morning by plane but as the planes are grounded he is coming in by train and he will not be here until this afternoon. If it is in order we will proceed with the work of the committee.

I believe that Mr. Murchison has a brief statement to make. I will call, at this time, on Mr. Murchison.

Mr. C. A. L. MURCHISON (*Commissioner, Unemployment Insurance Commission*): Mr. Chairman and hon. members, the national employment committee is this week holding its quarterly meeting in Ottawa. Today three of the subcommittees of that committee are in session. This morning the committee of employment and education is meeting. This afternoon another group will deal with the value of our winter employment campaigns sponsored jointly by the Department of Labour and the commission. This evening at eight o'clock another committee on area employment will meet. Mr. Talon is representing the commission at these meetings and that accounts for his absence from this meeting this morning. We have with us Mr. Currie, our executive director and Mr. McGregor, the director of unemployment insurance.

Having mentioned these three subcommittees, you may wish to know something about their functions and the nature of their inquiries. The subcommittee on employment and education was constituted after the commission obtained results of a survey which revealed what seemed to be an unduly large proportion of unplaced applicants with limited formal education, and, conversely, a comparatively small proportion of unplaced applicants among those with two or three years of high school training. The interpretation placed on the results was that lack of education is a contributing factor to the state of unemployment.

We expect that the committee will offer suggestions which will assist our field officers in their work of encouraging "drop-outs" to resume their school training.

Speaking about winter employment campaigns, there are approximately 180 local employment and ad hoc committees in Canada and each winter these local committees and the local office managers organize campaigns the purpose of which is to draw to the attention of the people of the community being served the needs for creating employment during the winter months.

The national employment committee which is meeting in Ottawa this week receives reports from our local committees, and in the light of information so received they will no doubt assist the commission in developing plans for the next winter and so on.

I feel that you should know something about what has been going on this winter. I will only refer to the figures for November and December past. There were 264 meetings held. There were 14,000 column inches of advertising sponsored by local groups; the government put up a very small amount to assist in that campaign. We also had 2,530 minutes of radio time. There were 1,540 spot announcements on television and radio. There were 8,921 column

inches of news items and editorials supporting the campaign and 143 panel discussions in various places. In addition 135 offices reported other forms of publicity such as streamers on buses, trolley buses, and notices in church calendars and so on. That gives you an idea of the effort publicity-wise in the wintertime campaigns to relieve unemployment.

The third sub-committee, the one dealing with area unemployment was organized as a result of certain surveys which the commission had carried out from time to time for the purpose of ascertaining whether or not there are any labour surplus areas in Canada. The yardstick used in the surveys—is an arbitrary one—but so far has been found to be satisfactory. Shorn of all details, the plan may be described in this way. As you know there are five regions in Canada within the administration of the Unemployment Insurance Commission. Each unemployment insurance commission region is considered as an entity and the regional ratio of unplaced applicants, as a percentage of the paid workers in the region, is used as a base against which to compare local area ratios. For example, within the framework the following was accepted as a definition of a labour surplus area covering the years 1952 to 1955 inclusive. The first was where the percentage of unpaid workers to applicants have reached as high as 30 per cent above the regional average for the months June to October during the years 1952 to 1954—three years; and second where similar conditions prevailed in 1955 up to the end of the survey in question; and third where current or prospective employment conditions do not indicate a lasting employment.

We have reported to the national committee that in no locality of Canada were conditions such as to declare it a labour surplus area. Notwithstanding this, the subcommittees are studying their latest findings in order that they may be in a position to offer suggestions if they find it appropriate to do so. This committee is made up of representatives from labour, employer organizations, women's organizations, veterans' organizations, the welfare council and agriculture.

That accounts for Mr. Talon's absence today. Another reason why there is such a limited representation here today is that our insurance people are in the midst of preparing for a visit to the five regional offices for the purpose of training regional officers and officers of certain local offices as to what their duties will be in the administration of the regulations covering fishing. I must say that we are operating under a very tight schedule and not a day can be lost if we are to have our machinery in operation by April 1.

That is probably a little off the subject which you came here to discuss, but I know that each one of you is interested in the points I have raised. However, Mr. Chairman, it is our understanding that you are interested in having a report showing how the many unemployment insurance claims we are receiving today are being handled at the local offices. To make such a report I would now like to call on Mr. McGregor, the director, to submit to you the information he has prepared for you.

Mr. GAUTHIER (*Nickle Belt*): Before Mr. McGregor proceeds, would you mind, Mr. Murchison, telling me where in Canada are those five units to which you referred located.

Mr. MURCHISON: The Atlantic regional office is at Moncton; the Quebec regional office is at Montreal; and the Ontario regional office is at Toronto. In the prairie provinces Winnipeg is the location and in British Columbia it is Vancouver.

Mr. JOHNSTON (*Bow River*): While you are on that point, could you give us some indication of the cost of this type of advertising work of which you spoke. Could you indicate the cost of the radio broadcasting announcements and advertisements?

Mr. MURCHISON: We paid out no money for radio broadcasting.

Mr. BROWN (*Essex West*): Was it not mostly private business which did the advertising? I know in my own city one firm or another did all the advertising for winter employment, and it cost the government nothing.

Mr. MURCHISON: In each community where we have these committees they interest the labour organizations, the boards of trade, the chambers of commerce to get behind the program. They also enlist the support of business establishments such as hardware stores, lumber merchants, and so on who do the advertising. I do not know what the figures are this year, and we will not have that information until the campaign is over. However, last year our share of the paid advertising was approximately 4 per cent of the total.

Mr. JOHNSTON (*Bow River*): Approximately what would that amount to in dollars?

Mr. MURCHISON: For the seasonal unemployment campaign we were allocated last year \$9,000. That does not include whatever money the Department of Labour spent in national advertising. I am not in a position to give you that figure.

Mr. STARR: You say that \$9,000 was allocated. How much of that amount was spent?

Mr. MURCHISON: I think it was pretty well exhausted.

Mr. STARR: What was the result of that effort?

Mr. MURCHISON: It is very difficult to evaluate. We do know that it does good. We do know that it encourages employers to keep on employees, to carry on and probably to stockpile materials. We do know that there are a great many merchants who have their stores renovated in the wintertime, and there are homeowners who do likewise. It is impossible to say what the campaign does, but we do feel that it has the support of the people in the communities.

Mr. STARR: Can you tell me whether that campaign is increasing as to the number of participants in it.

Mr. MURCHISON: It is increasing. Each year shows a greater activity in the areas where the campaign is carried on. Some localities such as Port Arthur and Quebec city showed conditions which I do not think could be much better than they are today.

Mr. GAUTHIER (*Nickel Belt*): You say that about 4% of the total was paid by this department or the government and the other 96% was financed by the local committees.

Mr. MURCHISON: Not financed by these local committees, but by merchants and other people.

Mr. HAHN: Did I understand you to say that there was no charge by the radio stations to the department itself?

Mr. MURCHISON: That is correct.

Mr. HAHN: Is it possible for us to have a list of the stations which contributed free time?

Mr. MURCHISON: Yes.

Mr. HAHN: I wonder if we could have that at a later date?

Mr. BROWN (*Essex West*): CKLW in Windsor could give you a list. They did a lot of it.

Mr. MURCHISON: Yes. I can obtain it from Mr. Blackburn, the director of public relations in the Department of Labour.

Mr. HAHN: Did the C.B.C. contribute anything?

Mr. MURCHISON: I do not know.

Mr. STARR: You said that it is pretty difficult to compute the result of this advertising. How do you know that this advertising effort is contributing to increased employment?

Mr. MURCHISON: We receive reports from the local offices. I do not have the figures here but my recollection is that the report from the head of the lakes last year indicated something in the nature of 600 placements during the winter campaign. This is one case which I can recall, but we have figures from other places. However, as I say they are not complete because we cannot determine whether the campaign caused a certain individual to undertake a job or whether he was merely carrying out the undertaking in the ordinary course of his business operations.

Mr. HAHN: Mr. Murchison, is it planned to poll those who obtained employment to discover whether they obtained their job as a result of this type of work?

Mr. MURCHISON: The figure which I gave you, Mr. Chairman, is a figure of placements made by our local office. There may have been others who were hired outside our service.

Mr. KNOWLES: I do not want to break into this if there is more to be said on it, but I would hope, even with the limited representation from the commission, that we might some time this morning be able to clear up some of the items which were left over from the last meeting regarding the unemployment caused by the C.P.R. strike.

The CHAIRMAN: Do you wish to ask these questions now before we hear Mr. McGregor?

Mr. MURCHISON: I think they will fit in just as well after we hear from Mr. McGregor.

Mr. KNOWLES: Is Mr. McGregor going to say something regarding that matter?

The CHAIRMAN: I think so.

Mr. MURCHISON: Concerning the alleged delay in the handling of claims.

Mr. KNOWLES: Does that apply to the general allegation or does it apply particularly to the C.P.R. strike?

Mr. MCGREGOR: To both, sir.

Mr. KNOWLES: All right. I am prepared to hear the statement first.

The CHAIRMAN: Is it agreeable that we hear Mr. McGregor now?
Agreed.

Mr. JAMES MCGREGOR (*Director of Unemployment Insurance*): Mr. Chairman and gentlemen, perhaps I should first cover the application of the change to section 45 (2) of the act which was also on the agenda. Would you agree? As it appears to be agreed I would ask that these be distributed, if you please. The attendant can distribute these at the same time.

It will be recalled, Mr. Chairman, that when the act was changed in October, 1955, it brought about a condition, with regard to the claimants who were claiming every year, that they required at least 30 contributions in the last year before they could qualify. That was changed, at the 1956 session of parliament, and that requirement was brought down to 24 weeks—not in the last 52 weeks, but since the last claim was made, or since the last benefit period began, whichever was the longer period. The effects of that change are revealed in these statements that have been passed around. If you will look at these statements you will find that under the old act—that is before

any amendment was made in 1955—over the four-month period that we have selected 28.9 per cent of all the claimants applying for benefit failed to qualify.

Then, when the act was changed—and the change will be found in section 45, subsection (2) in respect of the 30 contributions in the last year—the number of failures to qualify rose to 45.2 per cent. As a result of the amendments brought down at the last session it is back to 28 per cent. In other words, it is back to almost the spot where it was before the act was changed at all.

I think that is the gist of the statement we wish to make with regard to the operation of section 45 subsection (2).

Mr. HAHN: Is it the intention of the Committee to have these appended to the report?

Mr. KNOWLES: Put them right in here.

The CHAIRMAN: If that is agreeable, I do not see why that would not be acceptable. How would it be if we have them inserted now?

Mr. HAHN: That would be fine.

The CHAIRMAN: Is that agreeable?

EMPLOYMENT INSURANCE COMMISSION

COMPARISON OF THE NUMBERS OF BENEFIT PERIODS NOT ESTABLISHED OVER A FOUR-MONTH PERIOD

- (1) Under Old Act.
 (2) Under the New Act *before* Sec. 45(2) was amended.
 (3) Under the New Act *after* Sec. 45(2) was amended.

(1) Period	Total claims Computed	Benefit Periods Not Est.	Percentage
October, 1954.....	67,057	11,365	16.9
November, 1954.....	101,361	18,288	18.0
December, 1954.....	165,169	48,712	29.5
January, 1955.....	244,656	88,801	36.3
Total.....	578,243	167,166	28.9
(2)			
October, 1955.....	55,418	19,185	34.6
November, 1955.....	80,032	31,871	39.8
December, 1955.....	135,676	68,195	50.3
January, 1956.....	224,965	105,195	46.8
Total.....	496,091	224,446	45.2
(3)			
October, 1956.....	54,503	12,104	22.2
November, 1956.....	79,292	18,810	23.7
December, 1956.....	135,303	41,945	31.0
January, 1957.....	291,241	84,272	28.9
Total.....	560,339	157,131	28.0

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—CANADA

Week Ending	20 February, 1957										
	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57
1. Claims Pending at beginning of week.....	39,853	51,849	70,555	87,469	100,385	106,474	123,485	159,833	163,301	140,207	113,042
2. Claims Received during week	47,936	61,063	71,328	77,062	57,287	69,522	124,308	93,928	75,516	67,546	62,003
Total.....	87,789	112,912	141,883	164,531	157,672	175,996	247,793	253,761	238,817	207,753	175,045
3. Less Claims Cleared during week.....	35,940	42,357	54,414	64,146	51,198	52,511	87,960	90,460	98,610	94,711	84,485
4. Claims Pending at end of week.....	51,849	70,555	87,469	100,385	106,474	123,485	159,833	163,301	140,207	113,042	90,560
5. Breakdown of Item 4											
(a) No payments due.....	50,220	68,042	83,992	94,831	92,176	92,985	137,537	144,617	109,229	86,165	73,514
(b) One " ".....	1,452	2,286	3,177	5,152	13,367	27,635	18,647	15,844	26,882	16,846	9,200
(c) Two " ".....	135	172	229	326	764	2,485	3,140	1,997	3,077	7,805	2,993
(d) Three or more payments due.....	42	55	71	76	167	380	509	843	1,019	2,226	4,853
Number of Active Claims at End of the Month	November, 1956 215,378			December, 1956 398,244				January, 1957 545,981			

Mr. McGREGOR: I wish now to deal with the claims pending, that is, the alleged delays in the payment of benefits.

This is a rather lengthy statement, but, I felt that we should give a thorough background and detailed examination of what took place. The statement is as follows:

Claims Pending

To give members an understanding of what is involved in making a claim, it might be well to first outline the procedure. This is as follows:

A claimant goes to the local office and

- (a) registers for work, and
- (b) if no suitable work is immediately available, he files a claim.

This claim is completed by a claim taker who records all of the pertinent information on the proper forms. The claimant leaves his insurance book and is instructed when next to report.

Particulars of the claimant's last employment are sent to the employer concerned, for verification; and the insurance book, together with what we call a computation sheet, is sent on immediately to the regional office where, from the book and previous contribution records, it is determined

- (a) whether the claimant is eligible, and, if so,
- (b) the weekly rate at which he will be paid as well as
- (c) the maximum length of time for which he may be paid.

This information is returned to the local office where, if the employer's verification has been returned, the decision of the insurance officer is made and either the claim goes into payment or the claimant is notified of any disqualification imposed.

Claims are held for the maximum of a week, from the date filed, to permit of return of the employer's verification. If the employer's verification is not returned by that time, the insurance officer's decision is made on the information furnished by the claimant with any adjustment, arising from the subsequent return of the verification, made if and when that form is received.

That is what happens when there are no complications.

When claims are made by mail there are, of course, several difficulties. To continue with the statement:

When payment is not made on time it is generally due to a variety of circumstances. Delays are due for the most part to—

1. Failure to deposit the insurance book at time of claim.
2. Circumstances of separation requiring full investigation.
3. Labour Disputes.
4. Armed Service credits.
5. More than one insurance number.
6. Previous claims at other points.

Dealing with these in turn, it is our experience that upwards of 20 per cent of claimants fail to produce their insurance books at time of claim and for a variety of reasons —

Some of which are as follows:

- (a) a claimant simply neglects to bring it,
- (b) he has lost or mislaid it,
- (c) he failed to pick it up from his last employer (he may have walked off the job and will not go back to get his book),

- (d) his employer has failed to deliver the book or is waiting until the end of the next pay period to affix current contributions,
- (e) the book is kept by the employer at a point other than that at which the claimant worked and time elapses between the date actually last worked and the date the point at which the book is located is notified of the separation.

That comes about when the employer keeps all his books at head office, for example when the claimant separated in Toronto, we will say, and the book is in Montreal. To continue with the statement:

In these cases, we allow one week for the book to be produced and, at the end of that week, dispose of the claim on the basis of the records we have. If the book is lost we obtain a statement from the claimant giving particulars of his most recent employments. We then request certificates from these employers concerning contributions made on behalf of the employee—in other words, rebuild the current contribution history. This, of course, takes time—first to get particulars, for some claimants have great difficulty in remembering when and for whom they worked in the past six months or so. When we think the book is with the employer we follow up with him even though the responsibility to get the book is the claimant's.

Every claimant failing to produce his book at time of claim is warned that, as a consequence, his claim might be delayed or that he may fail to qualify, and he acknowledges this warning by signing a form to that effect.

All the C.P.R. claims made during the recent work stoppage fell into this category because the C.P.R. did not have the time to complete the record for each individual. We foresaw this and arranged for our auditors to examine the payrolls at the various C.P.R. pay points, as claims came in. The auditors found, however, that they had to go through 15 payrolls for each claimant and, as the C.P.R. had no staff to help, it proved too slow a process. We, therefore, computed these C.P.R. claims on the basis of the records we had and then reverted to the payrolls for those who could not qualify from our records. This process was still going on until last week, because it was found that many errors had been made by claimants in their payroll numbers, and in their insurance numbers necessitating extensive searches by our audit and regional staffs.

2. *Circumstances of Separation*

Claimants are reluctant to advance information that they left their jobs voluntarily, or were discharged. In many cases, where these circumstances prevail, he gives as reason for separation—"Shortage of Work" or "Laid Off". It is only when the employer's verification is returned that we learn there are reasons pointing to possible disqualification.

When these come to light, we communicate with the claimant to obtain his version or communicate further with the employer to elicit the full facts.

3. *Labour Disputes*

There are inevitable delays in obtaining the facts regarding a dispute. While we are not concerned with the merits of the dispute we must satisfy ourselves that the stoppage of work arose because of a labour dispute. We must often examine the bargaining agreements to ascertain who are affected as well as obtain statements from the parties engaged in the dispute. This often is difficult to get.

4. *Armed Service Credits*

Certain members of the armed forces are entitled to contributions for their period of service. The procedure is that the dischargee files a claim at a local office and gives particulars of his service in the armed forces. We then send

a request to the Department of National Defence for contributions that may be payable. The decision as to whether or not contributions are payable rests with that department but this sometimes takes a little time and not because of any fault of that department. The delay comes about in this way. The dischargee may have taken his discharge in say, Halifax, and comes home to say, Toronto, where he files a claim two or three days following discharge. It takes time for his papers to reach headquarters from Halifax and be processed and contributions, if payable at all, cannot be credited until this has been completed. We are, therefore, in the middle.

5. *More than one Insurance Number*

Some people go from one employer to another and maintain to the new employer that they have never been insured before. One reason for this is that the new employee may have maintained to his new employer that he was earning a certain wage in his last job whereas his current insurance book would show his earnings were lower (by the denomination of the stamp). He, therefore, suppresses his book. The new employer, in good faith, applies to our local office for a new book and a new number. All of these new applications are checked through a master index at head office but if the employee spells his name differently than he did originally or gives a different date of birth, the master index cannot identify him for certain as being insured before, so he is given a new number.

He then leaves this employer and makes a claim under his new number. But, of course, he hasn't sufficient contributions to qualify under this number and is so notified. He then maintains he has sufficient contributions to qualify and only when questioned reveals he was insured before. We may then have to communicate with a previous employer to verify his old number so that credit can be given for all contributions made. It will be appreciated that such a claimant doesn't readily reveal the facts because of his previously having suppressed his original number with the result that delays ensue.

6. *Previous Claims*

A person will move from say, Montreal to Toronto and, after having been employed at the latter, loses his job and makes a claim. Although he is asked if he ever made a claim before and, if so, where, he often forgets or simply answers, for his own good reasons, in the negative. His claim will be dealt with at the regional office at Toronto which discovers the records are in Montreal. They have then to send to the Montreal region to have the contributions and treasury records transferred and also to have the Montreal local office transfer the claim file. There isn't too much delay when the points concerned are as close as Montreal and Toronto but when you consider this happening where the points concerned are Vancouver and Halifax, or Calgary, and say, Guelph, it is a different matter. Also it will be appreciated that when these complications arise, in respect of postal claims, these matters have to be handled by correspondence, and that is rather difficult.

So much for the background of the processing of claims and some of the complications that have to be contended with.

We refer now to the sheet headed "Claims Pending" that has been distributed to you.

It will be noted that in the week ending 28th December, 1956 and in the following week (ending 4th January, 1957) the number of claims pending rose sharply. This was due to two main factors,

(1) The staff engaged in computing claims were off for the Christmas and New Year holidays, respectively, and in each of the two weeks worked only 3 days or 60 per cent of the normal working time. However, more than 40 per cent of the weekly production was lost because some of the evening overtime usually worked at this time of year was lost in addition.

(2) There was a heavy intake of claims due to the C.P.R. work stoppage.

It will be noted also that the number of active claims rose almost 90 per cent (from 215,378 to 398,244) from the end of November to the end of December.

The significant figures in the statement before you are those against items 5(c) and (d). Because of the work load we excused offices from making detailed analyses of the reasons for claims pending over one payment due, for the month of January.

We have here, however, an analysis of those in items 5(c) and (d) combined for the week ending 7th February, and this reads as follows:

	Number	Percentage
(1) C.P.R. Claims (other than labour disputes)	3,139	40%
(2) Labour Disputes	1,876	24%
(3) Computed but not yet adjudicated, or adjudicated but not yet posted statistically	1,274	16%
(4) Book Missing	539	7%
(5) Foreign Contributions, rebuilding contributions clarifying incorrect numbers, etc.	469	6%
(6) Further information required ..	190	2%
(7) Contentious Cases	311	4%
(8) Miscellaneous	48	1%
TOTAL	7,846	100%

I might explain that item (4) refers to contributions that are in another region from that in which the claim was filed.

NOTES:

(1) These C.P.R. claims are cases on which we were still attempting to locate contributions for the claimants involved. Many of these claimants did not even know their insurance number and some of them gave wrong payroll and insurance numbers and we exhausted all attempts to locate their contributions. This reached the point where we were compelled to notify the claimant that he must himself obtain a record of his current contributions from the C.P.R. at which time we would reopen his claim.

(2) These are claims of the C.P.R. engineers who were disqualified. All of the notices of disqualification had not been sent to the claimants at the date mentioned, namely, 7th February, but all have now been cleared. Of course, no money was payable in these cases.

(3) These are claims on which computation has been made but the insurance officer's decision had not been rendered or the decision having been rendered, the results had not been posted to the register (from which these

statistics are obtained) at the time of the report. It may very well have been, however, that a large number of these had been paid because it is our practice to post the claimant's record first in order to facilitate payment and leave the posting of the statistical record until later.

(4) We have already explained how these cases can arise and as much as we try to educate the claimants there are still a number of them that do not realize the significance of obtaining their books and depositing them with our local offices as soon as possible after a claim is made.

(5) These are the cases where a claimant has made his claim in one area having moved in from some other region, and where books have been lost and we are attempting to rebuild the history of the claimant's most recent employers. The figure includes cases on which the claimant has no idea of his insurance number and the claim had to be checked through the head office master index, Ottawa, in an attempt to ascertain it.

(6) These are cases where the claimant has given information that differed from that supplied by his employer and which must be investigated to ensure that proper entitlement to benefit is established.

(7) These are cases on which knotty problems of adjudication had arisen and on which no jurisprudence has been established. Insurance officers are required to send these to head office so that uniform decisions may be applied.

(8) These consist mainly of armed services cases regarding which we have already given an explanation.

We do not maintain that errors on our part, resulting in delays, do not occur but we do say that these are comparatively few in number.

We were able to obtain by wire yesterday and this morning the figures at the close of the 21st February. These are as follows: You might want to write these down beside the last items on your sheet, if you wish.

1. Claims pending at beginning of week	75,248	
2. Claims received during week	59,055	
TOTAL	134,303	
3. Less claims cleared during week	66,807	
4. Claims pending at end of week	67,496	
5. Breakdown of Item 4		
(a) No payment due	61,006	90.4%
(b) One payment due	4,488	6.7%
(c) Two payments due	699	1.0%
(d) Three or more payments due	1,303	1.9%

Mr. STARR: What period does that cover?

Mr. MCGREGOR: That covers the last week, the week ending February 21. Of those 1,303 where there were three or more payments due, 562 were items where disqualifications were imposed but notices had not yet been sent to the claimants. But they have now.

Some of the engineers' claims were still pending because our offices had the notices in process and could not get them all out. But I was assured yesterday that they now have all gone out. That reduces the figure in item 5 (d) to 1.1 per cent

Mr. STARR: Might this statement of claims pending be included in our minutes of proceedings, Mr. Chairman?

The CHAIRMAN: It could be added as an appendix. How would that be?

Mr. STARR: Yes, I would be very glad if it were added.

Mr. KNOWLES: What was that question, please?

Mr. STARR: I asked if this schedule might be added as an appendix to today's proceedings.

The CHAIRMAN: Would it not be in order to have it included right now where it would follow the detailed information which has just been given to us by Mr. McGregor?

Agreed.

Mr. KNOWLES: In connection with these figures, I do not want to ask for a mass of detail in terms of a breakdown, but I wonder if a few figures might be given, let us say, with respect to the 163,000 claims pending at the end of the week of January 18, and the 67,496 pending at the end of the week of February 21? Could those two figures, just as samples, be given as a breakdown by regions?

Mr. MCGREGOR: Yes, I will give you the regional breakdowns. For what date do you want them?

The CHAIRMAN: January 18.

Mr. MCGREGOR: I could give them to you.

Mr. KNOWLES: Yes, I think that would be useful.

The CHAIRMAN: And what is the other one?

Mr. KNOWLES: February 21.

Mr. STARR: I thought Mr. Knowles said 163,000 for January 24.

Mr. KNOWLES: No. I was looking at the bottom of the column for all the claims pending at the end of the week.

Mr. MCGREGOR: 163,301.

Mr. KNOWLES: Yes, and I would appreciate having them now, if that is possible.

The CHAIRMAN: They could be included.

Mr. MCGREGOR: At January 18 claims pending in the Atlantic region at the beginning of the week were 27,093; and claims received during the week, 11,826, making a total of 38,919. Claims cleared during the week numbered 12,168, and pending, 26,751.

A breakdown of payments pending is as follows—

Mr. KNOWLES: For my purposes that is far enough; but if anybody else wishes to go further very well. Could you give us similar figures for the other regions?

Mr. MCGREGOR: Yes, I could give them to you. Would you like to have the Atlantic region for February 21?

Mr. KNOWLES: I suggest you give us all the regions for January 18th, and then for February 21st.

Mr. MCGREGOR: Quebec, January 18, claims pending, 54,552; claims received 26,902; making a total of 81,454. Claims cleared 27,585; and claims pending 53,869.

Ontario, claims pending 35,754; claims received, 24,953; making a total of 60,707. Claims cleared, 26,173 and pending, 34,534.

I shall now give you the breakdown for the week ending January 18; and referring to the Atlantic district, no payments due, 23,276, or 87 per cent; one payment due, 3,154, or 11.8 per cent; two payments due, 179 claims or .7 per cent; and three or more payments due, 142 or .5 per cent.

Quebec, January 18, no payments due 43,932 or 81.6 per cent; one payment due, 8,047 or 14.9 per cent; two payments due, 1,360 or 2.5 per cent; three or more payments due, 530 or 1 per cent.

In Ontario, no payments due, 32,308 or 93.6 per cent; one payment due, 1,947 or 5.6 per cent; two payments due, 187 or .5 per cent; and three or more payments due, 92 claims, or .3 per cent.

Prairie region, January 18; claims pending at the beginning of the week, 23,337; received during the week 19,940, making a total of 43,277. Cleared during the week 14,244; pending at the end of the week 29,033; no payments due 28,133, or 96.9 per cent; one payment due, 783 or 2.7 per cent; two payments due, 82 claims or .3 per cent; and three or more payments due 35 claims or .1 per cent.

Pacific claims pending 19,097. Claims received, 10,307 making a total of 29,404; claims cleared 10,290; claims pending, 19,114; no payments due, 16,968 or 88.8 per cent; one payment due, 1,913 or 10 per cent; two payments due 189 or 1 per cent; and three or more payments due 44 or .2 per cent.

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—ATLANTIC

Week Ending	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57
1. Claims Pending at beginning of week.....	6,511	8,325	11,476	13,982	16,090	16,695	19,979	27,093	26,751	25,525	20,365
2. Claims Received during week Total.....	7,195 13,706	8,665 16,990	9,352 20,828	10,325 24,334	6,031 22,121	10,391 27,086	17,086 37,065	11,826 38,919	13,245 39,996	8,824 34,349	8,574 28,939
3. Less Claims Cleared during week.....	5,381	5,514	5,846	8,244	5,426	7,107	9,972	12,168	14,471	13,984	14,108
4. Claims Pending at end of week	8,325	11,476	13,982	16,090	16,695	19,979	27,093	26,751	25,525	20,365	14,831
5. Breakdown of Item 4.....											
(a) No payments due.....	8,064 96.8	11,111 96.8	13,442 96.1	15,134 94.0	13,678 81.9	14,444 72.3	23,023 84.9	23,276 87.0	19,400 76.0	15,757 77.4	12,020 81.1
(b) One " ".....	239 2.9	335 2.9	499 3.6	898 5.6	2,813 16.9	5,122 25.6	3,466 12.9	3,154 11.8	5,782 22.7	3,991 19.6	2,450 16.5
(c) Two " ".....	13 .2	27 .2	30 .2	45 .3	172 1.0	343 1.7	522 1.9	179 .7	262 1.0	499 2.4	253 1.7
(d) Three or more payments due.....	9 .1	3 .1	11 .1	13 .1	32 .2	70 .4	82 .3	142 .5	81 .3	118 .6	108 .7
Number of Active Claims at end of the Month.	November, 1956—32,909			December, 1956—56,568			January, 1957—88,324.				

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—QUEBEC REGION

Week Ending	20 February, 1957											
	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57	
1. Claims Pending at beginning of week.....	10,692	15,012	21,710	28,293	34,430	40,341	44,681	54,552	53,869	47,021	39,009	
2. Claims Received during week	14,212	18,467	22,286	26,307	21,119	19,073	36,429	26,902	22,838	20,498	19,083	
Total.....	24,904	33,479	43,996	54,600	55,549	59,414	81,110	81,454	76,707	67,519	58,092	
3. Less Claims Cleared during week.....	9,892	11,769	15,703	20,170	15,208	14,733	26,558	27,585	29,686	28,510	26,472	
4. Claims Pending at end of week.....	15,012	21,710	28,293	34,430	40,341	44,681	54,552	53,869	47,021	39,009	31,620	
5. Breakdown of Item 4												
(a) No payments due.....	14,537	20,892	26,980	32,397	33,930	28,308	40,832	43,932	34,930	27,541	24,090	
(b) One " ".....	412	734	1,185	1,852	5,991	14,659	11,200	8,047	9,849	6,722	3,789	
(c) Two " ".....	46	58	101	151	340	1,527	2,228	1,360	1,472	3,361	1,053	
(d) Three or more payments due.....	17	26	27	30	80	187	292	530	770	1,385	2,688	
	%	%	%	%	%	%	%	%	%	%	%	
	96.9	96.2	95.3	94.1	84.1	63.4	74.9	81.6	74.3	70.6	76.1	
	.27	3.4	4.2	5.4	14.9	32.8	20.5	14.9	21.0	17.2	12.0	
	.3	.3	.4	.4	.8	3.4	4.1	2.5	3.1	8.6	3.3	
	.1	.1	.1	.1	.2	.4	.5	1.0	1.6	3.6	8.5	
Number of Active Claims at end of the Month.	November, 1956—64,589				December, 1956—127,851				January, 1957—167,770			

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—ONTARIO REGION

20 February, 1957

Week Ending	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57
Claims Pending at beginning of week.....	9,906	13,640	17,886	20,319	22,000	22,990	28,467	35,754	34,534	28,579	22,968
2. Claims Received during week	13,995	17,438	19,010	20,264	16,389	21,783	35,404	24,953	20,967	19,198	17,275
Total.....	23,901	31,078	36,896	40,583	38,389	44,773	63,871	60,707	55,501	47,777	40,243
3. Less Claims Cleared during week.....	10,261	13,192	16,577	18,583	15,399	16,306	28,117	26,173	26,922	24,809	20,905
4. Claims Pending at end of week	13,640	17,886	20,319	22,000	22,990	28,467	35,754	34,534	28,579	22,968	19,338
5. Breakdown of Item 4.....											
(a) No payments due.....	13,255	17,379	19,575	20,996	21,248	25,477	33,980	32,308	24,652	19,648	16,825
(b) One " ".....	348	465	693	921	1,601	2,669	1,528	1,947	3,475	2,064	1,355
(c) Two " ".....	26	29	39	70	118	261	179	187	382	1,017	509
(d) Three or more payments due.....	11	13	12	13	23	60	67	92	70	239	649
	97.2	97.1	96.3	95.4	92.4	89.5	95.0	93.6	86.2	85.5	87.0
	2.5	2.6	3.4	4.2	7.0	9.4	4.3	5.6	12.2	9.0	7.0
	.2	.2	.2	.3	.5	.9	.5	.5	1.3	4.4	2.6
	.1	.1	.1	.1	.1	.2	.2	.3	.3	1.1	3.4
Number of Active Claims at end of the Month.	November, 1956—62,125			December, 1956—110,236			January, 1957—146,233				

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—PRAIRIE REGION

20 February, 1957

Week Ending	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57
1. Claims Pending at beginning of week.....	6,268	7,982	10,394	12,734	14,701	13,016	14,671	23,337	29,033	22,147	14,482
2. Claims Received during week	6,740	8,405	10,591	11,075	6,320	8,868	21,079	19,940	10,261	8,484	8,278
Total.....	13,008	16,387	20,985	23,809	21,021	21,884	35,750	43,277	39,294	30,631	22,760
3. Less Claims Cleared during week.....	5,026	5,993	8,251	9,108	8,005	7,213	12,413	14,244	17,147	16,149	11,479
4. Claims Pending at end of week.....	7,982	10,394	12,734	14,701	13,016	14,671	23,337	29,033	22,147	14,482	11,281
5. Breakdown of Item 4											
(a) No payments due.....	7,778	9,985	12,390	14,078	11,683	11,906	22,453	28,133	17,954	10,334	8,766
(b) One " ".....	188	383	324	597	1,278	2,608	770	783	3,958	2,622	688
(c) Two " ".....	15	25	12	20	45	136	89	82	204	1,420	1,030
(d) Three or more payments due.....	1	1	8	6	10	21	25	35	31	106	797
	97.4	96.0	97.3	95.7	89.8	81.2	96.2	96.9	81.1	71.3	77.7
	2.3	3.7	2.5	4.0	9.8	17.8	3.3	2.7	17.9	18.1	6.1
	.2	.2	.1	.2	.3	.9	.4	.3	.9	9.9	9.1
	.1	.1	.1	.1	.1	.1	.1	.1	.1	.7	7.1
Number of Active Claims at end of the Month.	November, 1956—27,913			December, 1956—52,626			January, 1957—73,697				

UNEMPLOYMENT INSURANCE COMMISSION
CLAIMS PENDING—PACIFIC REGION

Week Ending	20 February, 1957										
	30 Nov./56	7 Dec./56	14 Dec./56	21 Dec./56	28 Dec./56	4 Jan./57	11 Jan./57	18 Jan./57	24 Jan./57	31 Jan./57	7 Feb./57
1. Claims Pending at beginning of week.....	6,476	6,890	9,089	12,141	13,164	13,432	15,687	19,097	19,114	16,935	16,218
2. Claims Received during week	5,794	8,088	10,089	9,064	7,428	9,407	14,310	10,307	8,205	10,542	8,793
Total.....	12,270	14,978	19,178	21,205	20,592	22,839	29,997	29,404	27,319	27,477	25,011
3. Less Claims Cleared during week.....	5,380	5,889	7,037	8,041	7,160	7,152	10,900	10,290	10,384	11,259	11,521
4. Claims Pending at end of week.....	6,890	9,089	12,141	13,164	13,432	15,687	19,097	19,114	16,935	16,218	13,490
5. Breakdown of Item 4											
(a) No payments due.....	6,586	8,675	11,605	12,226	11,637	12,850	17,249	16,968	12,293	12,885	11,813
(b) One " ".....	265	369	476	884	1,684	2,577	1,683	1,913	3,818	1,447	918
(c) Two " ".....	35	33	47	40	89	218	122	189	757	1,508	148
(d) Three or more payments due.....	4	12	13	14	22	42	43	44	67	378	611
	95.6	95.4	95.6	92.9	86.6	81.9	90.3	88.8	72.6	79.5	87.6
	3.8	4.1	3.8	6.7	12.5	16.4	8.8	10.0	22.5	8.9	6.8
	.5	.4	.5	.3	.7	1.4	.7	1.0	4.5	9.3	1.1
	.1	.1	.1	.1	.2	.3	.2	.2	.4	2.3	4.5
Number of Active Claims at end of the Month.	November, 1956—27,842			December, 1956—50,963			January, 1957—69,957				

For the week ending February 21 in the Atlantic region the number of claims pending at the beginning of the week was 9,941; received during the week 7,308, making a total of 17,249. They cleared during the week 8,500 with 8,749 pending; and the number on which no payments were due was 7,937. I am sorry that I have not got the percentages worked out on these because the figures only came in this morning. One payment due was 675; two payments due 86; three or more payments due 51.

Quebec, number pending at the end of last week was 29,878; number received 20,025, making a total of 49,903. They cleared during the week 23,389; and the number pending is 26,514. Of these, no payments due were 23,676; one payment due 2,085; two payments due, 341; and three or more payments due, 412.

Ontario, pending last week, 16,081; received during the week, 19,026; making a total of 35,107. They cleared during the week 18,308 which left pending 16,799; and of those pending, no payments due, 15,767; one payment due, 705; two payments due, 138; and three or more payments due, 189.

Prairie region, pending last week 9,548; received during the week, 7,100, making a total of 16,648. Cleared during the week 8,687 which left pending 7,961. Those on which no payments were due numbered 7,045; one payment due 326; two payments due, 28; and three or more payments due 562.

Those are the "railroaders" and actually there were no payments due to them because the notices of disqualification simply had not gone out.

On the Pacific region pending last week there were 9,800; and they received during the week 5,596 making a total of 15,396. They cleared 7,923 which left pending 7,473; with no payments due, 6,581; one payment due, 697; two payments due, 106; and with three or more payments due, 89 claims.

UNEMPLOYMENT INSURANCE COMMISSION

WEEKLY PROGRESS REPORT OF CLAIMS WEEK ENDING

February 21, 1957.

1. TOTAL CLAIMS RECEIVED AND CLEARED

Particulars	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
1. No. Pending last week.....	9,941	29,878	16,081	9,548	9,800	75,248
2. Received during week.....	7,308	20,025	19,026	7,100	5,596	59,055
3. Total.....	17,249	49,903	35,107	16,648	15,396	134,303
4. Cleared during week.....	8,500	23,389	18,308	8,687	7,923	66,807
5. Pending this Date.....	8,749	26,514	16,799	7,961	7,473	67,496

2. DETAILS OF PENDING CLAIMS

Particulars	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
6. No payment due (2 wks).....	7,937	23,676	15,767	7,045	6,581	61,006
7. One payment due (3 wks).....	675	2,085	705	326	697	4,488
8. Two payments due (4 wks).....	86	341	138	28	106	699
9. Three or more payments due 15 and over).....	51	412	189	562	89	1,303
10. Total.....	8,749	26,514	16,799	7,961	7,473	67,496

Mr. GAUTHIER (*Nickel Belt*): From the figures you have just given to us it seems to me that the clearing is not uniform across the country.

Mr. MCGREGOR: What is that, please.

Mr. GAUTHIER (*Nickel Belt*): I say the clearing of these claims is not uniform.

Mr. MCGREGOR: No, and there are several reasons for it. There may have been a flood of claims during the last two or three days of the week in one area, or they may have been spread out in some other areas across the week. Moreover, between the prairie region and Vancouver for example there is a tremendously great movement. A lot of people go from the prairies to British Columbia and it takes time to move the records. Those are many factors which enter into the clearance of claims.

Mr. GAUTHIER (*Nickel Belt*): I notice from the figures you have given us that Ontario was cleared much faster than other parts of the country.

Mr. MCGREGOR: Oh yes. There are larger units in the Ontario region than in some of the other regions.

Mr. GAUTHIER (*Nickel Belt*): Quebec had more claims than Ontario and they are not clearing as fast.

Mr. MCGREGOR: One thing we must remember in regard to Quebec is that they have just moved their regional office into a new building and it has taken them a little time to settle down.

Mr. GAUTHIER (*Nickel Belt*): Thank you.

Mr. MCGREGOR: And it has happened right in the middle of this load.

The CHAIRMAN: I think the committee would like me to thank Mr. McGregor for the very detailed and informed statement he has given us on this subject of claims pending.

Mr. KNOWLES: The position does seem to have improved as at the end of the week of February 21, compared to that other week for which you gave us the figures. Are you hopeful that this trend will continue?

Mr. MCGREGOR: Oh yes. The number of claims is dropping. We have got over that backlog which always results from the Christmas and New Year's holidays. That backlog stays with us for almost the whole month of January before we can get cleared up again. These holidays are one of the things we have got to contend with, because at that time claims are coming in at a fairly heavy rate.

Mr. GAUTHIER (*Nickel Belt*): Will you please explain to us what you mean by the term "no payments due"?

Mr. MCGREGOR: That means that the claimant has not served his waiting period at the date of the report and consequently nothing is payable to him at that time.

Mr. GAUTHIER (*Nickel Belt*): It does not mean that he is not entitled?

Mr. MCGREGOR: Oh no, sir.

Mr. BARNETT: One point which troubles me is that of the transfer of records from one region to another. As I followed Mr. McGregor he explained that in the processing of claims, the papers have to go to each regional office and as a result delays arise because records have to be sought in other regional offices. My question is this: what steps, if any, may an individual worker take if he moves or if he expects to move permanently from one region to another? Will the action on his part result in the transfer of his back records into the region in which he is currently working so that if he should need to make a claim those records would then be immediately available.

Mr. MCGREGOR: Mr. Chairman, there are two phases to this. The first is the claimant who moves while he is on benefit. He is instructed in the

booklet he is handed when he makes his claim that if he moves from Montreal to Toronto for example he should advise the Montreal office that he is going to Toronto and immediately on arrival in Toronto he must report there and request a transfer. In the old days when that fellow went from Montreal to Toronto and told us that he was going to Toronto, Montreal would send his claim on, but we would find that he went on to Winnipeg (not Toronto) and from Winnipeg to Saskatoon and remained there. Therefore we made a ruling that the claim would not be transferred until the claimant arrived at his new destination.

All records are kept by regional prefix. For example, F is Winnipeg and O is Ontario, and so on. For purposes of quick identification as to where the records are located they are given this prefix and records are always kept at the point of prefix origin. If he originally was insured at Winnipeg and wandered to Halifax his records would be at Winnipeg and upon his arrival at Halifax, a request is made by airmail to Winnipeg for the records. We are able to keep track of every claimant's records through these prefixes. Otherwise there would be utter chaos.

Mr. STARR: For instance, if a person was laid off in Oshawa after having worked in Winnipeg and submitted his books to the Oshawa office, would that book be sent to Winnipeg?

Mr. MCGREGOR: No. His book would go to Toronto. If he had previously made a claim in Winnipeg his records would be held there. Toronto regional office would request his previous records from Winnipeg.

Mr. STARR: I have a case where a book was sent by Oshawa to the Winnipeg office and it delayed the case.

Mr. GAUTHIER (*Nickel Belt*): What type of employee covered by unemployment insurance do you find the hardest to keep track of with respect to moving around?

Mr. MCGREGOR: I would say perhaps the construction worker who moves around quite a bit. Of course we have a lot of transients in this country who move frequently from one area to another.

Mr. GAUTHIER (*Nickel Belt*): What about the lumberjacks?

Mr. MCGREGOR: I do not think that we have too much trouble with them except perhaps as between Ontario and Quebec and the maritimes. He moves around pretty much in those areas.

Mr. GAUTHIER (*Nickel Belt*): I have some in my area from New Brunswick, Quebec and northern Ontario. Do you find that you have much trouble with the employers in keeping track of these men?

Mr. MCGREGOR: Of course we do not attempt to keep track of them at the local office. Once a year the books are renewed at which time they go to the office of the prefix origin, as we call it.

Mr. HAHN: Do many books become lost?

Mr. MCGREGOR: Quite a number. A fellow sometimes cannot even remember whom he worked for yesterday. It is quite difficult to try to rebuild his contributions.

Mr. BARNETT: I recognize the problem of the migratory worker who moves frequently. I realize that that is always going to be a continuing problem with respect to the transfer of records. What I had in mind particularly was the man who may move from one area to another and be more or less permanently located. A question was raised concerning lumberjacks. I think over a period of a year we have had quite a number of people who have come from the prairie region to British Columbia, or from eastern

Canada to British Columbia, who may have gone into the logging industry there and become a fairly permanent part of the working force in that industry. Do I understand that a person's records are fixed for all time in the region where he originally registers; in other words, if his original insurance number has a prefix A, that the British Columbia regional office will have his original records at all times although he might be working for ten years in the maritimes?

Mr. MCGREGOR: No. That man goes, for instance, from Alberta to British Columbia and if he makes a claim in British Columbia his records are transferred to British Columbia. If he renews his book in British Columbia the records will stay there until such time as we find that he has renewed his book elsewhere. They will remain there until such time as we find that his book is renewed elsewhere, in which case they will go to the regional office in his new area.

Mr. STARR: His records are sent to the place where he goes.

Mr. MCGREGOR: If he made a claim there.

Mr. STARR: I was wondering if that might be a factor in reducing delays in the case of a man who may not have had a claim for a number of years who is suddenly in a position where he has to make a claim, if there might not be an unnecessary delay there in processing his claim.

Mr. MCGREGOR: If a man were in Alberta for five or six years his records will be located at the Winnipeg office and if he goes to Vancouver and never makes a claim, there is no demand for his records and they stay at the Winnipeg office. But the moment he makes a claim in British Columbia the records are transferred to Vancouver. Otherwise if he never makes a claim they will stay at Winnipeg.

Mr. STARR: How long would you say it would take to have his records transferred from Winnipeg to Vancouver.

Mr. MCGREGOR: If he gives us the correct number they can be obtained almost overnight.

Mr. STARR: If he relocates he has another number?

Mr. MCGREGOR: No. He always keeps the same number; and the same prefix.

Mr. GAUTHIER (*Nickel Belt*): You would not say that a person would give you a wrong number intentionally?

Mr. MCGREGOR: No, I do not think so.

Mr. MURCHISON: Mr. Chairman, Mr. McGregor gave you particulars of the standing of the claims as of the 22nd of February and he read from a statement which has been prepared. Would it be your will that this be typed and prepared and supplied to the reporter so that it can be presented in table form.

The CHAIRMAN: Along with the other?

Agreed.

Mr. STARR: In the matter of delays, Mrs. Fairclough is ill and has asked me if I would bring to the attention of the committee this morning the matter of automobile workers in the Hamilton area. Under the Unemployment Insurance Act an employee who becomes unemployed through no fault of his own must report to the commission immediately, or one day following his unemployment, and must report immediately upon returning to work. Otherwise he is disqualified under the act and will be penalized by having his daily payments deducted until such time as he does report to the

commission. However in the Hamilton area a certain employee upon reporting to the commission has been in the unfortunate position of having his payments delayed as long as three weeks from his reporting time through no cause other than because of slow processing. At one time in the Hamilton area employees were able to file their claims by mail on return to work. However, since February 4th they must report in person on a set date during their next period of lay-off. This has occurred particularly in the automobile industry because originally during the periods of unemployment a person was able to mail his claim for benefit upon returning to work. Now he is supposed to appear in person in order to draw his benefits during the next period of lay-off which could be up to three weeks from the time of the unemployment concerned.

As an example, the plant was closed from February 4th to February 11th in Hamilton. Men reported to the commission on the 5th and 6th by departments and they were told that they should not mail forms in any longer, but that they should report in person the next time the plant was closed. February 21st and 22nd were the dates given to report in the majority of cases, at which time they would be paid for the week of the 4th. Some employees mailed their slips anyway, and were sent a notice telling them that if there was a recurrence of mailing in their forms they would be penalized.

I have a sample of the notice. It reads as follows:

It is noted from the postmark on the Claimant's Weekly Report received from you for the week commencing February 3, 1957 that the form was mailed on February 11, 1957.

This is to advise you that the report must be completed and mailed not earlier than February 16, 1957 and not later than February 22, 1957.

In future we will have no alternative but to consider you not available for work for each day you are early or late in mailing the report to this office.

I think that it is contrary to the Unemployment Insurance Act which states that an employee must report immediately upon returning to work.

Mr. MCGREGOR: I think there is some misunderstanding in this because the direction for reporting which is given to every person reads in paragraph 35, as follows:

35. If you find a job that will last a week or more and which will prevent you reporting on your regular report day, fill in your report(s) and mail it to the local office on the Monday following the day on which you return to work. If you delay, benefit will not be paid.

That is the instruction. So, all those persons have to do is to fill in the form and mail it to the Hamilton office.

Mr. STARR: Was this not filed in accordance with the regulations? Is that the reason why this notice was sent to the employee?

Mr. MCGREGOR: If you would let me have it, I will check into the circumstances of the case.

Mr. STARR: There were only something like 400 of them involved. Those who are living out of town may still mail it in, yet it has been stated that those who are living in Hamilton must report in person. That is not the same procedure which is followed for instance in Windsor or Toronto. The privilege has been enjoyed in Hamilton up until February 4.

Mr. MCGREGOR: It is still in effect as far as our offices are concerned. I would be glad to look into the matter.

Mr. HAHN: According to the report which Mr. McGregor gave us it seems that the onus or responsibility is on the employee. I wonder what responsibility the employer has in respect to notifying the department that men are unemployed. I am thinking not only of the loggers and the construction men

who move about the country. Frequently I have found that in the case of individual small businessmen, or in respect to larger concerns, from time to time, this does happen quite regularly and the individual is dismissed and has been told that his unemployment insurance book is not ready today, that if he comes back another day it will be ready for him. He comes back the following day and still the book is not ready or someone who prepares it is not available and he is just pushed off as you might say. I am wondering what consideration has been given possibly to providing in the book itself a formal notice of dismissal containing the number in the book which the employee would be given at the time of his dismissal.

Mr. MCGREGOR: Mr. Chairman, when our office discovers that an employer is holding up a book for any reason whatsoever, and it is possible to get in touch with the employer by telephone, they telephone him immediately and inform him that he must release that book. Moreover, every time our auditor visits an employer he impresses upon him the necessity of giving an employee his book immediately on separation.

There is also a provision in the regulations which says that an employer need not wait until the end of a pay period to affix the stamps, or even until a pay is made up. He can put stamps in for a current week on the basis of the previous weeks' earnings, in order to facilitate the release of the book.

Now, with regard to your suggestion that an employer put a notice of dismissal in the book, we have considered that time and again. There is one great detriment, I think, and that is, that the employee would be carrying this book around with him, and when he goes to see a new employer, the employer looks at the book and says, "I see that you were fired from ABC company. I do not want anything to do with you." Moreover, if there were circumstances surrounding an employee's leaving that were derogatory to him, it is a ten to one bet that the employer would not put that in a book that an employee would carry around with him.

Mr. HAHN: It is not my object to have an employee carry a book around with him, but that an employer should be held responsible for giving an employee a slip indicating that he was laid off or dismissed, as the case might be, so that he could turn it in to the employment insurance office and have a formal declaration that such was the case.

I commend the department for the way in which they have handled most of these cases, but I do know that we have individual cases where an employee, having taken careful note of the book that we gave him thought that there was no object in going to make a claim until he had the book. As a result of that thinking, he waits for a week until he gets his book. In such a case he would lose his waiting time.

Mr. MCGREGOR: Mr. Chairman, every person gets a booklet called The Worker's Handbook at the time he becomes an insured person. It is clearly pointed out to him in this booklet that he does not have to wait for his insurance book in order to make a claim for benefit. He is told that he can go down to the local office and make his claim without it. But, when he is there, the necessity of getting his book is impressed upon him. We are handicapped in computing his claim—we do not know what his contributions were, and that is the reason he needs the book. However, in the first instance, he does not have to have his book in order to make a claim, but the claim will be delayed, or he may be disqualified because of the lack of the book.

Mr. HAHN: That is where the responsibility on the employer comes in as far as I am concerned. It appears to me that if the employer delays in respect to giving that book to the employee, it is not the employee's fault, if he has asked for that book. Does the Unemployment Insurance Commission at that point—when an employee registers his claim, even though he has not got his book and does not know the exact number of it, and so on—does the Unemployment Insurance Commission at that time contact the employer?

Mr. MCGREGOR: Yes. We go even further than that. When we have claimants coming in who do not even know their number, as you say. On our failing to get in touch with the employer, when he is at a distant point, we will check through the master index at Ottawa to find out his number. However, at this time of year, when an employee has almost 12 months contributions—which may change his rate completely—the lack of his book may be the difference between his qualifying and not qualifying. That is why the book is essential. At any time that an employee reports to us that an employer is holding his book, for any reason, and the employer can be contacted by telephone, we telephone him immediately.

Mr. HAHN: Is an employee penalized as a result of an employer holding a book so that it comes in a week or two late?

Mr. MCGREGOR: It would be a matter of delay perhaps, in getting his benefit through.

Mr. HAHN: He will get the benefit, though, from the time he reported?

Mr. MCGREGOR: Yes, so long as it is not neglect on his part. If it is not his fault we bend backwards to help him.

Mr. GAUTHIER (*Nickel Belt*): You said a moment ago that you had regional men going around the country. If they find out from the superintendents of those offices that there are certain employers who are not giving the cooperation they should to the employees, is it not a policy of the department that these men visit these employers and impress upon them the importance of having these books handed over to the employees when they are laid off?

Mr. MCGREGOR: Yes. The auditor makes a point of impressing this upon an employer on every occasion that he visits him. If at any time he discovers that there are current books there that should have been handed to employees when they left, he goes right after the employer and tells him that he should have given the books to the employees immediately on their leaving.

Mr. STUDER: Mr. Chairman, perhaps we should have some of these little booklets so that we could read them. It would save a little time.

The CHAIRMAN: Gentlemen, it is now 12.30. I think it would be in order to adjourn to the call of the chair. Just before we do that, it was agreed at the last meeting, I believe, to have this statement, with regard to holidays with pay, included as an appendix. Would it be agreeable to have this statement added as an appendix today. I think the statement was requested by Mr. Knowles at the last meeting. I just wanted to get authority to have it printed and included in the proceedings.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Now it is in order to move that we adjourn.

Mr. MURCHISON: Just before we adjourn —

Mr. BARNETT: In respect to the first table that was read to us by Mr. McGregor, with regard to the changes in section 45(2), I take it that these figures on total claims computed, and benefit periods not established, are in relation to second or subsequent claims? In other words, the claims that come specifically under that section?

Mr. MCGREGOR: In all three sets of figures there are first claims and subsequent claims. It includes all of them.

Mr. BARNETT: These are the total numbers?

Mr. MCGREGOR: They are the total numbers.

Mr. BARNETT: They are not just for second or subsequent claims?

Mr. MCGREGOR: They are not in respect of section 45(2) cases only.

Mr. BARNETT: I thought that point should be cleared for the record.

Mr. MURCHISON: Mr. Chairman, I indicated at the outset that the insurance branch has a special job to do in the field with respect to training our officials in the matter of handling the regulations on fishing. If it is satisfactory to you and to your committee, a subsequent meeting might be held off until after March 18. That would give our people time enough to complete their jobs in the field.

Mr. BARNETT: What was that date?

The CHAIRMAN: March 18. That would be agreeable, I think.

The committee adjourned.

APPENDIX "A"

Information supplied by the Unemployment Insurance Commission relating to Holidays and Earnings.

The rule with respect to odd holidays is that if the only reason for a claimant's not working during a week is because of a holiday he is not considered unemployed that week.

When holiday pay is payable for a day, or days, prior to separation from employment, such pay is regarded as earnings for the week to which it pertains.

If holiday pay is payable for a day, or days, after separation from employment, such pay is disregarded for benefit purposes unless a general continuous holiday, for the claimant's grade or class, occurs at the plant, at which he worked, within six weeks of the date of his separation. In this latter event the holiday pay is allocated to the period of the holiday and counted as earnings for that period.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: G. E. NIXON, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

Bill No. 178

An Act to amend the Merchant Seamen Compensation Act.

TUESDAY, MARCH 5, 1957

WITNESSES

Mr. A. H. Brown, Deputy Minister of Labour; Mr. G. G. Greene, Director,
Mr. S. Leeson, Assistant Director, and Mr. J. F. Ellsworth, Claims
Officer, all of the Government Employee's Compensation Branch;
and Mr. W. B. Davis, Departmental Solicitor.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: G. E. Nixon, Esq.

and

Barnett	Gauthier (<i>Lac-Saint-</i>	MacEachen
Bell	<i>Jean</i>)	Michener
Brown (<i>Brantford</i>)	Gauthier (<i>Nickel Belt</i>)	Murphy (<i>Westmorland</i>)
Brown (<i>Essex West</i>)	Gillis	Philpott
Byrne	Hahn	Richardson
Cauchon	Hardie	Rouleau
Churchill	Hosking	Small
Cloutier	Huffman	Starr
Deschatelets	Johnston (<i>Bow River</i>)	Studer
Dufresne	Knowles	Viau
Fairclough (<i>Mrs.</i>)	Leduc (<i>Verdun</i>)	Vincent—34
Fraser (<i>St. John's East</i>)	Lusby	

(Quorum 10)

E. W. Innes,
Clerk of the Committee

ORDER OF REFERENCE

THURSDAY, February 28, 1957.

Ordered,—That the following Bill be referred to the said Committee:
Bill No. 178, An Act to amend the Merchant Seamen Compensation Act.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

The Standing Committee on Industrial Relations begs leave to present the following as its

SECOND REPORT

Your Committee has considered Bill No. 178, "An Act to amend the Merchant Seamen Compensation Act", and has agreed to report it with one amendment, namely:

Clause 1

Page 1, line 28, after the word "until", insert the following: "in the opinion of the Board".

A copy of the Minutes of Proceedings and Evidence adduced in respect of the said Bill is appended.

Respectfully submitted,

J. L. GAUTHIER,
Acting Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, March 5, 1957

(4)

The Standing Committee on Industrial Relations met at 11.00 a.m. this day. The Chairman, Mr. G. E. Nixon, was unavoidably absent.

Members present: Messrs. Barnett, Bell, Brown (*Brantford*), Churchill, Mrs. Fairclough, Messrs. Fraser (*St. John's E.*), Gauthier (*Nickel Belt*), Gillis, Hahn, Hardie, Lusby, Murphy (*Westmorland*), Small, Starr, and Studer.

In attendance: Hon. M. F. Gregg, V.C., Minister of Labour; Mr. J. A. Blanchette, M.P., Parliamentary Assistant to the Minister of Labour; Mr. A. H. Brown, Deputy Minister of Labour; Mr. G. G. Greene, Director, Mr. S. Leeson, Assistant Director, and Mr. J. F. Ellsworth, Claims Officer, all of the Government Employee's Compensation Branch; and Mr. W. B. Davis, Departmental Solicitor.

Mr. Murphy (*Westmorland*) moved, seconded by Mr. Lusby,—

That Mr. Gauthier (*Nickel Belt*) be the Chairman of the Committee for this day.

There being no other nominations, Mr. Gauthier took the Chair.

The Committee proceeded to the consideration of Bill No. 178, "An Act to amend the Merchant Seamen Compensation Act", the minister and the officials of the Labour Department supplying information thereon.

On Clause 1:

Agreed; On motion of Mrs. Fairclough,—

That on Page 1, line 28, after the word "until" there be inserted the following: "in the opinion of the Board".

Clause 1, as amended, was adopted.

Clauses 2 to 6 inclusive and the Title were adopted.

The Bill as amended was adopted and the Chairman was instructed to so report to the House.

At 12.00 noon the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

TUESDAY, March 5, 1957.
11.00 a.m.

The ACTING CHAIRMAN (Mr. L. Gauthier, (*Nickel Belt*)): At the last meeting you will recall that the Industrial Relations Committee had postponed its hearing until the middle of March. Now, other legislation has been presented in the form of a bill by the Minister of Labour, and a special meeting, I presume, has been called to answer such questions as apply to that bill. I think it would be proper at this time to ask the Minister to give an explanation of the bill in question; then we may discuss it.

Hon. Mr. GREGG: I do not think there is very much I need to add at this juncture to the explanation that I gave in the house on second reading. The bill is designed, of course, to bring the benefits of this federal legislation up to and in line with the better terms in the provinces. We have not amended it, perhaps, as often as the provinces have, and consequently we have made a fairly large jump in some of the benefits outlined here. I should like to say that the few points that were made in debate on second reading have been noted by my officers and myself, and when we come to the proper parts of the bill we will be glad to discuss them.

The ACTING CHAIRMAN: Shall we proceed with the bill, now, Bill No. 178, An Act to amend the Merchant Seamen Compensation Act. Let us get on with clause 1.

Mrs. FAIRCLOUGH: May I ask the minister to explain what board has the responsibility for the administration of this act?

Hon. Mr. GREGG: It is a board composed of public servants. Will you name them, Mr. Brown?

Mr. A. H. BROWN (*Deputy Minister of Labour*): They are appointed by the governor in council, and I am the chairman of the board. Mr. Bennett Roberts, chairman of the National Harbours Board is the second member of the board and Captain G. L. C. Johnson of the Department of Transport is the third member.

The ACTING CHAIRMAN: Are there any further questions on that?

Mr. BARNETT: I wonder if we could have the number of cases that come to the board in the course of a year, some idea of the size of the money payments involved and the number of people on compensation of one kind or another?

Hon. Mr. GREGG: Mr. Greene, who administers the act under the board, may say something on that.

Mr. GEORGE G. GREENE (*Secretary, Merchant Seamen Compensation Board*): There have been, as the minister said in the House, 824 accidents to seamen covered by this act since August, 1945. In about 600 of these cases they were just temporary, disabilities for a short period of time. Now we have here 85 cases of permanent disability where the disability was not higher than 10 per cent of the capacity to earn, and so the board awarded in these 85 cases lump sums of money based on the value of the disability, over the rest of their lives. That is the usual way it is done. We had 15 cases where monthly awards were made, and these are the cases where the disability would be more than 10 per cent. They have been getting varying amounts \$20, \$30 a month and

things like that. In the case of death, of course, there is a lump sum payable to the widows and there have been 15 of these lump sum payments in these years to widows and 35 pensions and allowances awarded to widows and children. There have been 54 claims disallowed out of a total of 824. The amounts paid, of course, would depend upon the degree of disability and on the earnings.

Mr. BROWN: I might add that this act simply covers the seamen who are not covered by the provincial workmen's compensation act. The total number involved covers approximately 3,600, between 3,500 and 4,000 seamen.

Mrs. FAIRCLOUGH: I should like to get it clear just how this act ties in with the Government Employees' Compensation Act. We have a board which has jurisdiction over the administration of this act, but do you still look to the provincial compensation boards with respect to deciding what is to be done?

Mr. GREENE: The board.

Mrs. FAIRCLOUGH: Where is the treatment given? The provincial workmen's compensation boards handle all cases for the federal government which come under the Government Employees' Compensation Act. Who pays for these which come under this Act?

Mr. GREENE: The company. The ship operator, when he has an injured seaman, looks after that. The companies are covered by liability insurance. They are required under this act to take out indemnity insurance and they look after the injured employee. They take care of their hospitalization, get their doctors and so on. The onus is on the company.

Mrs. FAIRCLOUGH: Then you may have a different type of care, depending upon the attitude of the individual employer?

Mr. GREENE: We have never had any difficulty.

Mrs. FAIRCLOUGH: I suppose that is because there have been comparatively few cases.

Mr. STARR: Are there any instructions issued to these companies as to the type and standard of insurance that they must carry to safeguard their employees in case of an accident?

Mr. GREENE: As to the insurance covered, you take into account the obligations they have under the act. Under the act they have financial obligations to injured seamen, so they carry sufficient insurance, and we get copies of the insurance notes when the insurance policies are issued and we are satisfied that the safeguard is adequate.

Mr. STARR: What is the standard? They must comply to a form of legislation?

Mr. GREENE: Yes. Section 29 of the act covers that. It says here:

Every employer shall cover by insurance or other means satisfactory to the board, the risks of compensation arising under this act.

So they have to supply us with copies of the insurance policies, not the policies exactly, but the notes that the underwriters issue. So we are satisfied.

Mrs. FAIRCLOUGH: To me it is one thing to be cared for in the hospital and have your bills paid, and it is another thing to rehabilitate a person. I wonder if these claims cover that.

Mr. GREENE: With a minor difference. I will mention section 44. It says:

(1) Every seaman entitled to compensation under this act is entitled to such medical, surgical and dental aid, and hospital and skilled nursing services as may be necessary as a result of the injury, and is entitled to such artificial member or members and apparatus and

dental appliances and apparatus as may be necessary as a result of the injury and to have the same kept in repair or replaced when deemed necessary.

(2) The medical aid to which a seaman is entitled under subsection (1) shall be furnished and paid for by his employer.

(3) Any question as to the necessity, character and sufficiency of any medical aid furnished or to be furnished may be referred to the board for a decision.

I will jump the section concerning fees.

(5) Every employer shall at his own expense furnish to any seaman injured in his employment who is in need of it, immediate conveyance and transportation to a hospital, or to a physician, or to the seaman's home within a reasonable limit.

Hon. Mr. GREGG: I think what Mrs. Fairclough means is the stage beyond that; that the seaman would not have any right, such as those under the Workmen's Compensation Act of Ontario, to go to Malton. I think that would have to be worked out under the federal-provincial rehabilitation programme.

Mr. BROWN: If the medical advisor who is dealing with the case recommends rehabilitation services, we have to make arrangements with the provincial board.

Mrs. FAIRCLOUGH: You do that, Mr. Brown?

Mr. BROWN: Yes, all the cost of the rehabilitation services is charged against the employer.

Mrs. FAIRCLOUGH: And he would not have insurance to cover that, likely?

Mr. BROWN: Yes, that is right.

Mr. GREENE: I imagine that their insurance would cover that.

Mrs. FAIRCLOUGH: You know, sometimes when a man suffers a disability he is not able to resume his former occupation, and rehabilitation fits him for other employment, so I hardly think you could charge that against an employer whose insurance covers medical treatment and hospital treatment.

Mr. BROWN: To the extent that that is not covered it would be taken care of in the federal-provincial rehabilitation programme.

Mr. GREENE: To restore a man to resume his work the cost of treatment at Malton under the provincial act is regarded as medical expense.

Mrs. FAIRCLOUGH: It is not specified in that act, is it?

Mr. GREENE: No, it is not specified in that act but, as the minister points out, where the act ends the federal-provincial rehabilitation scheme would take care of a man who lost a limb, say, or something like that. The vast majority of the accidents are minor. We did have some serious ones.

Mr. GILLIS: How is the assessment for permanent disability arrived at; who makes that decision?

Hon. Mr. GREGG: The amount is arrived at by the terms of this amendment that we have before us. I see what you mean. You mean how badly disabled is he?

Mr. GREENE: We have a formula which is pretty much the same as that of the provincial workmen's compensation board.

Mr. GILLIS: I am thinking of a seaman who is hospitalized and the company selects the hospital and the doctor. After the man is treated he has a disability of perhaps 10, 15, or 20 per cent and then makes the decision as to the amount of disability? Once that decision is arrived at in your office you apply the act, but what protection has the seaman?

Mr. GREENE: The board appoints a medical referee. A Doctor MacIntosh in Halifax is our medical referee for cases in that area. Based on the referee's findings the board will award the proper percentage on earnings, and so on and the degree of disability.

Mr. BARNETT: I should like to ask one question as to one who does not take adequate action in a case to obtain the redress, if I may put it that way. As far as I can see from the act it provides that the seaman will give notice to his employer. I was wondering whether under a regulation they are informed to direct a communication to the board, if they felt their employer has not taken the proper course.

Mr. GREENE: We have had quite a number of cases where representations have been made directly or on behalf of a seaman, and the board has dealt with each case and seen that justice is given to the injured man.

Mr. BARNETT: Proceeding on the assumption that the employer was properly notified and it was discovered after that that course had not been followed, that would not prejudice his situation?

Mr. GREENE: The board will review cases on the production of something substantial.

Mr. BROWN: No, that does not prejudice the seaman. They can communicate directly with the board. That is general knowledge.

Mr. GREENE: We did get out and have got out in the past large placards which are posted in all ports and everywhere that seamen go. Naturally, these seamen, most of them, are union men and we notified the union and we did everything we could to protect the seamen under the act.

Mr. BROWN: There is really no reason why an employer should not report, because they are covered by insurance, anyway, and the claim is paid through that source.

Mr. BELL: Mr. Chairman, may I ask where these 3600 seamen would be, generally; what seas, or if we want to carry it further, on the west coast, or great lakes or do they come in ships with British registry?

Mr. BROWN: Mostly the maritime provinces. All the seamen working on the west coast on ships there are taken care of under the British Columbia Workmen's Compensation Act and the same is true of those seamen on the great lakes. It is a question of how the provincial boards apply their residence rules in the application of their acts, and the chief area where the seamen are not covered by the provincial legislation is in some of the maritime provinces.

Mr. BELL: May I ask if there are any groups of seamen that you know of that are not covered by any acts? In other words, have you received any claims which you had to turn down because of lack of qualification under the act?

Mr. BROWN: I am not just sure that I understand that.

Mr. BELL: I wonder if there are any seamen that you know of who would not come under provincial legislation, this legislation or any other legislation? In other words, have you received any claims for compensation or inquiries that you have had to turn down due to lack of requirements under the act, and those seamen did not receive any compensation?

Mr. GREENE: We have had only one case in the last ten years.

The ACTING CHAIRMAN: Where was that from?

Mr. GREENE: Halifax.

Mrs. FAIRCLOUGH: What would be the circumstances?

Mr. GREENE: He wasn't covered under the provincial act and he didn't come under the federal act.

Mr. Stanley Leeson (Assistant Director, Government Employees' Compensation Branch):

The circumstances of that case were that the boat was in Halifax being refitted and this man was hired to work on the boat in the daytime and went home at night. He was not ruled a seaman under the act.

Mr. GREENE: The boat did not move and he was engaged to do some work on it.

Mrs. FAIRCLOUGH: He was working for himself?

Mr. GREENE: He was a carpenter, or something; he was not hired as a seaman.

Mr. BELL: But the point I am trying to get at is this; this federal legislation is primarily in existence to supplement the provincial workmen's compensation acts, and I think that we should be careful to see that the changed act is fulfilling its purpose to make sure that the entire group of seamen are covered, otherwise our original intentions would not be fulfilled. I would like to ask you if the department has had a chance to consider pilotage accidents and to make certain that everybody is being covered in some way.

Hon. Mr. GREGG: I think, Mr. Chairman, we might at this point deal with that case, one in which I know Mr. Bell is quite properly interested, and so am I. Will you outline your discussions on it, Mr. Brown?

Mr. BROWN: I will ask Mr. Greene to do that. He is more familiar with it. Of course, pilots are not covered by our legislation, because they are self-employed people. We have had discussions with the Department of Transport.

Hon. Mr. GREGG: Then, the other group consists of pilots or those who on behalf of the pilots are operating a ship.

Mr. GREENE: First, the two men who lost their lives when the *Magnificent* upset a tugboat, were civilian employees of the navy, and their dependents are taken care of under the Government Employees Compensation Act. In connection with the pilot boat that was lost outside the harbour of Saint John, naturally the three pilots are not covered because pilots are excluded from this act. But this left the question of the four crew members, two of whom were married men with dependents. These two crew members have joined in taking action against the ship, together with the pilots. The other two were single men with no dependents.

As far as the pilot boat is concerned, the pilots themselves are excluded from the act. The question of the crew members employed by the pilots has come up now because of the loss of that boat. As Mr. Brown has said, discussions are going on with the Department of Transport and the Department of Justice to try to get a clear picture as to where the responsibility for the crew members lies. Prior to 1951 the crews of these pilot boats were employees of the pilots. There is no doubt about it. But in that year the Department of Transport changed the arrangement they had with the pilots at Sydney, Halifax, Saint John, Bras d'Or and along the British Columbia coast. The arrangement was that they would reimburse the pilots for the cost of operating their boat, repairs and so on. That meant that the crew was paid by the pilots and the pilots were reimbursed by the Department of Transport from their appropriation year by year. There was an indirect payment of wages. There was the thought that perhaps these crews might come under the Government Employees' Compensation Act. That point was discussed, but at present I think the Department of Transport is seeking a ruling from the Department

of Justice as to the eligibility of these pilot-boat employees under the Merchant Seamen Compensation Act. This pilot boat was lost in home trade waters.

I might say that this is the first time that kind of case has come up and it was a little bit of a problem to see where the jurisdiction was and where the responsibility was. If it was decided that they came under the Merchant Seamen Compensation Act these would be awarded against the pilots' fund, and this would be repaid.

Hon. Mr. GREGG: If the pilots were to take out insurance in the same way as the merchant ships did, then you were discussing with the Department of Transport whether that might provide the right to pay compensation under this act?

Mr. GREENE: Yes.

Mrs. FAIRCLOUGH: Even in the event that the responsibility was assessed against the pilots' fund, in effect it would be precisely as though it came under the Government Employees' Compensation Act?

Mr. GREENE: Yes, it would be.

Hon. Mr. GREGG: The pilot fund is exclusively under their jurisdiction. They decide what benefits they shall have in case of accident or death.

Mr. BELL: Mr. Chairman, I think it shows a loophole in the act, or at least it is a new circumstance which we have not had to deal with before; but the four non-pilots who were lost in this accident should be considered. I do not say that they should all come under compensation but they should be considered as to this act; and if I have my information correctly, there are two married individuals concerned. They are presently joined in a suit against the incoming vessel, and our attitude would be affected by the result of that suit. In other words, if they received some sort of damages then our consideration would be different than that. Are we in agreement that if this action fails attention would be given to having a case reconsidered, because I feel it is quite important. I know the interest of the minister in this case, and there is no doubt in my mind or anybody else's about that. It is just that we do not want to have the matter left up in the air.

Hon. Mr. GREGG: That is the part that has concerned me. If this action fails I am wondering still whether it would be possible to interpret this in a way favourable to such cases.

Mr. BROWN: That will be a matter of whether or not we get an interpretation that this vessel, which is normally a harbour vessel, was engaged in a home trade voyage at the time of the accident.

Mr. GREENE: If we get the interpretation it could be covered.

Mr. BROWN: Yes; otherwise it will have to be dealt with through the Department of Transport estimates, or something like that. I think I should say that both our department and the Department of Transport are greatly interested in this case and we will pursue it.

Hon. Mr. GREGG: If it were interpreted that way, that might open the way to extend it to the crews of pilot boats.

Mr. BROWN: I think as far as the future is concerned if the Department of Transport wanted to cover these crews on the pilots' boats it could arrange the payment so they would be paid as employees of the crown rather than employees of the pilots. That would bring them immediately under the Government Employees' Compensation Act, and as a matter of fact, I believe that is the arrangement in some other ports.

Mrs. FAIRCLOUGH: It seems to me that that would be a sensible thing to do because in the final analysis, responsibility for payment for compensation has to come right back to the crown, except of course, in a situation such as that which Mr. Bell describes.

Mr. BELL: It does show in the fact that we have to deal with this immediate problem, but it does present a future problem when we have the pilots and their employees and also the Merchant Seamen Compensation Act in the Department of Labour and it is really unsatisfactory without knowing what the solution will be. I do not mean that the administration of this act by the Department of Labour is unsatisfactory, but it does point out the situation where it could be passed from one bureaucratic department to another. I understand that one of the other individuals, one of the other non-married non-pilots, perhaps might have a dependent mother where he was single. How would the dependent's mother be affected?

Mr. GREENE: Dependents' mothers have been taken care of under the act.

Mr. BROWN: That would depend upon the decision of the board.

Mr. BELL: If you felt the other individual qualified the same as a married man did, he would receive the same consideration that you are going to give under the circumstances.

Mr. HAHN: Mr. Greene in his computation outlined for us 204 cases, but I note there were 20 cases short between 824 accidents and the 204 temporarily under compensation. I was wondering what the cases would be.

Mr. GREENE: There are 21 temporary disability cases. Over 600 cases were minor temporary disability cases which do not figure into the statement I have in front of me, and then there are 21 I have here that came before the board, and there were problems involved in them.

Mr. HAHN: 54 claims were disallowed! What is the basis of the disallowance?

Mr. GREENE: I anticipated the question. Generally speaking, it would be by not being covered under the act. We did get out a few samples. If you like, I will read them to you, I have 10 cases. Here are two or three of them:

Night watchman—left the post on board ship without permission—by returning to ship in an intoxicated condition, fell into hatch of boat moored along side.

Second cook—claimant's misconduct—drinking and fooling on galley—struck at another seaman with a meat cleaver—missed and hit himself on the head.

These are the types. I notice in running my eye over here that most of these cases involved intoxication. Generally, that is what happened.

Mr. HAHN: What is the major cause of accidents; could you give us one or two?

Mr. GREENE: Getting struck by flying objects, falling down hatchways, slipping on oily surfaces.

Mr. HAHN: Nothing that could not be taken care of by reason of not heeding regulations in respect to stopping accidents from occurring.

Mr. GREENE: No, frankly, I think the answer to that is that the type of accidents is pretty much the same as those on land: falls, struck by winches, flying objects. On board ship you will find oily surfaces—causing falls and we have had cases of cooks cutting themselves in the galley.

Mr. HAHN: There is none that might be attributed to labour fatigue?

Mr. GREENE: We have never had any like that that I can recall.

Mr. BROWN: There has been a discussion of the table that Mr. Green has. I think it might be included in the record.

MERCHANT SEAMEN COMPENSATION ACT

STATEMENT SHOWING NUMBER OF MEETINGS HELD BY THE MERCHANT SEAMEN COMPENSATION BOARD, NUMBER OF CLAIMS DEALT WITH BY THE BOARD AND DISPOSITION OF SUCH CLAIMS, SINCE AUGUST 1st, 1945.

Fiscal Year	Number of Board Meetings	Number of Claims Dealt with	Number of Claims Disallowed	DISPOSITION OF CLAIMS					
				AWARDS			DEATH		
				Temporary Disability only	Permanent Disability		Lump Sums	Monthly Pensions	Funeral Expenses only
					Lump Sums	Monthly Pensions			
x1945-1946.....	3	Nil	—	—	—	—	—	—	—
1946-1947.....	7	31	7	3	9	3	1	8	—
1947-1948.....	6	26	4	2	7	1	8	3	1
1948-1949.....	7	39	12	4	15	1	4	3	—
1949-1950.....	6	33	14	3	13	2	—	1	—
1950-1951.....	4	26	5	6	8	1	2	2	—
1951-1952.....	4	24	3	1	4	3	—	2	1
1952-1953.....	2	16	2	—	8	—	—	1	1
1953-1954.....	5	13	1	—	9	—	—	1	—
1954-1955.....	3	13	3	1	3	1	—	1	—
1955-1956.....	4	27	3	1	5	3	—	5	2
1956-1957.....	1	13	—	—	4	—	—	8	1
(April 1 to Dec. 31, 1956)	52	xx261	54	21	85	15	15	35	6

x Part year only.

xx Some claims dealt with at more than one meeting.

First meeting held on August 6th, 1945.

First claim dealt with on May 27th, 1946.

Mr. BARNETT: Mr. Chairman, most of the various clauses in the bill have to do with changes that are being made in rates and benefits, and the minister has indicated it is a bill to bring it in line with provincial payments. I wonder, before we start any discussion of the details, if the minister or someone will indicate whether there have been any changes of which the department is aware in the provincial benefits since we had the discussion in 1955 on the Government Employees' Compensation Act, and you will recall we had an appendix attached to the proceedings of the department in May, 1955, and the report of December, 1955.

Mr. BROWN: This has been brought up to date. Do you want to see that copy?

Mrs. FAIRCLOUGH: Do you propose to issue a revised one? The last one was 1955 and some of the provincial rates have been changed since then.

Mr. GREENE: That comes out in December of each year. It is revised once a year.

The ACTING CHAIRMAN: Are there any more questions. We have been pretty well over the ground on clause 1 and the explanatory notes there. If there are no other discussions, what do you say about clause 1? Will we carry clause 1?

Mrs. FAIRCLOUGH: Are you on clause 1 now?

The ACTING CHAIRMAN: Clause 1 and the explanatory notes, and even clause 4.

Mrs. FAIRCLOUGH: If you are finished with this other matter we were discussing, you will recall in the house on second reading that Mr. Bell asked with reference to this subsection 3 of clause 1. In the explanatory note to this section it says:

Formerly the board had to decide how long compensation would be paid to an invalid child. The proposed subsection (6) provides a compensation in all cases will be paid to an invalid child until he ceases to be an invalid.

Now in the previous act, it says... "so long as in the opinion of the board it might reasonably have expected..." and so on. There is no mention of the board in the revision. Who is going to decide now whether the child is still an invalid?

Mr. BROWN: The definition of an invalid means physically or mentally incapable of earning. The board in dealing with that type of case would have to use the services of, I presume, a medical expert. We have not met that situation yet.

Mrs. FAIRCLOUGH: You see what I mean, Mr. Brown. In the old clause it was "so long as in the opinion of the board it might reasonably have been expected..." and in the new clause it says:

Compensation is payable to an invalid child without regard to the age of such child, and payments to such child shall continue until the child ceases to be an invalid.

It does not say that the board has to make that decision.

Mr. BROWN: I will ask Mr. Davis to deal with that. I think this provision was taken directly from the provisions of and is in line with one of the provincial workmen's compensation board acts.

Mr. W. B. DAVIS (*Solicitor, Department of Labour*): It follows exactly the wording of the provincial compensation boards. We have it in the provincial acts but where it does not say that the board decides, it would be the board that would make that decision.

Mrs. FAIRCLOUGH: Or where there is evidence that the so-called invalid, by accepting employment moved out of the invalid class. There is still a possibility that any former invalid is able to accept some employment but not able to be self-sustaining. Some procedure should be available to assist in establishing capacity to earn and it should be understood what authority has jurisdiction over the decision.

Mr. DAVIS: They are either unable to or are not. Beyond that date I would not think there would be any question of jurisdiction. Either they would be completely invalid, or would not.

Mrs. FAIRCLOUGH: I cannot agree there. Of course, all of us know of cases where persons are in an invalid condition and are able to earn a small amount, but certainly not enough to be self-sustaining. You say that the criterion will be whether they are able to earn?

Mr. DAVIS: The definition means physically or mentally incapable of earning. If they earn a small amount I think that the board is not bound to a strict legal precedent. If the invalid were to earn a small amount the board would have to take that into consideration. But the board is not bound to a strict, legal precedent.

Mrs. FAIRCLOUGH: I think it is important that you do not discourage people from earning, because even if they earn a very small amount it keeps their interest alive. To give an example that I know of where a person was disabled and in a wheel chair, he was able to carry on a very small magazine business, through using the telephone and calling people. Actually, he was completely physically incapable of doing anything else.

Mr. DAVIS: I think the board would take it into consideration. This follows the wording of all the acts. The wording of the acts of provincial boards have a leeway because they do not have to be bound by strict legal precedent.

Mr. BROWN: I think we can very well quiet any doubts in this way. We might put in that paragraph containing a new subsection 6 at line 28 after the word "until" the words "in the opinion of the board". That would cover it.

The ACTING CHAIRMAN: Will you move that, Mrs. Fairclough.

Mrs. FAIRCLOUGH: Yes.

The ACTING CHAIRMAN: That after the word "until" there be added "in the opinion of the board".

Mrs. FAIRCLOUGH: Yes.

The ACTING CHAIRMAN: All in favour of that change in the subsection.

Agreed.

Hon. Mr. GREGG: I am sure that it would be the duty of the board to establish contact for the rehabilitation of the child, and so on, if the dependant child has some physical incapacity that should be taken into consideration for rehabilitation under the provincial act or the federal act.

Mr. HAHN: It will have to be in the opinion of the board, would it not?

Hon. Mr. GREGG: I think it might just as well be set out as it was in the old act.

The ACTING CHAIRMAN: Is there any further discussion?

Clause 1, as amended, agreed to.

Clauses 2 to 9 inclusive agreed to.

Title agreed to.

The ACTING CHAIRMAN: Shall I report the bill?

Agreed to.

The committee adjourned.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: G. E. NIXON, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

REPORT OF THE UNEMPLOYMENT INSURANCE COMMISSION
FOR THE YEAR ENDED MARCH 31, 1956

THURSDAY, MARCH 28, 1957

WITNESSES

From the Unemployment Insurance Commission: Mr. C. A. L. Murchison,
Commissioner and Mr. James McGregor, Director of the
Insurance Branch.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: G. E. Nixon, Esq.,
and Messrs.

Barnett,	Gauthier (<i>Lac-Saint-</i>	Michener,
Bell,	<i>Jean</i>),	Murphy (<i>Westmorland</i>),
Brown (<i>Brantford</i>),	Gauthier (<i>Nickel Belt</i>),	Philpott,
Brown (<i>Essex West</i>),	Gillis,	Richardson,
Bryce (1),	Hahn,	Rouleau,
Byrne,	Hardie,	Small,
Cauchon,	Hosking,	Stanton (2),
Churchill,	Huffman,	Starr,
Cloutier,	Johnston (<i>Bow River</i>),	Studer,
Deschatelets,	Knowles,	Viau,
Dufresne,	Leduc (<i>Verdun</i>),	Vincent—34.
Fairclough (Mrs.),	Lusby,	
Fraser (<i>St. John's East</i>),	MacEachen,	

(Quorum 10)

E. W. Innis,
Clerk of the Committee.

- (1) Replaced Mr. Gillis on March 28.
- (2) Replaced Mr. Michener on March 14.

ORDERS OF REFERENCE

THURSDAY, March 14, 1957

Ordered,—That the name of Mr. Stanton be substituted for that of Mr. Michener on the said committee.

THURSDAY, March 28, 1957

Ordered,—That the name of Mr. Bryce be substituted for that of Mr. Gillies on the said committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 118,

THURSDAY, March 28, 1957

(5)

The Standing Committee on Industrial Relations met at 3.30 o'clock p.m. The Chairman, Mr. G. E. Nixon, presided.

Members present: Messrs. Barnett, Bell, Brown (*Essex West*), Byrne, Bryce, Churchill, Cloutier, Mrs. Fairclough, Messrs. Fraser (*St. John's E.*) Hahn, Hardie, Johnson (*Bow River*), Lusby, Murphy (*Westmorland*), Nixon, Philpott, Small, and Stanton.

In attendance: The Honourable Milton F. Gregg, V.C., Minister of Labour; Mr. J. A. Blanchette, Parliamentary Assistant to the Minister of Labour; Mr. C. A. L. Murchison, Commissioner, and Mr. James McGregor, Director of Insurance Branch, Unemployment Insurance Commission.

The Committee resumed from Tuesday February 26th, consideration of the operation of the Unemployment Insurance Commission.

The Minister, Mr. Gregg, addressed the Committee briefly. Mr. Murchison and Mr. McGregor were called. Mr. Murchison read a lengthy statement covering Unemployment Insurance for fishermen in which was outlined a Plan carrying integration with regular Unemployment Insurance Plan, and Mr. Murchison and Mr. McGregor were questioned thereon.

Mr. H. J. Robichaud, M.P., asked and obtained consent unanimously to put a few questions to the witnesses.

At the conclusion of the examination, the witnesses were thanked by the Chairman on behalf of the Committee, and were retired.

At 5.15 o'clock p.m., on motion of Mr. Fraser (*St. John's E.*), the Committee adjourned to the call of the chair.

A. CHASSÉ
Clerk of the Committee

EVIDENCE

THURSDAY, March 28, 1957.
3.30 p.m.

The CHAIRMAN: Lady and gentlemen, we have a quorum so we will proceed with the committee's work.

I believe the minister has a statement he would like to make.

Hon. MILTON F. GREGG (*Minister of Labour*): Mr. Chairman and members of the committee, when this committee met before in respect of unemployment insurance for fishermen, the members expressed themselves as anxious to have another look at the plans as they proceeded, particularly when the plans reached a point where the commission, after much hard work, had crystallized its ideas in the regulations. I have seen the crystallization of those ideas in the regulations, and I hope you will never be called upon to read through them in detail. I asked the commission if they would take the notes we had at the first of the year and bring them up to date, in a readable manuscript form. There was a particular interest in respect to the important features of the new crystallized regulations.

I think the committee expressed itself with the hope that it might have a meeting in regard to this topic some time around the middle of March. This is not the middle of March, and in that connection I would like to say that I assume complete responsibility for the slight delay, because I did ask the commission to undertake certain missions which were not in sight at that time.

When I say that, it must be recognized that there are great difficulties involved in this plan in regard to most places where it is to be applied. There are very special difficulties in certain sections, including sections of Nova Scotia, sections of Newfoundland, and perhaps sections of inland fishing, and perhaps elsewhere.

It did seem important to the commission and myself that those people who knew most about the provisions of the plan should go out and make investigations on the spot, and to confer with the new kinds of employers, who were a little bit suspicious as to what they were going to be called upon to do, with a view to clearing the ground, as well as possible, so that this experiment—because that is what it is, it is an experiment in a new field—might move on to its commencement with as few monkey wrenches in the machinery as possible. The commission has, I think, pretty well completed this phase of its work, and the memorandum that has been passed around reflects pretty well in detail the things that have been put forward for confirmation, in respect to the regulations.

With that, I leave myself and the members of the commission in your hands, Mr. Chairman, as to how we should proceed. If you would like Mr. Murchison or one of his officials, to go through this step by step and I am sure they would be prepared to do so.

The CHAIRMAN: Thank you Mr. Gregg.

Members of the committee, each one of you has a copy of this plan that has been compiled by the commission, and which will now be presented by Mr. Murchison. I wonder if it would be best if we allowed Mr. Murchison to read through this brief, and then when he is finished a question period could follow. Is that agreeable?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Mr. Murchison.

Mr. MURCHISON: Mr. Chairman, Mr. Minister and hon. members, Mr. Gregg referred to the passing of the regulations governing the coverage of fishermen. I should point out to you that the regulations that have been submitted to the governor in council concern only the first part of the scheme, namely the coverage of fishermen and the contributions. There is still another part of the regulations to be submitted, and that part has to do with the benefit side of the picture. That is why, Mr. Chairman, it would be preferable if we stayed away from the draft regulation and referred to this narrative, that is written in layman's language. With your permission, I will read it. The narrative to which I have referred is as follows:

This plan proposes a scheme for bringing fishermen under unemployment insurance in such a way that so far as possible there will be integration of all their contributions made in respect both of fishing and other insurable employment. However, a considerable number of special rules are needed to accomplish this and to overcome the very difficult problems that complete integration presents.

This plan has been devised and submitted to the commission by the inter-departmental committee, established by cabinet directive of 9 August, 1956. In formulating the suggested rules, the committee so far as possible has tried to apply the ordinary unemployment insurance scheme to fishermen. This has not been an easy task, however, because the typical employment relationship in fishing is different from what exists in other insured employments.

Mr. HAHN: Mr. Chairman, on a point of order. I do not wish to interfere with Mr. Murchison's reading of this, but may I suggest that he may be allowed to sit down while he is reading the brief, if he so wishes.

Mr. MURCHISON: Thank you.

To continue:

The majority of fishermen are not wage earners but sharesmen or lone workers, so that the ordinary employer-employee relationship is lacking in most cases. In general the decision to fish or not to fish at a particular time is in part at least made by the insured person himself. Earnings depend upon results and market prices and are therefore to some extent fortuitous. It is for reasons of this kind that the Committee has been led to propose some rules which seem to contravene the ordinary principles that govern unemployment insurance; for example, that the buyer of fish is the "employer" and must therefore make contributions although he does not usually exercise control over the fisherman; that generally fishermen are not considered unemployed from 16 April to 31 December of each year but are considered unemployed from 1 January to mid-April; that the activity of fishing during the off-season does not imply non-availability for employment.

That will be explained later on.

And to continue:

To avoid serious anomalies, the usual approach to unemployment insurance has had to be changed. The following are the main respects in which the committee suggests that the ordinary rules should be varied in order to apply the scheme to fishing in such a way that fishing contributions can be used in conjunction with other contributions.

(1) Subject to a few minor exceptions which are described below under "Coverage", all fishermen, irrespective of whether they are wage earners, sharesmen or lone workers, will be insured. A universal basis of coverage is considered necessary because of the peculiar conditions of the fishing industry. Exceptions from coverage have been made only

where coverage is impracticable for such reasons as the slight extent of the fishing employment, the location, the family relationship.

(2) Where there is no actual employer, the first buyer of the catch will be treated as the employer.

(3) No upper earnings limit will apply to fishermen, on account of the great variety of ways in which they are paid and the impossibility for the employer of knowing when such limit has been exceeded.

(4) In the case of a fisherman who is a sharesman or lone worker, his earnings for contribution purposes may be determined by one general rule under which a prescribed percentage of the gross value of his catch will be assumed to be expenses.

(5) Where the effort of a fisherman is distributed between catching and curing his fish before sale, the number of contribution weeks (in the absence of proper time records) will be determined by the application of prescribed divisors to the quantity of fish that he sells.

That is cured fish.

To continue with the brief:

(6) Specially marked stamps must be used to record fishing contributions in order that these may be distinguished from contributions made in respect of other insurable employment. This is essential in order

- (a) to identify fishermen when they make claims for benefit;
- (b) to carry out the benefit rules mentioned in paragraph (7) following;
- (c) to facilitate accounting for the income to the fund from fishing contributions.

(7) Generally speaking, fishermen will be restricted to receiving benefit in the seasonal benefit period January 1st to mid-April. This is necessitated by the impossibility of verifying the occurrence of unemployment for fishermen during the active fishing season. They will qualify for seasonal benefit in the same way as class A seasonal benefit claimants, by having 15 or more contributions since the 31st of March preceding. Any contributions, whether from fishing or other insurable employment, will count for this purpose. However, ordinary benefit may be paid to a fisherman irrespective of the time of year when he becomes unemployed

- (a) if he can qualify for ordinary benefit without taking account (for qualifying purposes) of his fishing contributions, or
- (b) if he is ordinarily employed in fishing on a year-round basis and it can be clearly shown that he has been laid off for lack of work and also become involuntarily unemployed.

The following pages explain in more detail the reasons for the special rules that have to be applied to fishermen in order to bring them under the unemployment insurance scheme with full integration of contributions and benefit, as far as possible.

Coverage

The plan contemplates covering all fishermen, irrespective of whether they are wage earners, sharesmen or lone workers. This is to obviate the difficulties and anomalies that would arise from partial coverage, in view of the extent to which fishermen change their status from one period to another, e.g., from fishing on shares as one of a group during the cod fishing season to fishing by themselves during the lobster season.

Certain exceptions and modifications will apply to the insurability of fishermen. These are as follows:

(1) A fisherman will not be insurable in respect of sales of fish to householders, restaurants or institutions which buy fish for consumption rather than for resale or processing. It is obviously impracticable to expect most such buyers to act as employer in making contributions for fishermen.

(2) Many fishermen ship their fish for sale to buyers in the United States or at distant points elsewhere in Canada. In many cases such buyers cannot be expected to have the requisite knowledge of the operations of the fisherman and the other members of his crew to enable the buyer to act as employer of all those fishermen. Where this is so, the fishermen cannot acquire contributions in respect of such sales unless the skipper or owner of the boat can be treated as the employer. Later on, when more experience has been gained, it may be possible to provide that where the buyer at a distant point, either in Canada or abroad, agrees to act as the employer, the commission may authorize him to do so if it is satisfied that he is sufficiently informed of the details of the fishing operations to do this.

(3) Sales of fish scales, when sold as a by-product to a person other than the purchaser who buys the fish, will be disregarded. Other by-products such as fish livers and oil, when sold separately, will be treated as additional sales of fish.

(4) Fishermen will not be insurable when engaged in any seal fishing, unless employed under a contract of service. There is no difficulty in covering the crews of large sealing vessels, as they are generally employed under contract of service. However, in certain areas seals are caught by the cooperative efforts of all the people in a fishing cove but with each man keeping his own catch for such disposition as he can make of it. There is no practicable way of insuring such operations. (Crews of whaling vessels will be insured as they generally work under a contract of service.)

(5) A fisherman will not be entitled to a contribution for a week in which his net earnings are less than \$9. Some limitation is needed to prevent a fisherman from obtaining a weekly or half-weekly stamp by making only a token delivery of one or two fish.

(6) There is a general provision at present in the act permitting persons who work for brief periods in certain specified industries to elect out if they are persons who do not ordinarily derive their livelihood from insurable employment. This applies, for example, to farmers and students. A similar rule will apply to such persons when engaging in fishing for 20 weeks or less per year. They may elect—it is a matter of option on their part. It will also apply to any person employed in fishing in the Yukon or Northwest Territories regardless of the duration of his fishing activities.

(7) The person acting as the "employer" of a fisherman cannot make contributions in respect of himself. It is undesirable that the person registered as an employer and required to insure the members of his crew should himself be insured in respect of the same fishing operation.

(8) The wife of a fisherman cannot acquire contributions in respect of any fishing operation in which her husband is also engaged. It is necessary to exclude a fisherman's wife specifically because in many cases, especially in share fishing, the ordinary provision in section 27(e) of the act would not apply, as the wife would not in fact be employed by her

husband. If the wife actually shares in the proceeds, her share will be credited to her husband for contribution purposes.

(9) There will not be any wage ceiling for fishermen. In view of the continual shifting in status and the fact that the fishermen sell to different employers in the course of a year, there is no practicable way of determining when a fisherman's earnings have exceeded a prescribed amount. In practice a ceiling could only be applied to wage earners and this would create anomalies between wage earners on the one hand and share fishermen and lone workers on the other. Fishermen therefore will not be excluded from coverage by the \$4,800 ceiling in section 27(q) of the Act.

(10) A fisherman will not be excluded from coverage because of being a shareholder or officer of a corporation. In certain cases fishing vessels are incorporated as companies and the skipper and possibly other members of the crew are shareholders or directors. As it is desirable that all members of the crew of a fishing vessel should be insured, the rule in the regular scheme, section 27 (n), excluding certain shareholders and officers of corporations, will not apply.

Now coming to the most difficult part of this whole scheme, which is to determine who the employer should be.

Employer

Broadly speaking, the rule for determining who is the employer responsible for making contributions for a fisherman is as follows:

(1) *First buyer.* As most fishermen have no actual employer the general rule is that the person who first buys the catch makes the contributions for all the fishermen who are deriving earnings from the catch that he buys, whether he does this directly or through a representative.

(2) *Actual employer.* The major exception to the general rule is that where a fisherman is employed under a contract of service (that is, working for wages or wages plus a share of the catch, etc.) and has an actual employer who is not a person actively engaged in the catch (for example, a company that owns the boat) the actual employer makes the contributions.

In both the above cases the "employer" is a person who acquires the catch from the fishermen but is not himself one of the persons doing the actual fishing. It follows that the "employer" insures the whole crew including the skipper or head fisherman even in cases where the skipper is the real employer. However, there will be cases where the buyer cannot be treated as the employer because of distance and there is no such person as described in subparagraph (2). In such case the skipper or head fisherman will be the employer even though he is a person taking part in the fishing operation and he will not be insured himself.

Lone workers will generally be insured by the first buyer of their catch. If the buyer cannot be treated as the employer because of distance, a person who acts as agent for such fishermen in shipping their catch to a buyer will be treated as the employer. Failing such person, the fishermen cannot acquire contributions.

The following will illustrate the operation of the above rules. There is a common arrangement among lobster fishermen whereby the head fisherman employs a helper for wages and sells the joint catch at so much a pound. It is necessary that both the fisherman and his helper be insured and it is preferable that the buyer be made responsible for doing so. In these cases the rule

provides for disregarding the contract of service between the fisherman and his helper and treating them for purposes of contributions as if they were fishing on shares. The buyer will be responsible for making contributions in respect of both of them, treating them for contribution purposes as if the head fisherman had two shares and the helper one share. However, this applies only during the period of actual fishing. For any period prior to or after the period of active fishing the helper, if he is employed on wages, must be insured by the person so employing him.

Earnings

There is no problem in determining earnings for fishermen who are wage earners as the ordinary rules in the act and regulations will apply. However, some fishermen who work on shares and also lone workers present a special problem in that the gross value of their sales of fish covers expenses they have had to incur as well as their net return from fishing. To make contributions on the basis of the gross value would result in over-insurance.

It is therefore proposed that either the actual expenses, if known, or 30 per cent of the value of the catch will be deducted in order to determine the net earnings in the case of lone fishermen and in the case of fishermen working on shares where expenses have not already been deducted before reckoning each fisherman's share.

Where the share arrangement is known to the buyer who is acting as employer, the apportionment of the earnings thus determined will be no problem. However, a special rule will apply to cases where there is either no share arrangement or the arrangement, if it exists, is not disclosed to the buyer. In such case, the skipper is treated as having two shares and each of the other members one share. This division is fairly common in fact on account of the skipper's greater responsibility.

A special rule will apply to organizations such as cooperatives which pay a fisherman regularly at the time of delivery but pay a lesser amount than the expected market price. The amount actually paid or credited to the fisherman at the time of delivery may be as high as 95 per cent or as low as 60 per cent of the expected sale price. In many cases, the adjustment is not made till six months or a year later. Therefore, the cooperative will be expected to make a reasonable estimate of the market price, after deducting the amount of operating expenses chargeable to the fisherman, and make contributions on the basis of the estimated amount of earnings determined in this way.

Contributions

As regards dealings in fresh fish, employers will, generally speaking, apply the procedures already set out in the act for determining the number and rate of the contributions and the periods for which they should be recorded. In addition, there will be a special procedure for determining the number of contributions in respect of sales of cured fish.

Where possible, contributions will be recorded in the ordinary insurance book as under the regular scheme. It is believed that some 75 per cent to 80 per cent of fishermen deal fairly regularly with the same buyer throughout the period of a particular fishery—in fishermen's parlance "fishery" here means the cod fishing season or halibut fishing season and so on—and will therefore be able to lodge their insurance books with that buyer for the purpose of stamping. Where fishermen deal on a casual basis with a number of buyers special insurance cards or duplicate books will have to be used. Although contributions will be made by means of stamps of the same weekly denominations as those used under the regular scheme for earnings in the corresponding wage brackets, it will be necessary to use stamps specially

marked as fishing stamps for recording all contributions in respect of earnings from fishing. These specially marked stamps are needed in order to distinguish fishing contributions from contributions earned by the same fisherman in other insurable employment. Without such distinguishing marks it would be impossible to identify a fisherman as such at the time of claim or to apply certain of the benefit rules that are necessary in the case of fishermen. The procedure will, of course, entail the printing and distribution through post offices of duplicate sets of all weekly denominations of unemployment insurance stamps, that is, adding nine more kinds of stamps to the 16 kinds now used, making 25 in all. Persons employing fishermen will be required to buy fishing stamps only to record contributions from fishing. Where necessary they will continue to buy ordinary insurance stamps to record contributions in respect of other employees, such as office staff.

Contributions must be recorded in the fisherman's insurance book or card when payment is made or the amount of his sale is credited to him, and in any case upon separation. Where a fisherman is not an actual employee of an "employer", a separation from or termination of employment in his case occurs when his regular dealings with such "employer" are discontinued.

To determine both the number of calendar weeks for which to credit a fisherman with contributions and the rate of the contributions, the employer (buyer) will apply the following rules:

- (1) As regard deliveries of fresh fish, the buyer, if he has time records, so that he knows the calendar weeks in which a fisherman has worked to catch the fish, will make contributions for that number of weeks, basing the rate of contributions on the value of the earnings distributed over those weeks. For example, as regards the operations of large fishing vessels the buyer is frequently in direct radio-telephone communication with the boat from day to day and knows the number of days or weeks that the boat has been at sea.

- (2) Where there are no time records, the general rule in regard to deliveries of fresh fish will be to make a contribution only for the week in which the sale is made. However, there will be certain exceptions, the first being where the employer knows that a fishing trip has extended over more than seven consecutive days and the second where a collector boat which ordinarily takes a delivery from a fisherman every week has been prevented by weather, etc., from taking his usual delivery. In both these cases, the employer will be permitted to stamp for two weeks, prorating the value of the catch over both weeks.

- (3) For products of the sea other than fish, such as kelp and Irish moss, where no time records are kept by the employer, contributions will be payable in the same manner as for sales of fresh fish.

- (4) There is a special problem as regards the cured fish industry which applies almost exclusively in Newfoundland and Gaspé. It is felt that as considerable time is spent by a fisherman in curing or "making" the fish before sale, there should be some rule to equate fairly the number of contributions for such cured fish sales to the time taken both to catch and "make" the fish. The only sound method is to apply quantity divisors. Therefore, to determine the number and rate of contributions to be made for a fisherman selling cured fish, the employer, where he has no time records, will divide the quantity bought from the fisherman by the appropriate divisor in the following table and will prorate the earnings over the number of weeks thus determined.

I do not suppose that this table will mean much to the inlanders, so perhaps we may take it as read and have it included in the record.

Agreed.

	Production Representing One Week
(a) Salted groundfish:	
Extra dry (Gaspé cure)	2 cwt.
Dry (including slack or light salted and heavy salted)	3 cwt.
Semi-dry	4 cwt.
Ordinary cure	5 cwt.
Wet salted	6 cwt.
(b) Smoked herring (bloaters)	15 boxes
(c) Pickled herring, mackerel and turbot (excluding fillets)	3 barrels
(d) Pickled herring and mackerel (filleted)	2 barrels
(e) Pickled alewives	6 barrels
(f) Other pickled products	3 barrels

(Fractions of one-half of a week or more will be taken as a full week and if less than half will be disregarded.)

In the case of dry salted cod, for example, where 3 cwt. is set as representing a week's work in catching and curing, if a fisherman brings in 10 cwt. for sale, the buyer will divide by three and, ignoring the fraction (since it is less than half), will credit the fisherman with three weekly contributions.

In recording the contributions arrived at in this way, the buyer will stamp for all the calendar weeks back to May 1 in the current fishing season in which unemployment insurance contributions have not already been recorded from either fishing or other insurable employment. If stamps still remain to be credited to the fisherman, he will recommence and affix these as additional contributions, again working backwards as far as May 1. This procedure is suggested in order that higher earnings will be reflected in the contribution rate and consequently in the benefit rate. This is a proper procedure in order to give credit to a bona fide fisherman who has been actively engaged throughout the season in contrast with a marginal or part-time fisherman.

Quantity divisors could be eliminated by translating them into the equivalent cash value and substituting a measure based on price; but this would not be satisfactory because (a) prices fluctuate, and (b) there is a wide spread in the prices paid for the same quantity of low quality and high quality fish. However, the difficulty in applying divisors should not be exaggerated. As stated above, the situation exists only in certain areas on the east coast, mainly in Newfoundland, and the ordinary buyer would be mainly using one divisor only throughout the season of one whole fishery; e.g., during the cod season he would be using the divisor for salted cod and would rarely be buying two kinds of cured fish from the same man at the same time.

Fish buyers who are treated as employers for contribution purposes will have to keep the necessary records for audit purposes in respect of the fishermen from whom they buy. These records must include, besides the fisherman's name and insurance number, such information as the date of fish purchases, amount paid or credited to the fisherman, the number of weeks which such

payment represents, the deductions made for the fisherman's portion of the unemployment insurance contributions, and (when divisors are used) the kind and quantity of fish purchased.

Benefit

Generally speaking, fishermen will be restricted to receiving benefit during the seasonal benefit period from the beginning of January to the middle of April. For qualification the rules regarding seasonal benefit class A will apply, i.e., there must be 15 contribution weeks subsequent to the most recent Saturday preceding the 31st day of March immediately before the day on which the fisherman makes a claim. The duration is one week's benefit for every two contribution weeks, and the minimum duration is 10 weeks. Any contribution from insurable employment, whether fishing or some other kind of employment, if made within the period mentioned, may be counted for qualification, rate and duration, so far as seasonal benefit of this kind is concerned.

In order to apply the above rule and determine who is a fisherman and whether he should be restricted to receiving seasonal benefit, some way must be provided for readily identifying a fisherman as such when he makes a claim. This will be done by tagging a claimant as a fisherman if five or more of his contribution weeks in the last 52 weeks show fishing contributions only. This is the most practicable way of identifying a fisherman as such under a scheme in which contributions from all insurable employment are taken into account. It is one of the reasons why specially marked fishing stamps are needed. The number has been set at five with the idea that persons who engage in fishing on a casual basis for up to four weeks in a year will not be treated as fishermen. The number of contribution weeks, in the test suggested, cannot be set much higher; otherwise many persons who really are fishermen would not be identified as such and would be allowed to qualify for regular benefit when they should properly be restricted to seasonal benefit.

The principal reason for restricting fishermen to benefit in the seasonal benefit period is that during the active fishing season it is impossible to determine when they are genuinely unemployed. A great deal of a fisherman's work, even when ashore, is part of his fishing operations. The general rule, therefore, has to be that during the active fishing season fishermen are not deemed to be unemployed. However, during the off-season when a fisherman is on claim and in receipt of fishermen's benefit, there may be occasional days when he can go fishing, and he may also take the occasion to repair his boat or other fishing equipment. Although such work is ordinarily regarded as part of a fisherman's normal fishing operations, it will be disregarded during the off-season and will not affect the fisherman's status from the standpoint of being regarded as unemployed or available for work. Any earnings he obtains from work done at this period will, of course, be taken into account and, to the extent that they exceed the allowable scale in section 56 of the act, his benefit for that week will be reduced. The ordinary rule, under which a person is not considered unemployed if he has worked the full working week, will not apply to a fisherman during the seasonal benefit period, as regards the amount of time he has spent in fishing.

There are two exceptions to the rule whereby fishermen are restricted to benefit in the seasonal benefit period. The first applies to a person who, though initially tagged as a fisherman, has enough non-fishing contributions to qualify for regular benefit without counting any of his fishing contributions. Many fishermen now work in insurable employment during parts of the year when they are not fishing. Some are able to qualify for regular benefit at the present time. It is not right that such fishermen should be put in a less favourable position by reason of the extension of coverage to fishing. They

will be allowed to qualify for regular benefit if they can do so on their non-fishing contributions. This will apply only for qualification. For rate and duration, when a fisherman has so qualified, all his contributions will be taken into account.

The other exception applies to fishermen who are not seasonal workers but carry on fishing in every calendar quarter of the year. In their case there is no presumption that they will be regularly unemployed and claiming benefit in the winter months as in the case of seasonal fishermen. Therefore, subject to certain restrictions, such year-round fishermen can be allowed to qualify for regular benefit when unemployed, irrespective of the time of year when unemployment occurs. This rule, however, has to be applied only to year-round fishermen (a) who have become involuntarily unemployed, (b) in whose case it can be clearly demonstrated that they have been laid off because of lack of work, and (c) who are not in a position to control their own employment and unemployment as most seasonal fishermen and self-employed fishermen can do.

It is proposed that for this purpose a person shall be considered a year-round fisherman if his contribution record at the time of claim shows at least six fishing contribution weeks in each of four consecutive calendar quarters. These may be any four consecutive quarters out of the last seven complete quarters preceding the date of his claim, to allow for periods when he may have been sick or engaged in insurable employment other than fishing. Such a claimant will be considered for regular benefit if he has become unemployed because of a layoff for lack of work, so that the involuntary nature of his unemployment can be proved.

Mr. Chairman, that is the summation. Our expert, Mr. McGregor, is here and is prepared to answer your questions. I might add that he has held meetings with members of the fisheries council, which is the employers' side, and with organizations representing fishermen. They have also gone into all parts of Canada where fishing operations are carried on, on a commercial basis.

Mr. JOHNSTON (*Bow River*): Has this plan been pretty well accepted by fishermen?

Mr. MURCHISON: I think we can say that while there are some people who are a bit doubtful about it, for the most part it can be said that the scheme will be accepted.

Mr. STANTON: Is it as readily acceptable by inland fishermen as by coastal fishermen?

Mr. James MCGREGOR (*Director of Unemployment Insurance*): In Manitoba most of the fishing is done in the winter, and those interested there maintain that the period of benefit we have is when they will be doing the biggest amount of their fishing. That is quite true and it applies also to the southern shore of Newfoundland. But the idea of confining it to that part of the year is because overall that is the time when fishing operations contract the most.

Mrs. FAIRCLOUGH: Does that mean that the people in Manitoba will be non-insurable?

Mr. MCGREGOR: They will not be insured if they work less than 20 weeks in the year at fishing operations and elect out. But it should be recalled that even there, from January to April, if a man goes fishing and does not make the equivalent of his weekly benefit, plus allowable earnings, we make up the difference. So they are still protected to that extent.

Mr. BRYCE: I did not catch that.

The CHAIRMAN: Well, you and Mr. McGregor both talk the same way, anyhow.

Mr. MCGREGOR: I am sorry!

Mr. BRYCE: When the ice goes off the water in June, the fishermen go out. And when the ice comes back in November, they get in about eight weeks before the date that you have in your regulations.

Mr. MCGREGOR: January 1st.

Mr. BRYCE: How can you overcome it? Will you change the date?

Mr. MCGREGOR: The dates are held as far as the benefit period goes from January 1st to mid-April. That is fixed.

Mr. MURCHISON: I think Mr. Bryce's complaint was that the fishermen on Lake Winnipeg have their busiest season from January 1st to mid-April which is off-season for most other fisheries. But we shall have to examine the effect of the regulations on these particular fishermen next winter before we can say whether they are useful or not.

Mr. BRYCE: They are on the lake in November fishing through the ice, and they start again in June.

Mr. MURCHISON: How long does their fishing season last?

Mr. BRYCE: It lasts until they get their quota. Sometimes as long as a couple of months anyway.

Mr. MCGREGOR: Sometimes as long as March.

Mr. BRYCE: Oh, that would be for another type of fishing when the ice comes in. That would be fishing through the ice, whereas the other type is fishing for white fish in the northern part of the lake.

Mr. JOHNSTON (*Bow River*): It seems to me that this is going to be a rather complicated thing to apply. Personally I would not attempt to argue the case now because it would take a very long time to study it and to get the facts in mind. I would imagine that the officials are going to have to try this out and give it a trial for a year or two in order to see in the different parts of the country such as in inland and in coastal fishing—how this thing works out. No doubt they will have to come back sometime to make other changes. If you get by without a lot of trouble with this thing when it starts, it will be a wonder!

Hon. Mr. GREGG: I am glad Mr. Johnston has brought that point up because I am sure that all members of the committee will agree that after the discussions that were held here, it will be very difficult to apply. The commission would hope very much that they might have a reasonable length of time through trial and error to arrive at a workable plan before they have to make up their minds with regard to amending it. It would depend on the effect on the fishermen when they begin to get their benefits. That will be the real test.

Mr. JOHNSTON (*Bow River*): Yes. In the discussions in the house I could never see why fishermen should not be brought under the unemployment insurance scheme.

Mr. MURCHISON: The conclusions vary so widely across Canada that the practices prevailing in Newfoundland are completely foreign when you get to the west coast, and again in the fresh water fishing, and again in Gaspe. They all have different ideas and different plans. It is difficult to make general regulations to fit all the situations. That is why some of these passages may have appeared rather complex. We have had to take into account the different practices.

Mr. BARNETT: I understand that and I think you have done a good job, for a starter, at any rate.

Mrs. FAIRCLOUGH: With reference to clause 8, under "coverage" which appears on page 5 of your plan, if the wife of a fisherman worked for a different employer than the one for whom her husband worked I suppose they would both be covered?

Mr. MCGREGOR: Yes.

Mrs. FAIRCLOUGH: Suppose the wife of a fisherman was engaged in the office of the same employer for whom her husband went to sea, would she be covered?

Mr. MCGREGOR: Yes, through her regular contract of service in the office. She is not engaged in the same fishing operation.

Mrs. FAIRCLOUGH: But if she was engaged by another employer than her husband she would still be covered?

Mr. MCGREGOR: Yes, as long as she was employed as a bona fide employee.

Mrs. FAIRCLOUGH: In the second paragraph under the heading "Earnings" on page 7 it states "thirty per cent of the value of the catch..." Is that thirty per cent of the value accepted as a rule of thumb?

Mr. MCGREGOR: Yes. From the information we obtained from the people whom we saw it appeared that they thought we were being a little generous. We had started off with forty per cent because we thought it would be a little difficult to work with 33½ per cent.

Mrs. FAIRCLOUGH: They are satisfied with this?

Mr. MCGREGOR: Yes.

Mrs. FAIRCLOUGH: Has this whole plan been submitted to the Minister of Fisheries?

Hon. Mr. GREGG: His deputy minister and officials sat in on all the discussions on the plan.

Mr. MURCHISON: We have had a good deal of assistance from the Department of Fisheries and the officials.

Hon. Mr. GREGG: We will also require a great deal of assistance from their officials out in the field as this goes into effect.

Mr. BARNETT: I would like to refer back to the point raised by Mr. Johnston. I think we all agree with him this scheme will entail a lot of difficulty, but I feel, apart from any other consideration, it is important that the members of the committee should examine and assess the various strengths and weaknesses of the plan as developed so far.

That thought came to my mind when Mr. Johnston was speaking with reference to the question raised by Mr. Bryce in respect of the fishing on Lake Winnipeg or in respect of other similar inland fisheries. I think we should have some indication from the commission as to what steps they may have in mind to inform fishermen engaged in that type of fishing as to the pros and cons of coming in under this plan or electing to stay out. It seems to me that is going to be a rather important consideration in respect of the particular fisheries mentioned by my colleague Mr. Bryce.

I wonder if we could have some indication as an example of what the commission may have in mind in regard to informing fishermen in that category as to whether or not it will be in their best interests to come in under the plan or to stay out for the time being at least.

Hon. Mr. GREGG: Could I ask Mr. Bryce a question? In respect of those persons whom you had in mind who worked at fishing only, say, from November to April in the winter months, do many of them find employment in the open season somewhere else in insurable activities?

Mr. BRYCE: Some of them, yes; but you have fishermen who would be what I would term crofters, or small farmers. The man may stay at home for a week and put up his hay and then go back as soon as possible to his fishing.

Hon. Mr. GREGG: Most of them would be anchored to their little home-stead and would not be able to go out and obtain employment.

Mr. BRYCE: When they go out they take their caboose along with them. They go fifty, sixty or one hundred miles away from home.

Mr. MURCHISON: I think the minister was referring particularly to these fishermen who work on Lake Manitoba and Lake Winnipeg in the winter months who are engaged in insurable employment during the summer months of the year. It is my information that the great majority of them are, as you called them, crofters and they stay on their few acres and have cattle and so on.

Mr. BRYCE: They may have a little pasture and so on, but they are all around the lake.

Mr. HAHN: If they are farming are they available for employment?

Mr. BRYCE: They need two forms of occupation in order to obtain an existence. They would be working in agriculture and agriculture is not insurable up to the present time.

Mr. SMALL: It would be similar to the case of a man who could sell insurance, sell cars, and run a service station. You could classify him in that way, could you not? He might get an income from three or four different things.

Mr. MCGREGOR: It is a question as to whether or not he engages in other insurable employment and could use those contributions in order to make up his qualifications for benefit.

Mr. JOHNSTON (*Bow River*): The only way in which he could come under this would be if in the non-seasonable period he was employed in insurable employment.

Mr. MCGREGOR: If he was only engaged in fishing for eight or ten weeks it is likely he will contract out. But if he has any other insurable employment he will contract in, in order to give himself a sufficient number of contributions to qualify. In so far as contracting out is concerned, I think Mr. Barnett raised a question. We have had schools at every regional office and had all our local office people in attendance at those schools. They concluded two weeks ago. All the offices in fishing communities have had all the information. Furthermore, we are making broadcasts whenever we possibly can arrange them through our local managers on local stations. There will also be press releases urging all fishermen to register as soon as possible, and when they register they will receive one of these fisherman's handbooks. We are also working through the fisheries officers and they will disseminate this information as soon as they can. That is what has been done so far.

Mr. HAHN: Reverting to the question raised by Mr. Bryce, would the man registered as a fisherman not have to be available for some other form of employment? If asked he could not say "I am farming now". Would he receive the benefit of unemployment insurance while he was farming?

Mr. MCGREGOR: That would depend on the extent of his farming operations during the period he is claiming benefit. We would have to decide whether or not he is actually a worker or a farmer on his own account.

Mrs. FAIRCLOUGH: Is that not the same problem which you had in respect of the lumbermen?

Mr. MCGREGOR: Yes, to a great degree.

Mr. HAHN: As I understand it there were certain representations made by various unions and different organizations including the United Fishermen and Allied Workers. Are the regulations before us today the same as those which were discussed at that time?

Mr. MCGREGOR: Pretty well.

Mr. HAHN: Would you outline for us what changes were made which appear in the regulations before us today?

Mr. MCGREGOR: The United Fishermen and Allied Workers proposal was absolutely different from this. They started out with an idea that the fishermen should pay an assessment at the beginning of the year.

Mr. HAHN: I think perhaps you are misinterpreting what I have in mind.

Mr. MCGREGOR: I am sorry.

Mr. HAHN: You discussed with them regulations similar to those which we have before us now. Are they in a somewhat different form?

Mr. MCGREGOR: Yes.

Mr. HAHN: Do these regulations compare exactly with the others or are there some changes or slight modifications in these as compared to the others?

Mr. MCGREGOR: There have been modifications to some small degree.

Mr. HAHN: What I am interested in is what has been modified in this as compared to the other proposal which you had before.

Mr. MCGREGOR: One, for example, is that we started off with the idea that if the fisherman sold his fish to a distant buyer we would try to insure him through that distant buyer. For example, if a man caught his fish in Prince Edward Island and shipped them to a buyer in Montreal that buyer, if he declared his willingness to insure, would insure the fishermen. But we found in actual practice it is an impossibility for a man in Montreal to know anything about a person in Prince Edward Island. The most desirable way to insure these people is to include the skipper in every possible case; but since it is an impossibility in practice to have the distant buyer insure them we will have the skipper insure them in which case he would be excluded.

Hon. Mr. GREGG: But that will not affect British Columbia very much.

Mr. MCGREGOR: No, the great lakes is where it will be most effective.

Mr. HAHN: Was there not another point which was changed?

Mr. MCGREGOR: Off-hand, sir, I am sorry I cannot say because we discussed so many things with Mr. Rigby when he was here. I cannot be certain but I am unable to think of anything else at the moment.

Mr. HAHN: There is one point on page 3, (1) at the bottom of the page. It says "A fisherman will not be insurable in respect of sales of fish to householders, restaurants or institutions—"

Mr. MURCHISON: There is no change there.

Mr. HAHN: I realize there may not be a change there but the question is I do not know just where fishermen sell all their fish on the Pacific coast, but I do know some of them sell it to some large institutions such as the mental institutions right along the riverfront on the Fraser River. I know some fishermen have been in the practice of selling their fish to these larger institutions. This is going to force the sale through another outlet which would mean in effect that the cost would be increased through another governmental body which would have to buy the fish. I wonder if possibly you might have some comment to make on that?

Mr. MCGREGOR: Our information was that most of those places dealt with wholesalers. We may be misinformed, but that was the information we got.

Mr. HAHN: They dealt directly with the wholesaler?

Mr. MCGREGOR: Yes. Mind you, if we find that somebody is doing that out there, then we might retrace our steps. As the minister said, this is a trial and error matter and there will be a great deal of re-examining.

Mr. HAHN: I can appreciate that.

Hon. Mr. GREGG: There has been a number of discussions on that point with a view to avoiding a situation, where a boat comes in, and somebody runs up the road to the cottages and says to the lady, "I have two fish here which I will sell to you for 50 cents."

Mr. HAHN: I would not make any complaints in respect to that objection, but it is just that these bigger institutions are being run by the government, and I would not like to see them being penalized as a result of being forced to buy fish—

Hon. Mr. GREGG: I would take it that, if fish was sold directly to the veterans' hospital in Vancouver for instance, that you would be able to work out that?

Mr. MCGREGOR: Not as it stands now, no.

Hon. Mr. GREGG: They buy direct from fishermen.

Mr. HAHN: I would not suggest that they do that. I was just raising the point because I was not sure what they do.

Mr. LUSBY: What has been the reaction of the fish buyers generally to the part they play in this scheme?

Hon. Mr. GREGG: Mr. Lusby, I think in your case you can rest quite happily, but I think it would be—is there anyone here from the south shore?

Mr. JOHNSTON (*Bow River*): Be careful what you say now.

Hon. Mr. GREGG: You are thinking now of Nova Scotia?

Mr. LUSBY: I am thinking particularly of my own area.

Hon. Mr. GREGG: I do not think there will be any difficulty in British Columbia.

Mr. LUSBY: There are some famous agitators there.

Hon. Mr. GREGG: Tell them the worst in respect to the Atlantic coast.

Mr. MCGREGOR: I think I should explain that we had 18 representatives of the fisheries council here, representing all provinces except Prince Edward Island. They came in, I think, not too happy. We discussed the whole thing until ten minutes after eleven one night, and then three hours the next day, and they told me themselves that they were going home a lot happier than when they arrived, because they had not realized what was involved. We told them that, administratively, we would try to help them all the way along. I am very happy to say that we have been promised, quite sincerely, the cooperation of the members of that council, and the other buyers that are involved. That promise was given quite freely, and I am sure they will do all they can to help us, and we will need it.

Hon. Mr. GREGG: You met some further buyers from the south shore last week?

Mr. MCGREGOR: Yes, we had a visit with men from Lunenburg, Shelburne, and Halifax, last week, and then I met some buyers at Winnipeg, and I met more buyers in Vancouver when I was out there two weeks ago.

Mr. BARNETT: Mr. Chairman, I think at this point, it might be of interest to members of the committee to have drawn to their attention something which all of them may not have seen. In a report on the fisheries council convention, I notice an article written by—and I can see his smiling countenance—Mr. McGregor, the director of the insurance branch of the Unemployment Insurance Commission. I also noted that Mr. McGregor has been invited to be a speaker at that convention. I was very pleased, I might say, to see that the commission is taking an active step to insure that the employers, as they are labelled under the plan, are going to have an opportunity of discussing this with the responsible officials of the commission.

Mr. BRYCE: Mr. McGregor, I wonder if you could give us any information in respect to how an Indian is going to be affected? We have got a lot of Indians working as crew on fishing boats and some of them fishing on their own, some of them are treaty Indians, and some of them are not treaty Indians. How will they be affected?

Mr. MCGREGOR: They are all insured if they wish to be, unless they wish to elect out under the scheme.

Mr. BRYCE: Thank you.

Mr. FRASER (*St. John's East*): I would like to ask Mr. McGregor what the reaction of the Newfoundland buyers was?

Mr. MCGREGOR: When we started off with the fisheries council, they were the ones who were a little more vociferous than the others. I think in the course of discussions they began to see that it was not going to be so severe on them as they first contemplated. We had a discussion with Mr. Max Lane, before we saw the fisheries council, as a matter of fact, and he went out of the office very happy about the thing.

Mr. FRASER (*St. John's East*): I see. Thank you.

Mr. STANTON: Mr. Chairman, some of the young men in my area, at the present time, are selling their catch to local grocerymen. In order to qualify, it would be necessary for them so sell their catch to wholesalers. The grocerymen are beginning to wonder if, by so doing, it will increase the cost of fish to them.

Mr. MCGREGOR: Did you say grocerymen?

Mr. STANTON: Yes.

Mr. MCGREGOR: They are buying for resale, I take it, and they would have to insure. If they are buying for resale, they have to insure.

Hon. Mr. GREGG: They have to look after the stamps.

Mr. STANTON: I just did not understand that.

Mr. MURCHISON: It has to do with the buying for resale as distinct from buying for consumption.

Mr. STANTON: Regardless of the size of the grocery.

Mr. BARNETT: Mr. Chairman, I have one or two questions relating to the statement that was read by Mr. Murchison, largely for the purpose of clarification. On page 8, under the heading "Contributions", near the bottom of the page, it reads: "Where necessary they will continue to buy ordinary insurance stamps to record contributions in respect of other employees, such as office staff". I was wondering if, for clarification, we might have some indication as to what other categories of employees will not be recorded as fishermen, for the purposes of stamps. I had in mind, for example, shore workers who had previously been insured. To use another example, the case of certain fishermen, employed in trap fishing at Sooke. It has been brought out either in committee or in the house by the member for Esquimalt-Saanich, in respect to these special fishermen that—

Mr. MURCHISON: They are covered?

Mr. BARNETT: They will be covered?

Mr. MURCHISON: They are covered now.

Mr. BARNETT: They will continue to be covered by ordinary stamps?

Mr. MCGREGOR: They are covered now. They have ceased operations since. They are not working at that any more.

Hon. Mr. GREGG: We got them covered before they stopped.

Mr. MURCHISON: That last sentence is in connection with fish processing plants. People who work in a fish processing plant are insured under the ordinary regular scheme, and the processor is really the employer, within the meaning of the act. He also becomes an employer, under a different category, in respect to the fish he buys from the fishermen. Therefore, he has to have two sets of stamps and affix them properly.

Mr. BARNETT: I think it would be well to have that perfectly clear on the record.

Mr. MCGREGOR: I think you are also thinking of tender men on collection boats, who are at present insured.

Mr. BARNETT: On page 10 of the statement, in the section dealing with the special arrangements where cured fish are sold, the second paragraph from the bottom says: "In recording the contributions arrived at in this way, the buyer will stamp for all the calendar weeks back to 1st May—". I am wondering why that date, the 1st of May, was selected, rather than the 15th of April, when the seasonal benefit period expires?

Mr. MCGREGOR: Our information is that there are no fish that can be cured before the 1st of May, because of weather conditions. That is the information we got.

Mr. BARNETT: That date is set because of the actual conditions of the fishing, as is outlined here?

Mr. MCGREGOR: That is correct.

Mr. LUSBY: Mr. Chairman, in my constituency the only important fishing is confined to lobsters, and of course, the fishermen have only the one season, which is approximately two months. It is my understanding, and I just want you to check this, that since he cannot work long enough to get the required number of contributions, his fishing contributions cannot ever be of any use to him, unless he is in some other insurable industry at another time.

Mr. MCGREGOR: That is right.

Mr. LUSBY: And if he is not in any other insurable industry, and particularly if he is farming, as many of them are, he cannot benefit under the scheme?

Mr. MCGREGOR: What does he do the rest of the year?

Mr. LUSBY: As I say, a good many of them farm, and that is not insurable. I was just wondering about their positions. They can never get any benefits from this scheme. I presume the sensible thing for them to do would be to keep out of it altogether, in that case?

Mr. MCGREGOR: If he employs a helper to help him fix his lobster pots, he must insure him.

Mr. LUSBY: Oh, yes.

Mr. ROBICHAUD: Mr. Chairman, I am not a member of the committee but, with the permission of the committee, could I ask a question?

The CHAIRMAN: Is that agreeable?

Some Hon. MEMBERS: Agreed.

Mr. ROBICHAUD: I know in my constituency there would be 1400 fishermen who would register under this scheme; 800 part time and 600 full time fishermen. In an area such as Shippigan-Miscou Islands, there would not be 300 to 900 fishermen involved. I noticed, the last time I was down in my community, that they were advertising, through the radio and the press, asking for fishermen to go to the nearest office to register. The nearest unemployment office is about 100 miles away. Would it be possible, in cases like that, where

there are large number of fishermen, to have an officer of the regional office go down there, at a special date, to explain to the fishermen the requirements?

Mr. MCGREGOR: That advertisement said to write to the local office, if they could not go in person. I think I have a copy of the advertisement here. It says:—in person or by mail.—The advertisement is as follows:

APRIL 1st, 1957

REGISTER NOW!

- ✓ EMPLOYERS OF FISHERMEN
- ✓ FISH BUYERS
- ✓ COMMERCIAL FISHERMEN

*Must register at their nearest National
Employment Office by April 1st, 1957
in person or by mail.*

Mr. ROBICHAUD: Even if it were done by mail, Mr. McGregor, in some areas where there are, as I say, large numbers of fishermen, it is a little difficult. A large percentage of these fishermen are not too well educated, and it makes it rather difficult.

Hon. Mr. GREGG: That advertisement referred to the employer, did it not?

Mr. MCGREGOR: No. It referred to employers of fishermen, fish buyers and commercial fishermen.

We propose, sir, right after April 1, to have as many of our auditors as possible visit the various areas.

Mr. ROBICHAUD: That is what I had in mind.

Mr. MCGREGOR: To contact all the buyers, and to see that they are insuring those people. The auditor will be available to explain, to any fisherman, the scheme, and to answer any questions that they may want to ask. We intend to do that but, of course we are limited by the number of auditors that we have. The fishery officer is also being used, to assist in this.

Mr. ROBICHAUD: That would be satisfactory, if the officials had a chance to visit the areas concerned.

Mr. HAHN: Another question on page 1 where you deal with the time during which one may be considered to be unemployed as being from January 1 to mid-April, does that mean that a fisherman will be confined to collecting unemployment insurance only in that three-and-a-half month period?

Mr. MCGREGOR: Except, if he has non-fishing contributions, or as year-round fishermen having at least six contributions in each of four consecutive quarters. And provided also in every case that he is involuntarily unemployed. You see the point, Mr. Hahn, is that we have to watch those persons because there is nobody controlling their employment and they can decide whether they are going to sea today or whether they are not, and there is a weakness in being outside that season.

Mr. HAHN: Yes, I can understand that there is a great deal of difficulty there and I am wondering what the effect is going to be, let us say, on Mr. Carter's area,—Mr. Carter is not here but I have heard him say to the committee a year or so ago that there are quite a lot of people in Newfoundland who might make more money out of unemployment insurance than they would in some of the occupations which they normally would have. That is a difficulty and if this season is really the rough season to be fishing, I am wondering what the effect might be on the fishing industry. Of course, that brings up another question as to when you intend to review the effect of this and to bring in another report for further consideration.

Mr. MCGREGOR: Well this will be under constant review right from the very start, Mr. Hahn, to see how this works all the way through—I can assure you of that.

Mr. HAHN: Yes, I suppose after an assessment of the facts that we may have in regard to the decline in the amount of fish caught in relation to the number of fishermen who are fishing and what would be normal for them to catch, would determine exactly what effect this is going to have and to see whether the period might have to be changed. Did representations that you have received from the United Fishermen and Allied Workers' Union, take any exception to this date that you recall?

Mr. MCGREGOR: Oh yes, yes that was one thing that they put forward. For example, they suggested that we should say that the salmon fishermen would not be eligible for benefits during the salmon period and that the halibut fishermen would not be eligible for benefits during the halibut season, however I told Mr. Rigby that such an idea would create absolute chaos, for a man could come in today and say he was a halibut fisherman for this purpose and next week he could come in and say he was a salmon fisherman. That is something that we simply could not control. Nevertheless he was trying to press for it or something of this kind virtually he was also basically requesting the imposing of seasonal regulations something which we have just thrown out.

Mr. HAHN: Mr. Robichaud said to the commission, and I would certainly agree with him, that this is a tremendous job of work which you have done and you are to be complimented for achieving it as quickly as you have and bringing it into effect. With respect to the modifications which are needed, however, I hope that they will be brought in as quickly as possible.

Hon. Mr. GREGG: I do think that one of the most important things to be considered is that this is not going to kill initiative in any stage of the game or in any part of the country.

Mr. BARNETT: Mr. Hahn has mentioned the representations of the United Fishermen and Allied Workers' Union and I have here a copy of the plan that they submitted to the minister under date of March 4, 1957, and they made suggestions in order to eliminate the inequities and anomalies regarding the adoption of benefit regulations presently proposed under the unemployment plan. I do not know what the minister thinks of this, but obviously he is not prepared to agree with all of their representations at this time. However I think the minister would probably agree with me that it is a document which represents quite a little bit of serious thought on their part and it has set forth rather ably, I feel, their views on the plan as they see it at the present time. Now earlier I think Mr. Johnston asked what fishermen thought of the plan and I think perhaps it might be of interest if I were to read to the committee a few of the comments in the introduction. They say the proposed plan of unemployment insurance of fishermen in Canada is in two important respects the most advanced and comprehensive legislation of its kind in the world.

Hon. Mr. GREGG: But they did not stop there though.

Mr. BARNETT: No, and then they point out what they consider to be the principal reasons for that. In my opinion they have raised some rather important questions in relation to the decisions that have been arrived at by the commission and by the government in introducing the plan; and I was wondering whether, in order that the members of the committee generally, could have an opportunity of analysing this plan as it is seen by the organizations which generally represent the fishermen on the Pacific coast, he would

be willing to make available a copy of this brief as an appendix to the minutes and evidence of the committee today.

Hon. Mr. GREGG: Well I would have no objection, Mr. Chairman, but I should like to say that the organization mentioned did do a very great deal of work in this matter and in the memorandum or brief that you mention now as No. 2. Last year their officials came down, in addition to Mr. Rigby I believe Mr. Stevens was the spokesman—and we were at the early stages of this thing and they spent all of a day, or more, in discussion with my officials here, and later, at my request, Mr. Murchison consulted with them when he was in Vancouver, and their views were gone into very very carefully.

By the time of course the March 4 memorandum had arrived, progress had been made; but I did refer, when I wrote to the author in my acknowledgement, to the inter-departmental committees that were then working on this matter. I think it is right to state that in their first plan, and also it is reported now, of course, in their second one, that there are—and correct me if I am wrong—things which could have been carried out if the plan had been devoted exclusively to the Pacific coast. Naturally, however, they prepared their submission for the Pacific coast.

Mr. BARNETT: That is right.

Hon. Mr. GREGG: I think we all understand the point of view as seen from that part of the industry. But I do not think we would want to have this scheme applying to one part of the fishing areas of Canada and to have the commission do, what in fact they toyed with doing, of having one set-up for the Pacific coast and a completely different one for the Atlantic coast, and maybe a combination of the two for the inland areas. I think that would have led to jealousies and misunderstandings and condemnations. I feel quite sure that the things about which the organization feels very strongly and which are incorporated in the brief are those things which actually could not be carried out because of the universality of the plan. I might ask what is the number of the type-written pages of the brief to which you have referred?

Mr. BARNETT: How many pages?

Hon. Mr. GREGG: Yes, I mean how big a printing job is it?

Mr. JOHNSTON (*Bow River*): It is very large.

Hon. Mr. GREGG: I am very glad to acknowledge the cooperation they gave and the work that they did on it, and I do feel it might be at this stage an unnecessary expense unless the committee insisted upon it.

Mr. JOHNSTON (*Bow River*): Well I think the same purpose would be served if they would send us each a copy of the brief.

The CHAIRMAN: Well after the explanation which the minister has just given, I do think I should say that this was not presented to the committee, it was not addressed or forwarded to the chairman of the committee and I do not think it would be proper to have it included as an appendix to the minutes now. I am, of course, in the hands of the committee.

Mr. BARNETT: I understand, and that is not a suggestion that I would be making in respect to many of the briefs that do come to our attention from time to time, but I feel that this one represents a more than usually carefully prepared submission on a subject that we all agree is pretty complicated.

Furthermore there are one or two points which I should like to raise in connection with it and I felt that if it were incorporated as part of the record, I might be able to condense my questioning a little. However, if it is not considered appropriate to do this and if the committee is not prepared to concur in the agreement of the minister that he would make it available, I think I

could perhaps pick out one or two of the salient points and ask questions on them and try to incorporate in them enough of what is contained here to be clear in regard to the points that I am raising.

Hon. Mr. GREGG: Would you prefer to do it before the committee, Mr. Barnett—I am quite sure that my officials who have been through that brief from the beginning to the end, would be glad to talk over any points arising from it, if that will be satisfactory to you.

Mr. HAHN: No, I would not agree with that, Mr. Chairman, because I am sure that some of the points which Mr. Barnett is concerned about are also points which concern myself and in which Mr. Philpott is also interested in respect to the Pacific coast and I think we should all like to be familiar with it.

The CHAIRMAN: Well let us have your questions, Mr. Barnett.

Mr. BARNETT: Mr. Chairman, there is one question which arises indirectly out of this matter, which I know has been very much the concern of the responsible officers of this organization, and that is the fear that because of the change to insurable employment of fishermen who in some instances might have been able to go back to other periods of non-insurable employment and qualify for benefits, in some cases they would be in a worse position, now that they are classified as insurable employment than they were prior to that, where they spent some of their time in employment that was insurable. Now, may we have some assurance as to whether the regulations will take care of the situation.

Mr. MCGREGOR: Well, as a matter of fact Mr. Rigby discussed that point with me and it was in connection with the extension of the qualifying period. He has in mind those people who are engaged in fishing, and perhaps some lumbering, and who were able to go back to a period of fishing to get old lumbering contributions.

Now, as I pointed out to him, fishing is now insurable, and of course it cannot be used for extension purposes. In other words you cannot have it both ways. But I know of no method whereby we can say that this is non-insurable employment for the purpose of extension of the fishing, and not say it for other insured employments.

Frankly, I wrestled with the thing for quite a while and I have no answer to it. I understand roughly there may be some three or four hundred people involved altogether for whom extensions had been made in the past years. But frankly because of the fact that it is now insurable employment I could not see how they could have it both ways and I could not get an answer to it. I have not forgotten it though and it is still in the back of my mind.

Mr. BARNETT: I think we all realize that the fishermen generally of British Columbia will, in the main, be in a position to qualify as insured fishermen, and that it will be to the advantage of most of them not to stay out. Therefore I think it is important that the questions that will arise in the minds of those fishermen should be answered. I have one other question: in relation to the qualifications of a full time fisherman, the union does raise the question as to why it is necessary to introduce the special qualification that a hired fisherman must also have at least six fishing contributions in each consecutive calendar quarter. They give an example of the distribution in various quarters, showing that in one case a fisherman has five, ten and thirteen stamps in four respective quarters, while another one has six, nine, six and six stamps, so that the man who has actually made the smaller number of contributions into the fund is able to qualify while the man with the higher number of contributions is not able to qualify. They point that out as an anomaly under the present plan in

respect to year round fishermen qualifying. I wonder what explanation the commissioner would give to the fishermen in respect to a situation of that kind?

Mr. MCGREGOR: The six contributions in each quarter—let me go back—I think actually when we started out thinking about the year round fishermen what we had in mind was the fellow on wages who works mostly out of the east coast on trawlers; he may work on wages or shares. That was the only person we were thinking of at the time. We thought, however, that perhaps there were other cases that could be covered and the only reason we put in six was to have the man demonstrate that he was a year round fisherman and that therefore there was no quarter in the year in which he did not fish. That is the only difference between the two men. The fisherman has to demonstrate that he has been fishing the year round.

The CHAIRMAN: Are there any more questions?

Mr. BARNETT: From the point of view of someone who comes from British Columbia there are some of these recommendations which I personally would very much like to see put into effect, although as I said at the outset of my remarks I realize that the minister and the commission have shown pretty serious consideration for these matters. Nevertheless I am convinced there is no lack of desire on their part to give as complete a coverage to the British Columbia fishermen as they would like to have. I do not see any advantage in pursuing the argument indefinitely at this time, but I think it might be just as well, if the committee should agree, that I read what seems to me to be a summary of the points which the fishermen have made so that they will be available for future study and thought. As I made it clear when I read part of their introduction, generally speaking the fishermen are pleased that the plan is going ahead and they certainly would not want to hinder its coming into effect on the date suggested.

The CHAIRMAN: How long is this summary?

Mr. BARNETT: About half a page.

Mrs. FAIRCLOUGH: Have you got it prepared, or may we take it as read?

Mr. BARNETT: It is listed under three headings. I would not propose to read it except that the minister indicated that he would have had no objection to it being made available. I assumed that this was available to a number of members.

The CHAIRMAN: Well, it is in the hands of the committee, as to whatever the wish of the committee may be. Is it agreeable to have Mr. Barnett read this summary?

Mrs. FAIRCLOUGH: The only thing is this: I have no objection to it in particular, but you would be hearing from one part of the country only with no representation made on behalf of any other part except the west coast. And while it may be very interesting and while it may set forth the point of view of the west coast fisherman, as the minister said, the big difficulty to be encountered is the fact that you would have varying opinions from people in different parts of the country. I cannot see any great point in doing it, but neither have I any great objection provided it is not represented as being representative of fishermen generally all across the country.

Mr. BARNETT: Well, Mr. Chairman, if the committee generally is not agreed, I shall forego reading it.

Hon. Mr. GREGG: I think both Mr. Barnett and Mr. Hahn have brought forward—and quite rightly—representations on behalf of this very important union.

Mr. HAHN: There is one reason I would like to point out why I think it might be well advised that we have their proposals placed on the record and it is that the act is new and the regulations are new. We have certain specific recommendations made by an organization which we all admit has spent a great deal of time in studying this thing. Those recommendations would give other districts of Canada which have not the same benefits or opportunity of study—it only amounts to about 15 lines of typing—whatever there is in the way of proposals from a group which has made a study of it. That would be the only reason I would ask to have it put on the record.

Mr. JOHNSTON (*Bow River*): I would have no objection to seeing it put on the record providing it is not too long.

The CHAIRMAN: Have any of the other members of the committee received a copy of this? Did I not understand Mr. McGregor to say that they had seen this and studied it and that they understand it?

Mr. BARNETT: I understood the minister to say that.

Hon. Mr. GREGG: Yes, not only this brief but a number of previous ones have been studied by the commission and by the committee; and in addition, both these gentlemen here have talked with the officials, and I think I am on safe ground in saying that the officials of the union know that this plan is going forward. We have registered and will keep before us the recommendations that they have made in their brief, and if any of them can be adopted from time to time, consideration will be given to it.

The CHAIRMAN: Does the committee agree to the reading of this summary of 15 lines or less?

Mr. JOHNSTON (*Bow River*): May we not take it as read and just have it placed in the record?

The CHAIRMAN: What is the wish of the committee in that respect?

Mr. BARNETT: I could have read it about three times over already.

Mrs. FAIRCLOUGH: In my opinion it is merely a matter of what is right and fair. Here you have a presentation made by one section only of the country. You could do the same thing in this committee with every part of the Unemployment Insurance Act and make representations on behalf of one section which did not apply to another.

Mr. BARNETT: Yes, but there are other parts which might be interested in having a look at my copy.

Mrs. FAIRCLOUGH: If those people wanted to have their representations accepted by the committee, they might have made copies of them made available to all members of the committee because they certainly know who the members of the committee are.

The CHAIRMAN: Well, as the committee is not unanimously agreed, it is in order to have a motion for adjournment if we are through with the question period. We might meet again at the call of the Chair.

Mr. FRASER (*St. John's East*): I so move, Mr. Chairman.

Agreed.

The committee adjourned.





