Clause 18 — Unemployment Benefits.

Since, under the Unemployment Insurance Act, 1940, and amendments, unemployment benefits are ordinarily available only to workers who have built up reserves by a period of continuous employment in insurable employment, Canada will provide for transitional unemployment benefits as follows:

Residents of Newfoundland in insurable employment who lose their employment within six months prior to the date of union and are still unemployed at that date, or who lose their employment within a six months' period after that date, will be entitled for a period of six months from the date of union or six months from the date of unemployment, whichever is the later, to assistance on the same scale and under the same conditions as unemployment insurance benefits. The rates of payment will be based on the individual's wage record for the three months preceding his loss of employment. The cost of this assistance will be borne directly out of moneys appropriated by Parliament for the purpose and not out of the Unemployment Insurance Fund.

Sir, that sounds a little complicated, but actually it means simply this: any men in Newfoundland who were working in a class of employment that is insured under the act, who become unemployed any time within six months before we become a province, or six months after - ordinarily they would get no benefits from the Unemployment Insurance Fund, because they would not have been paying into the fund, they would not have made any contributions. Now that would be the ordinary position, but this clause provides that they will get the benefits just the same as if they had been insured under the fund, and just the same as if they had been making contributions into the fund right along, just as if they had been in a province right along. They will be entitled to that for six months - if they become unemployed within six months after union. It's a little bit complicated, I think I understand it, but I don't know if I can explain it.

Mr. Fogwill What they will get amounts to exactly 36 days. That is just what they get, 36 days and nothing more.

Mr. Smallwood Oh no, I don't think that is it.

They will receive the benefits for six months. I think Mr. Fogwill has misread that. They will be actually paid unemployment benefits for 24 weeks, is it? Six months.

Mr. Fogwill Oh no, 36 days ...

Mr. Higgins Was not the purpose that in the event of any factories or other avenues of employment being closed as a result of confederation, employees would be more or less protected during that period?

Mr. Smallwood It is that I suppose, among other things.... Anyone becoming unemployed within six months before confederation or six months after confederation, he will receive the benefits for six months....

Mr. Fogwill No, Mr. Smallwood, that's entirely wrong. Six months, that is the limit, isn't it? In six months it would only amount to 180 days, and he would get 36 days if he were paying six months, so that is the limit he would get. Tell the truth about it.

Mr. Smallwood I think Mr. Fogwill is completely wrong. He reads it in that way, but I read it in another way altogether....

Mr. Ashbourne I suggest that we have an interpretation from the Chairman of the Convention, if he would not mind.

Mr. Hickman I suggest that Mr. Smallwood put that down as a question.

Mr. Chairman I don't think I ought to be asked to pronounce on it....

Mr. Ashbourne ....I should say, as a layman, that they would be getting unemployment insurance for six months. That is as I take it.

Mr. Fogwill That's wrong.

Mr. Burry As one of the members of the subcommittee that interviewed the department on this, I fully understood it that these unemployed men, for six months after confederation, would receive unemployment benefits for six months. Whatever the legal interpretation may be, that's my clear understanding of the matter, and I maintained that until Mr. Fogwill got up.

Mr. Crummey Being a member of that committee as well as Mr. Burry, I think that clause was put in particularly for those who would lose their jobs if we came into union. Some businesses that are protected now by tariffs ... would be closed up by virtue of going into confederation, and men would be put out of employment, and this clause was put in. Under the Unemployment Insurance