

*Unemployment Insurance Act*

Since he is here I should like to say that we believe the unemployment insurance investment committee should not have converted the victory bonds to conversion bonds. It is true that this applies also to all the Canadian people. It applies to the workers and the employers of this country who were enticed into the conversion hoax. Therefore it should not be thought exceptionally odd that the members of the investment committee of the unemployment insurance commission should have recommended the conversion of the bonds in this particular case, although it was a disadvantageous financial transaction. This appears to be quite easy to ascertain after the fact, but it may not have been so easy to ascertain before the fact. It may be true that the officials of the treasury department believed the propaganda they foisted on a trusting public. If they did, they are incompetent to make recommendations to the unemployment insurance investment board.

The members of this board had the opportunity to listen to the hon. member for Burnaby-Coquitlam when he outlined what the advantages and disadvantages of the conversion bonds were going to be. The results should have been obvious by the time the members of that committee made their decision, but I do not think that is of too much importance. I do not think we can give too great consideration to the fact that interest may be made or not made on the investments of the unemployment insurance fund, because I do not think these amendments are concerned with what happens to the money the workers put into this particular fund. What these amendments are concerned with is the additional drain on the moneys that were available for unemployment assistance, and in this regard we must give some consideration to whether the investments have been advantageous. But there are other matters which are of great importance in this particular case.

It has not been indicated by the minister—and I do not think it can be—that the workers are going to get a fair return for the money they spend. I think all workers in Canada are well aware of the fact that unemployment insurance has been advantageous to labour in general, whether it be those who are unemployed or those who are employed. The unemployment insurance fund has been advantageous to all the Canadian people and certainly to all the workers who are insured under the fund. I think they are also aware of the fact that if they want to increase the coverage of the plan they are going to have to pay for it.

Since I have represented some of those workers I am quite happy to say that they

will support an increase in contributions if they can be assured that they are going to be given dollar for dollar value for their investment. If we are to talk about only that section of the unemployment insurance fund which is on an actuarial basis, where an employee will get something for the investment of a certain amount of money, then this 30 per cent should be considered on that basis. But is that true of the amendments which we have before us now? We are continually saying that we have had an abnormal amount of unemployment in Canada in the last two or three years. We also fear that we are going to have that same abnormal amount of unemployment during the coming winter, and we hope in the coming years we shall have unemployment to a lesser degree.

**An hon. Member:** Are you forecasting?

**Mr. Peters:** Whose forecasts are we going to take? I am not prepared to accept the forecast of the Minister of Finance, because his forecasts have never been right. I look around the country. I can speak only for the area from which I come, and there has been very little change in the economic structure of that area which will provide work this winter. I think the situation will be no better than it was last year. If this is repeated in 265 ridings then the situation is not going to change very drastically. Therefore I think we must consider the fact that we are going to be faced with a large amount of unemployment. This, Mr. Chairman, is something that we cannot insure against, and we should not be asked to insure against it.

Let us go back to the last war. At that time the insurance companies were faced with a great problem. They had many young people insured for life coverage. They had insured them, and they could look at an actuarial chart and tell exactly how many of those young men were going to die. This calculation was based on figures and experience over a long period of time. Then the war came. This meant that a class of people who would normally live another 30 years or 40 years could die within months, and it became a problem of insurance that they could not face. In most cases a war clause was written into the policies which were issued at that time, which completely eliminated payments on death from causes due to war. In other words the war brought into effect a new class of risk that the insurance companies had not been prepared to insure against previously.

I think this is true of the unemployment insurance fund. By actuarial calculations we can find out exactly how much it is going to