

Unemployment Insurance; payment of contributions on behalf of ex-members of the Regular Forces; Treasury Board proposal for reference to a committee

40. The Minister of Finance said the Treasury Board, at a recent meeting had considered a communication from the Deputy Minister of Veterans Affairs requesting direction on the payment of unemployment insurance contributions on behalf of ex-members of the Regular Forces. The question had arisen because of the provision in the Veterans' Benefit Act, 1954, for payment of such contributions on behalf of ex-members of the Special Forces and of ex-members of the Regular Forces who were enrolled after July 5th, 1950 but did not necessarily serve on the strength of the Special Forces. In the main estimates for 1954-55, \$605,000 had been provided for this purpose and it had been necessary to increase the amount by an additional \$670,000 in the supplementary estimates. At that time, it had been suggested by the Board that the expenditure appeared to be more properly chargeable to the defence appropriation. Discussions had been held from time to time between Veterans Affairs and National Defence and it had been proposed that after March 31st, 1955, either this benefit should not be considered as a rehabilitation measure or the cost of the contribution should be charged against the defence appropriation. The Department of National Defence could not agree with either of these proposals and the matter was referred to the Board for direction.

It had also been suggested that it might be advisable to terminate this benefit in the near future because, although it had been supported originally as a rehabilitation measure for members of a force which was being expanded only on a short-time basis, it could hardly be justified now because the expansion had become more or less permanent. The Board had considered the proposals and directed that the matter be submitted for the decision of the Cabinet.

41. The Cabinet noted the report of the Minister of Finance on the matter of payment of unemployment insurance contributions on behalf of ex-members of the Special Forces and ex-members of the Regular Forces enrolled after July 5th, 1950, and agreed that the Minister of Finance arrange for interdepartmental discussions to review the legislation governing these payments, to consider whether or not they should be continued, and, if so, in respect of what persons in the forces and to what appropriation the costs should be charged.

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