

*Unemployment Insurance*

The Minister of Labour suggested that there was a contradiction in the amendment moved by the official opposition. Perhaps I might deal with that point before going on to deal with the other points made by the hon. gentleman. There is no contradiction. The plain fact is that there is a historical evolution. As the hon. member for Welland (Mr. McMillan) pointed out last night, the government in 1958 amended the act to provide for very greatly increased disbursements from the fund without making any provision for the replenishment of the fund. We condemned them at that time. We said that was an unsound policy, and we have repeated it on every occasion since. If the government had listened to us then, the fund would not now be in the precarious state in which it finds itself at the present time.

**An hon. Member:** They got their benefits increased.

**Mr. Pickersgill:** We did not oppose those benefits at any time. We oppose the conditions which brought about the increase in winter unemployment, dragging on into June of one year. We did not oppose the benefits, having regard to those conditions. But, we said, you have to be provident; you have to provide the money out of which to pay those benefits; you have no right to take money out of this actuarial fund by these unactuarial additions to it. That is our whole point. We have no objection to any of these benefits. Indeed, we are opposed altogether to driving people off the fund and putting them on relief.

But what happened? Last fall the condition of this fund began to worry the government. It should have worried them three years ago but at last they woke up to the fact that the position was serious. What did they do? In the guise of following strict insurance principles they looked around for the loopholes to get people off the fund and throw them on to relief. My hon. friend from Gloucester (Mr. Robichaud), my hon. friend from Beauce (Mr. Racine) and my hon. friend from Grand Falls-White Bay-Labrador (Mr. Granger) all pointed out last night that this is what happened. Work of a certain type was called casual employment. The work of carpenters employed by householders without there being a middleman was deemed to be outside the provisions of the act. Surely this is one of the last actions which one could have expected from a government which was urging us to "do it now" and encourage winter employment.

This decision had the result of discouraging employment. That is what they did, and that is what they are doing. Why? Because they are in a panic about the state of the

fund. They did not take action of this kind in 1958 or in 1959. It was only in 1960 that this interpretation was introduced. Of course, when the case got to the umpire, the umpire had no choice but to make a strict interpretation. But there was never any need for it to have been taken before the umpire. It never should have been taken to the umpire, and since it was taken to the umpire—and the decision was made on February 3—the government should have had its bill in on February 4 or February 5 to correct the situation and see that protection continued to be given to those people who were working in good faith believing that the law which had been on the statute books since 1941 would continue to be administered in the same way as in the past.

There is no contradiction at all involved in the amendment. We are concerned about the depletion of the fund. Everyone is concerned about that, but the way in which to avoid the further depletion of the fund is not to cut off from benefit a group of people who have always been insured in the past. The way to deal with the situation is to find a sensible and stable means of replenishing the fund. But much more important even than that, is to get back to the kind of full employment we had in this country from 1945 to 1957. In all those years nobody worried about the state of the unemployment insurance fund. Nobody had any need to worry about it.

**Mr. Macdonnell:** Does the hon. gentleman seriously ask us to believe that he and his colleagues were responsible for the fact that unemployment was less in those years?

**Mr. Pickersgill:** Well, the hon. gentleman did not protest five minutes ago when the Minister of Labour was claiming that the present government was responsible for the end of a recession which has not yet come. Oh no. He is only too happy to let his colleague claim that. But when we suggest that Mr. Mackenzie King in 1945 appealed to the people of this country to put his government back in power on a policy of full employment, and that for 12 years afterwards there was full employment, and that there is some connection between those two facts, the hon. gentleman rises to object. As Mr. St. Laurent used to say, maybe it is a coincidence. But it has just so happened that ever since 1896 every time there has been a Liberal government in this country, the nation has grown and developed, and every time there has been a Tory government there has been stagnation. That is a historical truth.

**Mr. MacInnis:** May I ask the hon. member a question?