

*Supply—Labour*

**Mr. Knowles (Winnipeg North Centre):** On vote 10, Mr. Chairman, I wonder if the Minister of Labour could tell us what is happening with respect to Canadian government annuities which I believe still come under his aegis. I am aware of the fact that certain cutbacks in staff have been made and that no efforts are being made to persuade more people to take out Canadian government annuities. But what is the picture? In particular, may I ask the minister if any consideration is being given to increasing the rate of interest that is applied in the computation of annuities paid by this branch? I remind the minister that the government is paying higher interest rates on Canada savings bonds and other money it borrows. Some people who have government annuities wonder if their benefits should not be adjusted accordingly.

I realize this as a very old program. In fact it came into being the very day I was born.

**An hon. Member:** Thirty nine years ago.

**Mr. Knowles (Winnipeg North Centre):** Yes, thank you; so after those 39 years maybe it could be improved.

**Mr. Mackasey:** Mr. Chairman, I must admit I have very little in the way of detail but I shall get more detail for the hon. member tomorrow. He of course knows that the emphasis on this branch was drastically reduced some time ago, I presume by my predecessor. The branch still functions because of the fact that there are many plans still in existence funded with the government. One of the problems is that there has been added incentive by the provinces to acquire many of the old, traditional funds that were placed with the federal government in the Department of Labour. In the past firemen's unions, towns and cities were among the better customers of the Department of Labour in this area. In recent years certain provinces have made efforts—I know this is the case in my own province of Quebec—to discourage the placing of funds with the Department of Labour in Ottawa and have them placed with some body on the provincial level. This comes back to the rate of interest that we are paying on this particular fund.

The government has been reluctant to increase the rate of interest, perhaps through a degree of over-conservatism and a concern to protect the fund. In any event it is felt the time has come for the Department of Labour to get out of this particular function. In 1967-68 there were 1,058 group certificates issued,

1,332 individual contracts issued, 966,000 annuity cheques issued and over \$66 million disbursed, and so it is still a fairly active program in that sense. But the emphasis has been removed from soliciting new business, and I will only suggest that I will discuss with the annuities branch the suggestion of the hon. member that a review be made of the rate of interest paid on this particular fund.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, it is not my wish to hold up this item and so perhaps I will settle for what the minister has said he would do. Perhaps he would get someone in his department to write me a letter giving the information I have requested.

**Mr. Mackasey:** And I will deliver it myself, to save the price of stamps these days.

**Mr. Knowles (Winnipeg North Centre):** The minister is feeling that too?

Item agreed to.

(The following items were agreed to:)

## Research and Development—

15. Administration including the co-ordination and advancement of Canada's role in international labour affairs, the administration of transitional assistance to workers in automotive manufacturing and parts industries, and related activities, \$1,734,800.

20. Grants, Contributions and Subsidies as detailed in the Estimates, \$1,175,000.

## B—Unemployment Insurance Commission—

25. Administration of the Unemployment Insurance Act including recoverable expenditures on behalf of the Canada Pension Plan, \$41,545,700.

**The Deputy Chairman:** This completes the estimates of the Department of Labour. The committee of supply—

**Mr. Broadbent:** Mr. Chairman, I realize I am probably too late from a legal point of view, but the minister, being a very honourable gentleman, might decide to answer my question in any case.

**The Deputy Chairman:** Order. We will need unanimous consent to authorize this. Is it agreed?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**The Deputy Chairman:** I regret that I hear some nays. The committee of supply will now consider the estimates of the Department of Public Works.