

*Unemployment Insurance*

I am reviewing some of the suggestions made by the hon. member in relation to the fund and what he would consider, I presume, to be solutions for the problems raised by the depletion of the reserves in the fund, which has dropped drastically since the government came into office. As I pointed out before the recess, this afternoon the Minister of Labour (Mr. Starr) in a very clear and concise manner answered the charge made by the hon. member in this statement, as found on page 4518 of *Hansard*:

However, I do believe there are many married women drawing money out of the fund who have absolutely no need to do so.

The Minister of Labour commented on that suggestion and pointed out quite rightly that the government had established equality of opportunity for women, whether married or otherwise, in relation to the fund, and I think nothing further needs to be said about that. However, the next suggestion by the hon. member was, I think, a rather interesting one and warrants some consideration. I quote from the same page:

Another cause of huge drains on the fund is the action of people who retire at the age of 65 and who then feel qualified to draw from the fund for 52 weeks. Though they only represent 3 per cent of the claims on the fund they are responsible for 10 per cent of the money paid out.

This seems to me to be an unusual statement. In analysing it, it is very difficult to tell whether or not the hon. member is opposed to these people retiring at 65 or is opposed to them qualifying because of the fact they have made contributions to the fund and as a result will get some benefits for a full year and will have some means of supporting themselves. This raises the problem of what happens to these people who have obtained benefits until they are 66 through this method of supplementing their income when no jobs are available to them. What happens to them between that age and the age of 70 when they are qualified to apply for assistance in another form? These people may only represent 3 per cent of the claims but apparently the hon. member wants to change the act and take away the benefit that accrues to these people who all their lives have paid into the fund and take advantage of the only opportunity they have to gain access to the benefits of the fund. I do not think they should be eliminated.

The hon. member went on to say, as found on page 4519 of *Hansard*:

...he indicated that in his view—

He is referring to the hon. member for Gloucester (Mr. Robichaud):

—the reason that the unemployment insurance fund had been depleted was that there was a high number of claimants drawing benefits from

the fund. With that statement I certainly agree. He did not blame the condition of the fund on the high unemployment particularly, as the sub-amendment does; he simply blamed it on the high number of claimants drawing from the fund. I think this is an accurate statement and a complete denial of the amendment which he subsequently moved.

This is a very interesting statement, Mr. Speaker. What is being said is that the substantial unemployment situation did not result in the large number of claims but that the claims were coming from some other source or were being made by people who were abusing the fund. He is saying that the number of people who are abusing the fund are much more numerous than the number of unemployed, that the high rate of unemployment did not have this effect but rather that it resulted from the actions of those who abuse the fund. The hon. member went on to say:

I believe, as I had started to indicate before the dinner recess, that there are a number of reasons why there are a high number of claimants under the act. We have the case of married women.

He went on to say:

In most instances it was also shown that they had husbands who were working full-time and for that reason there really was not any necessity for their drawing funds under the act.

**Mr. Speaker:** I am sorry to interrupt the hon. member but his time has expired. Does the hon. member for Vancouver-Kingsway wish to pursue the point of explanation he raised earlier?

**Mr. Browne (Vancouver-Kingsway):** No, Mr. Speaker.

**Hon. Donald M. Fleming (Minister of Finance):** Mr. Speaker, in the eight minutes that remain I must, of course, confine myself to one aspect of this debate and that is the subject of the investment of the funds of the commission. In this short time I shall endeavour to correct some of the welter of errors and distortions which have marked many of the speeches made by opposition members in the course of this debate.

There is nothing very new in what they have said. You will find that nearly all of it was said on June 16 and 17, 1959, in this house. The provisions of the Unemployment Insurance Act with regard to investment are direct and brief. Section 85 requires the Minister of Finance to invest all of the moneys to the credit of the unemployment insurance fund not required for the purposes of the act, in obligations of or guaranteed by the government of Canada. Section 20 sets up an investment committee composed of one person nominated by the Minister of Labour, who is the assistant deputy minister, one person nominated by the Minister of Finance, who is the deputy minister, and the governor of the