

Supply—Labour

cent increase in premium rates on contributions to the fund, the fund has depreciated at the average rate of approximately \$17 million a month during that 59 month period. We are now being asked to pump \$25 million into the fund. At the rate that has prevailed since this government took over that amount will be adequate to last only six weeks, approximately a month and a half. Perhaps that will be long enough to see the government through another election. I wonder whether that is what they have in mind.

An important question to ask ourselves is this. What problems will \$25 million solve? The *Globe and Mail* of May 10, 1961 carried an article entitled "Insurance or Relief" which warns the government against subsidizing the fund or abusing it, and points out that what is needed is reorganization. The first paragraph of the article reads:

As the indicator on the unemployment insurance fund swings toward empty, opposition members have called upon the government to subsidize the operation. It is apparent that some action to stabilize the fund is necessary; but outright subsidization would merely perpetuate the evils which have brought it to its present precarious state. What is needed is reorganization.

Those are profound words, and the government should take them seriously to heart. It is clear that the original purpose of the fund is no longer adequate. The original purpose was to serve a rather narrow field. The fund was designed to provide minimum income between jobs. It was assumed at that time that the interval would be of short duration. Almost everyone realizes that is not the situation we have had to face in the last few years. It is true that the fund has been eroded to a certain extent by circumstances. The advent of automation and other things of that kind have had a serious effect on the fund. It is also true that the fund has been eroded by the weaknesses of the Liberal and the Conservative governments, which have been unable to resist exploiting the vote catching possibilities of the fund. So they have brought within the confines of the original idea behind the fund many groups that were not thought of at the time the fund was established, and have thus thrown it completely out of focus.

In any event it is recognized by everyone, except apparently by this government, that something more than the original design is needed now. What we now have is only a palliative for an old disease which is no longer the sickness from which the country is suffering. The fund as originally set up was only for short term unemployment or unemployment of a nature that was capable of rapid readjustment.

The original plan adequately covered unemployment of the type the fund was designed to meet. It was not designed for the 12 month period introduced by the present government. At the time that adjustment was made I asked what provision was being made for these extensions. There was none. The original idea did not embrace supplementary payments. All these things really amount to the government offering assistance as a form of welfare and charging it to the unemployment insurance fund. That is why we are getting into so much trouble at this time. That is why today we are faced with an item of \$25 million representing an attempt on the part of the government to bolster the fund.

It is true that the fund has been subjected to abuses, some of which have been perpetrated by private individuals. Those are the abuses about which we hear so much. The government tries to create the impression across the country that that is all that is wrong with the fund; that someone here and there is chiselling, and some married women are receiving payments to which they are not entitled. I say there are greater abuses than those of private individuals.

Let me cite an example. In my constituency a couple of months ago a case was brought to my attention. A miner who had been employed in the local mines since 1923 suffered from bad health. This health declined to the stage at which he could not walk from his house to the road without pausing for breath. This man was fortunate in that he had served in the Canadian army for approximately five years and was eligible for what is known as the burnt out pension. Of course he was not really a burnt out veteran but a burnt out miner; but because there was no legislation by which he could obtain assistance in that capacity he was fortunate enough to be eligible for the burnt out pension as a veteran. We commenced an application for the pension. The individual was informed by a government official that before he could qualify he would have to use up all his unemployment insurance. What kind of nonsense is this? As soon as I heard about it I blistered the telephone wire; there was a quick about face, and the application went through for the burnt out pension. How often is this experience or a similar one repeated across the country?

I do not know why we have embarked on this game of self-delusion. I do not know why we think it is smart or adequate to believe that if we pay someone from another pocket, it really does not cost us anything. When we make payments out of the unemployment insurance fund, the burnt out pension fund or any other welfare fund it all