

**Mr. DesRoches:** My standard answer is—and I have given this answer in evidence a number of times—that these people are not truly entitled to it unless they meet the conditions of the law. The difficulty is that it is perhaps more difficult to determine whether or not they are meeting the conditions of the law. We have provided, this retirement benefit feature for people who will draw the Canada Pension Plan or the Quebec Pension Plan. However, they will cease drawing benefits after this three-week “retirement” benefit. This was provided as a means of closing off for those who take this option. The Government did not feel that we should go beyond that and have an arbitrary cut-off, because the Canada Pension Plan and the Quebec Pension Plan have not reached maturity.

I do not have the exact figures, but for a person earning \$100 a week, the benefits are somewhere around \$100 a month. It will take another three or four years before it reaches the maximum of \$200. It may be that in three or four years time the Government may decide that perhaps an age cut-off rather than a pension cut-off might be reasonable.

Since the two pension plans have not reached maturity, it was felt that it would be a more reasonable indication of a person's retirement at this stage, to use the pension plans as an indication of retirement rather than an arbitrary age.

On the other hand, the most recent statistics I have seen from the labour force survey—these were for some few months ago—indicate that some 37 per cent of men between 65 and 70 are still in the labour force. We sometimes assume that everybody retires at 65 and goes on unemployment insurance, when in point of fact a fair number of people continue to work. Therefore we could not close it off arbitrarily and say these people will no longer be working or requiring unemployment insurance.

For these reasons we will be left somewhat with the same problem as before, of having to make a decision as to whether a person is truly looking for work or has retired. We have however, one means determining whether he has retired, which is the pension feature. Beyond that we will have to make a decision as in the past and say, “What type of work are you looking for? Is this or is this not a reasonable decision?”

A further feature is the fact that many people in that category have to retire because of sickness. They will, of course, be covered under the sickness feature for 15 weeks. There will be ways of making things more legitimate than they were before for that group of people, either through the pension plan or through this pension feature.

**Senator Hays:** How does this unemployment insurance plan compare with that of some of the other countries such as the United States?

**Mr. DesRoches:** Under the new bill it will be very far ahead of the American plan.

**Senator Hays:** What countries would be ahead of ours?

**Senator Connolly (Ottawa West):** What do you mean by “ahead”?

**Senator Hays:** Well, for the benefit of those who are unemployed.

**Mr. DesRoches:** It is difficult to compare this with some of the European countries. The United States has 50 systems. Each state has its own system. As far as I know, effective coverage in the United States is now somewhere down to 33½ per cent of unemployed days.

**Senator Hays:** Thirty-three and one-third per cent of the workers are covered?

**Mr. DesRoches:** Of unemployed days. That is because there have been all kinds of features and interpretations put into various bills which reduce the effectiveness in each state. The coverage is not high in some states or else the benefits are low.

**Senator Hays:** This is not a national plan?

**Mr. DesRoches:** No, there is a national overlay and then there are 50 different plans operating under this overlay, which is a taxation overlay if you like. Each state operates its own system with its own commission, and the revenues all come from the employers. The employers have had a very strict right of appeal, which again has cut down the number of claims. I do not want to say anything derogatory about the American system; it meets their needs, but the coverage effectiveness is very much lower and the rate of benefit is not as high as 66⅔ per cent. There was a bill last year to improve the situation, but this was at the federal level, and it leaves a while to permeate the 50 state systems. I would say our system has a much wider coverage and higher benefits, and our eligibility conditions, of course, are better than in most of the states of the union.

**Senator Hays:** What percentage of our workers in Canada now are covered?

**Mr. DesRoches:** It is about 80 per cent now, and this bill will bring it up to about 96 per cent.

**Senator Hays:** 96 per cent of all workers will now be covered?

**Mr. DesRoches:** Yes. The main exclusions now will be self-employed, and that will include farmers.

**Senator Hays:** How are you going to cover farmers?

**Mr. DesRoches:** We do not intend that.

**Senator Hays:** There is no way.

**Mr. DesRoches:** This is the kind of thing that would have to be thought through. It is certainly not the kind of thing we were ready to recommend at this stage.

**Senator Fergusson:** I think you told us that 37 per cent of men over 65 are still working. Do you have any statistics about women?

**Mr. DesRoches:** It is much lower. This is between 65 and 70 years of age. I think in most business women retire earlier. I know the figure is much lower. I think women are seldom used as an example of people who abuse the plan on retirement. As a rule women retire much earlier.