

*Unemployment Insurance Act*

copy. Perhaps he would answer a question, since he has done some research. Did the head of the Unemployment Insurance Commission indicate to the committee when he notified me that he felt it was time for us to ask for warrants for more money? The hon. member omitted that, or perhaps ignored it unintentionally.

**Mr. Reilly:** Mr. Speaker, I have not ignored it; I am coming to it. I think the hon. member will find it interesting if he listens. In any event, one would have thought that at such a time the House would have been informed of the facts. In committee, before which the head of the Unemployment Insurance Commission appeared to answer, I asked why the minister had not come to the House. He replied that he had not told the minister about the situation until the middle of September.

**Mr. Lambert (Edmonton West):** The Minister of Finance publishes a monthly statement.

**Mr. Reilly:** I am not aware of the vicissitudes of daily ministerial life. I know ministers of this government are busy men and have a great deal to do. But would you not think that some time after July 10, when this man took over, or even prior to that, some official of the Unemployment Insurance Commission, perhaps over a late night Dixie-cup of coffee in the minister's office or over at the Rideau Club, might have said, "Hey, Bryce. You know that \$800 million? Well, it's gone."

**Some hon. Members:** Oh, oh!

**Mr. Reilly:** "It's gone, and we need some more." I know that the problems facing gentlemen who operate on such an ethereal plane must be enormous. I know how difficult it must be to remember these little details. Only last week I was reminded by my secretary to pay the telephone bill—but, Mr. Speaker, it was \$8, not \$800 million. I suggest to you that someone was pretty lax in the performance of his duties.

**Some hon. Members:** Hear, hear!

**Mr. Reilly:** This House had every right to expect to be told, before it was dissolved on September 1 for a general election, that the \$800 million advance fund would be dried up by the end of the year and recourse would need to be taken to other means of financing that fund. But the government did not do that. They waited around until parliament was conveniently out of the way and they avoided by that manoeuvre, at least temporarily, the bothersome and embarrassing chore of coming before the House, before hon. members and, thereby, before the people of this country and explaining how they had contrived to get rid of all this money that had been authorized.

They did not need to explain how they had allowed unemployment in this country to reach such incredible proportions that it was necessary to pay out that amount of money from the fund. They did not need to explain how the incompetence of their own forecasters had allowed them to run out of money six months ahead of time—to run out of all \$800 million. That is an awful lot of money and they would have had to explain it away. They did not want to do that because guess what happened two months

[Mr. Mackasey.]

after parliament dissolved on September 1. Two months after that came October 30, and we all know what happened on that day.

I can only assume that they had hoped—I would not impute rotten motives to the government or any individual in it—to avoid unnecessary and embarrassing questions on this score, and they nearly got away with it. They would have got away with it if my leader had not broken the sad news that the unemployment insurance fund was in difficulty. Then the minister from Verdun, as my colleague put it so colourfully early this evening, went to confession. He called a press conference and explained why on October 5 a governor general's warrant was issued in the amount of \$234 million to help finance this fund.

A governor general's warrant, as hon. members may be aware, can only be issued when two conditions are present: first, parliament must not be in session; second, it must be a payment urgently required for the public good. Obviously, the first criterion was met. Parliament—the government saw to that—was conveniently out of the way. That little number had been settled. Now we were left with the urgency of the payment. Well, we had hundreds of thousands of people out of work who needed their benefits, so we have to concede that they needed the money pretty urgently.

• (2030)

However, what does this tell us about the people responsible for the plan and its administration in this government? It tells us that they knew in May or June that they would be broke before December. It tells us that they pretended everything was just fine while parliament was in session until September 1. It tells us they sat on a situation which grew more urgent every day until they were able to dissolve parliament and were free to obtain the money they needed through the back door, without having to confess that they were bankrupt, that their predictions had been wrong and that unemployment was still disastrously high, even in the middle of the summer when it is supposed to recede.

In any event, warrants for \$234 million and \$220 million were applied for and granted. They total \$454 million. In order to deal with this situation the government could have called parliament into session after October 30. It had all of November and December to call us here in order to cope with the situation in which it found itself. It did not do that. It applied for a second governor general's warrant. Two weeks later the government brought us back here and introduced this bill, Bill C-124.

The Minister of Manpower and Immigration (Mr. Andras) told us plaintively that he cannot see why all the fuss is being made over a bill with two clauses in it. I remind him that you can declare war with one clause. They gave us this bill, this obscene mess, to cope with on January 4. We met in committee on January 30. We were then told we had until February 7 to pass this bill through committee, the House, the Senate and all stages it needed to go through or else we would be responsible for depriving the poor and the unemployed of their incomes.

**An hon. Member:** Blackmail.