

about something that has to be charged to the consolidated revenue fund; we are not talking about something that needs to be paid for by the taxpayers of Canada.

Mr. Nielsen: Oh, come on!

Mr. Knowles (Winnipeg North Centre): We are talking about a working advance that is needed because the money is not all in.

Some hon. Members: Hear, hear!

Mr. Nielsen: And about short falls.

Mr. Knowles (Winnipeg North Centre): We are talking of a scheme that runs in terms of a three or four-year cycle.

Mr. Nielsen: We are talking about short falls as well; the minister said so himself.

Mr. Knowles (Winnipeg North Centre): There is a short fall of revenue at the moment.

An hon. Member: And who is going to pay it?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, do I have to go over all this again?

Some hon. Members: No, no.

Mr. Knowles (Winnipeg North Centre): This afternoon I was invited to take the floor, whether I wanted to or not. Now I am getting the opposite advice.

An hon. Member: Some cannot understand the law, or will not.

Mr. Knowles (Winnipeg North Centre): This is a simple operation and is easy to understand if anybody really wants to understand it. I suggest that my friends of the Progressive Conservative opposition who continue to talk about this as if somebody was defrauding the treasury, or as if somebody was imposing an extra burden on the taxpayer, are misunderstanding completely or failing to understand how the present Unemployment Insurance Act works.

There are some other remarks I wish to make. I was not too happy—

An hon. Member: But you are happy now.

Mr. Knowles (Winnipeg North Centre): —over the arrangement whereby employers and employees were required to pay the whole shot up to the 4 per cent rate of unemployment. I wanted the government to come in from the first dollar, as was the case under the old scheme where the formula provided for a sharing on a basis of 50-50-20; but that was overruled and the present act was put on the statute books.

I think we are under the obligation to give the Unemployment Insurance Act in its present form a fair trial. I do not think my hon. friends of the Progressive Conservative party want to give it a fair trial.

Some hon. Members: Oh, oh!

Mr. Gilbert: Right on.

Unemployment Insurance Act

Mr. Knowles (Winnipeg North Centre): They say they are concerned about the poor. I say they are yielding to the backlash against welfare and the backlash against the Unemployment Insurance Act. I can read editorials in the newspapers, too, but I hold that the idea of unemployment insurance for covering people who are without income because they are out of work is a social principle of the highest order. This parliament has supported it since 1940 and it was advocated for 20 or 30 years before that. I submit that any individual or party that stands in this House and tries to downgrade the principle of the unemployment insurance scheme does not deserve to be listened to at all.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Let me say a few more words about this.

An hon. Member: I think the government had better listen.

Mr. Knowles (Winnipeg North Centre): I want to talk about this extra money that is supposed to be available as a working advance. I think the government was stupid for putting the ceiling in there in the first place. There is no reason why it was put there, and I think it is to be commended for admitting that was a mistake. Actually, the Minister of Justice (Mr. Lang), speaking for the Minister of Manpower and Immigration (Mr. Andras), before the standing committee used the term flip-flop. He said, "Yes, we made a flip-flop", and I commend him for his admission. As I say, the ceiling should never have been put there in the first place.

We have old age security in this country. We have an act which says how much our senior citizens are to be paid.

An hon. Member: It is not as good as it ought to be.

Mr. Knowles (Winnipeg North Centre): My hon. friend says it is not as good as it ought to be. That is correct; and it had better be a lot better soon, or else.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): But there is nothing in the Old Age Security Act which says—

An hon. Member: But there soon will be.

Mr. Knowles (Winnipeg North Centre): —that if a certain level of money has been paid out, no more may be paid.

Mr. Basford: The Tories will put that in, if they can.

Mr. Knowles (Winnipeg North Centre): That legislation happens to be comparable to the act we are considering because there is an old age security account to which certain moneys are credited. If that fund is in the red, do old age security payments stop? No. The Minister of Finance makes the necessary advances. Similarly, we have a Family Allowances Act in this country; it states that children up to certain ages get a certain amount of money. We have a Youth Allowances Act as well. Do we have anywhere any provision that if the number of chil-