

that was around Christmas time. We all know how the prediction turned out. In 1971 the government had the answer to all these problems—the new Unemployment Insurance Act.

I remember well the pride with which the hon. member for Verdun introduced that plan. Wonders yet unheard of were to be enacted by the House of Commons to the benefit of the Canadian people. Pregnant women were to be able to collect unemployment insurance while they sat and gestated away—students, casual workers, professionals; all manner of people. There was even a time in the Committee on Labour, Manpower and Immigration when it was suggested that Members of Parliament should collect unemployment insurance when an ungrateful electorate turned them out. That committee report makes fascinating reading, Mr. Speaker; I would recommend it to hon. members opposite as vocational training.

The hon. member for Verdun told us that with up to 4 per cent unemployment the fund would be financed by contributions from workers and bosses, and after that the government would pay. He repeated that phrase this afternoon—"the government will pay". I should like to know at this stage what his concept of the government is, if you except certain ventures of which my friends to his far distant right would probably approve, such as the minting of special money for special events. The fact is, Mr. Speaker, that it is the people's pocket we are talking about and that is what the hon. member for Verdun was talking about; but he would never put it that crudely.

• (2020)

It became obvious at that time, as contributions from bosses and workers would not flow in at precisely the same time as it was necessary to pay benefits which were badly needed because of the unemployment created by the government, that a provision would need to be made for an advance to the fund so that the commission could make payments to the unemployed even though the commission had not yet received all the contributions from the workers and the bosses. A provision along these lines was duly incorporated into the bill which went to committee.

About that time, we do not know precisely when, there was inserted by the conservative wing of the so-called Liberal party a provision saying that at no time could the advance from general revenues to this fund total more than \$800 million. Some members of the committee examining the estimates were confused as to why that \$800 million limit was necessary. Mr. Allen, director of economic policy analysis, said that the \$800 million figure represented the upper limit of the advance. Presumably he was talking in terms of deficits. The hon. member for Hamilton West asked if Mr. Allen had used a 7 per cent unemployment rate, to which Mr. Allen replied yes, he had used 7 per cent and that in order to cover the worst possible case they had added another \$100 million to the \$700 million for good measure. So, that is the scientific way in which the technocrats opposite arrived at the \$800 million ceiling of advances to the unemployment insurance fund.

Now we move to May, 1972. The Unemployment Insurance Commission became aware it was running into a

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crisis. May I quote from the evidence taken before the Miscellaneous Estimates Committee on January 18 of this year. Mr. Cousineau, the Unemployment Insurance Commissioner, said that in April the commission paid out \$109 million, and \$84 million in May. So based on the information that was available at the end of May, because there is always a time lag of approximately one month, the officials of the commission were expecting substantial—

Mr. Blais: On a point of order, Mr. Speaker, I think the hon. member for Ottawa West (Mr. Reilly) is quoting from a committee report. I thought it was a previous ruling of the Chair that no proceedings in a committee or reports of a committee were to be dealt with in this House until the committee's reports had been adopted.

An hon. Member: You are totally wrong.

Mr. Paproski: Stick to your back bench.

[Translation]

The Acting Speaker (Mr. Laniel): Order. I must point out to the hon. member that the matter he just raised answers exactly his question. In fact, as the committee has already submitted its report to the House, automatically nothing prevents hon. members from talking about what went on in this committee.

[English]

Clearly, hon. members are capable of commenting on the proceedings of committees.

Mr. Reilly: Thank you, Mr. Speaker. At any rate, when the figures for the month of May were tabled there was an indication that the level of benefits would need to be reduced unless the amount in the fund was increased. So they knew away back in May of last year that they were running into trouble.

I quote further from the evidence taken before the committee. Mr. Cousineau said:

I reported to the commission on July 10, and, on the basis of the information that was supplied by my senior staff, I gave instructions for a review in its entirety of our financial operations. In mid-August, based on the first six months of operation, I came to the conclusion there was a possibility that we may be running out of money, in accordance with that ceiling. Our pessimistic estimate was early November but our optimistic estimate was some time towards the end of December.

There, again, we have it on record that the commission knew in the middle of August it would be out of money at the very latest by the end of December. Parliament was in session intermittently until September 1 at which time it was dissolved and the federal election called. You would have thought that the minister who knew while parliament was in session that the commission would be running out of money would have come to parliament and said, "The commission is running out of money. It needs more."

Mr. Mackasey: Mr. Speaker, would the hon. member permit a question?

Mr. Reilly: Certainly.

Mr. Mackasey: I know the hon. gentleman is quoting accurately from the committee hearings. I do not have a