

Supply—Labour

from the fund over income to the fund, and if one wishes to examine the situation for each of the fiscal years from 1957 to the present time, he will realize that each year there has been a substantial drop in the fund.

I think I ought to put these figures on the record because they indicate the cause of the situation with which the fund is faced. For example, for the fiscal year 1957-58 the fund dropped \$130 million. In 1958-59 it dropped \$235 million; in 1959-60 \$134 million; 1960-61 \$181 million; 1961-62 \$118 million; 1962-63 \$57 million, and in the fiscal year which ended yesterday the drop was \$14 million, the least by a long shot of the lowest of the preceding years I have mentioned.

The fact is that the experience of the fund over the past year has reflected the improved employment situation and an improved labour market situation. For example, in the past six months the benefit payments from the fund have declined, in comparison with the year preceding, by something like 14 per cent, and the contributions have increased by a significant percentage, 4 per cent over the comparable six months of the preceding year.

Notwithstanding these improved circumstances within the fund, the accumulated inheritance of the preceding years, combined with the \$14 million drop last year, has resulted in a debit balance of an estimated \$4½ million for the fiscal year ended yesterday. In order to make our payments for the next two months we are asking the house to authorize this particular item. We expect that as income reaches an excess over disbursements in the months ahead we will pick this up and the fund once more will be in the black.

Mr. Starr: Mr. Chairman, we have listened to the very short statement, delivered by the Minister of Labour in a very casual manner in order to minimize the existing situation, but it is quite evident that the fund is broke. Of course the fund went broke a number of times in previous years. This is something we all know, but there was never an attempt made to cover it up. It was always the policy to come to parliament and give a straight statement of fact, so that parliament could vote the necessary authorization to lend money to the fund in order that those receiving unemployment insurance benefits would not be deprived of them.

The Minister of Labour has the faculty of always injecting political aspects into his statements. He goes back over the years and says the fund has dropped during those years, but on the other hand we hear him saying that conditions have improved tremendously and that unemployment is not in evidence in Canada any longer. If that is so, why is it

that over half a million unemployed Canadians are drawing unemployment insurance benefits?

I feel the government has pressured the committee to pass these supplementary estimates because this was the main item it wanted passed; but a lot of questions arose in our minds. It is easy to say that the supplementary estimates have been before parliament since March 6, the day they were tabled.

There was a \$1 item. Surely at that time the government must have been advised by the unemployment insurance commission that the fund was running out and that authorization to lend money was needed. I would not be at all surprised if they knew approximately, or exactly, when the fund would be dry. It would have been so easy for this government to have been honest and forthright. It could have come before parliament last Thursday and said: We need this item because the fund is running out and people will not be paid unemployment benefits. But they chose another course. They chose to sit quietly and demand that the committee pass all the items, including this particular item they needed. Now the cat is out of the bag. This is what the government wanted the committee to pass. This is why we are dealing with the unemployment insurance item today.

It is obvious that yesterday, when a question was asked so innocently and casually by the hon. member for Winnipeg North Centre and replied to by the Minister of Labour—

Mr. Knowles: I did not know the hon. member would regard me as innocent.

Mr. Starr:—to the effect that the fund was running out and, later on, when the Leader of the Opposition questioned the Minister of Labour about this matter, that the situation was bound to be disclosed. As recorded on page 1595 of yesterday's *Hansard*, the Minister of Labour said:

—I certainly do not want to put this in a provocative way, but my information today is that unless the particular item is approved this week, the commission would be in difficulty to make benefit payments by the end of the week.

Surely to goodness the responsibility of a minister of labour cannot be left to the last minute. If the hon. gentleman was doing his job properly he would have known before yesterday that this fund was in a precarious state. Can you imagine, Mr. Chairman, the unemployment insurance commissioners calling on the hon. gentleman yesterday and telling him they were going to run out of money at midnight? How could anyone swallow a story of that kind? But this is what the government hopes to get away with. Why did this government not take parliament into