

Supply—Labour

Mr. Martin (Essex East): I was not here on Friday because of preoccupation with constituency matters at home. I did not have an opportunity, therefore, to say something on this item which, as the house knows, has greatly interested me over the years. I have had an opportunity to read what was said in this debate. It is not necessary to traverse in detail the observations that have been made as to the reasons for the fund being in the perilous state in which we now find it, and as indicated by the fact that, the Minister of Finance proposes to extend credit to the fund in the amount of \$25 million.

The parliamentary secretary has just observed that it may not be necessary to use even this amount of money. This surprises me because the fund now is down to the proportions that had been anticipated by the unemployment insurance advisory committee in its report tabled on March 3, 1961. I am going to suggest to the parliamentary secretary that he is unduly optimistic. I suggest to him that this amount of \$25 million is not going to be sufficient, and that the unemployment insurance commission itself takes the view that the amount which the Minister of Finance proposes to extend is not sufficient.

When the parliamentary secretary has an opportunity to check this question I should like to know if it is not a fact that the unemployment insurance commission has asked for a much larger amount than \$25 million. Undoubtedly what the unemployment insurance commission had in mind was the observation made in the report of the advisory committee for the year ending March 31, 1961. In the third paragraph on page 3 of that report we find this observation:

The committee recommends, however, that the government guarantee the solvency of the fund until such time as amendments are made, and given effect to for restoring it to a sound basis, and that whatever sums are required for this purpose be provided for by way of grants. The urgency for such action is made apparent from statements made in paragraphs numbered 26 and 27 of the report of the assistant superintendent of insurance and the senior actuary.

I have not got the report of the assistant superintendent, but I understand that the assistant superintendent of insurance, and this was confirmed by the senior actuary, did point out to the unemployment insurance commission what the situation would likely be between the end of March, 1962 and the end of June of this year. I should like to know from the parliamentary secretary, at some point before this item passes, whether it is a fact the unemployment insurance commission itself has asked for a much larger amount than the \$25 million which is being requested in this item.

I also wish to make the observation that I believe it is rather significant that the item before us is being piloted in the first instance by the Minister of Labour and now by his parliamentary secretary. I do not quarrel, of course, with the parliamentary secretary assuming that role. However, in other years has this item not been regarded as a financial item? Certainly when questions were put in this house to the Minister of Labour which had to do with the financing of the fund we were always referred by the Minister of Labour to the Minister of Finance. A perusal of our discussions on this item over four years confirms what I have said.

Now, what are we doing here? We are attempting, by way of a supplementary item, to bolster up a fund which at one time stood at almost \$1 billion, a fund which is contributed to by the employers and workers of Canada and supported to a lesser extent by contributions made by the general taxpayers through the federal government. We are not doing this by way of a bill to amend the Unemployment Insurance Act; we are doing this by way of an item in the supplementary estimates.

I do not rise to repeat the criticisms made by hon. gentlemen opposite with regard to this procedure. I do rise to point out how serious the situation is when a fund of almost \$1 billion in 1957 has been reduced to the extent that it is now a little less than \$100 million, and at one time was almost \$50 million; and the Minister of Finance now finds it necessary to extend credit to that fund in the amount of \$25 million.

I am informed by a reliable source, not a source in the government, that the unemployment insurance commission has asked for a much larger amount from the Minister of Finance. These potential beneficiaries of the fund, those who are contributors to the fund, have a right to know that this fund will always be in a liquid state. Let it not be forgotten that the fund was of the proportion of \$1 billion because the money had been contributed not by the government of Canada but by two segments of Canadian taxpayers. We could find ourselves in a situation, particularly in the event of a general election, even more perilous than the one which we now face.

The manner in which the minister has dealt with this item does not explain why the fund is in a perilous situation. The minister has not denied that the fund has been reduced from \$950 million to its present proportions because of the high case load of unemployed people in this country who, in the exercise of their contractual rights, have derived means of sustenance