

*Unemployment Insurance Act*

that because, so long as he has the taxpayer into whose pocket he can dig, and so long as he has the legal means to extract from it, the plan continues to be actuarially sound. Mr. Steele said that the deficit may be a small one for that year.

I am not finished yet, Mr. Speaker. The then minister, the hon. member for Verdun (Mr. Mackasey), was being further examined. He is a very pleasant fellow. He kept on coming back to the committee.

**Mr. Nielsen:** He's a sucker for punishment.

**Mr. Baldwin:** On September 1, 1972, the date when that parliament was dissolved,—and I shall establish later that the Prime Minister (Mr. Trudeau) must have known what the situation was—the date on which the right hon. gentleman dissolved the parliament and plunged this country headlong into a general election—

**Mr. Andras:** How do you plunge into an election?

**Mr. Baldwin:** Hon. members opposite did plunge, and they have not stopped plunging yet.

We heard from the minister, and now I intend to tell the House what the facts are. At page 3936 of *Hansard*, again we find that the hon. member for Hamilton West (Mr. Alexander) took part in the debate.

**Mr. Alexander:** Yes, I was busy but I was being deceived all the time.

**Mr. Whelan:** You were the only one who was.

**Mr. Baldwin:** He might have been deceived at first but then he realized that something was wrong, that something was smelling pretty bad. The question reads:

MR. LINCOLN M. ALEXANDER (HAMILTON WEST): Mr. Speaker, perhaps this is a related question in that it involves the Unemployment Insurance Commission. During the debate on the Unemployment Insurance Commission the minister continually advised the House that the plan was actuarially sound and he staked his reputation on that.

Of course, we know what happened. He staked more than his reputation, he staked his job. The question goes on:

I ask the minister whether, now that he has had an opportunity to review the facts, particularly in the last week, he can in fact now state that the plan is actuarially sound?

HON. BRYCE MACKASEY (MINISTER OF MANPOWER AND IMMIGRATION): Mr. Speaker, I will explain it again and I will be glad to stake my reputation on my statement.

During the course of the proceedings of the Standing Committee on Miscellaneous Estimates, which was sitting recently, Mr. Cousineau appeared. The minister has already opened up this matter and thus allowed us to take advantage of it. At that time, Mr. Cousineau made a categorical statement, which will be referred to by my colleagues later, that at least in August of that year it was quite obvious that the limit of advances of \$800 million was in danger of being exceeded. Those were the facts. If that was the knowledge of the officials, it had to be the knowledge of the minister. If it was the knowledge of the minister, it must be taken that it was the knowledge of the government. That was in August, before the right hon. gentleman dissolved the House and called the election.

[Mr. Baldwin.]

I suggest, Sir, that from the evidence I have quoted,—and I could go on to quote the evidence given yesterday by the Auditor General, although I will not do that because it will be done later—it is absolutely certain that it must have been within the knowledge of those members of the government who held responsibility that this fund was sliding disastrously into bankruptcy. During the period from May to September, the public and parliament, as proven by what I have read, were being expressly and by implication told that the scheme was all right financially, everything was going according to plan. The minister even said on that day that it was “actuarially sound”.

In fact, however, if we apply in the House the standards that reasonable people should be entitled to use in the conduct of their own everyday affairs, the fund was sliding into bankruptcy, was disastrously, shockingly, bankrupt. The commission had run so far behind they had just about used up the statutory lending limit of \$800 million at the time the House was dissolved. They knew then that they were so close to it that it would not take too long for the warrant to be required. On October 5, Order in Council number PC1/1972 2487 was issued for a special Governor General's warrant for \$234 million for the Unemployment Insurance Commission. You do not get Governor General's warrants in five minutes. My submission is that there must have been consultations, discussions and telephone calls for some time before that Governor General's warrant was obtained. The government must have known what was happening to the fund, and they must have known it on September 1.

As a matter of fact, on October 5, the same day the Governor General's warrant was formally obtained, the then minister was interviewed by the press and the following appeared in the *Globe and Mail* of that day:

At a press conference yesterday, he also promised that Prime Minister Pierre Trudeau would give a detailed accounting of the financial operations of the Unemployment Insurance Commission. He refused to indicate when, except to say that it would be “at the appropriate moment” and—

Obviously, what he meant by that was that it would not be made before the election. He went on to say:

—“in ample time before the election.”

No such statement was ever made. The voters of this country were allowed to go to the polls suffering from the deliberate deception which had been practiced upon them, as it was practiced upon this House, by this government which sits opposite and now says that on that record it should be entitled to govern this country.

The press report reads:

Looking very tired, he repeatedly tried to explain that there is no deficit in the insurance fund because there is no fund.

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

**Mr. Baldwin:** The report continues:

There is a cost to the government in operating the scheme because above a 4 per cent unemployment rate workers' premium for the insurance are supplemented by the Treasury—

The following words are significant.

—up to \$800 million a year.

This statement was made on the very day the Governor General's warrant was being secured for an amount