

Supply—Labour

whether they expect any new plants there or not. I do not know whether just building a harbour is the answer. They may never secure a new plant as far as I know.

Mr. Winch: If my memory is correct, it is only a few years ago that there was something in the neighbourhood of \$900 million in the unemployment insurance fund. Now this fund has reached such a low ebb that the government finds it necessary to ask the House of Commons to authorize a loan of \$25 million to be available should a contingency arise, such as an increase of unemployment in the next few months because of industrial disputes or because of heavy layoffs in certain areas.

This situation must lead one, of necessity, to one of two conclusions, or perhaps to both: first, that no solution has been found to the problem of unemployment; second, that changes are necessary in the Unemployment Insurance Act so as to place it on a more stable foundation. The necessity for this supplementary estimate which is before the committee at the present time demonstrates that the problem of unemployment has not been resolved, though this is also evident from a study of the monthly returns issued by the dominion bureau of statistics. I am not particularly interested in statistics. I cannot become excited by them because, to me, whether there are one million people unemployed or 100,000 unemployed there is still a serious problem to be tackled.

But the fact we must all try to remember is this: in the event of unemployment the only protection an unemployed person has, is either a reliance on unemployment insurance or reliance on welfare. It must also be recognized that reliance on either of these means of assistance does not produce much in the way of security; it means a bare subsistence. However, it is necessary that these two means of help be available so as to provide some protection for those who, unfortunately, become unemployed.

There is one phase of this question which interests me. If a person is not eligible for unemployment insurance and has to rely on welfare, he receives assistance which is financed jointly by the federal government and the provincial government. That help is paid out as required, and no loans are made to the welfare fund. The money is paid out because of the necessity that exists. When the farmers are in trouble because of crop failure or a drought we have such a situation as was witnessed this session when the house was asked to approve the spending of \$43 million for the assistance of these farmers because of their economic situation. Everybody voted for it. That was not a loan to the farmers. That was an

[Mr. McMillan.]

outright gift to them because of the difficulties in which they found themselves. I fail to understand the reason for the difference in policy in the two cases. A farmer who was in difficulties on account of drought last year cannot recoup his losses; his crops have been lost. An unemployed man cannot do so either; his employment has been lost. I cannot understand why there should be an outright gift in one case and a loan in the other.

There is no question that we have to build up the fund so that in the case of need the money is there to take care of the unemployed in accordance with the regulations of the act. However, I wish this was an outright grant to the fund, and therefore a grant to those who are unemployed, in the same way as we make grants to assist agricultural producers, not merely to the extent of \$42 million, as we recently did, but to the extent of hundreds of millions. They are both workers in different phases of our economy.

First of all, of course, we must get down to tackling the problem of unemployment in all its aspects. But there is another matter which arises in this connection. After all the years during which we have been told that something was to be done to overhaul the Unemployment Insurance Act, surely the fact that this particular supplementary estimate is before us today demonstrates that the time has long passed when a complete study of the act should be undertaken with a view to a thorough overhaul of its provisions so as to place it on a sure and firm foundation.

Mr. Pickersgill: Mr. Chairman, the reason we have to lend \$25 million out of the treasury to the unemployment insurance fund is the fact, as the minister himself has indicated, that the fund must have enough money in it to meet its obligations until that season of the year arrives when the minister hopes and we all hope the intake into the fund will exceed the outgo, some time in the spring. It seems to me, as the hon. member for Welland said so well earlier this afternoon, that this is an evidence of the irresponsible and ostrichlike approach of this government to the whole problem of unemployment, it seems that we are faced with a confession by the government on March 16, 1962, when according to rumours the government is contemplating an appeal to the country, that they have let the fund get into this appalling mess and did not do anything about it.

It has been perfectly apparent to everyone in this country except the government that this situation was developing. As early as three years ago the government themselves mentioned in the speech from the throne—indeed they promised it before the election