

Supply—Labour

The Chairman: All those in favour of the item will please stand.

Item agreed to: Yeas, 91; nays, nil.

The Chairman: I declare the resolution carried.

Unemployment insurance commission—

752. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act—further amount required, \$2,227,000.

Mr. Martin (Essex East): This is a matter on which the Minister of Finance ought to be able to say something in addition to the statement by the Minister of Labour. We are asked now to vote the salaries of the staff of the unemployment insurance commission, those who administer this act. I am sure the unemployment insurance fund is a matter that has been engaging the attention of the Minister of Finance, as it should engage the attention of this house. We know that when the present administration took office the fund was substantial. While we have not the latest figures, it would seem that as we approach the end of the fiscal year 1958-59 the fund may be very considerably reduced. While I suspect that in the amendments to which it has been giving consideration the government may use a method of bolstering the fund, the fact is that if we have unemployment next fall and winter on any comparable basis with the present winter and last fall we may find that there will not be sufficient money in the fund to provide assistance to those who qualify under the act for unemployment benefits.

This is a matter of the greatest importance. We know that from July 1, 1941, when the fund was started, to 1953, the balance in the fund at the end of the year was always higher than at the beginning, and it reached a total of \$921 million at December 31, 1953. At the end of 1957 the fund was roughly \$877,470,144.39. At the end of 1958 the fund stood at \$625,363,366.21. Assuming that at the end of this fiscal year there will have been paid out roughly something between \$350 million and \$400 million, it is evident on these calculations that in the absence of a replenishment of the fund there would not be enough money next fall or next winter to take care of all unemployed people, assuming that unemployment was on the same comparative level as we have had now for the past two winters. It would therefore be a most anomalous position for the government, for this parliament and for the country to find themselves in, that having had a fund of almost \$1 billion, the situation I have

described could likely occur next fall and winter. We are certainly asking the Minister of Finance now to give us some indication as to whether or not that eventuality is possible. If it is, then the minister owes it to the house to indicate now, on this item, what are the government's intentions.

This is a matter of great consequence because the fund has been built up, as the Minister of Finance knows, largely as a result of the contributions made by employers and employees over the years. While the taxpayers generally in Canada have made a contribution, that contribution does not compare in any one year with the amounts contributed by the two basic contributors, namely the employee and the employer groups.

If the situation which I have pictured is valid, the government must accept responsibility for it. It will be recalled that last year the government brought forward further supplementary unemployment insurance benefits, and those benefits were paid out of the fund itself. I will admit that the government had a precedent at least for embarking on the principle of supplementary insurance benefits, because the preceding government had adopted the policy of providing benefits by way of supplementary payments in addition to the normal benefits. The difference between the practice followed by this administration and the preceding administration is that while we used moneys out of the fund for the purpose of paying these supplementary benefits, we replenished the fund every time there was any infringement made on the corpus of the fund. However, the supplementary benefits paid as a result of the policies recommended by hon. gentlemen opposite were paid out of the fund itself and there was no replenishment.

Now, it seems to us, as it seems to the employer and to the employee groups who have made representations to the government, that the moneys appropriated should come from the general taxpayers of the country, and the burden should not be imposed on employers and employees. If the fund is in the dangerous state to which I have referred, this will have been contributed to in part by the failure of the government to replenish the fund along the line I have indicated. If the situation is that the fund will be down so low as to warrant the possible conclusion at which I have arrived, assuming of course that there will be a high level of unemployment next winter and next fall, then the government should at the earliest opportunity indicate to the house what its intentions are.

The government advised the country in the speech from the throne that it proposed to bring in certain amendments to the Unemployment Insurance Act. We have been