

Supply—Labour

on June 20, 1961 announced, it will be remembered, that the entire portfolio of the unemployment insurance fund would in due course be taken over by the treasury at book values, and in exchange the fund would acquire interest bearing but non-marketable bonds which might be redeemed by the government as required on 30 days' notice. The direct government of Canada bonds held by the fund were to be cancelled, and the government guaranteed that the bonds would in due course be traded to the Bank of Canada in exchange for equivalent government bonds, which in turn would be cancelled.

I presume that this transaction has taken place, and I suspect that the course pursued by the Minister of Finance in that regard averted the loss to the fund of several millions of dollars during the fiscal year 1960-61. It would be interesting, however, to know whether that is the case. We should know from the government what have been the consequences. We are now discussing a means of replenishing the fund, and we should now know what is the consequence of the decision of the government to take over the entire portfolio of the unemployment insurance fund.

The fact is that that portfolio at no time ever suffered unmanageable loss until this government came into power and only after the bond conversion scheme was imposed on it by the debt management policy of the government of Canada at that time. But we should have a report with regard to the consequence of this policy in terms of saving of money, as the Minister of Finance indicated would be the consequence.

The advisory committee made a recommendation. They approved the government taking over the portfolio but suggested that the government should consider establishing a minimum rate of interest on these non-marketable bonds. Was that done? What was done about this recommendation? Was it considered by the Minister of Finance? If not, why not? Those are further questions that I would like to ask of the parliamentary secretary at this time. I am sure that the parliamentary secretary, who is replacing the Minister of Labour at this time, will not feel that I have taken undue advantage of him in asking some financial questions, but I believe these are important to the maintenance of the integrity of the fund itself.

Mr. Martin (Timmins): Mr. Chairman, I am a bit surprised that we have the opportunity to speak on this item today. Unfortunately, taking the house leader at his word the other day, I had occasion to cancel three rather important engagements in my constituency over the week end to prepare for another matter that was supposed to be taken up

today. But apparently we should be wiser by now than to take the house leader's word for anything.

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Harkness: Mr. Chairman, on a point of order, I think this is a statement which the hon. member will, on reflection, not want to have stand in that form. I think the word of the hon. member who is the house leader is extremely highly regarded. Also, saying that you cannot take the word of any hon. member I think is strictly against the rules.

Mr. Martin (Timmins): Mr. Chairman, I reiterate that because of the word of the house leader on Friday I had to cancel three important engagements in my riding to stay in Ottawa to prepare for the bill pertaining to corporations and trade unions. Some 10 minutes prior to the opening of the house today I was informed that we were not proceeding in that fashion but were going ahead with the supplementary estimates.

Mr. Benidickson: A slap-dash government.

The Deputy Chairman: Order. I was hoping to hear some comment or withdrawal by the hon. member in regard to the imputation on the word of the house leader. I think the sentiments couched in the language that they are in should not be left on the record.

Mr. Martin (Timmins): Out of deference to you Mr. Chairman, I shall make whatever—

Some hon. Members: Withdraw.

Mr. Martin (Timmins):—withdrawal is necessary under the circumstances.

We are dealing today with an item the purpose of which is to pump \$25 million into the unemployment insurance fund, which is almost depleted. It is rather strange that with the shortages we have in Canada today in the fields of public housing, highway development, water and sewage facilities and other things, the unemployment insurance fund should go broke.

I certainly have no more sympathy for the previous Liberal administration than have hon. members opposite, but it is interesting to reflect that in the 15 year period from 1942 to 1957, when this country was under the mismanagement of the former Liberal government, the fund grew at an average rate of \$9 million a month.

Mr. Benidickson: Prosperity in those days.

Mr. Pickersgill: Quite a contrast.

Mr. Martin (Timmins): Since this government has taken over, and in spite of a 33 per