

Unemployment Insurance Act, 1971

in accordance with such terms and conditions but not such rates as he may prescribe the payment of interest on the balance of the unemployment insurance account. That means that if there is a certain tight fiscal year, budgetary stringencies, the minister can quite readily say that he will postpone the payment of any interest, or he can even waive it. I recall certain practices of that type which were attempted in the past with regard to certain accounts, but they were soon smelled out.

• (5:00 p.m.)

Since a change is being made, I insist that the burden of demonstrating the reasons for that change being made lie upon those who are making the change. Nothing was said in the white paper in connection with this nor was anything said in the committee report. Neither was any reason given for it being done. Since I find myself charged, on behalf of my party, with the responsibility of the fiscal policy of this government, I want to know why there is this change from specified funds into the consolidated revenue account? We know that in the past we had problems with regard to the Public Service Superannuation account and the Armed Services Superannuation account. We know there was a problem with the CNR pension fund, and also with the CPR pension fund. Not one of them is funded.

In this connection, the government is actually taking a retrograde step. I would have hoped it would have funded the unemployment insurance account, but the minister shakes his head. That would have given the workers of Canada, those who contribute to the unemployment insurance fund, the advantages of the profits built up as a result of inflation, and what have you.

Mr. Francis: Just like they were about 1962.

Mr. Lambert (Edmonton West): So far as the Public Service Superannuation account is concerned, the same thing should have been done. Why did we have to go through the changes that we did? Why were people denied for so long the additional payments to which they should have been entitled? It was because, under the Public Service Superannuation account, we were told there was actually no way that this could be done. The reason was that there was no proper funding.

I am not going to point the finger at any particular administration. I say that this is a fundamental weakness in these matters, and there is no reason why the accumulations in the unemployment insurance account, if properly funded, should not be available for financing economic development of this country, not just to be used as transfer payments which frankly are non-productive.

The hon. member for Ottawa West (Mr. Francis) can shake his head all he wants, but I can use the moneys from a fund for economic development on the basis of loans that are repayable to the fund. In that case the loans are up against the yardstick of having to produce. Transfer payments from one class of taxpayer to another are up against no yardstick except popular demagogic appeal. There is no other measure as to the efficacy of transfer payments. They are merely transfers from those

[Mr. Lambert (Edmonton West).]

who are producing to those who are going to use them, and there is no yardstick as to their efficacy. After all, these are moneys that are taken from wages, not as taxes. Are we again going to have the government members talking out of both sides of their mouths, as they were yesterday, and as I say the ruling from the Chair was. It was talking out of both sides of its mouth when it was talking about contributions to the Canada Pension Plan being in one case plain tax and in another case merely a contribution. That is talking out of both sides of one's mouth, and cannot be held logically to be correct. But in this particular case, it is not a tax. However, the government is making it the equivalent of a tax since it is going to go into the consolidated revenue account.

The Canada Pension Plan does not go into the consolidated revenue account. There is a fund and the moneys are loaned out. That fund earns money for the benefit of the people who make the contributions. Why not have the same benefits accrue to the unemployment insurance fund? You could have a mix in the investment accounts of government obligations. The government could get access to this fund, and provincial administrations could also have some access to financing—industry—mortgages—the proper mix under the Trustee Act. In that case, then, I would say you could put the unemployment insurance fund to a double purpose. This would also meet the obligations of protecting a real insurance fund, of protecting the workers and at the same time giving them the benefit of their money, not government money. There is not any government money in this at all, not now. There will be if the country has unemployment beyond a certain rate.

If the government had to contribute that would be a super bonus. This might be a social concept that the government, because it may have had to impose certain fiscal measures and certain monetary measures that brought about a rise in unemployment, is under a responsibility to alleviate the results of that action. But surely to goodness, there is a real case to be made that this fund belongs to the people who contributed to it and under the present instance the government is taking it. As a matter of fact, all the moneys that are presently in the unemployment insurance fund are going into that particular account.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Lambert (Edmonton West): Yes.

Mr. Knowles (Winnipeg North Centre): Isn't it also true, if there is not sufficient money in the account to pay the benefits called for under the act, that the government is obligated to pay those benefits?

Mr. Lambert (Edmonton West): I will grant you that.

Mr. Otto: Then why have a fund?

Mr. Francis: 1962.

Mr. Lambert (Edmonton West): The reason there are insufficient funds is that the government has, likely for fiscal and monetary reasons, as it did this year, created