

The Budget—Mr. Martin

were told that the government had not yet considered that report. Then in the dying hours of the last day of that session the Minister of Labour tabled the report in the same way by handing it to the Clerk of the House. Parliament was thus denied the opportunity of knowing its contents, and participating in debate based on its recommendations and commentary.

This clearly reveals one thing; that this government does not want a full disclosure made of the situation which presently confronts this fund. Why did the Minister of Finance himself not make reference to the financial state of this fund? He has an obligation, a duty as Minister of Finance to make a review of the financial situation in the country in all its aspects, particularly at this time; because we are told in the speech from the throne that the government intends to bring in amendments to the Unemployment Insurance Act to deal, among other things, with the financial state of the fund.

If I may make any suggestion to the Minister of Finance, may I say that I trust whatever he proposes to do will be done by way of replenishment of that fund from the consolidated revenue fund itself, for reasons I intend to indicate. In that event, unless no act is going to be done before the end of this fiscal year, there can be no justification whatever for the Minister of Finance not having referred to the state of the unemployment insurance fund in his budget speech.

It is interesting to note that the Minister of Finance said in his budget address that instead of a promised surplus of \$12 million there is now to be a deficit of \$285 million. I am going to suggest to the minister that the deficit next year, if he does what he should do about the unemployment insurance fund, will be not less than \$425 million. If the recommendations of the advisory committee are followed, at least \$137 million has got to be transferred from the consolidated revenue fund in order to give the government the opportunity of living up to its contractual obligations to the unemployed workers who are beneficiaries of the unemployment insurance fund.

This special report tells us some very significant facts, and since the Minister of Labour has not told us about them, and since the Minister of Finance has not discussed them in his budget speech, it falls upon us in the Liberal opposition to comply with an obligation which clearly under our form of government belongs to the Minister of Finance and his colleague. The report points out that as of September, 1960, there was \$319.5 million in the fund. This figure represents the book value of securities held. The advisory committee recommends that this

amount be reduced by 8 per cent in order to allow for the loss on the sale of securities between October, 1958 and September 6, 1960. The report points out that the fund has had to absorb a loss on the sale of securities of close to \$28 million. I point out again that this is money which belongs to the workers and the employers of this country, not to the people of Canada as a whole; and I make the statement now—one which should have been made by the Minister of Finance in his budget speech—that since this government came into office there has been an actual loss to the unemployment insurance fund of some \$50 million, a loss to those two segments of the population who are the main contributors to the fund.

We are entitled to ask the Minister of Finance how this fund is to be replenished. Has the government arrived at a policy? We were told last session by the Minister of Labour that the unemployment insurance commission had made recommendations, that these recommendations were made last spring. If that is so, why did the government not bring in legislation before Christmas so that a committee of this house could be convened to examine the bill in order to determine whether the provisions recommended were satisfactory? Such a committee could not only have examined the financial situation and the proposed amendments to the act; it could also have considered the means by which so much financial loss might be repaired and the other proposals which no doubt would have been made. I venture the suggestion, that because of the way in which the business of the house is conducted by this government we shall reach the perilous period of the end of May with precious little, if anything, done about these amendments to the Unemployment Insurance Act. Possibly nothing at all will have been done about means to replenish the fund.

The fund, to remain in existence, must be replenished according to the advisory committee, from the consolidated revenue fund in the amount of \$131 million. But this minimal amount will only reimburse the fund for the direct losses it has incurred through the forced sale of securities and in paying abnormal seasonal benefits and payments to fishermen. So we should like to know from the Minister of Finance the answer to this question. How are payments being financed at the present time? Are they being financed through the sale of securities and, if so, what losses are being realized? Are they being financed by the government, and what effect will this have for, say, the months of November, December and January? Am I right