

department. The people there work industriously and do a great deal of overtime in order to get the cheques out on time. I pointed out that the problem was the responsibility of the government and, in my opinion, of the senior staff of the government. I mentioned the chairman, and the minister saw fit to call me to task for belabouring senior civil servants in this chamber.

I ask you, Mr. Speaker, where else could I possibly bring to the attention of the people in my riding in particular, and of the country as a whole, the inadequacy of the government and of its senior employees in administering the Unemployment Insurance Act? At that point in time I made no mention of the hon. member for Verdun (Mr. Mackasey) because he had been, shall I say, drummed out of his position in the cabinet. I am not in a position to know what happened, but in some way, shape or form he is no longer there and is no longer responsible. However, he has made a number of points in this House that I think should receive some attention.

I do not have copies of the proceedings of the committee with me, even though I participated in many of the meetings, nor do I have copies of *Hansard* to quote from, so you will have to take what I am about to say as being very, very close to the exact words of the hon. member for Verdun. I remember him accusing the hon. member for Hamilton West (Mr. Alexander) of being a reactionary. Mr. Speaker, if Lincoln Alexander is a reactionary I am very proud to stand behind him as another reactionary, particularly in this matter. The hon. member for Verdun said that the \$800 million was nothing more than a method by which the government lends money to the Unemployment Insurance Commission. Good gracious, what do we do with \$800 million if it is nothing more than a method by which you lend money?

Shortly thereafter he said the \$800 million was obviously inadequate. Well, Mr. Speaker, we have seen that it is inadequate. I think it has been quite well demonstrated this evening that the government knew it was inadequate long before the session last August. If the government did not know that, the senior civil servants knew it was inadequate and it was their responsibility to tell the government, as my colleague said earlier, perhaps over a paper-cup of coffee, but certainly the message should have got across.

I charged in my maiden speech that the extra ten cents contribution placed on employers and employees would not be enough to cover the deficit. I am intrigued to hear the hon. member for Verdun now say that the amount left over would be balanced to the nearest five cents or ten cents. Many of the employers who are paying contributions are small employers. They employ very few people. In fact, many of them really do not make as much as some of the people they employ. But they will have to pay that extra nickel or dime. I suggest that that is another method of taxation, and an unfair one to boot.

I was further intrigued by the rationale of the hon. member for Verdun when he said that the paying out of something like \$2 billion could be equated to a reduction in taxes and in fact was reducing regional disparity. Perhaps it was balancing the money across the country, but once again it is the taxpayers, the 93 per cent who are employed, who are paying the shot. I suggest that they

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might well like a better way of having control over how the money is going out.

At the committee hearings I asked several questions and I have fairly good recall as to the dollar figures that were mentioned. When I questioned the cost of administration I was told that in 1970 the cost of administration had been proposed at about \$59 million, and in fact had gone over by maybe 10 per cent and was about \$65 million. I was told that the cost of administration in the calendar year 1971 had been proposed at about \$70 million, and in actual fact had gone about 20 per cent over to \$86 million. Perhaps those figures are not too unreasonable. But then I was told that in 1972, when the estimate had been \$71 million, it had in fact gone to about \$120 million. I was given the impression that really a million more or less does not really matter, but to someone coming from the county of Hastings in east-central Ontario I can assure you that \$1 million more or less makes quite a difference.

• (2130)

The difference, though if it is \$120 million, is \$49 million—a difference of 70 per cent. In my maiden speech in the House I predicted that we would find that indeed we were over by something like 70 per cent. The Minister of Manpower and Immigration (Mr. Andras) said I should leave personalities out of it when, in my maiden speech, I said that I would not wait to be fired if I had overspent by \$50 million; I would quit. If I do not go after the chairman of the commission this evening—and I may—then I think it equally appropriate that he who would allow such extravagant expenditures should in all conscience give up his position.

**Some hon. Members:** Hear, hear!

**Mr. Ellis:** If this was not an error, Mr. Speaker, and I think it was not, I strongly suspect that this \$50 million was tossed into the kitty just to cover up some of the complaints we were getting that they were holding off an election. That \$50 million was spent in putting people into jobs with the Unemployment Insurance Commission that they no longer hold. That \$50 million was spent in trying to get some of these answers, to get some cheques out and to get people off their backs so that they could get on with an election. They knew the consequences of going into an election with that around their necks, and had to get out of it.

In the miscellaneous estimates committee I asked the chairman of the commission if he would break down the first half and the second half of the year. First of all he estimated a 50-70 break, but then he thought that the first half of the year was not any higher than the last half. I would have thought that the first half of the year might have been higher, but he might have misunderstood the answer I was looking for, in all fairness. In the first half of the year they were pouring money in, trying to stave off the consequences in view of the coming election.

There was a question of whether the number of unemployed was roughly the same in 1970 as in 1972. It is my recollection from statistics quoted earlier in the day that there were only 50,000 more unemployed in 1972 than in 1970. That is not a great increase, but if it is so, then where