

employees in the following year. So, the purpose is not to accumulate funds, not to keep huge surpluses or acquire huge deficits year by year; the purpose is to adjust the contributions of the employer and employee so as to finance the benefits that are available between zero and 4 per cent rates of unemployment.

**Mr. Lambert (Edmonton West):** That is welfare and not insurance at all.

**Mr. Mackasey:** The hon. gentleman has just stated his philosophy. He is against welfare and against the poor.

**Some hon. Members:** Oh, oh!

**Mr. Mackasey:** Mr. Speaker, I am not interested in being diverted by attacks on the poor.

**Some hon. Members:** Oh, oh!

**Mr. Mackasey:** I want to explain something—

**Mr. Lambert (Edmonton West):** Go ahead by all means.

**Mr. Mackasey:** I want to explain something, and if you want to learn something you might just listen.

**Some hon. Members:** Oh, oh!

**Mr. Mackasey:** The cost of benefits that come into play at unemployment rates over 4 per cent—I am talking of the extended period—and the sickness and maternity benefits, the help to fishermen, and so on, is borne by the government. That particular provision is nothing more than a commitment by the federal government to absorb that cost since, in the final analysis, it is responsible for keeping unemployment to tolerable levels in this country. At least we have had the courage as a party, despite high unemployment, to recognize our obligations to the unemployed and to assume them by introducing what I still maintain to be the most progressive unemployment insurance plan in the world.

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

**Mr. Mackasey:** To illustrate, let us just visualize for a moment a business. There are many businessmen here, many honest economists and also, I hope, open-minded people and they are listening. If you can visualize a business that as it sells its products is not paid in cash but accumulates accounts receivable, you can understand what the purpose of the \$800 million is. The contributions of employers and employees are paid at the same time as the moneys are sent in for income tax and the Canada Pension Plan. Those moneys are transferred to the department dealing with unemployment insurance from the Department of National Revenue which has the responsibility of collecting it.

Large companies make bulk payments and the Unemployment Insurance Commission accumulates accounts receivable. The purpose of the \$800 million is nothing more than to lend the Unemployment Insurance Commission the cash to finance its accounts receivable, including those from that large debtor which happens to be the government of this country. So hon. members have completely misunderstood the purpose of the \$800 million. It is

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to finance accounts receivable. It is to finance the revenues of the commission and to finance what is paid out week by week as unemployment fluctuates from region to region.

**Mr. Stanfield:** We understand that.

**Mr. Mackasey:** However, Mr. Speaker, experience indicates that \$800 million is not sufficient to finance the accounts receivable that are accumulated by the Unemployment Insurance Commission—

**Mr. Nielsen:** Why was the ceiling put on?

**Mr. Mackasey:** —so that section is better struck out of the act.

**Mr. Nielsen:** Why was the ceiling put on?

**Mr. Mackasey:** Why was the ceiling put on? In all probability, to avoid the necessity of trying to predict rates of unemployment in this country. I will be honest. That should please you people on the other side because, confidentially, for the last six weeks, and during the election campaign you tried to become the party in power by riding to power on the backs of the poor, and you are not going to do it.

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

**Some hon. Members:** Oh, oh!

**Mr. Nowlan:** We are going to ride in on your backs, that's what we will do.

**Some hon. Members:** Oh, oh!

**Mr. Mackasey:** Mr. Speaker, my role has not been the easiest one in this country.

**An hon. Member:** Don't speak like a demagogue.

**Mr. Mackasey:** I at least will walk out of here with the integrity with which I came here ten years ago, which is more than some of those who are trying to speak out of both sides of their mouths can say.

**Some hon. Members:** Oh, oh!

**Mr. Baldwin:** You are the people who created the unemployment.

**Some hon. Members:** Oh, oh!

**Mr. Mackasey:** The \$800 million question has been constantly raised and constantly misunderstood. It is almost impossible to imagine how, collectively, one hundred or more people can be so stupid that no one understands the purpose for which the \$800 million was put in the act.

• (2130)

Secondly, Mr. Speaker, unemployment insurance runs on a calendar year. We now know to the copper, according to the minister's statement, what it will cost in paid-outs. The minister's statement is worth reading. Hon. members should read it because it is factual. This plan has cost the Canadian people approximately \$200 million. In fact, the