

years ago, which was \$35. I have looked up the results of polls, not only the Gallup poll but private polls which people were kind enough to place at my disposal after the election. I find that 51 per cent of the people who voted against the government voted because of unemployment, that 13 per cent voted because of inflation and 6 per cent because they thought old age pensions needed improvement.

The grouping together of welfare, baby bonus, need to help poor families, poor administration of the unemployment insurance fund and abuses of unemployment insurance made the sum total of 5 per cent. Only 5 per cent of the electors of this country voted against the government because we increased unemployment insurance. That did not prevent people jumping off the bandwagon or moving from the traditional humanitarian approach to one of extreme reactionaryism. The tragedy is not that it affected me. The tragedy is that we have temporarily placed a stigma on one of the most progressive pieces of legislation in any country in the western world.

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

**Mr. Mackasey:** I am not a graduate economist, but I remember when I took the subject getting "D's" instead of "A's". Someone asked me why I did not switch classes until I found a professor who agreed with me. This I did, and I received "A's" for the rest of the course. This is an old trick with which I suppose many hon. members are familiar. However, I see very little difference between distributing \$2 billion through unemployment insurance payments, which leads to consumer spending in the regions where the unemployed live, and cutting personal income taxes which has been suggested by the Leader of the Opposition (Mr. Stanfield) and by other famed economists in the front row. I see very little difference between putting that \$2 billion in the hands of unemployed people who have a propensity to spend the money in the region where they are unemployed and cutting personal income tax, thus putting that \$2 billion in the hands of everybody, the rich and the poor. Under the latter method, those who are so poor they pay no income tax receive nothing. Those who work and receive it will place it in savings, and the rich perhaps will use it for a trip to Europe.

I wonder whether we quite appreciate the beneficial side of unemployment insurance as an economic instrument. I do not have the figures precisely to the end of December, but I do have them for the first six months of this year. I hate reading statistics because they bore people, but I think it is interesting to note that in Newfoundland—the members from that beautiful province will be interested in this—\$42 million was distributed through unemployment insurance in the first six months of 1972 as opposed to \$20 million in the previous year. In Prince Edward Island, the figure was \$7½ million as opposed to \$3.6 million in the previous year. I am using round figures. The poverty in Nova Scotia is certainly something about which the Leader of the Opposition should know. If one looks up the unemployment figures for the period when he was premier of that province, one finds they were shocking.

Those figures may not necessarily have been the hon. gentleman's fault. He enjoyed my use of the phrase "a

drop in the bucket". I might remind him that the people of Nova Scotia are still waiting for the first opportunity to have a drop of heavy water in their bucket. It was \$42 million in the first six months, for Nova Scotia, as opposed to \$22 million the previous year. Even in wealthy Ontario it was \$327 million, as opposed to \$107 million; and in Alberta it was \$61 million, as opposed to \$30 million. I could go on and on.

• (1710)

I do not know what is wrong with the concept of providing sufficient income to the unemployed in this country, people who are unemployed through no fault of their own. What is wrong with providing them with sufficient money to at least live with dignity, and not in poverty, while they vainly seek for jobs that do not exist?

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

**Mr. Mackasey:** Much has been made of the 75,000 jobs that are not filled. The following are the words, not of a politician but of Dr. Kliman of the economics department at McMaster—and we are all used to academics being quoted, as did the Minister of Finance (Mr. Turner) earlier, almost as if they were gospel:

It has been shown before that the numbers of unemployed and the numbers of job vacancies have been misused in statements by the candidates. It suffices to say that it is just as unrealistic to talk of an economy with a zero job vacancy rate as it is to talk of one with a zero unemployment rate. The other side of the frictional unemployment coin is the existence of frictional job vacancies.

The filling of a job takes time. No realistic employer can expect a worker to be standing by waiting to take up a job the moment it becomes available. The mere communication process regarding job opportunities is time consuming. This and other important "frictions" in labour markets mean there will exist at any time a pool of unfilled jobs, even in a period of high unemployment. Each day some are filled; each day new ones become available.

More efficiency in the job search process and changes on the part of the unemployed as to what kind of work is acceptable could have an effect on the jobless total, but likely it would be a minor one.

This comes, not from a Liberal or a Tory apologist but from an academic who has approached this matter in a very clinical manner.

We have heard much said about abuses, and I can make a very good case of the fact that there are less abuses of the unemployment insurance fund now than there were a year ago, because a year ago I recall going to hospital from sheer exhaustion. At that time the problem was one of administration, of efficiency, of getting cheques out on time in spite of poor mail service and in spite of the breakdown of computers. I apologized for it every day. We do not have that problem any more.

**An hon. Member:** Yes, we do.

**Mr. Mackasey:** You will hear about the individual case, but you do not have the questions and the telephone calls that cannot be answered. You do not have the problems which existed in Toronto, because now we have placed in at least 144 Manpower offices a representative of the Unemployment Insurance Commission in order that people can be helped to fill out that all-important computer card which starts the process. It is a fact that we have set up permanent facilities in Newfoundland in order to