

*Unemployment Insurance Act*

Parliament, I get telephone calls and visits from constituents every day of the week. I said in committee, and I say it again tonight, that Winnipeg is not a city which has the highest rate of unemployment. I guess I am pretty lucky; I get only two or three phone calls a day. My colleague from Nickel Belt tells me he is dealing with 50 cases a week, and Conservative members from the Maritimes tell me they have a hundred or more cases every week. I want those people to get the money to which they are entitled. I do not want them to do what one of my constituents told me today he had to do when he did not receive the benefits he was entitled to for eight weeks; he had to sell a savings bond. That man should receive the benefits to which he is entitled and which he needs.

Yes, the government was wrong. Yes, the government was stupid. I might even agree with the hon. member for Hamilton West that the government has been somewhat devious about the matter. But now the crunch is here. Are the unemployed who are entitled to benefits going to get their benefits or not? This bill will ensure that they will get their benefits. I have no hesitation in, nor am I the slightest bit ashamed of voting in favour of it. Members of the official opposition can call me any names they want. I am going to do whatever is necessary to see that people who are unemployed and who are in real difficulty get what they are entitled to by law, and I will leave it to members of the official opposition to play politics with this very serious situation.

• (2120)

**Hon. Bryce Mackasey (Verdun):** Mr. Speaker, I assure you that I do not intend to be involved in arguments as to whether warrants were issued legally or illegally, whether this or that section applies or does not apply, because that should not even be part of the present debate. The present debate is on whether or not a particular section of the Unemployment Insurance Act should be deleted in order that the act may function better in future. The question of whether the warrants are legal or illegal is for another body to decide. What we have succeeded in doing in this debate is to prejudge the report that will inevitably be made by the miscellaneous estimates committee. That should not be done and is something the Speaker quite properly prevented yesterday.

I hoped when I spoke in the throne speech debate that that would be my last speech. I tried to be reasonable and tried not to be partisan. I do not think I was. But it was very obvious to me, listening as I did yesterday and this evening, that the hon. member for Hamilton West (Mr. Alexander) who played such an important part in the formation of this bill still does not understand the purpose of the \$800 million.

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

**Mr. Mackasey:** He spoke of a deficit. When he talked of the deficit, that shows that he still does not understand. I am going to try to explain it to him in very simple language so that once and for all he will understand what is the meaning of the \$800 million.

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

**An hon. Member:** Why didn't you listen.

[Mr. Orlikow.]

**Mr. Mackasey:** I have been listening. I have always tried to listen; that has been one of my traits. I am not afraid to debate on another occasion why we were so grossly out in the estimates.

**Mr. Paproski:** That is not what you said on television.

**Mr. Mackasey:** What is the purpose of the \$800 million? If one could sit and visualize how the unemployment insurance plan is funded or financed—

**Mr. Lambert (Edmonton West):** It was not funded, that is the trouble.

**Mr. Mackasey:**—it would be very simple. The cost of benefits and of administration in unemployment rates of between zero and 4 per cent is borne by the employers and the employees of Canada and that is reflected in the weekly contributions they make. These vary from year to year and I believe the present minister properly raised them, according to the act, to approximately \$1 per hundred. That, I think, is the employee's contribution at the moment and that of the employer is slightly higher.

The hon. member for Hamilton West should remember that when we were before the committee we allowed for provisions for the adjustment of that rate based on a three-year moving average. Since the cost of that particular part of the scheme relating to unemployment between zero and 4 per cent will vary very little unless certain factors are changed, for instance unless rates of unemployment change up or down or the cost of administration changes slightly, we can almost perfectly predict for a five-year period what those particular contributions shall be. As the work force grows and as this cost remains fairly stable, it is very obvious that sooner or later the annual contributions of the employer and those of the employee will drop.

**Mr. Alexander:** That is another prediction.

**Mr. Mackasey:** In addition, there is no fund. Hon. members keep using that word. The purpose of the act is not to tie up, as we did in the old days, \$500 million or \$800 million or \$900 million. When the Tory government in 1958 took power there was \$980 million in the fund; when they left there was less than \$200 million.

**Mr. Nielsen:** And now there is nothing.

**Mr. Mackasey:** There is no fund and it was never intended that there should be. That is exactly the point, and hon. members still have not understood it. They do not understand it, either because they are stupid or because they do not want to.

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

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

**Mr. Mackasey:** The point is that the opposition critic should know exactly why I am saying that the law provides no obligation with respect to a fund. This the hon. member for Hamilton West failed to point out. On the other hand, if there is a surplus as a result of more employer-employee contributions, that must be reflected by law in the rate that is assigned to employers and