

this should be called is the "Bryce Mackasey fiscal policy." He is making sure that his government, which has been responsible for some of the highest levels of unemployment the country has ever seen, will not be able to get away with it in future without paying a very heavy price. If they create unemployment, they will pay an awfully high price. The proposals that the minister is putting forward provide a kind of built-in stabilizer.

• (9:30 p.m.)

An editorial in the *Toronto Star* pointed out, I think correctly, the fiscal nature of these proposals. As unemployment decreases, so the fund will build up. The assumption is that unemployment will decrease and that also there will be an increase in inflation. The building up of this fund will sterilize a certain amount of money by withdrawing it from circulation, and this will have an anti-inflationary effect. If unemployment increases above 4 per cent—I quarrel with that figure; I think it should be only 3 per cent—then the government has to put in money, and this will have an expansionary effect. If the government does have a tight monetary policy and a tight fiscal policy, then the "Bryce Mackasey fiscal policy" will come into operation and frustrate the government's intent.

It is to this extent that I congratulate the minister on what he is doing. With the modesty for which the minister is renowned, he said in his opening remarks that he was no economist. May I say to him, through you, Mr. Speaker, that he is probably the best economist on that side of the House, even though he does not want to take credit for it.

All of us agree on the need for an income maintenance policy. I do not think there is any quarrel with the argument that those who are unemployed should receive some kind of assistance, particularly when the overwhelming majority of people who become unemployed do not do so because they want to, but because they have no choice. After all, it is not their decision to be unemployed.

Quite frankly, I think the arguments I have heard from my friends in the Conservative party, such as that the waiting period is too short and the attachment period to the labour force is too short, are spurious. Why worry about the length of time workers are attached to the labour force? If they are unemployed and are members of the labour force, they require some kind of assistance and should receive assistance from the unemployment insurance fund.

Let me also say that no matter what kind of program we ultimately bring in, in terms of social policy there will always be a need for an unemployment insurance program. As I said yesterday on the guaranteed annual income, I see the concept of a guaranteed annual income for those who are not in the labour force, though I cannot see it for those who are in the labour force. I think unemployment insurance will always have relevance to people who are in the labour force.

What is my quarrel, then, with the kind of bill now before the House, with the kind of ideas that have been

Unemployment Insurance Act, 1971

put forward by the minister? My quarrel is that in fact he is giving us a welfare program and is calling it unemployment insurance, and I resist this kind of phoniness. But perhaps the minister has no choice. His government is not prepared to bring in a comprehensive income maintenance policy. It is not prepared to bring in the kind of social measures that are required in this country. Therefore, the Minister of Labour has to sneak them in as best he can—and he sneaks them in through the unemployment insurance program. My concern is that, well motivated though he may be, by doing this to some extent we discredit the whole concept of unemployment insurance and run into all kinds of problems in terms of acceptability.

Mr. Alexander: You would throw the bill out.

Mr. Saltsman: Contain yourself, my friend. I know my friend is a man of infinite curiosity and I shall try and satisfy him later.

Mr. Paproski: Back to the convention hall!

Mr. Saltsman: Yes, back to the convention hall. As a matter of fact, I had the pleasure of reading the very good intervention made yesterday by the hon. member for Hamilton West (Mr. Alexander) and I noted that he took rather strong exception to those who were trying to talk while he had the floor. I would only say to him that I hope he will extend to me the same courtesy he asked of those who were impolite enough to interrupt his remarks.

Mr. Alexander: I extend my apologies.

Mr. Saltsman: I have heard my hon. friends in the Conservative party denounce the Unemployment Insurance Act as a kind of "boondoggle" to the workers. They say it is abused, that it is taken apart. You would think, Mr. Speaker, that this fund was designed to provide opportunities for working men to avoid work. What these members fail to appreciate—and I am surprised at this—is that the unemployment insurance fund is really a subsidy to industry. I am very unhappy that industrialists and businessmen in this country keep pointing their finger at the workers.

Let me recount an experience that I had on a plane coming back from Vancouver. Sitting beside me was a very prosperous man—at least so he told me.

Mr. Mackasey: He must have got on at Calgary.

Mr. Saltsman: He was a fruit grower from British Columbia. Most of the time he spent with me he was denouncing his lazy workers because they worked only so many weeks of the year and collected unemployment insurance the rest of the time. I asked him why he did not employ them all year round so that they could not collect unemployment insurance—because of course, you can only get insurance if you are laid off. I said to this man, "You say that they quit on their own and that you want to keep them. These workers cannot collect unemployment insurance until they have gone through a waiting period". Then he told me he could not use them all year round. I then asked him who was being subsidized.