

The Address—Hon. J. Turner

We believe that an inquiry is more than justified. The unemployment insurance account is now running a deficit of about \$509 million compared with 1972 when the unemployment insurance deficit was \$174 million. Unemployment insurance benefits last year increased by \$16 million over 1972 despite—and I repeat—despite lower unemployment rates and an Unemployment Insurance Commission benefit control program that disqualified an estimated 250,000 people.

The so-called comprehensive review to which the throne speech refers is, in our opinion, not comprehensive enough. First of all, Mr. Speaker, it was not independent and we believe that any review must be independent and not conducted by those at whom the finger of criticism has been pointed. Next, we believe that it should be an inquiry rather than a comprehensive review. The inquiry we are calling for and would like to see would get to the roots of the program and would provide concrete solutions to a number of basic questions. For example, are the fears about abuses and misuse justified? Further, we must resolve the question of whether disincentives to work are built into the unemployment insurance program and, if so, try to determine what those disincentives are and what can be done about them.

We must decide whether the unemployment insurance program is an insurance plan in reality or a welfare plan in which the contributions are simply a new kind of tax. Only a full and open inquiry into the program will provide these answers. Canadians are demanding them, Canadians are entitled to them, and I stand here on behalf of Canadians pleading with the government to give us the opportunity to get to the truth of the matter.

I should like to close by repeating and emphasizing some words of wisdom of my leader. He said:

Canadians want to see some sense of order, of value and fairness returned to economic and social policy of this country. Those who are seeking work but can't find opportunity for jobs and careers want a government that places high priority on providing such opportunities. Those who are not working because they find it is not worth their while to work deserve a government that will build incentives into an overhauled welfare system.

We await the legislation. But let me say it had better not be a cosmetic effort, it had better not be an ad hoc approach to a very serious problem. If so, I am sure we will just have to look into this matter at more length and more thoroughly than we have in the past. At this time we do not intend to be bamboozled; we want the facts and we want the truth.

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to join with other hon. members of the House in congratulating the Governor General and his Lady and to welcome their unique human qualities to Rideau Hall on behalf of all Canadians. I should also like to congratulate the hon. member for Spadina (Mr. Stolerly) and the hon. member for Sherbrooke (Mr. Pelletier), the mover and seconder of the Address in Reply to the Speech from the Throne. Both made eloquent speeches of committed men.

[Mr. Alexander.]

● (1240)

The House will recall that my budget of February last year had two major objectives. The first was to promote further healthy growth of the economy through the injection of continued strong expansionary stimulus. The second was to do everything reasonably possible to contain the impact of worldwide inflationary forces on Canada that had already reached what I described as "epidemic proportions". Specifically, I forecast that real national output in 1973 would increase by around seven per cent, given fair crops, labour peace and international stability, and that employment would increase by at least 300,000.

Hon. members will also recall that the reaction of the Official Opposition to the budget was one of ridicule and derision, their typical knee-jerk reaction. The Conservative leader described it as a "national sick joke", as a piece of "fiction". He told the House on February 23, as recorded on page 1598 of *Hansard*, that he could not emphasize too strongly that the budget "falls far short of the nation's need for a new era of expansion of productivity". Those who supported it then would have to explain tomorrow why unemployment was still "a lingering curse".

The Conservative's chief economic spokesman, the hon. member for Don Valley (Mr. Gillies), said the budget provided far too little expansion—I use his words, as recorded on page 1559 of *Hansard* of February 22, 1973—"to really move this country ahead, to produce the sort of employment that Canadians have every right to expect and to hope for." As recently as December 10, 1973, as recorded on page 8588 of *Hansard*, he was still bemoaning Canada's "basically poor economic performance" and the lack of growth since the first quarter.

Let me quickly outline the real state of our economy in 1973 so that the House will have an opportunity to compare the facts against Conservative fantasy.

[*Translation*]

The main fact is that the real national product increased by 7.1 per cent last year, despite major labour conflicts during the third quarter and international instability. This figure, matching perfectly the predictions of my budget speech, represented the greatest national product increase since 1956, the most substantial growth in Canada in 17 years—in this regard Statistics Canada was mistaken for it is really 17 years and not 7 years—and perhaps one of the most considerable noted in all industrialized countries. Let us compare that with the dark predictions of low economic growth made by the Progressive Conservatives!

The second noteworthy fact is that this unusual development has helped create 430,000 new jobs in Canada in 1973, 130,000 or 43 per cent more than the minimum growth I had predicted. This figure represents a record increase of 5.2 per cent in employment, which is close to 25 per cent greater than the previous peak, 4.2 per cent, reached in 1966. The average unemployment rate shrank from 6.3 per cent in 1972 to 5.6 per cent in 1973, which is the lowest level recorded since 1969.

[*English*]

Employment in manufacturing during 1973 increased by 111,000 according to estimates in the Labour Force Survey, a rise of 6 per cent. This was the largest increase in