

*Oral Questions*

[Translation]

**Madam Speaker:** I wish to welcome our new pages, who have already been instructed in the customs of the House of Commons, and we hope that this experience will be a fruitful one for them.

**ORAL QUESTION PERIOD**

[English]

**UNEMPLOYMENT INSURANCE****EFFECT OF INCREASED PREMIUMS**

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, my question is directed to the Minister of Finance whose budget, the more often one looks at it, resembles more and more another trick of smoke and mirrors, and the kind of misleading budgetary projections we have received too often from this Government.

Will the Minister clarify this point. He has announced a program involving the expenditure of \$500 million by the federal government to create about 60,000 jobs. Ottawa will give \$500 million; Ottawa will take from the private sector \$1.7 billion in increased unemployment insurance premiums. Can the Minister confirm our estimates that that taking from the private sector, particularly from small businesses which are on the edge of difficulty now, will cost the creation of at least the 60,000 jobs that the new \$500 million program will create? In other words, will he confirm that the Government's increase in unemployment insurance premiums is going to cost Canadians at least as many jobs as his new program is going to create? And if he disputes that figure, will he tell the House of Commons how many Canadian jobs will be lost, how much capacity to create jobs will be denied Canadian small businesses as the result of this increase in unemployment insurance premiums?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I regret that the Leader of the Opposition is approaching this very serious and very important issue of our economic situation still in a very partisan manner.

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

**Mr. Lalonde:** I want to indicate to him that the Government has reallocated \$500 million indeed specifically and directly to create jobs to help those unemployed who are in the most difficulty, and we have allocated another \$600 million for activities that will also create jobs.

As far as the question that he raised is concerned, indeed the charge that will be taken in the form of premiums is in the range of the figures he has mentioned, but I remind him that all that money does not come to the government. It goes back to the unemployed people of this country to help them go through the difficult period we are experiencing at the present time. We, as a Government, are not taking money for our own purposes in this regard.

The unemployment insurance system is an insurance system and what we have done to minimize the impact is we have absorbed, through borrowing, more than half the total cost of the premiums we should have had to charge. We have done this to help small business and large business and the workers of this country. We are not charging the premium increase that we could or should have, according to some, in order to help those workers and businesses in this country who are going through the difficult times they are facing at the present time.

I would also remind the Leader of the Opposition that this decision has been taken upon the advice and recommendation of the advisory committee on unemployment insurance which is composed of employer representatives and labour representatives.

• (1420)

**REQUEST FOR MINISTER'S ESTIMATE OF IMPACT**

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, let me deal first with the suggestion that we should be blaming the advisers. We do not believe, on this side of the House of Commons, that when Governments make mistakes they should fire the Deputy Ministers. We believe they should fire the Ministers when Governments make mistakes as they have done with these budgets.

Let me take the Minister's own words. The Minister has admitted he is taking \$1.7 billion from the Canadian private sector through the increase in unemployment insurance premiums. He has admitted that. That money would have been used by Canadian small business in particular, either to keep people working or to create new jobs. When Canadians in business cannot use that money to hire other Canadians or keep them in the jobs they hold, that means Canadians lose jobs. We estimate that 60,000 jobs will be lost. How many Canadians does the Minister estimate that his increase in unemployment insurance premiums is going to put out of work—60,000, 70,000 or 100,000? What is the Minister's figure?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I regret again that the Leader of the Opposition prefers partisan rhetoric to serious consideration of this particular issue. I want to remind him that the contribution of \$1.7 billion I was referring to is not going to be contributed mainly by small business but by business generally, employers generally, and the workers. I would also remind him that yesterday I provided over \$300 million of breaks to workers and employers in this country in order to give them an opportunity to do what has to be done to help us out of the current recession.

As far as the question the Hon. Member raises is concerned, I will tell him that I would be able to provide the answer to this figure if he could tell me how many jobs we are going to create by ensuring that those benefits are going to be paid to unemployed people who are going to spend the money and create jobs also in this country.