

Canada states, 7.5 per cent. That may be good enough for the Conservatives, but it is not good enough for a kid in Kamloops who has no job and has to move to Oshawa, or someone in the northern part of Québec who would like a sensible regional development policy in order that a young boy or girl can stay there and not have to move to some other part of the country. We do not accept 7.5 per cent. We believe that 3 per cent or 4 per cent is the absolute maximum when talking of unemployment levels in this country.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: If we consider the unemployment insurance scheme, the changes the Government wishes to make in the regulations are totally unjustified. It wants to make the unemployed pay for their own retraining and skills upgrading. It wants to make workers finance most of the Unemployment Insurance Fund. Instead of going after unemployment, the Conservative Government is going after the unemployed. It cuts financing for regional development programs, at a time when, as far as unemployment is concerned, most of the regions have yet to recover from the last recession.

This is a time to be imaginative and innovative in finding ways to help our poorest regions. It is not a time to take the kind of *laissez-faire* attitude this reactionary Government has shown.

[*English*]

If the Government wanted to move simultaneously on the unemployment problem and the debt problem, one of the most effective ways of dealing with that would be to bring down the rate of interest. What the Government has done in the past year with interest rates, and deliberately permitting the Governor of the Bank of Canada to increase interest rates year over year, has added some \$5 billion to the debt load that Canadians have to bear and which the Government keeps reminding Canadians to be concerned about. Of course we have to be concerned about the deficit, as we are concerned about other economic and social problems. However, it is the government action itself in terms of the interest rate policy that has exacerbated this problem.

Supply

Today interest rates are at record levels in terms of the real interest rate. They are 3 percentage points above the United States and among the highest in the western world. If the Government wishes to take a concrete policy decision that would have a major positive effect, both in bringing down the deficit or our debt charges and in aiding small business across the country, then now is the time to have a direct word with the Governor of the Bank of Canada and to tell him that there are sensible economists in the country who state that the interest rates should be brought down, and brought down now.

Some Hon. Members: Hear, hear!

Mr. Broadbent: If Mr. Crow will not do it, then the Government should say: "Mr. Crow, it's time to go", and put it to him as directly as that.

Tax unfairness between ordinary families on the one hand, and the rich and corporations on the other, is the most unacceptable short-run aspect of the Budget. The attack on universality of social policy is unquestionably the most serious long-run betrayal of the Canadian tradition.

I wish to digress for a moment before I address that issue. As a Member of Parliament and a Party Leader who has been here for some years, I have been more than a little interested in what the Liberals have had to say on the Budget, especially when it comes to social policy. Frankly, the creative years of innovative policy in Canada came in the 1960s when the Liberals and Conservatives were both in power at the national level, and I will not go into all the causes for that, but high among them was the creative role played by the CCF and the Government of Saskatchewan in setting the agenda. However, at the national level of politics in the 1960s we did have innovation. We did have decisively important changes in hospitalization, in the pension domain, and in medicare. It has been remarkably interesting for me to hear the Liberals, particularly in this context, defending social policy tradition.

I have been here since 1968 and during that period of time there has not been a single new comprehensive social policy introduced by the Liberal Party of Canada while it was in power. In fact, now that these modern day