

*Government Orders*

I can say that from 1964 or 1965 through to 1984 government expenditures increased at a rate of a little over 14 per cent a year. This government has kept the increase in expenditures year over year to less than 4 per cent, less than the rate of inflation. So, no, I am not delivering the same speech today.

We delivered on corporate, personal and sales tax reform, something that was recommended for over 40 years by a number of royal commissions, including one that the Liberals set up just recently and reported in 1984-85, which recommended that we go to a consumption tax.

Is the Minister of Finance making some changes? Certainly he is. He wants the tax system to operate in a better way. Is the hon. member telling me that the Liberals never changed tax systems in this country, that they never amended them? They certainly did amend them. For him to make those statements is crazy.

Finally, there is the other thing about projections being wrong. If the hon. member were honest with the House, I think he would admit that every single organization that makes projections, banks, think-tank organizations both here and abroad, governments at all levels no matter who their political masters are, made projections for 1992 that were off base, every single one of them. If the hon. member looks at the projections that the federal government made, they were far more conservative than those projections that were made in the private sector and some of the think-tanks both here and overseas. So do not lay that one on the Minister of Finance.

• (1300)

**Mr. Mills:** Why no confidence?

**Mr. McDermid:** The hon. member is totally unfair when he makes that criticism of the Minister of Finance.

Why no confidence? I think there are a number of reasons. When people read that General Motors is going to lay off 20,000 people around the world and that IBM is laying off thousands of people, they worry about their own jobs in their company, no matter what that company may be. I understand that concern very, very much. I think people rein in. I think people start paying down debt, which we are seeing. I think people save, which we are seeing. I think people tend not to spend when those

types of things are going on. This is going on around the world, not just in Canada. It is a concern. I am not minimizing it at all, but I think that is why there is the lack of confidence there.

We have got to get through this restructuring process. All industries and all businesses everywhere are having this problem. It is not just in Canada where the confidence is down; it is everywhere. The hon. member knows that.

I think we should have a very frank discussion about what is going on in the world rather than hammering away. I will tell you one other reason. The opposition gets up every day and just hammers away, just bangs away at all the problems. God, we do not minimize the problems, we have got them. They are major and we are doing something about it. Therefore, the hon. member should be fair in his criticisms of the Minister of Finance when he says those things.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I think the comments which the junior Minister of Finance has just stated to the House, that we should have a frank discussion and that we should talk about what is really happening in this country, are good suggestions and I am going to follow them. I want to follow them in talking this morning, as coolly and as unemotionally as I possibly can, because I think that maybe I will get it out of my system. To start with, I think what this government is doing with respect to the unemployed people in this country is sick. I think there is a psychological sickness in this government which frankly appals me as a Canadian.

I want to try to talk about some of the reasons that I feel as deeply as I do about that and I want to try and do it as calmly and as coolly as I possibly can.

The minister in his comments has made a suggestion quite defensively. Of course, it is up to the opposition to oppose and up to the government to defend. One cannot accuse it too seriously of being defensive. One of the things that I have always believed is that the government would make far more sense to people by listening, far more sense to the country in trying to explain what is happening if it started out saying: "Yes, there are some very serious problems which have been demonstrated by the unemployment figures that came out this Friday and we are shocked by those unemployment figures".