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or senior executive job who has worked 25 or 30 years for a company and suddenly, now that he is in the 50 to 60 year age group, he is either out of work, laid off or the company is closing up. The jobless rate for this occupational group, which he always thought was immune to unemployment, is now running at 3.5 per cent. This means that unemployment is no longer a problem only for the lower-income groups but also for middle and high-income groups.

Bankruptcies are no longer a problem for just small and inefficient companies, we are seeing more and more well established companies, companies which operated successfully during the Great Depression of the 1930s, which are now going bankrupt. Our large companies are finding it increasingly difficult to face these difficult times. A recent article in *The Wall Street Journal* states that Massey is edging closer to joining the bankruptcy list. Analysts at Merrill Lynch Royal Securities published a report on mining listing seven companies as "near the edge", with financial conditions that are, or could become, precarious. These companies include Brenda, Denison, Falconbridge Nickel, Hudson Bay Mining, Inco, Sherritt Gordon and Teck. This is not at all surprising when one realizes that interest payments are killing these companies.

**Mr. Huntington:** That is right.

**Mr. Orlikow:** According to financial reports, 66 per cent of all corporate cash flow is now going into paying interest. That compares to 25 per cent of all corporate cash flow going into interest payments just a year ago.

I presume members of the Conservative Party are chuckling because they believe in high interest rates.

**Mr. McDermid:** Don't be silly.

**Mr. Orlikow:** Last year, Massey-Ferguson paid out 187 per cent of its cash flow in interest payments. Global Communications paid out 167 per cent. Those companies will not be able to continue much longer.

We have been told again and again that we have to get our inflation rate down. We have an agreement between the federal government and the governments of Alberta and Saskatchewan which says that in the next 13 months the price of a barrel of oil in Canada will go up by \$10.25. Every dollar increase in the price of a barrel of oil adds one half per cent to the cost of living. We are looking at an increase of close to 5 per cent in the cost of living in the next year because of the price of energy.

How can we get the cost of living down when that kind of thing is occurring? Payments of unemployment insurance benefits are at an all time high. They increased in March of this year by 48 per cent over March, 1981. From city after city we are receiving reports of sharp increases in welfare. This is happening because many of the people who are unemployed have now exhausted their unemployment insurance benefits. The process is accelerating—more and more people who were

laid off last year will exhaust their benefits, and then they will go on welfare.

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We in our party believe that it is absolutely insane to pay hundreds of thousands of people who are willing and able to work. These people could produce many of the things we need in the country, yet they are paid to sit at home and to draw unemployment insurance benefits or welfare.

In the few moments remaining I should like to make some concrete suggestions as to how to deal with the emergency we are in now. I would like to list a few important steps which we believe should be taken. We believe that the government should scrap its high interest policy. It should admit that the policies followed on the advice of the deputy minister of finance and the Governor of the Bank of Canada have been a failure. We need a made-in-Canada interest rate which would be much closer to the actual increase in the cost of living than the present 5 per cent to 6 per cent gap. We need an emergency housing program which would revive the forest, construction, furniture and appliance industries. We believe that \$500 million should be invested to produce 50,000 more homes than we are now producing this year and that that would produce 100,000 jobs. We want the government to bring in a tax cut of \$2 billion which would essentially go to low and middle-income Canadians.

**Mr. Kelly:** Reaganomics.

**Mr. Orlikow:** No, not Reaganomics. President Reagan believes in giving the reductions in income tax to top income earners. That is the exact opposite to what we would want.

We believe that Canadians need a reduction in income tax to meet increased costs of living. We believe that that would produce 50,000 new jobs. We want policies to get the manufacturing industry, which in recent years has been cut to ribbons, back into production. We believe that the government should do these things and that these policies would provide jobs for Canadians. Perhaps they would not provide jobs for every Canadian because we live in a world which is going through a recession. But must we accept the fact that a million and a quarter Canadians need to be unemployed? We believe that we need a policy of full employment rather than the kinds of policies which we have had from the government.

**Hon. Ron Huntington (Capilano):** Mr. Speaker, after listening to the minister responsible for housing, I thought I should take a minute to read the motion which we are debating this evening. It reads:

That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

Lowering interest rates is the only single made-in-Canada benefit which can have a major impact that will save the economy. No one questions that interest rates will be lower once the economy collapses. Do we want interest rates to be once again at 5 per cent with no one able to borrow? That is