The facts are that under our system we have encouraged women to go to work, and we have encouraged people to purchase homes with high mortgage rates that cannot be supported without two incomes in a family. When you try to distinguish between the male earner and the female earner you are doing a disservice to the total society, because we have in fact said under this system "Get out and buy your house and contribute to the economy, keep the builders going, get your $50,000 mortgage and make it even higher. This is Never Never Land, fellow, and you will always be able to pay it off. Don't worry about the size of that mortgage."

I am glad I have the attention of the minister. There are rare occasions when he listens in this House, and I am pleased to see him listening this evening.

An hon. Member: That is not true and you know it.

Mr. Leggatt: We have encouraged families right across this country to commit themselves to amounts of money they can ill afford to pay without the backing of this unemployment insurance scheme. What is happening? The fact is that the lord who gaveth unemployment insurance is the lord who now taketh that unemployment insurance away.

Some suggest that there is no contribution to the economy through unemployment insurance. The effect of reducing unemployment insurance payments, particularly to women, is to restrain this economy even more than it is, now. My friend, the hon. member for Provencher, talks about the $4 billion, this terrible deficit. We could put that $4 billion back into the economy and create another $1 billion probably in tax revenue. A government that thinks you can restrain this economy into prosperity is a government with the same kind of Milton Freidman philosophy that the governments in the west are starting to buy and learn by experience is not good because conditions get worse and worse and worse.

An hon. Member: Like Sterling Lyon.

Mr. Leggatt: Sterling Lyon is a classic example of one who accepts that kind of idea; what Tommy Douglas used to call the "trickle down theory." If you put enough in at the top for the big guys there will be enough so that some will trickle down to the fellow at the bottom and he will have a tiny bit of purchasing power to keep the economy going. It just does not work that way. You have to put that purchasing power in at the bottom of the economic scale.

When you talk about this legislation you have to talk about it in terms of its impact on the economy. What is the impact this legislation before us will have on the economy? We are in a society which has chronic unemployment and it is going to get worse on the simple basis that the private sector is in the business of putting people out of work. It has to be in that business in order to compete on a world scale. The private sector has to be technologically effective, and as long as we say, as my Conservative friends certainly do, that we should leave this problem to the private sector and it will solve it, the deeper in the mire we are going to get.

[Mr. Leggatt.]

The principle behind the changes in this bill relates to that kind of Freidman philosophy of getting out of transfer payments and reducing the capacity of people to buy goods that we can produce in our society.

• (2102)

I just toured, in my riding, one of the largest lumber mills in the world, Fraser Mills. A very progressive firm called Crown Zellerbach is rebuilding that entire mill at a cost of $56 million. I asked them how many jobs they thought they would create. They told me that they would be reducing the level of employment by 200 people, that at one time there were 3,000 people working in that mill, but now machinery is replacing some of them. We cannot continue to follow the silly logic in this House that if we let the private sector alone it will create employment. They are in the business of creating unemployment, and it is only natural. I do not blame the private sector, because it is logical.

When we abandon the public sector to create employment, as this government continues to do, and as my Conservative friends would do, it merely increases the problem. Then everybody sits here and wonders how it happened.

It is interesting to look at the reasons which brought the minister to his conclusion that there was too much abuse in the unemployment insurance program and that they had to cut back. A questionnaire was circulated. The vast majority of the people who were asked the question came to the conclusion that there was substantial abuse of the unemployment insurance program. Many people in this House have said that they have heard of some abuse. The problem is that the government has asked the wrong question. The question which should have been asked was, "Do you believe there is abuse in unemployment insurance, by income tax payers and by corporations?" For example, "Do you believe that Shell Oil pays its fair share of the taxes?" If the government had asked those questions it would have received "yes" answers to all of them, and out of all those yes answers it would have started to deal with this particular problem.

I agree with my friends in the Conservative party that we cannot continue to live with giant deficits and that there has to be an end. The only way to deal with it is to tax the people who are capable of reducing the deficit. However, the government seems to be afraid to tax those people, and my Conservative friends are all for deducting mortgage interest to give a tremendous tax boon to home-owners in Canada. But they will not tax that house when it is sold. They feel that it would be too unpopular. It would be more honest if they would talk about an interest deduction and capital gains tax. Then I would say that there is some fairness in their proposal, that somewhere down the road there will be new revenues coming in to handle this deficit. However, my colleagues in the Conservative party are straddling the fence and getting hernias trying to figure it all out.

Mr. Clarke: At least we didn't get impaled.