

*Unemployment Insurance Act*

MacEachen), who is piloting the bill through the house, a lesson in economics. I have to tell the minister the policies of his government have worked greater hardship on the working men and women of this country than have the policies of any government in our history. Some may say that is an exaggerated statement, but what has happened? Since this government took office, Canadians are paying 15 to 20 per cent more for necessities—not luxuries, but for food, lodging, houses, gasoline, clothing and so on. Medical supplies and drugs are costing a great deal more. The cost of automobile insurance has gone up, as has the cost of building materials and supplies.

The cost of every single thing that the ordinary Canadian needs to live and support his family has gone up, and away up, since this government came into power. According to the Dominion Bureau of Statistics, there have been ten price increases in the food and lodging category in the last ten months. The price change from only one year ago amounts to 4.5 per cent, which indicates there is no slackening of inflation facing consumers. The rise in prices in Canada during the past three years has been considerably higher than in the United States. I should like to point out that we are not fighting a war in Viet Nam; we are not fighting the race in space with the Soviets. We are not supporting a massive anti-poverty program. In fact it is difficult to see where Canadians have received any benefit from the enormous amounts this government has spent.

Now we come to unemployment insurance. Canadians are paying a 4 per cent payroll tax for old age pensions. They are paying enormous income tax deductions. They are paying unemployment insurance deductions, and these are now going to increase. Does the minister and this government not realize that each time payroll deductions are increased for the employer and the employee, two things happen. The first thing that happens when the employee loses 10 per cent from his pay cheque in added tax deductions is that he immediately requests a salary increase in order to catch up. Surely the government has not forgotten the number of wage demands that took place following the introduction of the Canada Pension Plan and the deductions that were made in January, 1966. In quick succession we had the seaway workers, the dock workers, the railroad employees, and I don't know how many others, asking for salary increases.

Some comment was made by the new Minister without Portfolio (Mr. Mackasey), and I [Mr. Crouse.]

am glad to see him in the house. As a matter of fact, I thought he would be piloting this bill. I wish him a happy, and short, term in his new office.

Apparently the government has not learned the lesson that what you take away from people they will immediately try to get back. The second thing that happens as soon as you impose matching contributions, which simply amount to a reduction in buying power, is that the companies pass on their contributions to the public in the form of increased prices. Who does the government think pays for this? Certainly it is the worker who pays for it. The company contribution is passed on in the form of increased prices, but never the exact amount, it is always a little bit more. The same worker who has been subjected to yet another payroll deduction reducing his buying power, is also subjected to another price increase, thus further reducing his buying power. In the next few months, the government comes along with a tax increase, always on the little people, and buying power is further reduced. The immediate consequence is yet another demand for wage increases. If that demand is granted, then that too is passed on in the form of increased prices, as it has to be, and once again the same worker pays the shot.

Neither the minister nor the government can understand how we can have such inflation. This government, deliberately or otherwise, has created inflation right across this country in every field of economic activity. They have moved in and stripped away the prosperity of Canadians. Today Canadians are running faster than ever before, just to stay where they are. Of course ministers are now so busy shining up their images that they do not have time to worry about what is happening to ordinary folk. Like the wicked step-mother in Snow White, all that comes out of ministerial offices these days is the refrain: "Mirror, mirror on the wall, who is the fairest of us all?" We will soon know the answer to that.

In the meantime, what is happening in Canada? This government is not helping the working men and women of this country by introducing measures that bring about higher prices in costs and reduce the purchasing power of the dollar. The best thing it could do at this time, and Britain has proved this, would be to declare a holiday on government expenses, to give the economy a chance to catch its breath. Never in history have we