

*Unemployment Insurance Act*

The Minister of Labour described the major objective of unemployment insurance as "an economic stabilizer or, if you like, a flywheel". It seems to me, in view of the present approach, that the flywheel under this government has got out of control. The government's economic policies are going to burn out the motor, strip the gears, bust up the crankshaft and throw the propeller out of alignment.

After the flywheel approach, the minister's next major objective was universality. I want to quote exactly what he said when talking to unemployment insurance officials at Kingston on July 17, 1967. I quote from the official text distributed by the minister's office:

I have already touched briefly on what I believe to be the second major objective of present day unemployment insurance policy: that is, universality.

Nobody in this party has any objection to covering as many people as can possibly be covered, in line with the capacity of the program to support such coverage. Unfortunately, the bill—and this can be determined when we get into committee—does not completely define the new classifications that may be covered. Speaking as a member from the Atlantic region, I would say that we are happy with the coverage that has been provided to fishermen and agricultural workers.

However, we must be very careful before we in parliament undertake any action that will destroy the actuarial soundness of the unemployment insurance scheme. I want to say very bluntly that if we are going to turn it into another massive welfare program under this government, we will be playing false to the millions of workers who, over the years have invested their hard earned money and that of their employers in this program.

If unemployment insurance—which up to now has been an insurance program based upon actuarial considerations—is to become another welfare program, we must face the fact that the taxpayer and the economy will be called on to provide more millions of dollars to finance non-productive programs, adding to inflation, higher prices, rising costs and the continual depreciation of our dollar.

The whole capitalistic system is built upon faith in our dollar as a unit of exchange. If this government persists in implementing policies that destroy the faith of Canadians and foreign investors in the value of our dollar, it will bring about the economic destruction of our nation.

The Minister of Labour is fully aware, I am sure, of the effects of the principles and programs he is putting forward. Speaking at Kingston—and this must have been one of his days for speaking frankly—he said:

The rates have not been changed for several years and inflation has made them woefully inadequate in many cases.

We can all agree with that. Let me say that never have I been in more wholehearted agreement with any statement made by any minister of this government than when the minister said that inflation has eaten away the benefits. Let us face the fact that since this government took office, which in my view was a black day for Canada, there has been an unbidden and uninvited guest at every Canadian table. That uninvited guest has been inflation. And that guest was invited into Canadian homes as a parasitical boarder by this government and its policies. Inflation reminds me of a lamprey eel: It sucks onto its victim, first draining the victim of its blood, then its vitality and finally its life.

Canadians have been paying, in indirect taxation levied by inflation, for the follies and incompetence of this government's policies. Since the government took office prices have risen over a wide range that is almost impossible to compute, but the general level of the increase has varied between 10 per cent and 15 per cent right across the board. This is the indirect tax that Canadians are paying for policies that are non-productive, that do not contribute to the economy or its expansion. The only effect has been to reduce drastically the purchasing power of our dollar.

A certain degree of inflation, say 2 per cent a year, is tolerable; it is not desirable, but it is tolerable in a highly industrialized economy. This was the figure when the Conservative party was in power, led by Right Hon. John G. Diefenbaker. Under this government, prices have ranged and are still ranging, two to three times the 2 per cent figure. The minister is aware of this and the government is aware of this. The labour minister has said we must raise rates because of inflation. Does he not stop to think, or does the government not stop to think what has brought that inflation into being?

• (4:00 p.m.)

I am not in a position to give, nor do I want to give the government or the Minister of Labour (Mr. Nicholson) or even the Minister of National Health and Welfare (Mr.