

Mr. Clarke: Hon. members on this side of the House, including myself, challenged the minister to name them. The hon. member for Brant (Mr. Blackburn) raised a point of order, or a question of privilege, to object to that sweeping falsehood which the minister was unwilling to back up. The minister said, "Yes, I can name some", and when he was pressed further he said, "Naturally, the government has to act in defence of that". I do not know whether that means the government will not let him speak. I am sure hon. members opposite often wish he would not speak. We had a similar problem when the Minister of Industry, Trade and Commerce sat on this side of the House; some of us wished he would not speak.

Let me satisfy the Minister of Finance and get down to consideration of the economic policies of this government. In this bill, the minister asks us to authorize the borrowing of \$9 billion simply to cover the continuing deficits created by the continuing mismanagement of the economy of this country by this government. I begin to wonder whether the hon. members opposite who have been pulling the strings for the last ten years under this administration really know what it is to have deficits and to overspend. I do not know whether the Minister of Finance has been coaching his colleagues, but I want to refer to some remarks made by the Minister of Employment and Immigration (Mr. Cullen) on Monday in the House in response to a question I put to him. I might say that my question was a serious one concerning the shortfall of the unemployment insurance fund. It is going to pay out \$4 billion this year, according to the most recent projections, which will be \$1.7 billion short of the amount collected from those insured and their employers.

The minister tries to make the case that the unemployment insurance system is an insurance scheme and not a welfare scheme. My question was simply how the minister thinks it is fair to have taxpayers of Canada who were not eligible to participate in this so-called insurance scheme, because they are not in insurable employment, share in this deficit of \$1.7 billion. In his response the minister accused me of playing fast and loose with figures. That was the beginning of his answer. I should say "non-answer", because he never did answer my question. The minister accused me of spreading malicious, imprecise information. How irresponsible! In the first place, I mentioned only one figure. I was trying to get some information about how we might relieve these poor taxpayers who are being called upon to suffer as a result of this government's policy. I am going to talk about why we have that deficit in a few minutes, but the response of the minister was that I was being imprecise. I would like to quote his answer, as follows:

He is using the word "deficit" when he knows it is a government commitment to pay a certain amount after the floating average figure has been established.

That can be found at page 636 of *Hansard* for Monday of this week. If the Minister of Employment and Immigration does not know what a deficit is, how can we be sure that any hon. member opposite knows what a deficit is? For goodness sake, we are in trouble! The government is very good at creating deficits. I just wish it had the ability to recognize

Income Tax

when we have a deficit. I am sure that the level of the Canadian dollar—it was at the level of 89 cents U.S. at one time this week—is an example of the results of the economic policies of this government. A further result we can see—the figures came out just this week concerning unemployment insurance—has to do with unemployment insurance pay-outs. I have already mentioned them, but there is an underlying figure which is very important. This should be very interesting to Canadians.

There is a growing number of unemployed—36 per cent of the total, now—whose unemployment period is longer than three months. That indicates that there is an ever-growing number of Canadians whose benefits have expired. The policies of the government seem to be forcing that number up. It seems to be a secret policy of this government to transfer to the provinces the cost of benefits for those unemployed people. After all, if people do not have unemployment insurance benefits, they have to turn to welfare. Those costs are paid by the provinces to a much larger extent than unemployment insurance costs.

Many times the government has told us that the policies proposed by hon. members on this side of the House will not work. The government has never given them a try, so I do not know how it can say they will not work. The thing that the people of Canada and everyone in this House must know is that the policies used by this government for the last ten years have not worked.

● (1642)

It cannot be said that the policies suggested by this side will not work. They have not been tried. There was one policy that the government felt was not inadequate and would like to borrow. Of course, they waited until they had successfully campaigned against it. I refer to the controls program. As has been said many times, the present controls program is not anything like that proposed on this side. The only similarity between the two is the name, "controls." The proposal from this side was for a total freeze of a temporary nature, 90 days, to give the government time to adjust its policies and bring inflation under control. The government somehow came up with the idea that they could do something about inflation with controls, but after two years they should realize they have not succeeded.

According to their own figures, inflation is continuing, and they are projecting over 8 per cent for this year. That is because they have done nothing to control their own expenditures. We cannot expect controls to do anything, if the government will not get their own house in order. Mr. Speaker, I do not think I can put this in any better words than an article which appeared in the *Courier*, of Vancouver, of September 15, 1977, which stated in part:

However, the serious problem of the moment is the apparent disagreement on the economic issues which is costing Canadian taxpayers dearly. It now seems certain that Turner (an old-style Liberal), did not want a controls program, and resigned when Trudeau (a Liberal-Socialist) insisted. Macdonald—