

40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows:

[English]

The hon. member for Halifax-East Hants (Mr. McCleave)—Pollution—Chedabucto Bay—Developments following grounding of tanker "Arrow"; the hon. member for Nickel Belt (Mr. Serré)—National Film Board—user charges; the hon. member for Winnipeg North (Mr. Orlikow)—Unemployment Insurance—Commission Advertisements Respecting Fraud.

## GOVERNMENT ORDERS

### BUSINESS OF SUPPLY

#### ALLOTTED DAY S.O. 58—FAILURE OF GOVERNMENT POLICIES TO PROVIDE EMPLOYMENT AND CONTROL INFLATION

The House resumed consideration of the motion (Mr. Lewis for Mr. Saltsman):

That this House condemns the Government's policies which have deliberately created unemployment up to a crisis level, thus placing the country in danger of a recession, but which have failed to stop the rapid and continuing increase in the cost of living, and this House therefore calls for the immediate implementation of full employment measures, and a commitment to a comprehensive prices and incomes policy.

**Mr. A. D. Hales (Wellington):** Mr. Speaker, as a member from Ontario I appreciate the opportunity of saying a few words on this motion which deals chiefly with unemployment. I am at a loss to know why the Minister of Manpower and Immigration (Mr. MacEachen), who is responsible for unemployment, is not in the House, and why he has not been here all afternoon. This motion deals with unemployment and with other matters directly affecting him.

So far as the lecture or speech of the Minister of Consumer and Corporate Affairs (Mr. Basford) is concerned, I would like to remind him of what Dr. Galbraith, noted American economist, told the Standing Committee on Finance, Trade and Economic Affairs. He was asked whether voluntary measures would be satisfactory in controlling inflation, and he said absolutely not, that voluntary methods were only a politician's way of hiding behind what he should be doing. He went on to say that the three factors which were responsible for inflation were, first, the great number of social benefits that had been brought into operation—he was dealing both with the

### *Control of Inflation and Unemployment*

United States and Canada—and, second, it was a case of too many dollars chasing too few goods; third, it was because the multinational companies and unions could not agree.

He pointed out that a union would strike for months until finally the company in question would say, "We must operate, and so we will pay the increased wages." The increase was then tacked on to the price of the goods and finally found its way to the consumer, particularly to those who were not in the union group and who suffered the most. Despite all the things which the minister said about the great conference that was held this week I think time will prove it was nothing but an exercise in futility.

With regard to the Minister of Finance (Mr. Benson), who gave us a great line of statistics and a great raft of material, I say that whoever prepared that material should forget about all the statistics. He should return to the grass roots and ask the fellow who operates a small factory in his own town what is the cause of inflation and unemployment. That fellow will give the minister a lot of right-off-the-cuff facts of life which have been responsible for bringing about this unemployment. He will mention taxes. He will say, "You have taxed us to the point where we have to increase the cost of our product and now the white paper proposals indicate even more taxes. We have just about had it. This is the last straw and it is going to break the camel's back." Now, he is more interested in selling his factory than in running it.

● (5:00 p.m.)

The man who receives a pay cheque will tell you that the rise in the cost of unemployment insurance, the rise in income tax and the Canada Pension Plan deduction, all leave him with a take home pay less than it was before. He wants the same take home pay and, therefore, there is a demand for higher wages.

These are some of the facts you learn as you go around. Never mind all these statistics, all this theoretical material that is handed to members by these theorists we have. Let's get down to the facts of life, and what really causes this unemployment. As we know, the people in western Canada did not receive the money they should have received from the sale of wheat. Their purchasing power has been decreased and they cannot buy farm machinery. What about the