

The Canadian Economy

Some hon. Members: Hear, hear!

Mr. Mackasey: After the FLQ crisis, when the minister felt it was time to stimulate the economy he introduced money into the economy as he did again in March. Again he tried to accelerate the economy in June. As a result of those measures in March and in June the economy improved, as the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) has pointed out, the Minister of Finance (Mr. Benson) pointed out and as I have repeated tonight. Then came events beyond the control of the Minister of Finance.

It is all right for the opposition to say that the high rate of unemployment is not the result of the surcharge, but the effects of the surcharge have been devastating in a psychological sense, as has the possibility of DISC or certain tax measures designed to bring industry back to the U.S. These are the types of unexpected roadblocks that the Minister of Finance has run into. No one can blame him for the events that have taken place in the U.S.

Some hon. Members: Hear, hear!

Mr. Mackasey: As someone asked in the House, what is an acceptable rate of unemployment? To me there is no acceptable rate. The unemployed man has no consolation if the rate of unemployment is 3 per cent but he is out of work. There is no acceptable rate of unemployment. However, there is a practical appreciation of what a country of this size can achieve with a population of 22 million people, running as we do geographically.

Mr. Woolliams: Yes, running as we do.

Mr. Mackasey: The point I am trying to make is that even in the days of the Tories the average rate of unemployment between 1958 and 1962 was over 6 per cent. No one questioned that—it was understood. From 1962 to 1970 the average rate of unemployment hovered around 4.8 per cent. That is too high, but that is what the recent history of this country has been and will be more often than not as long as we are under-populated and as long as we have the geographical and periodical climatic conditions which this country has to face.

Tonight I listened to hon. members opposite talking about inflation. They said that all this is the result of inflation. The fact remains that when we decided to do something about inflation we did not have to fire the head of the Bank of Canada, as did the Tories with Mr. Coyne, if they want me to review that for them. The only instrument at the disposal of this government up to this time was fiscal and monetary policy, which is traditional and classic, supplemented by price and wage guidelines, not control. Whether we like it or not, that exercise was successful.

So that with the 6 per cent rate of unemployment which we had prior to the present rate, our rate of inflation was about half of that which the Americans had with an equivalent rate of unemployment. You cannot get away from these statistics.

Some hon. Members: Hear, hear!

Mr. Mackasey: I happen to be one—I am not speaking for the government but for myself—who feels that never

[Mr. Mackasey.]

again can we tackle the problem of inflation with the blunt instruments of fiscal and monetary policies.

Mr. Woolliams: Tell the Prime Minister that.

Mr. Mackasey: I have said it before, and I have said it in this House.

Mr. Woolliams: Why don't you resign from the cabinet, if you disagree with the Prime Minister?

Mr. Mackasey: If we are going to control inflation and have low rates of unemployment, then we will have to tackle inflation in another way one of these days.

Mr. Woolliams: What is your method?

Mr. Mackasey: It may very well have to be selective controls which were advocated by the former leader of the NDP on December 12, controls which were recommended by the Premier of Saskatchewan in an hysterical outburst over the CBC a couple of weeks ago to which I happened to listen.

The challenge to private industry and to private enterprise is to provide the jobs which more and more people feel, quite properly, is their right in what can be termed potentially one of the richest countries in the world. That is the challenge before the private enterprise system, whether we are in power or the party opposite is in power. How well we meet this challenge may depend on whether the people will turn in desperation to something as out-moded and old-fashioned as socialism.

Mr. Woolliams: Your party took over the last NDP member.

Mr. Mackasey: If you think I am exaggerating you have only to look at the experience in England under Harold Wilson, who had ample opportunity to do what he wanted.

Some hon. Members: Oh, oh!

Mr. Mackasey: I cannot hear above the babble. I suppose something I am saying is agitating the oil baron from Calgary.

Mr. Woolliams: He flatters me.

Mr. Mackasey: He has developed into one of the senior statesmen around here. Nothing he says excites anyone any more. He has mellowed. Look at him sitting complacently in his seat, worrying about unemployment, since ten minutes to twelve. He has not been here since eight o'clock when we started discussing this matter.

Some hon. Members: Hear, hear!

Mr. Woolliams: There is one good thing about the Minister of Labour (Mr. Mackasey). I have not always agreed with him but I have found him to be fair. I left here at exactly 10.30 p.m. and I met Hayden Smith from Calgary. I had an interview with him and then I came right back. I am sure the minister will admit that I was here during the speeches of the other ministers. I know he would want to be fair in that regard. I realize that he is quite a player. I will not say what he plays at, but he plays at politics. I know he would want to be fair.