

*Alleged Failure to Improve Economy*

disparities. He has bragged about the creation of 60,000 jobs. While he has been doing this, the unemployment rate in Atlantic Canada has climbed, and in Newfoundland it has reached 15.2 per cent. How can you brag about the creation of job opportunities to the people in my part of Canada, where there is so much disparity, so much unemployment and where the outlook for 1971 remains so bleak? I do not know whether the minister is making such statements to them; frankly, I do not think it makes much difference to the people in that part of Canada what the people in this House say. I do not suppose they care what the official opposition says, because they know that the Prime Minister of the country is going on his merry way, full speed ahead, or astern or sideways and to hell with the consequences. That is the attitude of the Prime Minister and his merry men who serve him.

Today the estimates committee passed, on division and with great resentment, the \$2 million expenditure for the continuation of the Prices and Incomes Commission. I introduced the motion to reduce the figure to \$1. We asked the commission to tell us what its terms of reference are for 1971. What is it to do? What are its goals for 1971, and what is it setting out to do? We cannot get a word on that. We do not know from the commission what it will be doing in 1971. There is absolutely no reason for the commission's existence. It is nothing more than a public relations effort by the Government of Canada. The commission claims it will undertake basic research. Now, Mr. Speaker, a man of the calibre and intelligence of Dr. John Young knows that no intelligent Canadian can accept that story. Surely, we are not to spend \$2 million on undertaking basic research when the period for which the commission was set up runs out, I believe, in December. How can any intelligent individual accept the story that research in economics will be undertaken by the commission to assess the relationship between prices, costs and incomes and the Phillips curve, if that is what economists call it, or the interrelationships of all these factors over the past 50 years, when the period for which the commission has been set up is to expire in December, 1971.

Why does the government not listen to the Economic Council of Canada, which has undertaken 30 or 40 such studies I believe, studies which have been largely ignored. The commission seems to concentrate on one of the five major goals outlined by the Economic Council. I am not going to say that this government has introduced bad policies. I do not think we have had bad policies. I do not think we have had policies of any kind, good or bad. We have had government by experimentation in this country.

● (4:30 p.m.)

**Some hon. Members:** Hear, hear!

**Mr. Lundrigan:** Last year the Prime Minister decided to impose some kind of restraint or stagnation to slow down growth factors, demand factors or whatever they call them. I am always confused when they get involved in economic theory because I am an ordinary citizen. I am always confused when I listen to John Young and the

[Mr. Lundrigan.]

Prime Minister, both of whom are competent at disguising arguments and presenting situations so that they sound logical.

Last year the government decided to experiment by killing inflation. This policy was not related to our export markets. Our basic aim should have been to keep inflation at least in line with that of the United States, our major export market. The inflation rate in the United States was 4.7 per cent last year, while in Canada it was 1.5 per cent. This was mainly because of the price cuts on food. No one knew what the goals of the government were. The government did not try to solve the problem of a trade balance, nor did they try to achieve the best possible balance between the level of unemployment and inflation. Since they did not know, they experimented. The government went ahead with an ad hoc program, and the result is that we have a tremendous economic mess.

The government is trying to pull a Dunkirk. They do not know whether they should back away or how much they should stimulate the economy. The result is that in 1971 the government is again gambling that things will work out all right. If things do work out all right, the government will be returned to power. If not, we hope the government will be out on its so and so in a hurry. I will not continue with this line of argument because I only have 20 minutes.

**Mr. Perrault:** Hear, hear!

**Mr. Lundrigan:** The hon. member for B.S. is at it again. Air pollution in Canada will become greater when he speaks in a few minutes. I expect the minister responsible for the control of air pollution will have to rule him out of order.

**Mr. Perrault:** This is a profound contribution to the dialogue.

**Mr. Lundrigan:** At least it is dialogue, and not monologue.

**Mr. Perrault:** The big man—

**Mr. Deputy Speaker:** Order.

**Mr. Lundrigan:** I accept the statement that it is dialogue. I am honoured.

**Mr. Perrault:** Back room dialogue.

**An hon. Member:** You are the expert.

**Mr. Lundrigan:** If Your Honour can bring the hon. member to order for just five minutes, I will get on with my suggestions. The minister has asked for suggestions. Although these are my own suggestions, they have the support of my party and other people in Canada.

The first priority is that the minister should clear up immediately the uncertainty with regard to taxation in this country. The business community is not aware of what the government intends to do about taxation. Instead of expanding, people are cutting back. I have talked to a lot of small businessmen, especially in the lumber business. They are not ordering lumber. They do