

Canadian Economy

this government, inflation is still rising and the rate of unemployment is growing very quickly every year.

Mr. Speaker, the economy is getting weaker and weaker and in spite of each new budget, the result is increasingly deplorable. The government should realize that the time has come to change our economic policy. It is not good enough to hope that the difficulties will disappear by themselves without any action on the part of the government. They will certainly not disappear if the control of the economy remains in the hands of banks and large corporations. The government should think about the individuals, the consumers, the small and medium businesses and the small investors. Those are the people who need jobs and who must work and benefit from lower prices. The government should assume its responsibilities by introducing a policy for lower income groups and for banks, and not for banks and large corporations.

The government welcomed foreign goods on the Canadian market, firstly by making them accessible to the Canadian buyer. This was done by reducing tariffs, seemingly to fight inflation. What has this brought to Canadians as a whole? First, it has made it impossible for Canadian producers to compete. It has resulted in a number of plants closing down across the country, thereby increasing unemployment. This afternoon the Minister of Finance (Mr. Chrétien) commended the hon. member for Chambly (Mr. Loiselle) for his marvelous work. We shall see the result of this Thursday next, when the Minister will announce his policy proposals for the shoe industry or the textile industry.

Mr. Speaker, it will be my pleasure to commend the hon. member for Chambly, and also the Minister of Finance, if the latter decides once and for all to give an edge to Canadian industry and Canadian corporations rather than foreign producers, so that our manufacturers might some day make a come back and give jobs to our Canadian workers.

We have a very low productivity level compared to our neighbours to the South. But if the government increases tariffs, the Canadian profit margin will be significantly increased and our manufacturers will be able in the future to supply our Canadian markets. Of course Canadians must accept inflationary measures, but unemployment is a much more serious problem than prices and this would certainly solve serious problems. But if the inflow of foreign goods continues, we will lose our Canadian industries that used to have a potential for innovation and development.

Mr. Speaker, the *Globe and Mail* of 21 March, 1977 had this to say, and I quote:

Canada is now faced with the highest foreign debt in the Western world. Average wages and salaries in the industrial sector are now the highest in the world, and our exports are declining. We now hold a world record for the number of hours lost per thousand employees because of strikes and labour disputes: we are losing five times more man-hours per thousand employees than Britain. In Canada, average wages and salaries increased 14 per cent last year, almost double the rate in the United States. In Canada, the cost of labour per unit of production has increased more than 50 per cent since 1972, compared to 20 per cent only in the United States. This was reflected in our productivity. We had a \$10 billion trade deficit in the manufacturing sector last year. Last month's increase in the money supply, a major cause of inflation, represented an annual growth of 22.8 per cent.

● (2102)

Mr. Speaker, you will agree that this administration makes us wonder seriously about the future.

Indeed, Mr. Speaker, on March 29 last, the same daily published some very revealing figures in an editorial concerning Canada's public debt. Indeed, it said, and again I quote:

As at present, as far as getting the economy going again, one can say that our governments did not make things easy. The direct public debt servicing charges increased by 120 per cent in the last five years—135 per cent at the federal level and 100 per cent at the provincial and municipal levels. The annual load supported by every Canadian worker increased from \$444.44 for the fiscal year 1971-72 to \$822.92 for the fiscal year ending—

—for the month of March.

The total cost last year stood at \$7.9 million; so much money for debt servicing alone.

—for the year 1976.

Mr. Speaker, I think it is high time the government, when it reads such things, adopted or at least tried to use the system the Social Credit Party of Canada has been advocating for several years. For several years we have been calling for a guaranteed minimum income for all Canadians. When the concept of a guaranteed minimum income was proposed by the Social Credit Party of Canada, it was often thought that the government had the right to accept or reject the proposals made by the Social Credit Party of Canada but once again, and now more than ever, because the government is trying to accept those proposals, the guaranteed minimum income is fundamental. The payment to every member of our society of an adequate income to meet fundamental needs is not a government favour that can be given or taken away according to the decisions of a few individuals in power. In fact, the guaranteed minimum income is an individual right, and in any healthy, modern economy, that right is irrevocable.

We must admit that the philosophy behind the income distribution methods now in use is fundamentally barbaric compared with the attitude that existed in civilized societies. From 1974 to 1976, Mr. Speaker, we saw such job creation programs as the Local Initiatives Program, Young Canada Works and just recently Canada Works. At the same time, the rate of unemployment went from 5 per cent to nearly 8 per cent. The rate of unemployment among those between 18 and 24 was about 8.2 per cent in 1974. At the end of 1976, it was more than 14 per cent. Each year, more and more people enter the labour market at a time when this government can offer them either social welfare or temporary jobs.

It is the small businessmen and manufacturers in Canada who must increase their production to create jobs for our young people. However, Mr. Speaker, two things are necessary before Canadian industries can expand. First of all, the Canadian government must protect our market for our producers by raising, as I was saying a while ago, the customs tariff, thus protecting our producers against the entry of foreign goods. It must also lower the interest rate of the Bank of Canada which fluctuates now around 9 or 10 per cent. Now more than ever before, Mr. Speaker, and I intend to conclude with this remark tonight, I feel—