

*Social Credit Monetary Policy*

of Canada has defined what should be the economic objectives of the nation. Here are these objectives:

- (a) full employment—3.8 per cent unemployment;
- (b) a high level of annual growth—an increase of 4½ per cent of the gross national product;
- (c) reasonable price stability—an annual growth rate of 2 per cent in price increases;
- (d) a viable balance of payments, i.e. a balance of payments where foreign exchange funds would not be submitted to undue fluctuations (for a set rate of exchange);
- (e) an equitable distribution of ever-increasing incomes.

● (5:00 p.m.)

It is important to point out that the Trudeau government has never questioned the validity of these objectives. We should therefore take for granted that such objectives as defined by the Economic Council are also those of the government.

The Canadian economy has three very specific characteristics:

- a) wide regional disparities.
- b) a great dependence upon foreign trade;
- c) a great dependence upon one trading partner.

An economic policy which would not take into account this reality is doomed. The Progressive Conservative party must promote unequivocally those objectives. My leader (Mr. Stanfield) has mentioned that many a time in the House and outside the House. Since these objectives are consistent, they can be achieved simultaneously.

The Trudeau government first tried to come to grips with inflation, then with unemployment and finally with economic growth. That approach was basically wrong. It implies that the government considers those economic objectives to be separate and therefore to be achieved separately.

We would be justified in claiming that these are the views of the present government and in charging it with incompetence in the management of Canada's economic affairs.

What are the weaknesses of the present government's economic policy? The Trudeau government has shown an incredible lack of imagination in the application of its economic policy. This lack of imagination has been evident in the fight against inflation; this government has deliberately and stubbornly increased unemployment to such an extent that in the province of Quebec, for instance, the unemployment rate exceeds 10 per cent. Canadians have been forced into a choice between giving a job to every citizen able and willing to work and controlling prices. And even then, Mr. Speaker, we have not reached the degree of price stabilization which had been advertised by the government.

○ More concerned with elections than the welfare of Canadians, the Trudeau government has finally decided to fight unemployment, now that it is about to call new elections.

■ What are the weaknesses of the present government? First, it has been unable to lick inflation or to bring

[Mr. Ricard.]

prices down because it has developed institutions and policies geared to long term price stability. Price stabilization brought about a loss of potential and an increase in unemployment, which are both unacceptable.

Secondly, the Prices and Incomes Commission has used the workers as scapegoats to justify the government's policy.

Thirdly, the government has created a succession of upswings and downturns instead of preparing a consistent policy of economic growth.

The economic policy of this government is devoid of imagination, outmoded and unable to prevent an economic slowdown or bring about an economic upsurge. One cannot deny that the economy is given a new impetus but one may question its timing and quality.

The main argument that can be put forward is that the government is certainly not the best architect of our future prosperity.

Mr. Speaker, we may question the projection, namely when will that new impetus be given to our economy. The Minister of Finance maintains that it will happen during the second half of 1971. It is the general belief that it will occur much later, contrary to the predictions of the Minister of Finance.

Secondly, we also have reservations as to the quality of that economic upswing. There is no guarantee that it will not be accompanied by a new inflationary thrust. This government has failed to establish any institution or policy likely to ensure that prosperity will not be accompanied by inflation. Therefore, if the quality of the economic upswing is being questioned, the part played by the government must also give rise to doubts.

Any Canadian likes to be sure of getting a real income increase, a decent home for his family and reasonable employment stability.

It is unfortunate that the government managed the economy in such a way that all citizens suffer from it.

We are often asked what we would do if we were the government and if our party was at the helm.

We have often listed the steps the government should take, but our suggestions, as well as those of government members, have always been ignored. At the risk of seeing the few suggestions I have to make ignored once more, I will make them again in the hope that the government will finally understand them.

Mr. Speaker, a government headed by the Leader of the Opposition (Mr. Stanfield) would try to restore the economic situation which the Canadian people deserve.

A Progressive Conservative government headed by my hon. friend, the Leader of the Opposition, would strive first of all to increase our productivity. An increased productivity is the basis of a balanced economic cycle. When productivity fails to increase, salaries go up. The war on profits and prices, waged by businessmen, workers, and the government would restore a sound economic climate in Canada.