

Alleged Failure to Improve Economy

I do not wish to dwell at length on the regional development situation, but would simply say that in Ontario we send approximately \$1 billion to the provinces east of us and yet because we are not a designated area we are caught in two ways. We put up the money but do not receive any assistance under the regional development plan for new industries, with the exception of areas such as north and west of North Bay, a little area around Cornwall and the Renfrew area where there is a very alarming situation.

The federal government has invested \$1.1 billion for projects in depressed areas over the past two years, but has succeeded in creating less than 37,000 new jobs. Quebec alone requires 100,000 new jobs. On this basis, the cost to provide each job is about \$30,000. We talk about Canadian capital versus United States capital, but the need for capital is both great and growing. I do not know how it can be argued that a Canadian worker in a job provided by an outside investor would somehow be better off if he remained unemployed until such time as domestic capital filled the investment gap. So far as I am concerned, the creation of jobs for Canadians should have the greatest priority. Let us try to do it with Canadian money, but if we find we do not have sufficient Canadian money we must do it with money from other countries which see fit to invest in Canada. If we had that investment we would not need to spend as much money under the regional development plan which up to now has not shown signs of being successful.

● (8:40 p.m.)

[Translation]

Mr. André Fortin (Lotbinière): Mr. Speaker, a motion put forward by the Conservative Progressive party is now before the House, reading as follows:

That this House condemns the government's economic policies which have failed to curb inflation, have brought severe unemployment to at least 675,000 Canadians, have accentuated regional disparity and have failed to promote regional development.

Mr. Speaker, I for one fully endorse this motion of censure, for specific reasons which I would like to review quickly in order not to take up too much of the House's time.

Mr. Speaker, for 1971-72, the Canadian government's budget totals more than \$14 billion 352 million; that is the amount of its tax revenues. That is the budget the government now has to manage. How will this budget be used? Of course, priorities must be established.

On the threshold of the seventies, the federal authorities are facing new challenges. First of all, according to a consensus, it is hoped, with reason, that a better quality of life can be given to every Canadian.

Also, it is hoped that security of family income will be assured, especially for those on a fixed income, in other words those who are directly dependent on the country's economic situation.

Finally, and here again there appears to be a consensus, it is hoped that every Canadian may have the opportunity to participate in the Canadian economy, including

[Mr. Hales.]

those whose resources are limited, because they are mentally, physically or financially handicapped. Some Canadians, too many unfortunately, cannot participate in the economic activity of the country because of the following handicap. There will be 300,000 more young Canadians in their twenties in 1972.

That is thus to say that in 1972, 300,000 more young Canadians will be seeking employment in Canada. One can therefore see the problem which will confront us. If a monetary and fiscal policy consistent with modern times is not adopted, not only will it be impossible to find employment for those presently unemployed, either young or old, but it will be impossible to create jobs at a rate which will coincide with that of the increase in unemployment, thus resulting in the handicap which will face many Canadians, who will find themselves unable to contribute to the economic life of the country.

In view of that situation, the Liberal government resorted in its preceding budgets to two kinds of policy: First, the fight against inflation, because in its opinion, that was the crucial problem in Canada. It was necessary, he said, to prevent inflation from running away. So the government based its various measures on that priority forgetting all those others which I mentioned at the beginning of my remarks. Those measures, such as the restriction of credit and the increase in interest rates, have reduced the economic development in Canada so that Canadians are less in a position to play a role in our economy. We are suddenly experiencing an unemployment crisis which the government finds hard to bear because it is responsible for it. Unemployment has not appeared all at once, quite the contrary, it was anticipated.

The fiscal and monetary policies of the government have led to the state of affairs for which it is blamed today. This could have been foreseen since the government had given the priority to credit restrictions, higher interest rates, maintenance of the 11 per cent sales tax on building materials. The inevitable result is economic stagnation which leads to less individual participation or progress; we now wake up—and this is truer than ever—in an inordinately rich country, where destitution prevails.

Mr. Speaker, the government of Canada can influence the economic activity of the country through fiscal and monetary policies. Even the Prime Minister (Mr. Trudeau) said that his main weapon against inflation was credit restrictions.

We, of the Ralliement créditiste, claim that such a policy of credit restrictions does not check inflation but increases the economic unbalance.

Mr. Speaker, in view of those facts, the government must find more money. That is its problem today. If an hon. member or one of the people in the galleries went to the minister and asked him to approve any economic development project, he would be told: "Too bad, my friend, the government has no money." The answer is always the same. We have no money.

According to the government, taxes are in practice the only sources of financing. This year, more than \$14