

*The Budget—Mr. Stanfield*

no justification for this burden. This government, like the laissez-faire Liberals of the 19th century who objected to factory legislation that was designed to limit hours and conditions of work in the factories on the ground that this interfered with the workings of the unseen hand, these so-called middle 20th century Liberals, also object to doing something to take a little of the load off the backs of the elderly people on the ground that do to do so would interfere with the government's fight against inflation. What poppycock, Mr. Speaker!

I say that it is not necessary for the aged to suffer. I do not think the older people, or any of the rest of us, have to accept the "guff" that it is necessary for the elderly to suffer in the best interests of the country. This situation is not good enough. I should like to hear the Minister of Finance explain why it is necessary for these older people to bear this burden; why it is necessary for them to bear the brunt of this in the interests of fighting inflation. I hope that the minister will explain this not only to my satisfaction but to the satisfaction of the people of this country.

I have something harsh to say now, Mr. Speaker, but there are times when harsh things should be said. I do not want to direct my comments solely to the Minister of Finance; they have to be directed to, and accepted by, the whole government. I say this government is tramping on the faces of the poor and helpless of this country today. Look at what they are doing. Look at what they have done. How has the government fought inflation, apart from the ineffectual action they have taken, judging from the 1969 figures and the latest 1970 figures? What methods have they employed?

Traditionally they have fought inflation by raising taxes, particularly income tax. This, of course, has encouraged Canadians who pay these higher taxes to push for higher salaries or wages in the hope of being able to offset these higher income taxes that they have had to pay. Income taxes have been put up not over a period of just one year or two years, but each year that we have had inflation.

● (3:20 p.m.)

What is the other method that the government has been using to fight inflation? They are great people for putting some slack in the economy. The former Minister of Finance, the present Secretary of State for External Affairs (Mr. Sharp), said in the fall of 1967 that this government was prepared to put

some slack in the economy if this were necessary to fight inflation. Since then, this has become almost a fetish with the government. It has become virtually a theme with the Prime Minister (Mr. Trudeau). He said a while back that he was prepared to accept an unemployment rate of 6 per cent. That is exactly what he has got today, the highest rate in six years. I heard the Prime Minister say it is unfair to accuse this government of deliberately creating unemployment to fight inflation. What is unfair about it? What could be a more exact description of what the government is doing? If one follows a policy of slowing down the economy, it is inevitable that this will create unemployment, and one must accept the consequences of one's actions and intentions. This is certainly a deliberate intention.

We now come to the budget of the Minister of Finance. Is it not fair to say that the main thrust of his budget was to create more unemployment? I read the darn thing and I listened to him. I was trying to figure out why he presented such a budget at all. The only reason I could ascertain was that he was trying to convince the country he was going to create more unemployment and explain how he was going to do it. Otherwise he should have just filed some tables and let it go at that. He has done this although there is no excessive demand. I do not think there is anybody, including the Minister of Finance, who really argues that inflation in Canada is the result of excessive demand. The Economic Council of Canada pointed this out last summer, and that council received a severe attack from the Minister of Finance for making that statement. I think since then the Minister of Finance has pretty well had to agree that inflation is, in fact, not the result of excessive demand. I do not believe the Minister really pretends that it is.

The white paper—not the infamous white paper on taxation—of 1968 on the subject of inflation pointed out that the methods which had been pursued by the former Minister of Finance, and up to that point by the present Minister of Finance, were not satisfactory. That white paper recommended the appointment of a prices and incomes commission to advise the government as to how to fight inflation. Many times since that commission was established the government has pretended that the commission is really responsible for leading the fight against inflation in Canada. This has been the pretense and the