

Effect of Budgetary Proposals

out in the House the other day that the \$100 a month does not even restore the purchasing power of the pension to the equivalent of what it was when the present government took office.

Some hon. Members: Hear, hear!

Mr. Hellyer: So the old age pensioners, too, are worse off as a result of inflation. Moreover, they have not shared in the increases in productivity which have taken place. They have not shared in the increases in national output. It is difficult to comprehend the political and moral bankruptcy of the New Democratic Party when it applauds tax cuts which are less by far than inflation losses and endorses, however reluctantly, increases in old age pensions which similarly fail to compensate for inflation losses, apart from failing to provide senior citizens with a share of productivity increases.

I must admit I find it unfair that the Leader of the Opposition (Mr. Stanfield) should be criticized for moving the traditional want of confidence motion. He is doing nothing different from what leaders of the opposition have done traditionally. He is following the prescribed course. He is doing what is expected of a leader of the Official Opposition. He is doing what every leader of the Official Opposition has done in every parliament since parliamentary democracy began. The only thing that is different tonight is that if the NDP vote with the official opposition, as they have often done in the past when they followed their consciences, the government would fall.

The Leader of the Opposition has been totally responsible. He is consistent, too. During the election campaign, members of this party and members of the NDP said we thought this government was a disaster for Canada. We still think so, and at least on this side we still act on the basis of our conviction. Do we have a duty to keep in office a government which allows the highest unemployment levels in more than a decade?

Some hon. Members: No.

Mr. Hellyer: Do we have a duty to keep in office a government which allows the highest inflation rate in more than 20 years?

Some hon. Members: No.

An hon. Member: Yes.

Mr. Hellyer: I believe we do not. I believe we have a solemn duty to defeat this mediocre government of proven incompetence and to replace it with one which is truly contemporary.

Some hon. Members: Hear, hear!

Mr. Stanfield: And one that tells the truth.

An hon. Member: Little David is getting cross.

Mr. Hellyer: You know the song.

Little David was small,

But oh my!

I think that is a little thing they used to play in the pops. One thing is obvious. The present government is not con-

[Mr. Hellyer.]

temporary. Contemptuous, but not contemporary. The high rate of unemployment in Canada was government-induced. We all remember the television commercials, the Prime Minister (Mr. Trudeau) standing in front of the cameras and saying, "People say we do not have the guts to let unemployment rise to 6 per cent, but I say to them they are wrong." That is what the Prime Minister told the Canadian people. They are trying to forget it now.

The government induced high levels of unemployment by its tight money policy of 1969-70. As a matter of fact, the principal secretary to the Prime Minister admitted this during the election campaign until the campaign committee called him and told him to shut up and reverse his position. The hon. member for Verdun (Mr. MacKasey) believes it, too. I can see him smiling. He practically said as much tonight. That is where the unemployment came from—from the government's tight money policy of 1969 and 1970.

Mr. Lewis: And you were a member of the government.

Mr. Hellyer: No, I was not. I resigned before that, believe me.

Some hon. Members: Hear, hear!

Mr. Hellyer: I could see what was coming.

Mr. Paproski: David is getting hot.

• (2130)

Mr. Hellyer: If the combined annual rate of growth in employment from 1960 to 1966 of 3.1 per cent had been maintained, there would have been over one quarter of a million more employed people in Canada today. That rate compounded at 3.1 per cent during those years dropped to 2.5 per cent in the period 1966 to 1972. Therein lies the difference between a totally unacceptable, a totally immoral rate of unemployment and what might under other circumstances have been a reasonably acceptable rate of about half the present level.

The government's attempt to control inflation by monetary policy was not contemporary. The inflation, as has been stated by my colleagues in this House, is cost-push. It is something entirely different from classical inflation and requires entirely different treatment. The government's failure to come to the realization that only mandatory guidelines of some kind can cope with this situation is responsible for the fact that throughout all these years they have been trading off unemployment and inflation instead of pursuing the twin goals of low unemployment and stable prices. The government has stubbornly refused to face reality and so has the NDP, its bedmate in this situation. The results are unacceptable inflation and unacceptable unemployment, unemployment which is a national shame and a blot on the national conscience.

In face of this impossible situation, the Progressive Conservative party has grasped the nettle. It has put forward a three-pronged attack. First of all, we have proposed a much more expansionary budget than that brought down by the Minister of Finance. He has scoffed at the suggestion that we would increase the deficit beyond that forecast by him. He has stated that an additional cut in taxes of something of the order of \$2 billion would be highly