

*The Address—Mr. Stanfield*

trying to stay in school or college. Think of the cost of this to the individuals concerned, and think of the loss to the nation.

Then, there is the cost to government treasuries involved in a long period of slow growth such as this government has encouraged. Think of governments trying to meet the increasing costs of programs in areas of education, health and welfare, with their revenues levelling off as a result of stagnation in the economy.

There has been a lot of concern expressed about the rising costs of these programs. We ought to be equally concerned because the level of revenues is falling off, creating further pressures upon these governments to increase their taxes, or to provide inferior service in important areas such as education. The longer this short-fall continues, the longer we have this relative stagnation in our economy with its affect on unemployment and with its affect on government revenues, the more serious the difficulties become, and yet we have no recognition on the part of the government, in the Speech from the Throne, of these difficulties. This is irresponsible, Sir. Our present situation is the result of deliberate government policies. Relative economic stagnation with unemployment at nearly 7 per cent is the result of deliberately adopted government policies.

● (12:20 p.m.)

In 1968 the Prime Minister said to the people "Come with me". Where has he led them? He has led a lot of them into misery, yet the Speech from the Throne says that in recent months the unemployment rate has not increased significantly. That is not true. That is as complacent a statement as it would have been if it had been true. All this is being done in the name of fighting inflation, yet we have the highest rate of unemployment in the developed world.

The government seems to be happy because international bankers tell them to keep it up. The government is going around saying this is all the fault of the unions and business. The Prime Minister says he is a friend of the little man; some friend, Mr. Speaker. He is some friend to young Canadians looking for work and some friend to older Canadians trying to live on fixed incomes.

This is the modern outlook. This is the outlook of this modern, sophisticated, computerized government. We have 7 per cent unemployment. Is this to continue?

Does the government intend to maintain this slack in the economy? There is no real indication in the Speech from the Throne as to what its plans are. I said in 1967, when I entered this House, that to fight inflation by the deliberate creation of unemployment is inhuman and unacceptable. I say it again and I emphasize it. I deplore the cold-blooded acceptance of the situation by the government of the day. I say that unemployment insurance and income maintenance programs are no substitution for an adequate policy of employment. The government created this situation and the government can undo it. The government can correct it if it only has the will and the intention to do so.

[Mr. Stanfield.]

No country in western Europe accepts the creation of unemployment as an acceptable method of fighting inflation. In Germany, for example, they have something like 4 per cent inflation but they have 700,000 unfilled jobs. The amount of unemployment that exists in Canada today is not necessary, and it certainly is not the view of the Organization for Economic Development that this is the appropriate approach. The *Economist* has repeated time and time again that a policy of deliberately running the economy for a long period of time below its potential just will not work. This unemployment cannot be justified. What is the policy today? Are restraints to continue? I want to make it very clear that I think an economic policy of some sort is necessary in support of monetary and fiscal policy. I have said this for several years. It is clear that it is difficult to work it out, and I admit that. It is very clear that such a policy cannot be imposed on the economy. It has to be worked out in co-operation. Consequently a persistent policy of taxation by the government upon the unions and business is making the adoption of an incomes policy in this country virtually impossible because the government continues to poison the atmosphere.

The importance of growth, of course, suggests debate on tax policy. I will not take the House through this. Again, the Prime Minister invited Canadian people to come with him in this area but fortunately few have been prepared to come. After nearly a full year of debate, at considerable cost and with a good deal of uncertainty, the House of Commons committee has in fact torn up the government's White Paper and thrown it back in the government's face. The report of the committee is, in effect, a new white paper adopting, I would say, some 80 per cent of the views we in this group have been expressing in the House.

The question now is, what does the government propose to do? The language of the committee is polite but there is no question about the review. Will the government listen and will the government heed? I ask again, will the government proceed immediately to give some income tax relief to Canadians with low incomes?

Speaking of the just society, what has been done for the quality of life in Canada? I have spoken about unemployment; I have spoken about poverty and I have spoken about youth. In all these areas, we are further away from the just society than we were two years ago. Housing is well below the need. The government's objective was one million homes in five years. We are running well below that at this time, yet what is the policy? We have seen it reported that the minister responsible is pleading with financial institutions in this country to put more money into housing. What sort of a policy is that? That is merely pleading. The government has used housing, as the Economic Council of Canada warned it should not do, to serve as an economic balance wheel. It has slowed things down and now the people are paying the price. The increasing shortage has increased the price of homes, and pushed up the cost of loans and made student accommodation scarce.