

Control of Inflation and Unemployment

are driven to the next step, and that is a thoroughly planned economy. This is not the policy I support.

● (3:50 p.m.)

From my observation, no country in the world has succeeded in developing a satisfactory planned economy as that relates to the manufacturing and distribution of consumer goods. What we are talking about surely, and this is what the Prices and Incomes Commission was talking about, is a method of breaking the inflationary psychology which will give us a chance to come back to an even keel and allow our traditional policies to have a chance, which they have not had during the last few years, of maintaining our affairs on an even keel. I do not hesitate for a moment to support the efforts of the Prices and Incomes Commission. Admittedly, the consensus that has been reached is far from perfect, but I am delighted with the progress that has been made and must say that the reliance of successive ministers of finance on tough fiscal policies which have done a great deal of damage to various parts of the country is, in my view, completely unjustified.

Successive ministers of finance have not succeeded in controlling inflation by these methods. Despite the minister's evasiveness, I hope the government will follow through the limited consensus which has been reached with a consistent, sensible and humane policy that is consistent not only with price stability but with the concept of justice in the country, a concept which has been totally lacking on the part of the Minister of Finance, the Minister of Consumer and Corporate Affairs and other ministers on the government side. It has been totally lacking.

Let us see what has happened. We have heard much about the cutbacks the government is to introduce in public service employment, yet when I examine the figures published in the book I hold I see that between September 30, 1968 and September 30, 1969 the number of employees in the government service has increased; the number projected for one year hence is higher than the number now employed. What then is all this talk about that we have heard since last summer about cutbacks in the numbers of government employees?

Mr. Dinsdale: Propaganda.

Mr. Stanfield: When one examines the government's own figures it is evident there has been no cutback. The number of employees

[Mr. Stanfield.]

on strength as of September 30, 1968 was 236,000, and as at September 30, 1969 was 4,000 higher, at 240,000. The projected strength as at March 31, 1970 will climb to 248,000 employees.

If one looks at reports one will not see evidence of an expansion in government expenditures in slow growth areas of the country. For example, if you look at the public works' estimates, the public works have been used by humane and wise governments as a means of doing something useful and at the same time providing real relief, you will see that the estimates for this year are down for Newfoundland, Nova Scotia and New Brunswick. They do not even seem to exist for Prince Edward Island, although I know that they are included in the government's estimates. Public works estimates are also lower for Saskatchewan. At the same time you will see provision in the estimates for a new sort of overseas club to suit the ego, I suppose, of the Secretary of State for External Affairs. You will also find cutbacks in the defence expenditures, particularly across this country; at the same time the government intends to spend millions of dollars building a new defence headquarters. That just does not make any sense. What the government says just does not add up.

It seems to me that now it is almost impossible for the government to explain why it has stuck for the past two years to its policy of deliberately slowing down the economy, why it has been so low and unimaginative in seeking alternatives and why it stubbornly refused to accept approaches it now is gingerly allowing the Prices and Incomes Commission to venture into. I and others have made suggestions to the government about action in these areas for the past two years. I should like to hear the Minister of Finance explain why he pooh-poohed this type of approach and whether he now means to take action. Perhaps he does not mean to do anything about our present situation; perhaps the government is merely taking us through another charade.

We see high unemployment figures for slow growth areas of the country. I am concerned about those areas and about the people or workers in this country who are unorganized. To help these people we must use the tools available to us, and I say that a program of guidelines represents a tool that has been available to us for some two years. For a long time the government has refused to use it and we still don't know whether it is prepared to