

The Budget—Mr. Gilbert

a crown corporation. You could perhaps expect someone to come on to your land with a gun or an army and to take it over, but surely we are entitled in Canada to some protection from government agents.

I thank you, Mr. Speaker, and hon. members for their indulgence in allowing me to complete my remarks.

Mr. John Gilbert (Broadview): Mr. Speaker, I am rather disappointed that the Minister of Finance (Mr. Sharp) is not in the house to hear these remarks because I was going to tell him that the fact he has made two speeches on the economic state of the nation within the last few days indicates the seriousness of the situation and the inability of the government, more particularly his own inability, to cope with the problems and to provide adequate solutions. One could expect the Minister of Finance to show the Canadian people how to manage their affairs. One could expect him to balance the books of the nation so that all debts would be paid and frugality and good management would produce prosperity and stability.

There are three examples I want to set before the minister which belie these assumptions. Things have gone wrong in our so-called prosperity. First of all let us look at the consumer price index which has shown a steady increase. The D.B.S. figures show that in July, 1965 it stood at 139.5, in July 1966, at 144.3 and in July of 1967 at 150.2. There is no sign of any halt in the increase in the consumer price index.

What this means to Canadians is that this year they are paying \$150.20 for purchases for which they would have paid \$100 in 1949. The people whom this situation affects most are those in the fixed income bracket, more especially old age pensioners and people who have received pensions from companies. It also strikes very hard at the low income groups. This is the effect which the policies of the government have had on the Canadian economy.

My second point is with regard to unemployment which has been a festering sore on our nation for many years. The Dominion Bureau of Statistics informs us that since 1965 there has been an upward trend in

unemployment despite occasional seasonal fluctuations. In July, 1967 the number of unemployed stood at 330,000 in absolute figures. Shown a percentage of the labour force, the number of unemployed has increased steadily since the end of 1965 despite periodic declines. Graphs published by D.B.S. indicate a steady increase in unemployment since the beginning of 1966. In fact the D.B.S. tables, which are adjusted for seasonal variations, vary across the country. In the province of Ontario the number of unemployed is 3.5 per cent. In the Atlantic provinces unemployment is 6.8 per cent, and in the province of British Columbia, the Minister of Labour's home province, unemployment stands at 5 per cent. This is not a very encouraging picture with regard to the unemployment problem in Canada today.

The third item which should be brought to the attention of the government is the fact that interest rates have soared. The government has announced that the N.H.A. rate will be fixed at 8.25 per cent. This means that conventional mortgages will range from 9 to 9.25 per cent. I notice that the Minister of Labour is shaking his head. During the debate he told us that this was the maximum figure and that he hoped the lending institutions would not take advantage of it. He must have read in yesterday's newspapers that the guaranteed investment certificates of the National Trust Company now pay 6.75 per cent. Anyone with business experience must realize that these institutions must have an interest rate differential of at least 2 per cent so as to make a profit.

Mr. Nicholson: Would the hon. member permit a question? Does he not know that the standard differential between N.H.A. and conventional mortgages is .5 per cent? This is accepted right across the country.

Mr. Gilbert: Mr. Speaker, I dare to challenge the minister's statement. In Toronto alone the margin is at least .75 to 1 per cent. I would be very pleased to show him figures to prove that. Mr. Speaker, may I call it six o'clock?

At six o'clock the house adjourned, without question put, pursuant to standing order.