

Canadian Economy

not with other countries of the world. This government has been a complete failure in dealing with these issues. It has not done anything of consequence with regard to inflation. In spite of promises from 1972 on, no effective legislation has been brought before the House to deal with price gouging, profiteering, or whatever label you want to give it. On many occasions our party has called for the establishment of an effective prices review board, one with teeth to enforce some effective control and review the mechanism in respect of price gouging in the market. The government has not seen fit to bring forward anything of substance in this area.

The budget of last fall was an opportunity to deal with inflation in some way, at least in terms of its effects on average and low income people. However, it was one of the most regressive budgets in years. It was regressive even in terms of Liberal standards—which is pretty bad. At the top end of the income tax scale there were tax cuts of \$700, going all the way down to a few dollars at the lower end of the scale which affects the poor people. Those not in a position to pay any income tax got nothing out of the budget.

A progressive budget, in terms of easing inflation, would have had something in it for both poor and average income people. Instead, it removed the subsidy that existed on an essential product, milk. It should have extended federal subsidies to essential products, particularly food, so that low income people could at least be assured of a nutritional diet in times of an inflating economy. Instead, the government moved in a clearly regressive way, removing the subsidy on milk which had been put on in a minority government situation.

The government did not do anything in its budget, nor has it done anything since, about revamping the pension structure in Canada either directly in terms of pensions under federal jurisdiction or indirectly by bringing forward legislation to provide any kind of incentive, financial or otherwise, to the private sector to revamp their pension plans so that people so badly hit by inflation, particularly those on fixed pensions, would be in a better position to eke out a reasonable existence.

Another area in which the government has not acted is with respect to its whole wage and salary policy vis-à-vis its own employees. In the view of our party, recent and current strikes in the public service are overwhelmingly the responsibility of the government. I say this because Treasury Board has not seen fit to make wage proposals to the blue collar workers in particular to enable them to make up for lost income as a result of increases in the cost of living. The government has failed to provide an adequate salary proposal to enable these workers to cope with increasing levels of inflation which are predicted for the years ahead. This is an area where the government could have acted directly in terms of its own employees. However, it has not done what it should in terms of easing the impact of inflation. It has not helped those whom it employs directly, nor has it indirectly set a moral precedent that might have had some kind or impact on the private sector.

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We have continued, and in fact strengthened, our traditional role as an exporter of raw materials and an importer of finished goods. Current figures show there is a surplus in our trade of raw materials amounting to some \$8 billion: this represents the value of the raw materials we are exporting in excess of those we import. As a result of this surplus we enjoy a slight over-all trade balance.

What does this mean? It means that aside from the impact on our trade and on the value of the Canadian dollar, we are, in effect, exporting countless jobs because, as I have explained, the jobs which arise in the resource sector do not compare, in terms of numbers, with the jobs that arise in the manufacturing and processing sectors per dollar of investment. Thus, the more we depend upon the export of our raw materials, the greater the loss of jobs we shall suffer in the years ahead. The situation is analogous to that of the farmer who decides to pay off his debts by selling a quarter section of his land each year. We all know it would not take long for the farmer to go out of business. If we continue, as a country, along the lines the Liberal Party has been following, we shall find ourselves in the position of that farmer before very long.

The most recent significant policy initiative announced by the government—I refer to the Syncrude project—reinforces this trend toward both the sale of our raw resources and the domination of foreign ownership. If I wanted to single out the most symptomatic project of this kind in the history of Canada, I would point to Syncrude as being the best, or perhaps the worst, example.

In short, in this aspect of the economy the Liberals remain what they have always been, particularly since C. D. Howe gained the great influence which he exerted over the party—a party ready and willing to sell out our resources to our neighbours to the south, instead of providing the economic leadership which would entail, as a minimum, a national plan designed to include an industrial strategy for developing our own resources instead of selling them off. Included in such a plan would be provision for federal government involvement in all major investment decisions affecting the economy. This is the kind of action which is required and it is the kind of action the government has failed to take.

I wish to refer, now, to two particularly odious consequences of the absence of a national economic policy. The first is poverty. What are the dimensions of this problem? Does it affect merely a handful of people, as some appear to think? Here are the facts. In 1973 there were almost six million Canadians—5,778,000, to be exact—living at or below the poverty line in our country, according to Statistics Canada. How, in particular, are the children affected? Surely, one of the most moving and disturbing reports which has ever come into our hands is, that which came out last week—all members of parliament received a copy—prepared by the National Welfare Council and entitled, appropriately and sadly enough, "Poor Kids".

What did we learn from that report? We learned that one out of every four children in Canada lives in poverty. In gross terms, 1.7 million Canadian children live in pover-