

*Failure to Reduce Prices to Consumers*

imaginative program to deal with the problems that these people face. But instead we got a rehash of the same thing we have heard in this house for many months, with nothing new whatsoever.

If he and his government had been concerned with the problem you would have thought he would have done something to deal with the unorganized workers, the regionally impoverished workers, the persons living on pensions. You would have thought the government would have implemented the Woods report recommendations dealing with veterans pensions. But no, the government has waited over a year and done nothing with respect to that report. You would have thought the government would have been concerned about retired civil servants living impoverished lives. But no, it has not acted to increase the pensions of retired civil servants. The Canada Pension Plan, in which there is a wonderful 2 per cent escalator clause, is absolutely useless in an economy which has an annual inflation rate averaging four per cent. Even with a 2 per cent pension increment, the people receiving it must live at a 2 per cent lower standard of living.

You would have thought that the government, dissatisfied with a winter works program which had some faults and there is no doubt about that, would have revised that program; made it more imaginative and expanded it. But no, the government scrapped the winter works program. Again you would have thought that the government of one of the few countries in the industrialized world which in the last 10 years had an average unemployment rate of around 5 per cent—and some 40 per cent to 45 per cent of Canada's unemployed are located in Quebec alone—would have adopted a crash program to deal with unemployment. But of course, we have nothing like that.

On paper we have a very good program to deal with regional economic disparities, but in the current budget only a few paltry millions of dollars are devoted to it. You would have thought the Watkins report recommendations would have been dealt with in some meaningful way by the government, but again we have seen no action. Instead, what do we get? We have had a series of measures which reveal the Herbert Hoover mentality of the government. The solution favoured by the government is one which has been favoured by governments for some 30 years, that is to have sound fiscal and monetary policies.

• (5:50 p.m.)

What does this mean? It means, of course, an effort to cut down wherever possible in the public sector of the economy. We receive little homilies from the Minister of Finance (Mr. Benson) and the Minister of Consumer and Corporate Affairs day in and day out on this. I should like to make two points on this issue. First of all, if we are concerned at times in the short run about inflation and if we do want to cut back on investment expansion, why must we always concentrate on the public sector? Why are no selective cut-backs in force in the private sector of the economy? Do we need more office buildings which cost millions of dollars in Montreal or in any other city? Do we need more gas stations? Do we not need in fact some control over the sector of private income which selects investments when we decide to cut back to deal with inflation? Some people think we should not cut back when there is a need for houses. They believe that we should perhaps pour millions of dollars as directly as possible into a corporation which would be responsible for housing. But a government so committed ideologically to a privately dominated and privately run economy can think of cutting back in only the public sector. Such a government then has the nerve, in my judgment, to go to the public and say it is doing the public a favour when in reality it is cutting back on funds for housing, hospitals and schools in an already impoverished public sector of the economy.

I should like to leave that point because, although I believe it is important, I do not think the principal method of dealing with inflation should be this kind of selective action with a bias in favour of private interests and against government initiative in creating a fully employed work force. We need an expanding and efficient economy. In short, we should have had white papers which contained policies for full employment. To my knowledge, never in the history of this country have we had such white papers. We receive papers such as the one concerned with policies on prices, or whatever it was, which we received just before the new year.

What should be done? I think we should quit fooling around with meat prices and items of this sort. What we should be concerned with is developing an economy which is as independent as it possibly can be in a modern interdependent world. This means we must free ourselves from the overwhelming influence of the United States economy. We