

Economic Policies and Unemployment

All well informed people have denounced—and at a higher level, one of the most serious economic crisis we have experienced in 1964.

[English]

An hon. Member: Twice the national average.

Mr. Valade: Twice the national average, as my hon. friend says.

[Translation]

There is also a disturbing trend. I shall come back to it later.

All responsible people have denounced the government policy, namely, the restrictions on credit and the white paper proposals. The most experienced economists have questioned that policy. In a very interesting article published in *La Presse* of Montreal, on January 24, 1970, and entitled "Review and Outlook of the Canadian Economy in 1970", Mr. André Beauman, a very well known economist and consultant engineer, had this to say about the "Bensonian" policy:

Action taken against inflation by the federal government is already quite detrimental enough to Quebec.

As a matter of fact, in view of the present unemployment rate there, those steps run counter to the economic incentives needed by Quebec and furthermore can only increase the industrial gap that has always existed between Ontario and the other provinces.

One could go on indefinitely quoting expert economists who unanimously reject the government proposals as a solution to inflation.

The new Quebec premier, Mr. Bourassa, in the last days of his election campaign, was compelled to denounce the federal government's policy in this regard.

Other authorities who know all about economic stability could also be quoted. As a matter of fact, Professor Richard A. Musgrove, in a paper entitled "The Optimal Mix of Stabilisation Policies" and reproduced in a brief submitted by the C.N.T.U. to the federal government said, and I quote so as to further enlighten, if possible, the Minister of Finance:

• (12:20 p.m.)

[English]

The other possibility is to insist on price level stability, while letting employment drop to whatever level it may. This approach is not only absurdly inefficient and unjust, but it is altogether unrealistic. Sustained unemployment is incompatible with social stability in our society.

[Mr. Valade.]

[Translation]

This is an economist who knows what he is talking about. Indeed he tells the Minister of Finance and the government bluntly that their economic policy is wrong, bad and irresponsible.

We have said it before and we will repeat it as often and as long as necessary, even without any hope of bringing the minister to reason, in order to draw the attention of the Canadian people to the tremendous blunder they made when they entrusted dangerous amateurs with the destiny of this country.

Mr. J.-A. Mongrain (Trois-Rivières): You are not serious.

Mr. Valade: Mr. Speaker, if I am not, thousands of jobless are serious when they consider the plight of their families.

As you are the member for Trois-Rivières, representing an area particularly affected by unemployment, you must tell us whether or not you agree with the government's policy. You must tell us whether or not you agree with the hundreds of families who are starving in your constituency of Trois-Rivières and who cannot rely on the central government—

The Acting Speaker (Mr. Béchard): Order. I should like to point out to the hon. member that his remarks must be directed to the Chair.

Mr. Valade: Mr. Speaker, I was replying to the hon. member for Trois-Rivières, and if he challenges me again, I shall reply in kind.

About 540,000 unemployed people cry out in anguish, hoping to be heard by those who have been elected to build up a "Just Society".

The highest priority in Canada is not the economy, but unemployment. We must therefore deal with it.

When 9 per cent of the people in Quebec suffer from unemployment, 10 per cent in the Maritimes, and almost 7 per cent throughout Canada, I think the matter requires consideration. The government has no right to remain indifferent to this human problem. Its first duty is to take immediately the measures required for improving the situation before it reaches despairing proportions.

Is the pride of the Minister of Finance more important than the elimination of unemployment?

Statistics are sometimes eloquent, Mr. Speaker, and the Minister of Finance would