

Regional Development Incentives Act

costs of which may be shared when supplied to needy persons, are broadly defined to mean medical, surgical, obstetrical, optical, dental and nursing services and include drugs, dressings, prosthetic appliances and any other items commonly associated with such services. Under this provision the federal government is prepared to reimburse the provinces 50 per cent of the cost of contraceptive medication and devices prescribed for persons who have met a test of need.

The cost of the services of physicians and related medical personnel involved in the provision of family planning services as part of the health care program for needy people is shared on the same basis, to the extent that these are not supplied through other federal-provincial programs such as hospital insurance and medicare. All provinces are using this provision to some extent and it is expected that as a result of recent federal initiatives increasing use will be made of it.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair to resume same at eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

The House resumed consideration of the motion of Mr. Marchand (Langelier) that Bill C-205, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

[Translation]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in participating in the debate on the motion for second reading of Bill C-205, I would first like to tell the Minister of Regional Economic Expansion (Mr. Marchand) that I recognize that the state is striving to promote industrial growth in Canada. When I see the big smile on his face, I am satisfied that his hopes are even greater than he said this afternoon during his rather brief statement.

I hope that the results of this measure will match the hopes expressed by the minister. Nevertheless I have grave doubts as to the expected results, because we are saddled with an economic system whose shortcomings prevent it from being attuned to present-day realities.

[Mr. Foster.]

If the present economic system was truly ideal and efficient, we would not be continuously faced with problems of unemployment, malnutrition and poverty in the midst of affluence, except perhaps in periods of wars, when these problems are exceptional. When we have reached a situation where the state has to inject millions of dollars in industries, this is certainly not an indication that our economic system is healthy. This does not mean however that I am opposed to the bill now under discussion, but I would like to show that we must also use other means, take other measures and implement economic reforms if we are to get still more beneficial results for the people, and especially for the working class.

Major Douglas, a Scotch engineer, had found the major defect in our economic system more than 50 years ago, and summed up his philosophy in this quite simple sentence: Production does not finance consumption. In other words, there is not enough money put into circulation within a production cycle to enable consumers to purchase all the goods produced. It has been proven. He was right. Let us consider the facts.

During World War I, that is the 1914-1919 War, in order to finance the Canadian war effort, the government had put money, which is purchasing power, in the hands of the Canadian consumers since many workers were getting paid for manufacturing armaments such as machine-guns, tanks, etc. Consequently, the population's demand for consumer goods increased. Plants producing civilian goods were in full operation. In those days, Canada experienced an unprecedented industrial boom.

I was then living in the Eastern Townships and I remember that all the manpower available was being recruited for work related to the development of our natural resources. In fact, not only was there no unemployment but even school children had jobs.

• (8:10 p.m.)

After the 1919-1929 decade, mass purchasing power dropped dramatically and we faced an economic crisis. What happened during that recession?

A great many industries went bankrupt, since lack of solvent buyers for their production forced them to close down, and they were taxed with bad management.

The same thing happened to farmers, many of whom had made commitments during 1918-19 when agricultural products were at their highest. When the subsequent period placed them in an impossible position, they were taxed with incompetence.

During the period from 1929 to 1939, unemployment stood at a record figure. In turn, the unemployed were upbraided for their heartlessness and their laziness. We saw some of them working for 20 cents a day. They were called "the 20 centers". I lived through those times that we are about to live again. I refer to this situation in order that we may learn a lesson, not to be plunged into similar circumstances.

I remember that at that time, when a young man was courting a young lady, he could not make serious plans