

from the other side. We are a very charitable group. We find it very difficult to understand why the government has created unemployment as a matter of policy. We think about this once in a while. We like to think they must have had some reason for making Canada the laughing stock of the world.

When you speak to a worker from Germany or any other country about the level of unemployment that exists in Canada, he finds it impossible to comprehend; he just does not understand it. When you tell him that the government which the people of this country elected did it deliberately because they thought it was a good thing, it becomes more impossible to comprehend. And not only workers in countries which do not have our level of unemployment find it difficult to understand. When I tell someone in my riding who is unemployed and suffering the effects of unemployment that the government of Canada did this, he does not believe me. Canadians are very prone to praise their governments. They have a great deal of faith in their governments and want to believe in them. They do not want to believe that the federal government would do such a terrible thing to them. In fact, their government has broken faith with them. The government which they thought they could trust, cannot be trusted. The evidence is before their eyes.

We must go further and ask why the government believes that unemployment has to be created and that inflation is such a terrible problem, particularly when every country in the world is undergoing inflation. All the evidence has been placed before this government by committees of the House of Commons and independent economists. Virtually all the people who have examined this problem have told the government that there is a limit to what can be done about inflation.

● (9:20 p.m.)

It is almost impossible for a country to have a better record of inflation than its trading partners. It is obviously not impossible to have a better record if you are prepared to pay the price, and the price is horrendous in its effect upon individuals and their lives. This government has been ready to pay that price. It has ignored all the advice which has been given to it. It has ignored the conclusions of committees of the House of Commons which have examined the subject of inflation, and it has pursued its own ideology.

An hon. Member: Idiocy.

Mr. Saltsman: Perhaps that is a good term for it. There is a myth in this country which the government has accepted because it is one favoured by friends, by those who keep it in office and support it at the top level: it is that because we are an exporting nation there has to be a certain amount of unemployment. After all, unemployment is the whip, the discipline of the labour force and without unemployment the labour force would become totally unruly and we would be unable to export goods, and in the absence of such control we would price ourselves out of world markets!

Alleged Failure to Improve Economy

Mr. Mahoney: Is that your policy or somebody else's?

Mr. Saltsman: It is the kind of policy you have been pursuing.

Mr. Mahoney: I don't recognize it.

Mr. Saltsman: The exporters of raw material want unemployment in Canada. It is good for them. After all, they do not depend on the prosperity of this country for their survival; they want prosperity in somebody else's country. They want employment in somebody else's country but they want unemployment at home. This is not true of all businesses. There are many businesses which depend on the purchasing power of the workingman. If the workingman is out of employment, these businesses would be unable to sell their products or services to him.

There is a group of exporters which I believe has tended to dominate the opinions of government and press its views on government. This group has tended to equate the prosperity of this country with the export of raw materials, and I believe its view has prevailed. This is one of the attitudes which must be countered. Even the Minister of Finance (Mr. Benson) expressed concern in a speech he made the other night, as reported in this morning's paper, that by exporting our raw materials we might be inhibiting our manufacturing industries. He is concerned that our manufacturing industry is not developing as it should. The reason is obvious. It is because of the favouritism which has been shown to the resource industries. Let the government deny this if it can.

When the Carter commission suggested that the mining, oil and gas industries should be treated less leniently, the government backed off in its white paper. Before the committee which was examining the white paper had an opportunity to report, the government backed away still further and as a result the resource industries retained the benefits they had always enjoyed. It is not possible to stimulate one section of the economy without in some way disadvantaging another. Nevertheless, the government has continued its policy of favouring the resource-based industries and giving them everything. Had these policies resulted in the extraction industries remaining in Canadian hands or making a substantial contribution to the economy, they might have been excused or understood; but this has not been the case.

These industries have not paid their full share of taxes, as has been well documented by a former Minister of Finance, Hon. Walter Gordon, in his book "Choice for Canada." The Carter commission report showed they had not paid their way in terms of social costs, as evidence by abandoned townsites and badly treated employees, and that they had not paid their way in terms of providing adequate job opportunities for the growing labour force.

A great deal has been said today about unemployment. Several of my hon. friends have made suggestions as to what we should be doing, so this has not been an entirely negative debate. I sincerely hope that somehow or other something will get through the skulls on the other side of the House, that some since of humanity will permit them to realize that the great evil our society should not bear