

Economic Policies and Unemployment

is attached by Dr. Young and by the Prices and Incomes Commission were "the first resort of politicians who do not wish to face up to the problem of inflation." Mr. Galbraith said they had not worked in any other country and they would not work here because they struck at the very people who most need assistance. In this connection I think of hospital workers and those employed in the unorganized sectors of our society. Again, we shall have to wait and see. The deflation psychology, if it is not bringing down prices, is certainly contributing to unemployment. We heard recently that the CPR has set out a directive to lay off 10 per cent of its clerical staff—some 1200 people—and recently the Dunlop plant closed, as a result of which 600 men lost their jobs. I was interested to read in the *Globe and Mail* of April 23 a comment of the Leader of the Opposition (Mr. Stanfield) in regard to these lay-offs. He said:

• (3:40 p.m.)

I want to make it clear that I have no secret formula to prevent a plant closing. I say very frankly that I do not know how to prevent it unless you resort to a planned economy.

I am pleased to see that the Leader of the Opposition believes that a possible solution lies in what a number of western European countries have done, that is, the employment of a planned economy. Perhaps Sweden is the best and most notable success story in this regard. Although Sweden's economy is planned, it still remains a mixed one. To a large extent market forces in that country are free to guide the direction of economic trends.

Mr. Osler: Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Richard): The hon. member rises to ask a question.

Mr. Osler: Apropos of a planned economy, I wonder if international factors would still be allowed relative freedom as they are in Canada? Perhaps I should illustrate this point for the purpose of asking my question. We are now allowed to import capital from other countries. We are now allowed to have labour unions which originate in other countries. Indeed, the hon. member's colleague from Winnipeg North (Mr. Orlikow) recently asked labour union representatives in Winnipeg to be sure to vote for a U.S. union so that it would be large and powerful enough to be able to break the government's policy to deal with inflation this coming year. It seems to me that you cannot have it both ways. If you

[Mr. Rose.]

are going to allow international unions to intervene and to use their great monetary support to break government policy, you cannot have a planned economy.

The Acting Speaker (Mr. Richard): Order. I ask the hon. member to put a question. He has made a very long interruption and I do not think should be allowed to proceed.

Mr. Rose: Thank you, Mr. Speaker; you took the words right out of my mouth. If the hon. member across the way wants to make a speech, then let him prepare one in the normal way and not take up my time, which is limited to 20 minutes. I really do not know what his question was, but I would suggest to him that we have found it necessary in Canada to have strong international unions because we are constantly up against strong international corporations which own up to 80 per cent of some of our industries. The multinational corporations are causing this country a great deal of difficulty in one way or another. As I was saying before there were a number of catcalls from the benches opposite—

Mr. Osler: You mean, a penetrating question.

Mr. Rose: —to a large extent market forces are free to guide the direction of economic trends. The government in Sweden intervenes only in order to ease the function of the market economy. It secures work for the released, provides progressing regions with new employment opportunities and facilities. In other words, the government intervenes only to repair the damage done by the free market forces in the country. Incidentally, with regard to the Dunlop situation there are laws in Sweden that require advance notice of any intended lay-offs or shutdowns. The Freedman report recommended the same thing, but the government has not taken any action in this regard.

We are moving in the direction of a planned economy, too. We have incentives in areas that are disadvantaged. We learn from the Minister of Regional Economic Expansion (Mr. Marchand), who made a statement on motions on April 22, that millions of dollars in grants and loans have been made to Newfoundland and in New Brunswick. This money will be spent to repair the damage done by market forces. I for one did not hear a single member of this House criticize these grants on the ground that this action was socialistic.